

Agency Budget Comparison

The following table compares 2014 actuals expenditures without one-time appropriations plus 2015 estimated appropriations including one-time appropriations, but excluding certain base appropriations to the 2017 biennial total legislative budget. The comparison is listed by year, type of expenditure, and source of funding. The biennial percent change column has been eliminated to allow for the transition to a comparison of biennial appropriations consistent with SB 140 in the future. The biennial appropriation growth/decline is listed in the agency highlight tables and the expenditure section of Volume 1 of this Fiscal Report.

Agency Budget Comparison							
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change
FTE	134.22	134.22	133.22	133.22	134.22	133.22	(1.00)
Personal Services	9,983,340	11,547,781	11,523,661	11,823,564	21,531,121	23,347,225	1,816,104
Operating Expenses	2,813,090	3,516,096	3,710,484	3,284,818	6,329,186	6,995,302	666,116
Equipment & Intangible Assets	35,837	50,000	80,000	20,000	85,837	100,000	14,163
Transfers	0	80,000	85,000	85,000	80,000	170,000	90,000
Total Costs	\$12,832,267	\$15,193,877	\$15,399,145	\$15,213,382	\$28,026,144	\$30,612,527	\$2,586,383
General Fund	10,614,797	13,046,275	12,800,083	13,169,825	23,661,072	25,969,908	2,308,836
State/Other Special Rev. Funds	2,217,470	2,147,602	2,599,062	2,043,557	4,365,072	4,642,619	277,547
Total Funds	\$12,832,267	\$15,193,877	\$15,399,145	\$15,213,382	\$28,026,144	\$30,612,527	\$2,586,383

Agency Description

The mission of the legislature is to exercise the legislative power of state government vested in the legislature 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.

Agency Highlights

Legislative Branch Major Budget Highlights
<ul style="list-style-type: none"> • The 2015 biennium legislative appropriation to the 2017 biennium legislative appropriation increased by 4.2%. • Personal services changes include: <ul style="list-style-type: none"> ◦ Adoption of a pay plan that provides \$590,000 over the biennium for pay and state share insurance contribution increases ◦ Fully funding legislatively approved FTE ◦ Annualization of employee state share contributions approved by the 2013 Legislature ◦ Reduction of 1.00 FTE in the Legislative Audit Division ◦ Reductions for differences between salaries paid to retiring staff and newly hired staff • Operating expenses increases include: <ul style="list-style-type: none"> ◦ Cyclical adjustments adopted for the production of the Montana Codes Annotated, interim committee work, and other costs such as printing and information technology ◦ Contractual actuary/peer review services and outside audit review ◦ Additional participation in the Capitol complex security ◦ Joint ETIC/EQC Carbon Dioxide Subcommittee

Summary of Legislative Action

The legislature approved the Legislative Branch budget with an increase of \$0.6 million, or 1.9%, over the 2015 biennium appropriation budget. The majority of the increase in personal services costs is due to the implementation of a pay plan for state employees. The legislature provided an additional \$318,655 for a \$0.50 an hour increase in pay beginning January 15, 2016 and an additional \$0.50 an hour increase beginning January 15, 2017. In addition, an additional \$271,170 in funding was provided for a 10% increase in the state share of employee insurance in FY 2016 and an 8% increase in FY 2017. Personal services also increased due to fully funding legislatively approved FTE over the biennium, providing for changes associated with longevity and other employer costs, and annualization of changes in the state share of employee insurance that occurred in beginning in January 2015.

Operating expenses increased due to adjustments for:

- Costs associated with the production of the Montana Code Annotated
- Contractual services including actuarial services, audit of the Legislative Branch, and peer review services for the Legislative Audit Division
- Participation in the capitol complex security plan

Agency Discussion

The budget of the Legislative Branch functions is provided in HB 2 as a biennial budget due to the cyclical nature of the legislative sessions and the many costs associated therein. Many of the costs of the Legislative Branch were incurred in the legislative base year, as sessions are held in the second year of the biennium. The cyclical nature of the legislature leads to multiple adjustments in the branch budget.

HB 1 contains the costs associated with the activities of the legislative session and is not included as a component of the HB 2 budget. From the total appropriations of \$10.1 million provided in HB 1, \$9.5 million is for the operation of the 64th legislature and the costs of preparing for the 65th Legislative Session. The legislation also provides \$624,780 specifically for the preparation of the 65th Legislature. The appropriations fund the salaries and per-diem of the members of the 64th Legislature and the temporary staff and operational costs related to the session. From those appropriations, \$16,500 is directed to the operations of Legislative Services. The funding will be used for session related activities including:

- Bill printing and distribution
- Legislative publications (printing of Session Laws, Rule Books, certain LFD publications)
- Legislative information office
- Legislative telephones
- Legislator technology allowance
- Session start-up costs

Funding

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

Total Legislative Branch Funding by Source of Authority 2017 Biennium Budget - Legislative Branch					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	25,969,908	0	0	25,969,908	84.83 %
State Special Total	4,642,619	0	0	4,642,619	15.17 %
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	\$30,612,527	\$0	\$0	\$30,612,527	
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:

- 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
- A reserve account for information technology projects including the purchase of hardware, software, and consulting services and training for new initiatives and replacement and upgrading of existing systems

Budget Summary by Category

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

Budget Summary by Category								
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	98.22 %	14,901,377	14,901,377	29,802,754	97.35 %
PL Adjustments	(122,222)	(47,199)	(169,421)	(0.65)%	379,146	(101,471)	277,675	0.91 %
New Proposals	168,530	463,249	631,779	2.43 %	118,622	413,476	532,098	1.74 %
Total Budget	\$12,800,083	\$13,169,825	\$25,969,908		\$15,399,145	\$15,213,382	\$30,612,527	

Other Legislation

HB 1 - This legislation includes total appropriations of \$10.1 million for the operation of the 64th Legislature and the costs of preparing for the 65th Legislature. The appropriations fund the salaries and per-diem of the members of the 64th Legislature, the costs of temporary staff, and operational costs related to the session.

HB 430 - This legislation provides for an interim Judicial Redistricting Commission consisting of seven members. The commission will determine if judicial redistricting is necessary using factors outlined in the bill and is required to report its findings to the 65th Legislature. \$20,170 in general fund is provided to the Legislative Services Division to support the commission.

SB 128 - This legislation provides for a School Funding Interim Commission. The commission is assigned to study educational needs and costs related to the basic system of free quality public elementary and secondary schools and to report its findings to the 65th Legislature. The legislature provided \$55,000 in general fund to support the costs of conducting the study.

SB 283 - The legislature revised laws related to constituent expenses for legislators allowing a stipend of up to \$3,000 in a biennium to provide for constituent services. In addition, legislators are allowed reimbursement for mileage, meals, or lodging incurred for providing constituent services. The act is not effective until FY 2018.

Interim Study Resolutions - 15 interim study resolutions were passed by the legislature and filed with the Secretary of State. The Legislative Council will determine which studies should be undertaken and which statutory or interim committee will complete the study. The resolution number and short title are as follows:

HJ 7 - Study next-generation 9-1-1

HJ 8 - Study Montana Law Enforcement Academy funding

- HJ 13 - Study of federal roads and parcels and access
- HJ 14 - Study of eyewitness identification policies
- HJ 16 - Study of ride-sharing in Montana
- HJ 21 - Study on ownership of personal information
- HJ 26 - Study on youth concussion protection laws
- HJ 27 - Study on statutory appropriations
- HJ 29 - Study membership-based health services to determine insurance, cost impacts
- SJ 2 - Study state assumption of federal dredge and fill permitting
- SJ 12 - Study net metering laws
- SJ 20 - Study on historic road right-of-way acquisition
- SJ 21 - Study local fire and emergency services
- SJ 22 - Study of state guardianship programs for elderly
- SJ 24 - Study on sexual assault

The Legislative Council met on May 15th, eliminated HJ 14, HJ 29, and SJ 22 from the interim work of the legislature, and assigned the other resolutions to interim legislative committees.

Executive Budget Comparison

The following table compares the legislative budget for the 2017 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2014	Executive Budget Fiscal 2016	Legislative Budget Fiscal 2016	Leg — Exec. Difference Fiscal 2016	Executive Budget Fiscal 2017	Legislative Budget Fiscal 2017	Leg — Exec. Difference Fiscal 2017	Biennium Difference Fiscal 16-17
FTE	134.22	133.22	133.22	0.00	138.39	133.22	(5.17)	(5.17)
Personal Services	9,983,340	11,376,976	11,523,661	146,685	11,380,424	11,823,564	443,140	589,825
Operating Expenses	2,813,090	3,717,429	3,710,484	(6,945)	3,292,410	3,284,818	(7,592)	(14,537)
Equipment & Intangible Assets	35,837	80,000	80,000	0	20,000	20,000	0	0
Transfers	0	85,000	85,000	0	85,000	85,000	0	0
Total Costs	\$12,832,267	\$15,259,405	\$15,399,145	\$139,740	\$14,777,834	\$15,213,382	\$435,548	\$575,288
General Fund	10,614,797	12,666,333	12,800,083	133,750	12,740,290	13,169,825	429,535	563,285
State/other Special Rev. Funds	2,217,470	2,593,072	2,599,062	5,990	2,037,544	2,043,557	6,013	12,003
Total Funds	\$12,832,267	\$15,259,405	\$15,399,145	\$139,740	\$14,777,834	\$15,213,382	\$435,548	\$575,288

The legislature adopted a pay plan in HB 2 providing per hour salary adjustments of \$0.50 beginning January 15th of each year of the biennium and increases in state share health insurance contributions of 10% in FY 2016 and 8% in FY 2017 which make up the differences in personal services between the executive budget and the legislatively approved budget.

The executive's proposed pay plan was included in a separate bill which was not passed by the legislature. Reductions for operating expenses are due to reductions for fixed costs adjustments approved by the legislature.

The FY 2017 FTE shown in the above table are incorrect. The executive budget and the legislative budget in FY 2017 should be 138.39 as session staffing increased by 5.17 FTE in FY 2017.

Language and Statutory Authority

The legislature included the following language in HB 2.

"Employee Pay and State Share may be allocated and transferred among agency programs when establishing 2017 biennium operating plans."