

**Agency Budget Comparison**

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

Agency Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	6.00	6.00	7.00	7.00	6.00	7.00	1.00	16.67%
Personal Services	263,000	306,626	385,271	384,934	569,626	770,205	200,579	35.21%
Operating Expenses	216,605	260,402	202,855	171,473	477,007	374,328	(102,679)	(21.53%)
<b>Total Costs</b>	<b>\$479,605</b>	<b>\$567,028</b>	<b>\$588,126</b>	<b>\$556,407</b>	<b>\$1,046,633</b>	<b>\$1,144,533</b>	<b>\$97,900</b>	<b>9.35%</b>
General Fund	479,605	567,028	588,126	556,407	1,046,633	1,144,533	97,900	9.35%
<b>Total Funds</b>	<b>\$479,605</b>	<b>\$567,028</b>	<b>\$588,126</b>	<b>\$556,407</b>	<b>\$1,046,633</b>	<b>\$1,144,533</b>	<b>\$97,900</b>	<b>9.35%</b>

**Agency Description**

Agency Mission: To monitor and to enforce, in a fair and impartial manner: 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.

**Agency Highlights**

<b>Commissioner of Political Practices Major Budget Highlights</b>	
◆	The legislature changed the provision of legal services by eliminating contracted legal services and adding a one-time-only in-house legal counsel <ul style="list-style-type: none"> <li>• The overall cost difference is a reduction of \$27,000 in general fund over the biennium</li> <li>• Anticipated efficiencies for the position include reducing the backlog of decisions on outstanding complaints, reduced time to issue decisions, and settlement of pending lawsuits</li> </ul>

**Summary of Legislative Action**

The legislature provided funding that is 9.4% greater when compared to funding provided for the 2013 biennium. To address an increasing workload related to complaint investigations and pending lawsuits the legislature provided an in-house counsel on a one-time-only basis. The funding for the new position was provided by reducing funding for contracted services with the Department of Justice and increasing personal services. The overall impact of the change was a reduction in general fund of \$27,000 over the biennium.

The legislature included monitoring requirements within SJR 33 for the in-house legal counsel, including progress on:

- Increases in the number of investigation and decisions issued
- Reductions in the time to resolve complaints
- Reductions in the time to provide decisions

In addition, the legislature recommended that the Joint Appropriations Subcommittee on General Government of the 2015 Legislature receive a report on the progress during its budget deliberations.

The legislature also approved funding for the COPP to move from its current location to one with additional office and file space. The one-time-only general fund appropriation provides for both moving and set-up costs in the new location.

**Executive Budget Comparison**

The following table compares the legislative budget in the 2015 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2012	Executive Budget Fiscal 2014	Legislative Budget Fiscal 2014	Leg - Exec. Difference Fiscal 2014	Executive Budget Fiscal 2015	Legislative Budget Fiscal 2015	Leg - Exec. Difference Fiscal 2015	Biennium Difference Fiscal 14-15
FTE	6.00	7.00	7.00	0.00	7.00	7.00	0.00	
Personal Services	263,000	385,271	385,271	0	384,934	384,934	0	0
Operating Expenses	216,605	202,255	202,855	600	170,872	171,473	601	1,201
<b>Total Costs</b>	<b>\$479,605</b>	<b>\$587,526</b>	<b>\$588,126</b>	<b>\$600</b>	<b>\$555,806</b>	<b>\$556,407</b>	<b>\$601</b>	<b>\$1,201</b>
General Fund	479,605	587,526	588,126	600	555,806	556,407	601	1,201
<b>Total Funds</b>	<b>\$479,605</b>	<b>\$587,526</b>	<b>\$588,126</b>	<b>\$600</b>	<b>\$555,806</b>	<b>\$556,407</b>	<b>\$601</b>	<b>\$1,201</b>

Changes from the executive proposal include:

- o Increases for general liability premiums
- o Decreases for fixed costs related to the statewide accounting, budgeting, and human resources system
- o Rejection of a proposal to change the methodology for funding state employee training. Under the approved rates, training costs for the Office of the Commissioner of Political Practices are increased by \$551 each year of the biennium

**Funding**

The following table shows agency funding by source of authority for the 2015 biennium as adopted by the legislature.

Total Comm Of Political Practices Funding by Source of Authority 2015 Biennium Budget - Administration							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$1,144,533	\$0	\$0	\$1,144,533	100.0%		
Total All Funds	\$1,144,533	\$0	\$0	\$1,144,533	100.0%		
<b>Percent - Total All Sources</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>				

The Office of the Commissioner of Political Practices (COPP) is funded entirely with general fund appropriated in HB 2. 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 expires at the end of each odd numbered year, just before the start of the legislative session.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	479,605	479,605	959,210	83.81%	479,605	479,605	959,210	83.81%
Statewide PL Adjustments	87,339	79,064	166,403	14.54%	87,339	79,064	166,403	14.54%
Other PL Adjustments	49	50	99	0.01%	49	50	99	0.01%
New Proposals	21,133	(2,312)	18,821	1.64%	21,133	(2,312)	18,821	1.64%
<b>Total Budget</b>	<b>\$588,126</b>	<b>\$556,407</b>	<b>\$1,144,533</b>		<b>\$588,126</b>	<b>\$556,407</b>	<b>\$1,144,533</b>	

Statewide present law adjustments for the COPP included increases for personal services, fixed costs, and inflation, which were the majority of the changes to the budget.

**Other Legislation**

HB 10 – The legislature appropriated \$0.502 million in long range information technology project funds to the Commissioner of Political Practices. The funding provides for campaign reporting service/database rewrite for the COPP.

HB 13 – The legislature approved funding for a pay plan for state employees. For employees of the executive branch, the calculation is based upon a 3% increase beginning October 1, 2013 (FY 2014) and again on July 1, 2014 (FY 2015), as well as a 10% insurance increase for all employees each year. The legislature did not specify a particular percentage salary increase a state employee should receive, but stipulated that the appropriated funds must be used to increase the base pay of each employee, with particular attention to the lower pay bands and employees who did not receive an increase in the 2013 biennium. Allocation of the funds is left to the executive branch.

SB 392 – The legislature approved increasing the authority of the Commissioner of Political Practices to enforce laws pertaining to anonymous election materials and requiring notification of the complainant and the candidate or the political committee if the complaint has merit. The estimated cost to the COPP of the implementing the bill is \$7,500 in FY 2014 and \$5,000 in FY 2015. The legislature did not provide additional funding for COPP to implement the act.

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					50,768					50,476
Inflation/Deflation					76					153
Fixed Costs					36,495					28,435
<b>Total Statewide Present Law Adjustments</b>		<b>\$87,339</b>	<b>\$0</b>	<b>\$0</b>	<b>\$87,339</b>		<b>\$79,064</b>	<b>\$0</b>	<b>\$0</b>	<b>\$79,064</b>
DP 50 - Initial Motion to FY 2012 Base	0.00	(87,339)	0	0	(87,339)	0.00	(79,064)	0	0	(79,064)
DP 51 - Adjustment for Statewide Personal Services	0.00	50,768	0	0	50,768	0.00	50,476	0	0	50,476
DP 52 - Adjustment for Statewide Operations	0.00	36,620	0	0	36,620	0.00	28,638	0	0	28,638
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$49</b>	<b>\$0</b>	<b>\$0</b>	<b>\$49</b>	<b>0.00</b>	<b>\$50</b>	<b>\$0</b>	<b>\$0</b>	<b>\$50</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$87,388</b>	<b>\$0</b>	<b>\$0</b>	<b>\$87,388</b>	<b>0.00</b>	<b>\$79,114</b>	<b>\$0</b>	<b>\$0</b>	<b>\$79,114</b>

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

**New Proposals**

New Proposals										
Program	FTE	-----Fiscal 2014-----				-----Fiscal 2015-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Agency Legal Counsel - OTO										
01	1.00	(13,497)	0	0	(13,497)	1.00	(13,542)	0	0	(13,542)
DP 3 - Change in Agency Location OTO										
01	0.00	34,630	0	0	34,630	0.00	11,230	0	0	11,230
<b>Total</b>	<b>1.00</b>	<b>\$21,133</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,133</b>	<b>1.00</b>	<b>(\$2,312)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$2,312)</b>

DP 1 - Agency Legal Counsel - OTO - The legislature eliminated \$85,000 in contracted services that had been used to provide for contract services for an attorney within the Department of Justice. The legislature used the funding for 1.00 FTE for a Legal Counsel. COPP receives numerous complaints each year requiring a significant amount of time to resolve. The contracted attorney from the Department of Justice can't keep up with the investigator. Currently there are 31 cases on the complaint docket. Sixteen cases have been fully investigated and are ready for a decision. In addition to the complaint docket COPP has seven pending lawsuits.

The legislature also recommended that the Legislative Finance Committee monitor progress by the agency legal counsel including:

- o Increases in the number of investigation and decisions issued
- o Reductions in the time to resolve complaints
- o Reduction in the time to provide decisions

In addition, the legislature recommended that the Joint Appropriations Subcommittee on General Government receive a report on the progress during its budget deliberations for the 2015 Legislature.

DP 3 - Change in Agency Location OTO - The legislature approved one-time-only funding to move the office in FY 2014. COPP will move to a larger location that will accommodate 7.00 FTE and filing space, as well as the temporary staff employed during the busy election season to assist with scanning and filing documents.