

Agency Budget Comparison

The following table summarizes the total executive 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	134.97	140.14	134.97	140.14	140.14	140.14	0.00	0.00%
Personal Services	9,656,006	11,214,831	10,615,555	10,710,158	20,870,837	21,325,713	454,876	2.18%
Operating Expenses	2,707,982	3,305,252	3,757,535	3,526,011	6,013,234	7,283,546	1,270,312	21.13%
Equipment & Intangible Assets	60,495	89,505	75,000	50,000	150,000	125,000	(25,000)	(16.67%)
Transfers	0	0	0	0	0	0	0	n/a
Total Costs	\$12,424,483	\$14,609,588	\$14,448,090	\$14,286,169	\$27,034,071	\$28,734,259	\$1,700,188	6.29%
General Fund	10,271,712	12,309,086	11,883,974	12,238,304	22,580,798	24,122,278	1,541,480	6.83%
State Special	2,152,771	2,300,502	2,564,116	2,047,865	4,453,273	4,611,981	158,708	3.56%
Total Funds	\$12,424,483	\$14,609,588	\$14,448,090	\$14,286,169	\$27,034,071	\$28,734,259	\$1,700,188	6.29%

Mission Statement

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.

There is additional, more detailed information about the department in the agency profile. For additional information, please refer to the agency profile.

Agency Highlights

Legislative Branch Major Budget Highlights
<ul style="list-style-type: none"> ◆ Operating expenses would increase due to: <ul style="list-style-type: none"> ● Present law requests of \$927,544 for cyclical adjustments related to the 2015 Legislative Session ● Information technology cost increases of \$225,000 ● A new proposal to continue enhancements of Television MT, \$275,000 ◆ Personal service increases are primarily due to: <ul style="list-style-type: none"> ● Present law adjustments in the Legislative Audit Division related to significant vacancies in FY 2012 ● A new proposal of \$173,468 that would bring branch-wide staff up to 87.0% of market pay, in line with the executive branch ◆ All appropriations of the branch are biennial

Program Discussion

Agency Personal Services

The Legislative Branch utilizes a pay philosophy that employs career ladders and in some cases merit pay. The philosophy will remain the same, although promotion increases may not be awarded if it results in a division exceeding its approved budget. Some pertinent attributes of personal services in the branch include:

- o The legislature directed the agency to leave sufficient positions open to achieve a 2% vacancy savings. When comparing budgeted to utilized hours, the actual rate was 9.7% for the branch compared to the directed 2%. No vacancy savings rate is applied in the 2015 biennium
- o No general pay increases were provided in the 2013 biennium
- o The Legislative Branch typically hires at entry level; however, the Legislative Audit Division hires positions at 95% of the 2012 market to contend with competing industry
- o The branch has 60 staff, 32.6% of total staff, eligible for either early or regular retirement as of July 31, 2012

Common Decision Packages

The following proposals have common decision packages in several programs across the agency.

All divisions of the Legislative Branch make requests for cyclical adjustments. The adjustments are typically needed because costs of operations for the legislative session do not fall in the base year. As seen in the figure below, the total cyclical adjustments are \$927,544 and make up 46.0% of the “other present law adjustments”.

Legislative Branch Cyclical Adjustments for the 2015 Biennium										
Division	Decision Package Number	FY 2014				FY 2015				2015
		General Fund	State Special	Federal Special	Total	General Fund	State Special	Federal Special	Total	Biennium Total
20 - Legislative Services	DP 20001	\$448,210	\$47,709	\$0	\$495,919	\$496,034	(\$275,652)	\$0	\$220,382	\$716,301
21 - Committees and Activities	DP 21001	60,917	0	0	60,917	53,826	0	0	53,826	114,743
27 - Legislative Fiscal	DP 27001	0	0	0	0	45,000	0	0	45,000	45,000
28 - Legislative Audit	DP 28001	<u>18,900</u>	<u>12,600</u>	<u>0</u>	<u>31,500</u>	<u>5,300</u>	<u>14,700</u>	<u>0</u>	<u>20,000</u>	<u>51,500</u>
Total		<u>\$528,027</u>	<u>\$60,309</u>	<u>\$0</u>	<u>\$588,336</u>	<u>\$600,160</u>	<u>(\$260,952)</u>	<u>\$0</u>	<u>\$339,208</u>	<u>\$927,544</u>

5% Reduction Plan

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. The Legislative Branch has provided recommendations that amount to \$1.2 million. A summary of the entire 2015 biennium 5% plan submitted for this agency is in the appendix.

IT Systems

State agencies have identified information technology (IT) systems that are critical to the state as a whole or to the agency. Further, state agencies have assessed the age of the systems to establish whether the system is:

- o New
- o Emerging
- o Mature
- o Declining
- o Obsolete

The Legislative Finance Committee recommended that House Appropriations and Senate Finance and Claims Committee leadership direct the Long Range Planning Subcommittee to meet jointly with each of the appropriate joint appropriations subcommittees to discuss priorities related to critical IT systems, and that state agencies be prepared to discuss:

- o Current plans to address obsolescence

- Costs to replace the system
- Costs of maintaining the current system
- Risks associated with both retaining the current system and replacing the system

LFD staff will be prepared to discuss issues related to those systems that have been determined to be either critical to the state as a whole or to the agency and either declining or obsolete. Issues include security, continuity of operations, and funding.

Agency Goals and Objectives

Goals and objectives for the agency can be found in the appendix.

Funding

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

Total Legislative Branch Funding by Source of Authority 2015 Biennium Budget					
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	\$24,122,278	\$0	\$0	\$24,122,278	83.9%
State Special Total	4,611,981	-	-	4,611,981	16.1%
Federal Special Total	-	-	-	-	0.0%
Proprietary Total	-	-	-	-	0.0%
Current Unrestricted	-	-	-	-	0.0%
Other Total	-	-	-	-	0.0%
Total All Funds	<u>\$28,734,259</u>	<u>\$0</u>	<u>\$0</u>	<u>\$28,734,259</u>	
Percent - Total All Sources	100.0%	0.0%	0.0%		

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 the activities of the Legislative Audit Division.

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

- 1) Legislative Branch reserve account is any portion of unexpended and unencumbered money included in the “feed bill” 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. In the 2013 biennium, to the time of this writing, a total of \$272,205 had been expended.
- 2) The retirement reserve account was a one-time-only appropriation of \$400,000 approved by the 2007 Legislature for retirement payouts. A total of \$133,004 was expended in FY 2012, and the fund has been fully expended.
- 3) 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. No funds have been expended through this appropriation since FY 2008.

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	10,271,712	10,271,712	20,543,424	85.16%	12,424,483	12,424,483	24,848,966	86.48%
Statewide PL Adjustments	736,657	1,041,525	1,778,182	7.37%	1,106,033	1,215,886	2,321,919	8.08%
Other PL Adjustments	530,282	596,922	1,127,204	4.67%	572,251	317,655	889,906	3.10%
New Proposals	345,323	328,145	673,468	2.79%	345,323	328,145	673,468	2.34%
Total Budget	\$11,883,974	\$12,238,304	\$24,122,278		\$14,448,090	\$14,286,169	\$28,734,259	