

A= FY 2015, Executive authority with OTO but NOT continuing biennial appropriations.
 B= Total Executive Request for 2017 Biennium.
 C= FY 2015 Legislative Appropriation, no OTO, includes HB 2, HB 13, HB 377, HB 454 and SB 175 from 2015 Session.

Exhibit No. 1
 Date 1-7-15
 Bill No. _____

11040 - Legislative Branch

SUMMARY

Agency Budget Comparison

The following table summarizes the total proposed budget by year, type of expenditure, and source of funding.

Agency Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Budget Fiscal 2016	Budget Fiscal 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	134.22	134.22	133.22	138.39	134.22	138.39	4.17	3.11 %
Personal Services	9,983,340	11,547,781	11,376,976	11,380,424	21,531,121	22,757,400	1,226,279	5.70 %
Operating Expenses	2,813,090	3,516,096	3,717,429	3,292,410	6,329,186	7,009,839	680,653	10.75 %
Equipment & Intangible Assets	35,837	50,000	80,000	20,000	85,837	100,000	14,163	16.50 %
Transfers	0	80,000	85,000	85,000	80,000	170,000	90,000	112.50 %
Total Costs	\$12,832,267	\$15,193,877	\$15,259,405	\$14,777,834	\$28,026,144	\$30,037,239	\$2,011,095	7.18 %
General Fund	10,614,797	13,046,275	12,666,333	12,740,290	23,661,072	25,406,623	1,745,551	7.38 %
State/Other Special Rev. Funds	2,217,470	2,147,602	2,593,072	2,037,544	4,365,072	4,630,616	265,544	6.08 %
Total Funds	\$12,832,267	\$15,193,877	\$15,259,405	\$14,777,834	\$28,026,144	\$30,037,239	\$2,011,095	7.18 %

Mission Statement

A Ties to Appropriation Transactions

B Ties to funding table, budget category table.

The mission of the Legislature is to exercise the legislative power of state government vested by The Constitution of the State of Montana. The mission of the Legislative Branch, i.e., the consolidated legislative agency, is to provide the administrative structure to support accomplishment of the mission of the Legislature. For more information, please refer to the agency profile: <http://leg.mt.gov/fbp-2017.asp>

Agency Highlights

Legislative Branch Major Budget Highlights
<ul style="list-style-type: none"> • Operating costs changes are due to: <ul style="list-style-type: none"> ◦ Cyclical nature of the legislative business cycle ◦ A new proposal for additional participation in the Capitol complex security plan • Personal services changes are primarily due to: <ul style="list-style-type: none"> ◦ A new proposal for the creation of a joint committee of the Energy and Telecommunications Interim Committee and the Environmental Quality Council to meet during the interim ◦ Elimination of 1.00 FTE in the Legislative Audit Division ◦ Retirement of long-time staff replaced at a lower rate

Agency Discussion

All divisions of the Legislative Branch make requests for cyclical adjustments, primarily for information technology, temporary personnel, printing, and broadcasting. Most of the increases and decreases contained in this proposal reflect the cyclical nature of the legislative business cycle.

5% Plan

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. The Legislative Branch has provided a plan for \$695,933 in reductions. The agency submitted plan is contained in the appendix section.

D= executive implementation for FY 2015 by program.
 E=Legislative appropriation for FY 2015 by program.

Agency Personal Services

The Legislative Branch typically hires at entry and will continue to do so. The pay philosophy for career ladders will remain the same as in the past—when promoted, the employee’s salary increase will be at least the entry level salary for the occupation wage range of the promoted-to position. A promotion increase may not be awarded if it results in a division exceeding its approved budget.

The Legislative Branch Pay Plan encompasses the agency pay philosophy and provides parameters for merit-based and promotion-based pay adjustments. The branch implemented pay adjustments approved by the legislature in HB 13. In addition, the Legislative Branch offers a flexible schedule and telework options to those occupations that are eligible. Branch directors will continue to evaluate options available to address employee retention.

The Legislative Branch has 12.8% of the workforce eligible for retirement in the 2017 biennium and the Branch continues to work on succession planning.

Comparison of FY 2015 Legislative Base to FY 2015 Appropriation

The following highlights the differences between the FY 2015 appropriations as shown in the legislative appropriations used for purposes of the budget base, by program.

Represents the types of changes made by the executive. See list.

FY 2015 Appropriation Transactions - Legislative Branch				
Program	Legislative Appropriation	Legislative Approp - OTO	Operating Plan	Total Executive Implementation
20 LEGISLATIVE SERVICES	(\$8,002,597)	\$292,500	-	(\$8,295,097)
Personal Services	E 5,404,730		31,482	D 5,436,212
Operating Expenses	2,547,867	292,500	(111,482)	2,728,885
Equipment & Intangible Assets	50,000			50,000
Transfers			80,000	80,000
21 LEGISLATIVE COMMITTEES	573,277			573,277
Personal Services	67,274			
Operating Expenses	506,003			
27 LEGISLATIVE FISCAL DIVISION	2,000,653		-	2,000,653
Personal Services	1,913,513		(20,000)	1,893,513
Operating Expenses	87,140		20,000	107,140
28 LEGISLATIVE AUDIT	4,324,850			4,324,850
Personal Services	4,150,782			
Operating Expenses	174,068			
Agency Total	C \$14,901,377	\$292,500	-	A \$15,193,877

While operating plan changes occurred, the net impact to the FY 2015 legislative appropriation was zero.

FY 2015 Legislative Appropriation prior to adjustments. Ties to budget category table. This is the legislative starting point for 2017 Biennium budget.

Ties to main table or explained in narrative

Funding

The following table shows proposed agency funding by source of authority as proposed. Funding for each program is discussed in detail in the individual program narratives that follow.

Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	25,406,623	0	0	25,406,623	84.58 %
State Special Total	4,630,616	0	0	4,630,616	15.42 %
Federal Special Total	0	0	0	0	0.00 %
Proprietary Total	0	0	0	0	0.00 %
Other Total	0	0	0	0	0.00 %
Total All Funds	\$30,037,239	\$0	\$0	\$30,037,239	
Percent - Total All Sources	100.00 %	0.00 %	0.00 %		

The Legislative Branch is mainly funded with general fund. State special revenues support the costs associated with the state broadcasting service (TVMT); the preparation, publication, distribution of the Montana Codes Annotated; and a portion of the activities of the Legislative Audit Division.

While not shown in the table above, the Legislative Branch has statutory appropriation authority for the following:

- Legislative Branch reserve account is any portion of unexpended and unencumbered money included in the "feed bill" (the bill that funds the legislative session each year) and remaining carry forward appropriations for the divisions. The funds may be used for major Legislative Branch information technology projects including hardware, software, and consultant services for new initiatives and replacement and upgrading of existing systems
- All money for audits transferred to the legislative auditor must be deposited in a state special revenue fund in the state treasury to the credit of the Office of the Legislative Auditor. The money deposited in excess of general and pay plan appropriations is derived from higher than estimated audit revenues and may be used to pay expenses incurred in auditing state agencies based on an approved operating plan

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 Legislative base, present law adjustments, and new proposals.

Budget Item	General Fund				Total Funds			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	12,753,775	12,753,775	25,507,550	100.40 %	(14,901,377)	14,901,377	29,802,754	99.22 %
PL Adjustments	(109,287)	(33,594)	(142,881)	(0.56) %	386,091	(93,879)	292,212	0.97 %
New Proposals	21,845	20,109	41,954	0.17 %	(28,063)	(29,664)	(57,727)	(0.19) %
Total Budget	\$12,666,333	\$12,740,290	\$25,406,623		\$15,259,405	\$14,777,834	\$30,037,239	

Total Legislative Base plus Legislative Present Law = Executive Base plus Executive Present Law via 2 change packages DP98 and DP99.

Program Budget Comparison

F=Executive requested program total for 2017 biennium.

The following table summarizes the total proposed budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Budget Fiscal 2016	Budget Fiscal 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	59.00	59.00	59.00	64.17	59.00	64.17	5.17	8.76 %
Personal Services	4,838,327	5,436,212	5,327,239	5,379,996	10,274,539	10,707,235	432,696	4.21 %
Operating Expenses	2,085,167	2,728,885	2,816,011	2,484,884	4,814,052	5,300,695	486,643	10.11 %
Equipment & Intangible Assets	35,837	50,000	80,000	20,000	85,837	100,000	14,163	16.50 %
Transfers	0	80,000	85,000	85,000	80,000	170,000	90,000	112.50 %
Total Costs	\$6,959,331	\$8,295,097	\$8,308,250	\$7,969,680	\$15,254,428	\$16,277,930	\$1,023,502	6.71 %
General Fund	6,169,775	7,942,194	7,497,850	7,712,389	14,111,969	15,210,239	1,098,270	7.78 %
State/Other Special Rev. Funds	789,556	352,903	810,400	257,291	1,142,459	1,067,691	(74,768)	(6.54)%
Total Funds	\$6,959,331	\$8,295,097	\$8,308,250	\$7,969,680	\$15,254,428	\$16,277,930	\$1,023,502	6.71 %

Program Description

D

The Legislative Services Division provides business services to the House, Senate, and

Ties to program-level executive implementation shown in FY 2015 Appropriation Transactions table (Agency Summary).

F

al, technical, ranch.

Ties to program-level Funding by Source of Authority table, and budget summary by category.

Division services include:

1. Bill and amendment drafting, preparation of bills for introduction, and engrossing and enrolling bills;
2. Publication of legislative documents of record;
3. Preparation, publication, and distribution of the Montana Code Annotated text and annotations;
4. Provision of legislative research and reference services;
5. Legal services and counseling on legislative matters and agency legal support;
6. Review of the text of proposed ballot measures;
7. Personnel and business services;
8. Planning, installation, and maintenance of agency information technology;
9. Broadcasting of state government and public policy events; and
10. Provision of legislative information to the public.

The Legislative Council provides policy guidance to the Legislative Services Division.

Program Highlights

Legislative Services Division
Major Budget Highlights

- A new proposal is included for increased participation in the capitol complex security plan
- Operating cost changes are reflective of the cyclical nature of the legislative process

Program Discussion -

Comparison of FY 2014 Actual Expenditures to FY 2015 Legislative Appropriation

Actual FY 2014 expenditures are \$1,043,266 below the FY 2015 legislative appropriation. The primary reason for the difference is the cyclical operational adjustments for session related costs needed in FY 2015, but not needed in FY 2014.

Funding

The following table shows proposed program funding by source from all sources of authority.

Legislative Branch, 20-Legislative Services Division Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	15,210,239	0	0	15,210,239	93.44 %	
02800 Reimbursable Activities	1,008,167	0	0	1,008,167	94.42 %	
02985 State Government Broadcasting	59,524	0	0	59,524	5.58 %	
State Special Total	\$1,067,691	\$0	\$0	\$1,067,691	6.56 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$16,277,930	\$0	\$0	\$16,277,930	F	

The Legislative Services Division is mainly funded by general fund. State special revenue funding supports the costs associated with the state broadcasting service (TVMT) and the preparation, publication, and distribution of the Montana Codes Annotated.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 Legislative base, present law adjustments, and new proposals.

Ties to program-level legislative appropriation shown in FY 2015 Appropriation Transactions table (Agency Summary).

Budget Item	General Fund				Total Funds			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	7,649,694	7,649,694	15,299,388	100.59 %	(8,002,597)	(8,002,597)	16,005,194	98.32 %
PL Adjustments	(236,844)	(22,305)	(259,149)	(1.70) %	220,653	(117,917)	102,736	0.63 %
New Proposals	85,000	85,000	170,000	1.12 %	85,000	85,000	170,000	1.04 %
Total Budget	\$7,497,850	\$7,712,389	\$15,210,239		\$8,308,250	\$7,969,680	\$16,277,930	F

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed by the executive. PSPL adjusts all personal services. LGPL provides for adjustments to other expenditures such as operating

Legislative Present Law Adjustments -
 Difference between FY 15 Leg. Budget and FY 16
 Executive Present Law Request - BY Program

expenses. Each is discussed in the narrative that follows. Total funds in the Present Law Adjustments table do not include proprietary funds budgeted in House Bill 2.

Total Present Law funding is correct. Numbers highlighted in yellow should be correct.

Present Law Adjustments	Fiscal 2016					Fiscal 2017				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 98 - LEG. Personal Services Present Law	0.00	83,177	(160,668)	0	(77,491)	0.00	(4,679)	(20,055)	0	(24,734)
DP 99 - LEG. Present Law	0.00	(320,021)	618,165	0	298,144	0.00	(17,626)	(75,557)	0	(93,183)
Grand Total All Present Law Adjustments	0.00	(\$236,844)	\$457,497	\$0	\$220,653	0.00	(\$22,305)	(\$95,612)	\$0	(\$117,917)

DP 98 - LEG. Personal Services Present Law -

Challenge - Funding. Done by computer script. Rolls appropriately to fund type, but not to fund. Will need to be corrected in subcommittee as initial decisions are made.

The Personal Services Present Law Adjustments personal services, including statewide present law personal services adjustments. This adjustment has been broken out by some of its component parts for a more detailed understanding of the adjustments.

Personal Services Present Law Adjustments

	FY 2016				
	FTE	General Fund	State Special	Federal Special	Total Funds
CP 98 PSPL Item					
State Share Health Insurance	59.00	\$29,160	(\$486)	\$0	\$28,674
Executive Implementation of 2015 Pay Increase	0.00	-	-	-	-
Fully Fund 2015 Legislatively Authorized FTE	0.00	85,168	12,390	-	97,558
Other	0.00	(31,151)	(172,572)	-	(203,723)
Personal Services Present Law Adjustments	59.00	\$83,177	(\$160,668)	\$0	(\$77,491)

CP98 - Personal services present law adjustments - were broken down into decision points requested by LFC and legislative financial leadership.

	FY 2017				
	FTE	General Fund	State Special	Federal Special	Total Funds
CP 98 PSPL					
State Share	64.17	\$29,160	(\$486)	\$0	\$28,674
Executive Im	0.00	-	-	-	-
Fully Fund 2	0.00	85,168	12,390	-	97,558
Other	0.00	(119,007)	(31,959)	-	(150,966)
Personal Se	64.17	(\$4,679)	(\$20,055)	\$0	(\$24,734)

Other adjustments include staff turnover, like retirements.

DP 99 - LEG. Present Law -

Please refer to the pr Explanations will vary for these ade to legislative present law. The operating costs change primarily due to the cy change packages.

- The Branch produces and publishes the Montana Codes Annotated in even years. Therefore, the increased costs in FY 2016 are due to printing the Montana Codes Annotated (all state special revenue) and TV MT. The reduction in FY 2017 is reflective of the production and publication of the Codes in even years
- Decrease in general fund is primarily a result of a decrease in the information technology budget

New Proposals -

Total funds in the New Proposals are the same as the Executive requested. Budgeted in House Bill 2.

New Proposals	Fiscal 2016					Fiscal 2017				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2020002 - Participation in Capitol Complex Security	0.00	85,000	0	0	85,000	0.00	85,000	0	0	85,000
Total	0.00	\$85,000	\$0	\$0	\$85,000	0.00	\$85,000	\$0	\$0	\$85,000

DP 2020002 - Participation in Capitol Complex Security -

This proposal provides for Legislative Branch participation in the capitol complex security plan. Branch participation would be funded with general fund.