

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	6.00	6.00	7.00	7.00	6.00	7.00	1.00	16.67 %
Personal Services	321,811	416,829	460,181	460,863	738,640	921,044	182,404	24.69 %
Operating Expenses	167,832	171,473	219,999	210,361	339,305	430,360	91,055	26.84 %
Total Costs	\$489,643	\$588,302	\$680,180	\$671,224	\$1,077,945	\$1,351,404	\$273,459	25.37 %
General Fund	489,643	588,302	680,180	671,224	1,077,945	1,351,404	273,459	25.37 %
Total Funds	\$489,643	\$588,302	\$680,180	\$671,224	\$1,077,945	\$1,351,404	\$273,459	25.37 %

Mission Statement

To monitor and to enforce: campaign practices and campaign finance disclosure; lobbying disclosure; business interest disclosure of statewide and state district candidates, elected state officials, and state department directors; ethical standards of conduct for legislators, public officers, and state employees; and to investigate legitimate complaints that arise concerning any of the foregoing.

The Commissioner of Political Practices (COPP) has responsibilities that were defined by a legislative initiative in 1980 requiring disclosure of acts by lobbyists and business interests of elected officials. COPP also has responsibility for the ethical standards of conduct for legislators, public officers, and state employees pursuant to Title 2, Chapter 2, MCA.

For additional information, please refer to the agency profile: <http://leg.mt.gov/fbp-2017.asp>

Agency Highlights

Commissioner of Political Practices Major Budget Highlights
<ul style="list-style-type: none"> • Personal service increases are mainly due to annualization of HB 13, health insurance increases and performance pay adjustments provided in the 2015 biennium • The executive includes a new proposal for 1 FTE for legal counsel

Agency Discussion

The State Administration and Veteran’s Affairs Interim Committee requested three bills for the upcoming 2015 session that may impact the Office of the Commissioner of Political Practices:

- LC0303, which revises how the Commissioner of Political Practices is selected and instructs the Governor to appoint a commissioner from the list of names provided by the selection committee
- LC0146, which revises disclosure on election materials enforced by COPP
- LC0143, which would generally revise election laws

Comparison of FY 2014 Actual Expenditures to FY 2015 Legislative Appropriation

Actual FY 2014 expenditures are \$27,201 below the FY 2015 legislative appropriation. The primary reason for the difference is an overall vacancy rate of 14.8% in FY 2014 compared to a budgeted 0% rate.

Agency Personal Services

COPP anticipates that one of the program assistants will retire in the 2017 biennium. The remaining program assistant will move into the vacated position. COPP will then fill the other program assistant position. This position in the past has experienced high turnover; this succession system may address the turnover rate.

Comparison of FY 2015 Legislative Base to FY 2015 Appropriation

The following highlights the differences between the FY 2015 appropriations as shown in the main table to the FY 2015 legislative appropriations used for purposes of the budget base. One-time-only appropriations are not included in the budget base. One-time-only appropriations were for 1.00 legal FTE.

FY 2015 Appropriation Transactions - Commissioner of Political Practices			
Program	Legislative Appropriation	Legislative Approp - OTO	Total Executive Implementation
01 Commissioner of Political Practices			
Personal Services	\$345,371	\$71,458	\$416,829
Operating Expenses	171,473		171,473
Equipment & Intangible Assets			
Transfers			
Agency Total	\$516,844	\$71,458	\$588,302

Supplemental Appropriations -

COPP has indicated their need for a \$94,000 supplemental appropriation to pay for anticipated overrun costs for litigation occurring in FY 2015 and for the hiring of a contracted forensic accountant and possibly an auditor in FY 2015.

Funding

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

Commissioner of Political Practices, 01-Administration Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	1,351,404	0	0	1,351,404	100.00 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$1,351,404	\$0	\$0	\$1,351,404		

The Office of the Commissioner of Political Practices is funded entirely with general fund. A small amount of revenue is generated from nominal fees for printing and distribution, as well as civil fines for violation of campaign laws. Both are deposited into the general fund. In addition, COPP collects a \$150 lobbyist filing fee that is also deposited into the general fund. Of this amount, \$100 is transferred to a state special revenue account for appropriation to the Legislative Services Division to support the state broadcasting system TVMT. The lobbyist license is a two-year license. The term is based on the legislative session year (odd-numbered year), and the license expires December 31 of the even numbered year, just before the start of the legislative session.

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	516,844	516,844	1,033,688	76.49 %	516,844	516,844	1,033,688	76.49 %
PL Adjustments	80,187	71,447	151,634	11.22 %	80,187	71,447	151,634	11.22 %
New Proposals	83,149	82,933	166,082	12.29 %	83,149	82,933	166,082	12.29 %
Total Budget	\$680,180	\$671,224	\$1,351,404		\$680,180	\$671,224	\$1,351,404	

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 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.

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	31,661	0	0	31,661	0.00	32,559	0	0	32,559
DP 99 - LEG. Present Law	0.00	48,526	0	0	48,526	0.00	38,888	0	0	38,888
Grand Total All Present Law Adjustments	0.00	\$80,187	\$0	\$0	\$80,187	0.00	\$71,447	\$0	\$0	\$71,447

DP 98 - LEG. Personal Services Present Law -

The Personal Services Present Law Adjustments (PSPL) in the table below includes all present law adjustments related to 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. Other adjustments include performance pay adjustments for secretarial positions.

Personal Services Present Law Adjustments					
FY 2016					
CP 98 PSPL Item	FTE	General Fund	State Special	Federal Special	Total Funds
State Share Health Insurance	6.00	\$2,916	\$0	\$0	\$2,916
Executive Implementation of 2015 Pay Increase	0.00	6,263	-	-	6,263
Fully Fund 2015 Legislatively Authorized FTE	0.00	-	-	-	-
Other	0.00	22,482	-	-	22,482
Personal Services Present Law Adjustments	6.00	\$31,661	\$0	\$0	\$31,661
FY 2017					
CP 98 PSPL Item	FTE	General Fund	State Special	Federal Special	Total Funds
State Share Health Insurance	6.00	\$2,916	\$0	\$0	\$2,916
Executive Implementation of 2015 Pay Increase	0.00	6,263	-	-	6,263
Fully Fund 2015 Legislatively Authorized FTE	0.00	-	-	-	-
Other	0.00	23,380	-	-	23,380
Personal Services Present Law Adjustments	6.00	\$32,559	\$0	\$0	\$32,559

DP 99 - LEG. Present Law -

As shown in the present law adjustment table, overall the executive is proposing increases in costs and funding when compared to the FY 2015 legislative appropriation. COPP has requested increases for the following:

- Lease increase
- Online Systems and Database Maintenance
- Fixed Costs

LFD COMMENT

The 2013 Legislature approved one-time funding authority for COPP to move the office in FY 2014 to accommodate all 7.00 FTE, temporary staff employed during the election season, and filing space. Since COPP was unable to locate a site on the Capitol campus that matched their accommodation needs, they split into two small offices, one for compliance and one for enforcement. As a result of renting two spaces instead of one, COPP lease costs increased. The one-time funding to affect the agency move was used. However, COPP requests additional funding for each fiscal year of the biennium to cover the additional cost to rent the second building.

The agency indicated that affordable Capitol campus office space for seven FTE was difficult to find. The main office is located at 1205 8th Ave and the second building is two blocks away. This arrangement allows both offices to be within walking distance of the State Capitol building. COPP did explore other space further from the Capitol campus, but stated they did not find affordable, right-sized accommodations. COPP indicated that a search for an office to house all staff and equipment in one place continues.

LFD COMMENT

The 2013 Legislature appropriated \$0.502 million in long range information technology project funds in HB 10 to COPP. The funding provided for a campaign reporting service/database rewrite for COPP. The project was completed in June 2014. The executive requests additional funding for maintenance of the new system. COPP indicated that maintenance of the system was estimated during a period of time when the system was in development stage and did not capture all anticipated maintenance costs.

New Proposals -

Total funds in the New Proposals table do not include proprietary funds 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 100001 - Staff Attorney - FTE	1.00	83,149	0	0	83,149	1.00	82,933	0	0	82,933
Total	1.00	\$83,149	\$0	\$0	\$83,149	1.00	\$82,933	\$0	\$0	\$82,933

DP 100001 - Staff Attorney - FTE -

During the 2013 legislative session, the legislature eliminated \$85,000 for an attorney within the Department of Justice to provide contracted services to COPP. The legislature then used that authority to establish one-time funding of 1.00 FTE for legal counsel. COPP requests the legal counsel position remain as a permanent FTE and proposes \$166,080 in additional authority to fund the position for the 2017 biennium. The request would continue to provide funding for legal counsel to investigate and issue decisions regarding allegations of campaign finance and practices, ethics and lobbying violations. If necessary, legal counsel would enforce sufficiency findings either through settlement or litigation.

**LFD
COMMENT**

The legislature provided COPP with funding authority for consulting, professional services, legal fees and court costs in their operating budget. Historically, COPP has used this funding authority to pay for additional costs related to litigation. However COPP has indicated potential cost overruns in FY 2015 and requested a supplemental of \$94,000.

If the legislature wishes to fund this new proposal for 1 staff attorney FTE, several options are available:

1. Leave the decision package as is
2. Designate DP 1, restricted so that the appropriation is designated for this specific purpose or function
3. Designate DP 1 one-time-only, restricted to make the appropriation for a one-time purpose, exclude the appropriation from the base budget in the next biennium and restrict the appropriation to this specific purpose or function