



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	HB0623	Title:	Generally revise office of political practices
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Primary Sponsor:	Osmundson, Ryan	Status:	As Introduced
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- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$170,512	\$160,262	\$160,445	\$160,631
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u><u>(\$170,512)</u></u>	<u><u>(\$160,262)</u></u>	<u><u>(\$160,445)</u></u>	<u><u>(\$160,631)</u></u>

Description of fiscal impact: HB 623 would create a campaign practices and ethics review board consisting of four volunteer members to be appointed by the governor. Anticipated expenses would be greater than the \$9,000 general fund authority appropriated to the Commissioner of Political Practices (COPP) for board expenses.

FISCAL ANALYSIS

Assumptions:

- Under HB 623, all campaign practice and ethics decisions need to go the commission. Advisory Opinions do not go to the Commission. The Commission has authority to decide whether or not to pursue (“prosecute”) any campaign practice or ethics matter.
- The State of Alaska is the closest example to the Commission form of campaign practice management. Alaska has a population of 750,000 and has 100 elected members combined in its state House and Senate. It uses a 5 member Commission form of campaign practice complaint prosecution. The Commission is supported by an Alaska Public Office (APO) Commission staff of 11.50 FTE (annual budget \$1,515,000) along with dedicated 1.20 FTE in the Alaska Attorney General Office. APO staff present 12 to 15 complaints per year to the Commission (along with Advisory Opinions) with five of their staff making presentations, according to the complaint they are taking the lead on.

3. In the past 5 years Montana has had a low of 2 (2011) and a high of 30 (2010) sufficiency decisions reached by the COPP. In 2014, there were 27 sufficiency decisions reached on complaints filed. The variance in sufficiency decisions is largely due to vacancy in the Commissioner position (lack of confirmation). For the purposes of this fiscal note, 2014 is the best example because COPP had a Commissioner in place the entire year. Accordingly, the COPP assumes 24 decisions recommending prosecution will come before the Commission.
4. Using the experience of this office and the Alaska example, the Commission form will require 2.00 additional FTE (an administrative/paralegal staff and an attorney). Going before the Commission will increase staff time needed to arrange the Commission meeting, send materials to the Commission, and present to the Commission. The cost for the additional attorney is \$83,177 including benefits per fiscal year. The cost for an additional administrative assistant/paralegal is \$64,869 including benefits per fiscal year.
5. Additional staff would require the purchase of office equipment in FY 2016 estimated at \$5,800.
6. Currently the Political Practices has 6.00 FTE plus the Commissioner. The 7.00 FTE are housed in two separate houses on campus. The current office space would not accommodate two additional FTE. The estimated additional rent for a larger facility on campus adequate for 9.00 FTE will cost approximately an additional \$8,208 per fiscal year. The estimated cost to move to an adequate facility is \$10,000 including moving, network administration, telecom, etc. in FY 2016.
7. New Section 1 (5) states that the board shall meet by conference call when feasible. It is assumed all cases would be presented via conference call and no travel, lodging or meal expenditures are estimated. Travel reimbursement would be an additional expense to the general fund but is undeterminable at this time.
8. The average case file for a sufficiency finding is 300 pages. Total cost to mail material to four members annually is \$4,008. Copies would be \$2,880 annually (300 pages x 24 cases x 4 members x \$.10 copy charge per page double-sided). Staff would also need additional office supplies such as binders, dividers, paper, and envelopes. The average cost for the additional supplies will be approximately \$34 per month, or \$1,128 per fiscal year. Postage would be \$720 (24 cases x 4 members x \$7.50).
9. A 1.50% inflation factor is applied to FY 2017 for rent, materials, and mailing expenses.
10. Administrative rule changes are required for the implementation of a Commission. The cost is \$50 per rule replacement page. COPP estimates that the rulemaking updates and new rule implementation will require up to five adoption notices or \$250 in FY 2016.

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
<u>Fiscal Impact:</u>				
FTE	2.00	2.00	2.00	2.00
<u>Expenditures:</u>				
Personal Services	\$148,046	\$148,046	\$148,046	\$148,046
Operating Expenses	\$22,466	\$12,216	\$12,399	\$12,585
TOTAL Expenditures	<u>\$170,512</u>	<u>\$160,262</u>	<u>\$160,445</u>	<u>\$160,631</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$170,512	\$160,262	\$160,445	\$160,631
TOTAL Funding of Exp.	<u>\$170,512</u>	<u>\$160,262</u>	<u>\$160,445</u>	<u>\$160,631</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$170,512)	(\$160,262)	(\$160,445)	(\$160,631)

Sponsor's Initials

Date

Budget Director's Initials

Date