

Agency Proposed Budget								
Budget Item	Base Budget Fiscal 1998	PL Base Adjustment Fiscal 2000	New Proposals Fiscal 2000	Total Leg. Budget Fiscal 2000	PL Base Adjustment Fiscal 2001	New Proposals Fiscal 2001	Total Leg. Budget Fiscal 2001	Total Leg. Budget Fiscal 00-01
FTE	120.27	.00	3.00	123.27	.00	3.00	127.47	127.47
Personal Services	5,393,785	561,392	142,568	6,097,745	562,349	127,573	6,083,707	12,181,452
Operating Expenses	2,270,536	651,862	225,630	3,148,028	(265,863)	7,079	2,011,752	5,159,780
Equipment	12,284	37,716	0	50,000	37,716	0	50,000	100,000
<b>Total Costs</b>	<b>\$7,676,605</b>	<b>\$1,250,970</b>	<b>\$368,198</b>	<b>\$9,295,773</b>	<b>\$334,202</b>	<b>\$134,652</b>	<b>\$8,145,459</b>	<b>\$17,441,232</b>
General Fund	5,626,964	1,039,930	365,121	7,032,015	724,143	131,575	6,482,682	13,514,697
State/Other Special	2,049,641	211,040	3,077	2,263,758	(389,941)	3,077	1,662,777	3,926,535
Proprietary	0	0	0	0	0	0	0	0
<b>Total Funds</b>	<b>\$7,676,605</b>	<b>\$1,250,970</b>	<b>\$368,198</b>	<b>\$9,295,773</b>	<b>\$334,202</b>	<b>\$134,652</b>	<b>\$8,145,459</b>	<b>\$17,441,232</b>

**Agency Description**

The Legislative Branch consists of the legislature and its staff divisions (except the Consumer Counsel) as provided in section 5-2-503, MCA. The principal entities of the agency are the Senate and the House of Representatives, the Legislative Services Division, the Legislative Fiscal Division, and the Legislative Audit Division.

**Summary of Legislative Action**

The legislature adopted a budget for the three legislative staff divisions that provided new funding to: 1) add 3.00 FTE to address workload and compensatory time issues; 2) provide for partial funding for biennial dues in the Council of State Governments; 3) support the efforts of the Districting and Apportionment Commission; and 4) fund interim studies by the Legislative Finance Committee (LFC). HB 2 directs the LFC to conduct an interim study of state information technology.

Funding was also added to implement SB 11 that revised the interim committee structure and process. Offsetting adjustments were approved for the Legislative Committees and Activities Program and the Legislative Fiscal Division with the net effect being an increase of nearly \$122,000 general fund and a reduction of nearly \$21,000 state special revenue. Table 1 summarizes the adjustments approved to implement SB 11.

Table 1 Senate Bill 11 - Interim Legislative Committees Restructuring Legislative Branch Combined Funding			
Decision Package	Description	2001 Biennium	
		2001 Biennium General Fund	2001 Biennium State Special Revenue Total Funds
Legislative Committees and Activities Program:			
NP 2105	Transition Advisory Committee	\$0	\$200,000 \$200,000
NP 2106	Committee on State Mgmt Systems	20,540	(20,540) 0
NP 2107	Legislative Interim Restructuring	95,724	(200,000) (104,276)
Fiscal Analysis and Review:			
PL 2704	Post-Secondary Education Committee	5,571	0 5,571
Legislative Branch Combined Funding		\$121,835	(\$20,540) \$101,295

### **Other Legislation**

Various - Study Resolutions and Interim Studies - Several bills containing study resolutions or specific interim studies were passed by the legislature. These studies along with the study of state information technology included in HB 2 are prioritized by the legislature in view of staffing and funding limitations. Therefore, not all studies will be conducted. The following summarizes the bills and resolutions, except HB 2, that request an interim study:

#### Resolutions

- Senate Joint Resolution 9 - SJR 9 requests an interim study of the state's laws and procedures that govern the development, administration, and enforcement of contracts with private sector vendors to complete government projects or deliver government services.
- Senate Joint Resolution 14 - SJR 14 requests an interim study of sentencing statutes, sentencing data information collection and management, and issues related to sentencing.
- Senate Joint Resolution 15 - SJR 15 requests an interim study of the current level of benefits paid to injured workers under the workers' compensation act and the frequency of indemnity claims under the workers' compensation act.
- Senate Joint Resolution 16 - SJR 16 requests an interim study of the administration and funding of the Montana university system.
- Senate Joint Resolution 18 - SJR 18 requests an interim study of the Montana Environmental Policy Act.
- Senate Joint Resolution 21 - SJR 21 requests an interim study of options that could be implemented by local governments to provide incentives for cluster development and preservation of agricultural land or open space.
- House Joint Resolution 3 - HJR 3 requests an interim study of the need for and utility of tax and other types of financial incentives to encourage voluntary cleanup and redevelopment of contaminated properties within Montana.
- House Joint Resolution 12 - HJR 12 requests an interim study of a proposal to create a state commission on Indian affairs.
- House Joint Resolution 18 - HJR 18 requests an interim study of the possibility of broadcasting the deliberations of the Montana legislature.
- House Joint Resolution 29 - HJR 29 requests an interim study of laws affecting local governments and local officials.
- House Joint Resolution 33 - HJR 33 requests an interim study of funding and management of wildlife resources.
- House Joint Resolution 34 - HJR 34 requests an interim study of eminent domain laws and use.
- House Joint Resolution 35 - HJR 35 requests that the Legislative Finance Committee study and oversee the privatization of managed mental health care.
- House Joint Resolution 37 - HJR 37 requests an interim study of women's prison issues.
- House Joint Resolution 38 - HJR 38 requests an interim study of salaries for probation officers.

#### Interim Studies (by specific legislation)

- Senate Bill 454 - SB 454 establishes an interim study of providing state payments in lieu of taxes to local governments for grazing, agricultural, and forest activities that are self-supporting or that compete with private enterprise.
- Senate Bill 482 - SB 482 establishes an interim study of mortgage lending and the advisability of requiring licensure for mortgage lenders.
- House Bill 79 - HB 79 establishes interim monitoring of the implementation of offering a defined contribution option to the public employee retirement system and to examine the costs of offering public retiree health care insurance and disability benefits for public employees.
- House Bill 339 - HB 339 establishes an interim study of the necessity of redistricting the state's judicial districts and provides for the preparation of proposed redistricting legislation if the study committee determines that redistricting is necessary.

- House Bill 404 - HB 404 continues the interim study of utility restructuring that was established by SB 390 and SB 395 of the 1997 legislature.
- House Bill 458 - HB 458 establishes an interim study of streamside corridors and riparian areas.
- House Bill 515 - HB 515 establishes an interim study of the effects of competition by state political subdivisions with the private sector.
- House Bill 566 - HB 566 establishes an interim study of methods for state law alternative method of complying with national instant criminal background check system requirements prior to transfer of a firearm.

The Legislative Council voted at its May meeting to assign all interim studies to committees except for the SB 482 and HB 566 studies.

Agency Budget Comparison								
Budget Item	Base Budget Fiscal 1998	Executive Budget Fiscal 2000	Legislative Budget Fiscal 2000	Leg - Exec. Difference Fiscal 2000	Executive Budget Fiscal 2001	Legislative Budget Fiscal 2001	Leg - Exec. Difference Fiscal 2001	Biennium Difference Fiscal 00-01
FTE	120.27	122.27	123.27		126.47	127.47		
Personal Services	5,393,785	6,051,102	6,097,745	46,643	6,042,374	6,083,707	41,333	87,976
Operating Expenses	2,270,536	3,151,147	3,148,028	(3,119)	2,026,497	2,011,752	(14,745)	(17,864)
Equipment	12,284	50,000	50,000	0	50,000	50,000	0	0
Total Costs	\$7,676,605	\$9,252,249	\$9,295,773	\$43,524	\$8,118,871	\$8,145,459	\$26,588	\$70,112
General Fund	5,626,964	6,988,491	7,032,015	43,524	6,456,094	6,482,682	26,588	70,112
State/Other Special	2,049,641	2,263,758	2,263,758	0	1,662,777	1,662,777	0	0
Proprietary	0	0	0	0	0	0	0	0
Total Funds	\$7,676,605	\$9,252,249	\$9,295,773	\$43,524	\$8,118,871	\$8,145,459	\$26,588	\$70,112

**Executive Budget Comparison**

The legislative budget reflects an increase of just over \$70,000 general fund over the Legislative Branch request. This difference is attributed to four factors: 1) the Legislative Audit Division withdrew a request for \$25,000 to conduct an independent electronic data processing security audit of the branch computer systems; 2) funding to add 1.00 FTE in each year at a cost of \$85,726 for the biennium was added to the Legislative Service Division; 3) fixed costs rate reductions totaled \$25,614; and 4) \$35,000 was added to fund interim studies to be conducted by the Legislative Finance Committee.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 1998	PL Base Adjustment Fiscal 2000	New Proposals Fiscal 2000	Total Leg. Budget Fiscal 2000	PL Base Adjustment Fiscal 2001	New Proposals Fiscal 2001	Total Leg. Budget Fiscal 2001	Total Leg. Budget Fiscal 00-01
FTE	48.50	.00	1.00	49.50	.00	1.00	54.67	54.67
Personal Services	2,169,781	178,079	41,643	2,389,503	252,428	41,333	2,463,542	4,853,045
Operating Expenses	1,830,833	385,174	2,750	2,218,757	(167,560)	0	1,663,273	3,882,030
Equipment	12,284	37,716	0	50,000	37,716	0	50,000	100,000
Total Costs	\$4,012,898	\$600,969	\$44,393	\$4,658,260	\$122,584	\$41,333	\$4,176,815	\$8,835,075
General Fund	3,032,950	589,100	44,393	3,666,443	661,296	41,333	3,735,579	7,402,022
State/Other Special	979,948	11,869	0	991,817	(538,712)	0	441,236	1,433,053
Total Funds	\$4,012,898	\$600,969	\$44,393	\$4,658,260	\$122,584	\$41,333	\$4,176,815	\$8,835,075

**Program Description**

The Legislative Services Division provides research, reference, legal, technical, information technology, and administrative support services to the House, Senate, and other divisions of the Legislative Branch. 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) provision of legislative research and reference services; legal counseling on legislative matters and agency legal support; 4) agency management and business services; 5) planning, installation and maintenance of the agency computer network and applications; 6) legislative committee staffing and support; 7) preparation, publication and distribution of the Montana Code Annotated text and annotations; 8) review of the text of proposed ballot measures; and 9) provision of legislative information to the public. The Legislative Council provides policy guidance to the Legislative Services Division.

**Funding**

The program is funded by general fund except for state special revenue appropriations that support costs associated with publication of the Montana Code Annotated text, annotations, and other publications. For the 2001 biennium, general fund provides 84 percent of the division's funding, at \$7.4 million, while state special revenue provides 16 percent, at \$1.4 million.

Present Law Adjustments		Fiscal 2000	Fiscal 2000	Fiscal 2000	Fiscal 2001	Fiscal 2001
Present Law Description		FTE	General Fund	Total Funds	FTE	General Fund
Statewide Present Law						
	Personal Services			178,079		218,190
	Inflation/Deflation			(12,023)		(10,621)
	Fixed Costs			109,010		206,769
	Total Statewide Adjustments			\$275,066		\$414,338
Present Law Adjustments						
2001	Cyclical Legislative Session Costs	.00	0	0	.00	62,119
2002	Cyclical Montana Codes Production	.00	0	52,337	.00	0
2003	Legis Branch Computer Systems Plan	.00	278,236	278,236	.00	(7,439)
2004	Services Division Operations	.00	6,199	6,199	.00	8,245
2007	Fixed Cost Reductions	.00	(10,869)	(10,869)	.00	(14,745)
	Total PL Adjustments	.00	\$273,566	\$325,903	.00	\$48,180
	Present Law Adjustments Total			\$600,969		\$122,584

**Present Law Adjustments**

The table above shows the changes made by the legislature to the adjusted base budget. Statewide adjustments are standard categories of adjustments globally applied by the legislature to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 2001 - Cyclical Legislative Session Costs - The legislature increased general fund by \$62,119 in fiscal 2001 over the base year for cyclical costs associated with support of the 2001 legislative session. The cyclical work of the division includes increases for staff overtime pay, temporary service staffing of the bill status portion of the Laws system, photocopy pool costs, microfilm service costs, and office supplies. Decreases are for printing and postage.

DP 2002 - Cyclical Montana Codes Production - The legislature reduced state special revenue by \$287,597 for the biennium to adjust for cyclical expenditure patterns associated with the production and publication of the Montana Codes Annotated and the Annotations to the Montana Codes.

DP 2003 - Legis Branch Computer Systems Plan - The legislature increased general fund by \$270,797 for the biennium for costs associated with adoption of the Legislative Branch Computer System Plan.

DP 2004 - Services Division Operations - The legislature increased general fund by \$14,444 for the biennium for division operating costs. A portion of the increase is related to the anticipated leasing of a vehicle from the State Motor Pool to provide access to the Capitol complex when division offices will be displaced from the capitol building during renovation.

DP 2007 - Fixed Cost Reductions - The legislature reduced general fund by \$25,614 to adjust fixed costs for rate reductions that had statewide impacts.

New Proposals		Fiscal 2000	Fiscal 2000	Fiscal 2000	Fiscal 2001	Fiscal 2001	Fiscal 2001
Description		FTE	General Fund	Total Funds	FTE	General Fund	Total Funds
2005	Personal Subcommittee Directive	1.00	44,393	44,393	1.00	41,333	41,333
	Total New Proposals	1.00	\$44,393	\$44,393	1.00	\$41,333	\$41,333

**New Proposals**

DP 2005 - Personal Subcommittee Directive - The legislature added 1.00 FTE for each year and increased general fund by \$85,726 for the biennium to address workload increases.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 1998	PL Base Adjustment Fiscal 2000	New Proposals Fiscal 2000	Total Leg. Budget Fiscal 2000	PL Base Adjustment Fiscal 2001	New Proposals Fiscal 2001	Total Leg. Budget Fiscal 2001	Total Leg. Budget Fiscal 00-01
FTE	.97	.00	.00	.97	.00	.00	.00	.00
Personal Services	32,360	18,583	17,642	68,585	(32,360)	0	0	68,585
Operating Expenses	167,677	196,283	194,206	558,166	(167,677)	0	0	558,166
Total Costs	\$200,037	\$214,866	\$211,848	\$626,751	(\$200,037)	\$0	\$0	\$626,751
General Fund	184,070	230,833	211,848	626,751	(184,070)	0	0	626,751
State/Other Special	15,967	(15,967)	0	0	(15,967)	0	0	0
Proprietary	0	0	0	0	0	0	0	0
Total Funds	\$200,037	\$214,866	\$211,848	\$626,751	(\$200,037)	\$0	\$0	\$626,751

**Program Description**

The Legislative Committees and Activities Program processes and monitors the expenditures of various legislative committees and activities, particularly those conducted during the interim between legislative sessions. Services include: 1) limited support of interim studies activities established under 5-5-202 through 5-5-217, MCA; 2) support of interstate cooperation activities of the legislature; and 3) support of other legislative activities for which appropriations are made.

**Funding**

The program is funded entirely by general fund. Funding is biennial since the interim work pattern of the legislature is better reflected through biennial appropriation.

Present Law Adjustments		Fiscal 2000	Fiscal 2000	Fiscal 2000	Fiscal 2001	Fiscal 2001	Fiscal 2001
Present Law Description		FTE	General Fund	Total Funds	FTE	General Fund	Total Funds
Statewide Present Law							
Personal Services				51,726			(32,360)
Inflation/Deflation				453			382
Fixed Costs				0			0
Total Statewide Adjustments				\$52,179			(\$31,978)
Present Law Adjustments							
2101	Interim Committees & Activities Prg	.00	162,687	162,687	.00	(168,059)	(168,059)
Total PL Adjustments		.00	\$162,687	\$162,687	.00	(\$168,059)	(\$168,059)
Present Law Adjustments Total				\$214,866			(\$200,037)

**Present Law Adjustments**

The table above shows the changes made by the legislature to the adjusted base budget. Statewide adjustments are standard categories of adjustments globally applied by the legislature to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 2101 - Interim Committees & Activities Prg - The legislature reduced general fund by a net \$5,372 for the biennium for activities of temporary and permanent statutory committees, interim joint subcommittees, and interstate organizational participation.

New Proposals		Fiscal 2000	Fiscal 2000	Fiscal 2000	Fiscal 2001	Fiscal 2001	Fiscal 2001
Description		FTE	General Fund	Total Funds	FTE	General Fund	Total Funds
2102	Council of State Governments	.00	45,268	45,268	.00	0	0
2104	Districting & Apportion. Commission	.00	50,316	50,316	.00	0	0
2105	Transition Advisory Committee	.00	0	200,000	.00	0	0
2106	Committee on State Mgmt Systems	.00	20,540	20,540	.00	0	0
2107	Legislative Interim Restructuring	.00	95,724	(104,276)	.00	0	0
Total New Proposals		.00	\$211,848	\$211,848	.00	\$0	\$0

**New Proposals**

DP 2102 - Council of State Governments - The legislature increased general fund by \$45,268 for the biennium to provide partial funding for the biennial dues in the Council of State Governments.

DP 2104 - Districting & Apportion. Commission - The legislature approved a one-time-only biennial appropriation that increased general fund by \$50,316 for the biennium to support the efforts of the Districting and Apportionment Commission.

DP 2105 - Transition Advisory Committee - The legislature, via SB 11, approved restructuring the interim legislative committees. The legislature increased state special revenue by \$200,000 for the biennium to fund the Transition Advisory Committee on electric utility industry restructuring. This funding was combined with offsetting adjustments contained in decision packages associated with restructuring of interim legislative committees (new proposals 2105, 2106, and 2107 in the Legislative Committees and Activities Program and new proposal 2706 in the Legislative Fiscal Division). The combined effect was a \$200,000 increase of general fund to fund the Transition Advisory Committee.

DP 2106 - Committee on State Mgmt Systems - The legislature, via SB 11, approved restructuring the interim legislative committees. The legislature increased general fund by \$20,540 for the biennium to fund the Committee on State Management Systems. This funding was approved through a combination of offsetting adjustments contained in decision packages associated with restructuring of interim legislative committees (new proposals 2105, 2106, and 2107 in the Legislative Committees and Activities Program and new proposal 2706 in the Legislative Fiscal Division). The Committee on State Management Systems was eliminated as a part of the reorganization with funding transferred to the reorganized committee structure.

DP 2107 - Legislative Interim Restructuring - The legislature, via SB 11, approved restructuring the interim legislative committees. Funding for the operation of the interim committees was approved through a combination of offsetting adjustments contained in decision packages associated with restructuring of interim legislative committees (new proposals 2105, 2106, and 2107 in the Legislative Committees and Activities Program and new proposal 2706 in the Legislative Fiscal Division).

Program Proposed Budget								
Budget Item	Base Budget Fiscal 1998	PL Base Adjustment Fiscal 2000	New Proposals Fiscal 2000	Total Leg. Budget Fiscal 2000	PL Base Adjustment Fiscal 2001	New Proposals Fiscal 2001	Total Leg. Budget Fiscal 2001	Total Leg. Budget Fiscal 00-01
FTE	15.80	.00	2.00	17.80	.00	2.00	17.80	17.80
Personal Services	818,333	63,687	83,283	965,303	54,456	86,240	959,029	1,924,332
Operating Expenses	53,437	9,440	21,595	84,472	21,425	0	74,862	159,334
Equipment	0	0	0	0	0	0	0	0
Total Costs	\$871,770	\$73,127	\$104,878	\$1,049,775	\$75,881	\$86,240	\$1,033,891	\$2,083,666
General Fund	871,770	73,127	104,878	1,049,775	75,881	86,240	1,033,891	2,083,666
State/Other Special	0	0	0	0	0	0	0	0
Total Funds	\$871,770	\$73,127	\$104,878	\$1,049,775	\$75,881	\$86,240	\$1,033,891	\$2,083,666

**Program Description**

The Legislative Fiscal Division provides the legislature with objective fiscal information and analysis relevant to Montana public policy and budget determination. Division services include: 1) fiscal analysis of state government and the furnishing of information bearing upon the financial matters of the state; 2) identification of ways to effect economy and efficiency in state government; 3) estimation of revenue and analysis of tax policy; 4) analysis of the executive budget; 5) compiling and analyzing fiscal information for legislators and legislative committees; and 6) staffing and support for legislative committees, including the preparation and processing of the General Appropriations Act. The Legislative Finance Committee provides policy guidance to the Legislative Fiscal Division.

**Funding**

The program is funded entirely by general fund.

Present Law Adjustments		Fiscal 2000	Fiscal 2000	Fiscal 2000	Fiscal 2001	Fiscal 2001	Fiscal 2001
Present Law Description		FTE	General Fund	Total Funds	FTE	General Fund	Total Funds
Statewide Present Law							
Personal Services				46,198			42,004
Inflation/Deflation				(991)			(824)
Total Statewide Adjustments				\$45,207			\$41,180
Present Law Adjustments							
2701	Cyclical Legislative Session Costs	.00	0	0	.00	40,155	40,155
2702	Legislative Request Work	.00	5,000	5,000	.00	0	0
2703	Legislative Finance Committee	.00	8,884	8,884	.00	3,011	3,011
2704	Post-Secondary Education Committee	.00	14,036	14,036	.00	(8,465)	(8,465)
Total PL Adjustments		.00	\$27,920	\$27,920	.00	\$34,701	\$34,701
Present Law Adjustments Total				\$73,127			\$75,881

**Present Law Adjustments**

The table above shows the changes made by the legislature to the adjusted base budget. Statewide adjustments are standard categories of adjustments globally applied by the legislature to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 2701 - Cyclical Legislative Session Costs - The legislature increased general fund by \$40,155 for the biennium for costs that are not included in the base due to the cyclical expenditure pattern when the division supports the legislative session. The increase is for costs associated with printing, support staff overtime, temporary secretarial services, and supplies for support of the 2001 legislative session. Substantial printing increases are related to the Budget Analysis report, session publications, budget summary pamphlets, and post-session reports.

DP 2702 - Legislative Request Work - The legislature approved a biennial appropriation that increased general fund by \$5,000 for the biennium for data processing charges associated with legislative requests for complex issues such as tax models.

DP 2703 - Legislative Finance Committee - The legislature increased general fund by \$11,895 for the biennium for support of the Legislative Finance Committee (LFC) interim meetings and projects.

DP 2704 - Post-Secondary Education Committee - The legislature, via SB 11, approved restructuring the interim legislative committees. This funding is for the Post-Secondary Education Committee, which is then transferred through a combination of offsetting adjustments contained in decision packages associated with restructuring of interim legislative committees (new proposals 2105, 2106, and 2107 in the Legislative Committees and Activities Program and new proposal 2706 in the Legislative Fiscal Division).

New Proposals		Fiscal 2000	Fiscal 2000	Fiscal 2000	Fiscal 2001	Fiscal 2001	Fiscal 2001
Description		FTE	General Fund	Total Funds	FTE	General Fund	Total Funds
2705	Personnel Subcommittee Directive	2.00	92,388	92,388	2.00	86,240	86,240
2706	Legislative Interim Restructuring	.00	(22,510)	(22,510)	.00	0	0
2707	LFC Interim Studies	.00	35,000	35,000	.00	0	0
Total New Proposals		2.00	\$104,878	\$104,878	2.00	\$86,240	\$86,240

**New Proposals**

DP 2705 - Personnel Subcommittee Directive - The legislature added 2.00 FTE for each year and increased general fund by nearly \$179,000 for the biennium to implement a recommendation of the Branch Personnel Subcommittee that was approved by the Legislative Council, Legislative Finance Committee, and Legislative Audit Committee. The staff was added to help reduce excess compensatory time hours of division staff that are accumulated while preparing for and supporting the legislature during the session.

DP 2706 - Legislative Interim Restructuring - The legislature, via SB 11, approved restructuring the interim legislative committees. Funding for the new interim committee structure was approved through a combination of offsetting adjustments contained in decision packages associated with restructuring of interim legislative committees (new proposals 2105, 2106, and 2107 in the Legislative Committees and Activities Program and new proposal 2706 in the Legislative Fiscal Division). This proposal eliminates dedicated funding for the Post-Secondary Education Policy and Budget (PEPB) Committee. The duties of the PEPB were transferred to the Education Committee.

DP 2707 - LFC Interim Studies - The legislature increased general fund for interim studies of the Legislative Finance Committee (LFC). This includes funding for the HJ 35 study of Mental Health Managed Care, the study of information technology management in HB 2, and other interim subcommittees/studies assigned to or undertaken by the LFC. The legislature designated this as a restricted, biennial, one-time-only appropriation.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 1998	PL Base Adjustment Fiscal 2000	New Proposals Fiscal 2000	Total Leg. Budget Fiscal 2000	PL Base Adjustment Fiscal 2001	New Proposals Fiscal 2001	Total Leg. Budget Fiscal 2001	Total Leg. Budget Fiscal 00-01
FTE	55.00	.00	.00	55.00	.00	.00	55.00	55.00
Personal Services	2,373,311	301,043	0	2,674,354	287,825	0	2,661,136	5,335,490
Operating Expenses	218,589	60,965	7,079	286,633	47,949	7,079	273,617	560,250
Equipment	0	0	0	0	0	0	0	0
Total Costs	\$2,591,900	\$362,008	\$7,079	\$2,960,987	\$335,774	\$7,079	\$2,934,753	\$5,895,740
General Fund	1,538,174	146,870	4,002	1,689,046	171,036	4,002	1,713,212	3,402,258
State/Other Special	1,053,726	215,138	3,077	1,271,941	164,738	3,077	1,221,541	2,493,482
Total Funds	\$2,591,900	\$362,008	\$7,079	\$2,960,987	\$335,774	\$7,079	\$2,934,753	\$5,895,740

**Program Description**

The Legislative Audit Division conducts independent audits and provides factual and objective information to the legislative and executive managers of the public trust. Division services include: 1) conducting and reporting of biennial financial-compliance audits, performance audits, information systems audits, and special audits of state agency operations; 2) reporting of violation of penal statutes, instances of misfeasance, malfeasance, or nonfeasance, and shortages discovered in an audit that are covered by surety; 3) auditing records of entities under contract with the state; and 4) assisting the legislature, its committees, and its members by providing information related to the fiscal affairs of state government. The Legislative Audit Committee provides policy guidance to the Legislative Audit Division.

**Funding**

The program is funded by a combination of general fund and special revenue appropriations. Special revenue is derived through the assessment of federally approved hourly rate charges to agencies for audit services. For the 2001 biennium, general fund provides 58 percent of the division's funding, at \$3.4 million, and state special revenue provides 42 percent, at \$2.5 million.

Present Law Adjustments		Fiscal 2000	Fiscal 2000	Fiscal 2000	Fiscal 2001	Fiscal 2001
Present Law Description		FTE	General Fund	Total Funds	FTE	Total Funds
Statewide Present Law						
Personal Services				294,090		280,803
Inflation/Deflation				1,099		678
Fixed Costs				(60)		204
Total Statewide Adjustments				\$295,129		\$281,685
Present Law Adjustments						
2801	Cyclical Independent Audit Costs	.00	1,300	1,300	.00	2,300
2802	Acquired Audit Services	.00	32,085	45,215	.00	30,215
2804	Audit Division Operations	.00	6,938	12,271	.00	13,412
2806	Legislative Audit Committee	.00	8,093	8,093	.00	8,162
Total PL Adjustments		.00	\$48,416	\$66,879	.00	\$54,089
Present Law Adjustments Total				\$362,008		\$335,774

**Present Law Adjustments**

The table above shows the changes made by the legislature to the adjusted base budget. Statewide adjustments are standard categories of adjustments globally applied by the legislature to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 2801 - Cyclical Independent Audit Costs - The legislature reduced general fund by \$2,772 and increased state special revenue by \$6,372 for the biennium for costs associated with an independent biennial audit of the Legislative Branch and

Legislative Audit Division and a biennial peer review required by Government Auditing Standards.

DP 2802 - Acquired Audit Services - The legislature increased general fund by \$49,613 and increased state special revenue by \$25,817 for the biennium for costs associated with: 1) hiring actuarial expertise regarding the audit of the state's retirement systems; 2) hiring a consultant to complete a disaster recovery plan for the Legislative Branch; and 3) continuing the Memo of Understanding between the Department of Justice and Legislative Audit Division. The memo of understanding defines the responsibilities of each office with respect to investigation and prosecution of criminal matters.

DP 2804 - Audit Division Operations - The legislature increased general fund by \$14,522 and increased state special revenue by \$11,161 for the biennium for: 1) travel costs associated with an annual electronic data processing audit of the SCT/Banner system at the universities; 2) costs to maintain existing subscriptions for various periodicals and professional publications at their anticipated costs; and 3) costs to implement the division training plan for each employee to ensure compliance with Government Auditing Standards.

DP 2806 - Legislative Audit Committee - The legislature increased general fund by \$16,255 for the biennium for the Legislative Audit Committee to hold one more meeting than is reflected in the base year expenditures.

New Proposals		Fiscal 2000	Fiscal 2000	Fiscal 2000	Fiscal 2001	Fiscal 2001	Fiscal 2001
Description		FTE	General Fund	Total Funds	FTE	General Fund	Total Funds
2805	GASB Annual Assessment	.00	4,002	7,079	.00	4,002	7,079
Total New Proposals		.00	\$4,002	\$7,079	.00	\$4,002	\$7,079

**New Proposals**

DP 2805 - GASB Annual Assessment - The legislature increased general fund by \$8,004 and increased state special revenue by \$6,154 for the biennium for an annual assessment for Governmental Accounting Standards Board research, technical bulletins, pronouncements, statements, guides to implementation, and exposure drafts.