

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 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	134.97	140.14	134.97	140.14	140.14	140.14	0.00	0.00%
Personal Services	9,975,053	11,251,586	10,411,651	10,397,249	21,226,639	20,808,900	(417,739)	(1.97%)
Operating Expenses	2,926,260	3,701,538	3,285,000	3,031,202	6,627,798	6,316,202	(311,596)	(4.70%)
Equipment & Intangible Assets	133,233	80,729	75,000	75,000	213,962	150,000	(63,962)	(29.89%)
Benefits & Claims	250	0	0	0	250	0	(250)	(100.00%)
Total Costs	\$13,034,796	\$15,033,853	\$13,771,651	\$13,503,451	\$28,068,649	\$27,275,102	(\$793,547)	(2.83%)
General Fund	10,671,264	12,745,186	11,221,797	11,599,001	23,416,450	22,820,798	(595,652)	(2.54%)
State Special	2,363,532	2,288,667	2,549,854	1,904,450	4,652,199	4,454,304	(197,895)	(4.25%)
Total Funds	\$13,034,796	\$15,033,853	\$13,771,651	\$13,503,451	\$28,068,649	\$27,275,102	(\$793,547)	(2.83%)

Agency Description

Principal entities of the Legislative Branch (Branch), consolidated under 5-2-503, MCA, include the Senate and the House of Representatives, the Legislative Services Division, the Legislative Fiscal Division, and the Legislative Audit Division. The Senate and the House of Representatives together comprise the Legislature, which exercises the legislative power of state government, creates the laws of the state, and appropriates funds for the functions of state government.

Standing and interim committees of the legislature, aided by supporting divisions of the branch, monitor the functions of state government and report to the legislature. The Legislative Audit Committee, Legislative Council, and Legislative Finance Committee provide oversight and management of legislative divisions during the interim.

The budget for the three staff divisions and legislative interim work is presented in HB 2. The budget for House and Senate activity is presented in HB 1, the "feed bill."

Agency Highlights

Legislative Branch Major Budget Highlights
<ul style="list-style-type: none"> ◆ The budget decreases from the 2011 biennium due to decreases partially offset by a number of increases ◆ A variety of increases include: <ul style="list-style-type: none"> ● Statewide present law adjustments ● Funding of the Districting and Apportionment Commission and a portion of organizational dues ● Retrofits of the State Capitol building to address work health issues ◆ The decreases more than offsetting these increases are a result of adoption of the 5% reduction plan: <ul style="list-style-type: none"> ● Leaving 6.00 FTE professional level positions vacant ● Reducing budgets for interim committees and the Legislative Council's emergent issues fund ● Reductions to various supplies, training, lodging, and equipment

Summary of Legislative Action

The 2013 biennium budget includes certain one-time costs not included in the 2011 biennium. The Districting and Apportionment Commission meets only after the decennial census is completed, so these costs would not have been included in the last biennium. There is also a decision package to provide funds for workplace health issues associated with the prior Capitol renovation, and setting the stage for a Capital Building Master Plan for which funding will likely be requested at some point in the future. Alternately, there are several decreases in the budget that more than offset these increases, as a result of adoption of the 5% reduction plan approved by the legislature, to leave some positions vacant, reduce some interim committee budgets, and provide for a variety of operations decreases.

Agency Discussion

The budget of the Legislative Branch is presented 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 are incurred in non-base years, as the sessions are held in the second year of the biennium. There is also an authorized temporary increase of FTE during legislative sessions, which is why the FTE in FY 2013 are higher than FTE in FY 2012.

As a means to facilitate comparison, the budget is presented in the annual format. Changes to the base year reflect the difference of activity from legislative session to interim years. Comparisons to the base year give a distorted picture in that session costs are not in the budget year (even years), yet recur every other year (odd years).

Funding

The following table summarizes funding for the agency, by program and source. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Agency Funding 2013 Biennium Budget				
Agency Program	General Fund	State Spec.	Grand Total	Total %
20 Legislative Services Division	\$ 13,444,914	\$ 1,149,341	\$ 14,594,255	53.51%
21 Legis. Committees & Activities	1,102,010	-	1,102,010	4.04%
27 Fiscal Analysis & Review	3,560,728	-	3,560,728	13.05%
28 Audit & Examination	4,713,146	3,304,963	8,018,109	29.40%
Grand Total	<u>22,820,798</u>	<u>4,454,304</u>	<u>27,275,102</u>	<u>100.00%</u>

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 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	10,671,264	10,671,264	21,342,528	93.52%	13,034,796	13,034,796	26,069,592	95.58%
Statewide PL Adjustments	605,283	1,053,414	1,658,697	7.27%	894,279	997,540	1,891,819	6.94%
Other PL Adjustments	167,285	336,321	503,606	2.21%	182,965	51,467	234,432	0.86%
New Proposals	(222,035)	(461,998)	(684,033)	(3.00%)	(340,389)	(580,352)	(920,741)	(3.38%)
Total Budget	\$11,221,797	\$11,599,001	\$22,820,798		\$13,771,651	\$13,503,451	\$27,275,102	

Other Legislation

HB 642 - This bill creates a select committee on efficiency in government. An appropriation of \$100,000 general fund is made in this bill to allow for a 12 member committee of legislators to lead this effort, which will involve staff from all three divisions.

Executive Budget Comparison

The following table compares the legislative budget in the 2013 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2010	Executive Budget Fiscal 2012	Legislative Budget Fiscal 2012	Leg - Exec. Difference Fiscal 2012	Executive Budget Fiscal 2013	Legislative Budget Fiscal 2013	Leg - Exec. Difference Fiscal 2013	Biennium Difference Fiscal 12-13
FTE	134.97	134.97	134.97	0.00	140.14	140.14	0.00	
Personal Services	9,975,053	10,873,290	10,411,651	(461,639)	10,858,306	10,397,249	(461,057)	(922,696)
Operating Expenses	2,926,260	3,483,472	3,285,000	(198,472)	3,230,219	3,031,202	(199,017)	(397,489)
Equipment & Intangible Assets	133,233	75,000	75,000	0	75,000	75,000	0	0
Benefits & Claims	250	0	0	0	0	0	0	0
Total Costs	\$13,034,796	\$14,431,762	\$13,771,651	(\$660,111)	\$14,163,525	\$13,503,451	(\$660,074)	(\$1,320,185)
General Fund	10,671,264	11,763,554	11,221,797	(541,757)	12,140,721	11,599,001	(541,720)	(1,083,477)
State/Other Special	2,363,532	2,668,208	2,549,854	(118,354)	2,022,804	1,904,450	(118,354)	(236,708)
Total Funds	\$13,034,796	\$14,431,762	\$13,771,651	(\$660,111)	\$14,163,525	\$13,503,451	(\$660,074)	(\$1,320,185)

General fund support has been reduced by a total of \$1.3 million for the biennium from the budget originally submitted by the branch and included in the executive budget. These reductions are primarily the result of adoption of the 5% plan reductions approved globally for all agencies required to submit such plans. The largest component of this reduction comes from personal services savings, with a smaller portion each year from operations. The specifics of these reductions can be seen in decision packages 95205, 95215, 95275, and 95285 in each of the following program overviews.

Language and Statutory Authority

The legislature included the following language in HB 2.

"Legislative Services includes a reduction in general fund money of \$8,877 in FY 2012 and \$8,840 in FY 2013. The agency may allocate this reduction in funding among programs when developing 2013 biennium operating plans."

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	59.00	64.17	59.00	64.17	64.17	64.17	0.00	0.00%
Personal Services	4,606,243	5,302,075	4,741,424	4,807,619	9,908,318	9,549,043	(359,275)	(3.63%)
Operating Expenses	2,342,462	2,850,300	2,490,793	2,404,419	5,192,762	4,895,212	(297,550)	(5.73%)
Equipment & Intangible Assets	133,233	80,729	75,000	75,000	213,962	150,000	(63,962)	(29.89%)
Total Costs	\$7,081,938	\$8,233,104	\$7,307,217	\$7,287,038	\$15,315,042	\$14,594,255	(\$720,787)	(4.71%)
General Fund	6,197,641	7,837,919	6,444,118	7,000,796	14,035,560	13,444,914	(590,646)	(4.21%)
State Special	884,297	395,185	863,099	286,242	1,279,482	1,149,341	(130,141)	(10.17%)
Total Funds	\$7,081,938	\$8,233,104	\$7,307,217	\$7,287,038	\$15,315,042	\$14,594,255	(\$720,787)	(4.71%)

Program Description

The Legislative Services Division provides objective research, reference, legal, technical, information technology, and business 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; 4) legal counseling on legislative matters and agency legal support; 5) personnel and business services; 6) planning, installation, and maintenance of agency information technology; 7) legislative committee staffing and support; 8) preparation, publication, and distribution of the Montana Code Annotated text and annotations; 9) review of the text of proposed ballot measures; 10) broadcasting of state government and public policy events; and 11) provision of legislative information to the public. The Legislative Council provides policy guidance to the Legislative Services Division.

Program Highlights

Legislative Services Division Major Budget Highlights
<ul style="list-style-type: none"> ◆ Legislatively approved funding for the LSD decreases 4.71%, or \$0.7 million compared to the 2011 biennium ◆ Reductions include statewide present law adjustments and a 5% reduction plan enacted by the legislature ◆ Partially offsetting these decreases were: <ul style="list-style-type: none"> • \$8,000 to provide funding for the Districting and Apportionment Commission, which occurs on a decennial basis • \$240,000 to address healthy work environment recommendations, as a one-time-only expense ◆ A general fund reduction of \$17,717 was applied to this division in anticipation of workers' compensation savings, and may be allocated branch-wide

Program Narrative

The Legislative Services Division (LSD) budget for the 2013 biennium decreases 4.71% when compared to the 2011 biennium.

Reductions to the budget include the adoption of the 5% plan, as submitted by the branch, which reduces the LSD present law budget by \$762,877. The division also has a net reduction in cyclical costs associated with production of the Montana

Code Annotated (MCA). The legislature also applied a general fund reduction in anticipation of workers' compensation cost savings, as well as language that allows the reduction to be allocated among programs at the discretion of the branch.

Increases in the budget for the division include funding for the Districting and Apportionment Commission, which occurs every ten years, and a Capitol building retrofit to address work health issues.

Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding Table						
Legislative Services Division						
Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000 Total General Fund	\$ 6,197,641	87.5%	\$ 6,444,118	88.2%	\$ 7,000,796	96.1%
01100 General Fund	6,197,641	87.5%	6,444,118	88.2%	7,000,796	96.1%
02000 Total State Special Funds	884,297	12.5%	863,099	11.8%	286,242	3.9%
02800 Reimbursable Activities	859,631	12.1%	851,747	11.7%	272,786	3.7%
02985 State Government Broadcasting	<u>24,666</u>	<u>0.3%</u>	<u>11,352</u>	<u>0.2%</u>	<u>13,456</u>	<u>0.2%</u>
Grand Total	\$ 7,081,938	100.0%	\$ 7,307,217	100.0%	\$ 7,287,038	100.0%

The Legislative Services Division is mainly funded with general fund. State special revenue funding supports the costs associated with the state broadcasting service (TVMT) and the preparation, publication, and distribution of the Montana Codes Annotated.

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 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	6,197,641	6,197,641	12,395,282	92.19%	7,081,938	7,081,938	14,163,876	97.05%
Statewide PL Adjustments	343,855	828,816	1,172,671	8.72%	358,242	566,880	925,122	6.34%
Other PL Adjustments	8,450	320,675	329,125	2.45%	17,080	28,771	45,851	0.31%
New Proposals	(105,828)	(346,336)	(452,164)	(3.36%)	(150,043)	(390,551)	(540,594)	(3.70%)
Total Budget	\$6,444,118	\$7,000,796	\$13,444,914		\$7,307,217	\$7,287,038	\$14,594,255	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					374,371					440,529
Inflation/Deflation					567					568
Fixed Costs					(16,696)					125,783
Total Statewide Present Law Adjustments		\$343,855	\$14,387	\$0	\$358,242		\$828,816	(\$261,936)	\$0	\$566,880
DP 201 - LSD Cyclical Program Operations										
	0.00	8,450	8,630	0	17,080	0.00	320,675	(291,904)	0	28,771
Total Other Present Law Adjustments	0.00	\$8,450	\$8,630	\$0	\$17,080	0.00	\$320,675	(\$291,904)	\$0	\$28,771
Grand Total All Present Law Adjustments	0.00	\$352,305	\$23,017	\$0	\$375,322	0.00	\$1,149,491	(\$553,840)	\$0	\$595,651

DP 201 - LSD Cyclical Program Operations - The legislature approved a package to fund increases and decreases reflecting the cyclical nature of the legislative business cycle. An \$8,000 general fund increase each year supports the work of the Districting & Apportionment Commission following the national census. A \$9,000 special revenue fund increase in Montana Code Annotated (MCA) costs in the first year is more than offset by a second year reduction of \$292,348 related to the production and publication of the MCA. Other second year changes totaling \$321,000 fund costs of the 2013 legislative session which are not included in the base year or that increase during a session year. Such costs include streaming legislative proceedings over the internet, production costs of TVMT, temporary staff support of House and Senate secretaries, and contracted services for support of the LAWS system, session network buildup, and computer-related assistance to legislators.

New Proposals

New Proposals	-----Fiscal 2012-----					-----Fiscal 2013-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 206 - Retro-Commissioning the Capitol Building - OTO	20	0.00	240,000	0	0	240,000	0.00	0	0	0	0
DP 95205 - LSD 5% Reduction Plan, 17-7-111, MCA	20	0.00	(336,951)	(44,215)	0	(381,166)	0.00	(337,496)	(44,215)	0	(381,711)
DP 97100 - Reduction in Worker's Compensation Costs	20	0.00	(8,877)	0	0	(8,877)	0.00	(8,840)	0	0	(8,840)
Total	0.00	(\$105,828)	(\$44,215)	\$0	(\$150,043)	0.00	(\$346,336)	(\$44,215)	\$0	(\$390,551)	

DP 206 - Retro-Commissioning the Capitol Building - OTO - The legislature approved one-time biennial funding for shorter-term options related to a healthy work environment and retro-commissioning the mechanical system and controls within the Capitol building and with the central plant. Healthy work environment issues include upgrading lighting and opening window wells closed over during Capitol renovation.

DP 95205 - LSD 5% Reduction Plan, 17-7-111, MCA - The legislature approved a 5% reduction plan in its global motion to begin the budgeting process. This is the first of four decision packages detailing the reductions to the Legislative Branch. Branchwide personal services reductions total \$452,000 each year and exceed 4.5% of base year expenditures. Branchwide reductions in operations total \$199,000 each year, equal to 6.5% of base year expenditures.

DP 97100 - Reduction in Worker's Compensation Costs - The legislature reduced general fund support for worker's compensation costs based upon the anticipated impact of HB 334. The agency may allocate this reduction in funding among programs.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	0.97	0.97	0.97	0.97	0.97	0.97	0.00	0.00%
Personal Services	99,245	70,074	125,722	48,375	169,319	174,097	4,778	2.82%
Operating Expenses	352,826	490,584	571,155	356,758	843,410	927,913	84,503	10.02%
Total Costs	\$452,071	\$560,658	\$696,877	\$405,133	\$1,012,729	\$1,102,010	\$89,281	8.82%
General Fund	452,071	560,658	696,877	405,133	1,012,729	1,102,010	89,281	8.82%
Total Funds	\$452,071	\$560,658	\$696,877	\$405,133	\$1,012,729	\$1,102,010	\$89,281	8.82%

Program Description

The Legislative Committees and Activities Program supports the activities of standing and interim legislative committees that are conducted during the interim between legislative sessions. Program expenditures support: 1) interim study activities as defined in 5-5-202 through 5-5-217, MCA; 2) cooperative interstate, international and intergovernmental activities as outlined in 5-11-303 through 5-11-305, MCA; and 3) other legislative activities for which appropriations are made.

Program Highlights

Legislative Committees and Activities Major Budget Highlights	
<ul style="list-style-type: none"> ◆ General fund increases 8.8% due primarily to the following: <ul style="list-style-type: none"> • Funding of the Districting and Apportionment Commission • A portion of dues to four legislative organizations, including NCSL, CSG, NCCUSL, and PNWER • Reinstatement of the Legislative Council's emerging issues fund ◆ Adoption of a 5% reduction resulted in a partial offset of these increases by eliminating \$45,206 from the budgets by: <ul style="list-style-type: none"> • Reducing 11 interim committee budgets by \$2,000 each • A reduction to the Legislative Council's emerging issues fund 	

Program Narrative

The legislatively approved budget for the Legislative Committees and Activities program increases 8.82% when compared to the 2011 biennium.

While reductions of 5% were approved, they were more than offset by the approval of various budgetary increases. These increases include the funding of the Districting & Apportionment Commission, an emerging issues fund for the Legislative Council, mileage for personal travel associated with serving on these committees, and dues to regional and national legislative organizations. The budget base includes 50% of the costs of these dues. In the 2011 biennium, the remaining 50% had been funded in HB 645 with one-time-only ARRA money. This increase provides 30% for a total of 80% of the dues.

The following bills were passed by the legislature that request or require committee action on a number of legislative and policy issues:

- HB 142 – Require interim committees review of reports and advisory councils for sunset
- HB 414 – Provide for federal mandate accountability
- HB 525 – Revise business and professional licensing laws to provide termination review
- HB 543 – Revise law on administrative rules adopted by reference
- HB 602 – Require interim study of exempt water wells
- HB 615 – Advance cancer research and treatment
- HB 642 – Create select committee on efficiency in government
- SB 3 – Require state agencies to report on heritage properties
- HJ 8 – Interim study on reducing childhood hunger in Montana
- HJ 13 – Study state income tax and options for revision
- HJ 32 – Resolution to study state parks, recreation, heritage programs
- HJ 33 – Interim study on state health insurance exchange
- HJ 38 – Interim study of local fire protection, firefighters, and EMTs (not approved for study)
- HJ 39 – Interim study of subdivision rent or lease exemption
- SJ 15 – Study resolution on bonding requirement for ag commodities and grain industry
- SJ 17 – Interim study of valuing centrally assessed property for tax purposes
- SJ 18 – Interim study on health care workforce development initiatives (not approved for study)
- SJ 20 – Study resolution on implementation of privatization of Medicaid administration
- SJ 23 – Interim study on exemption of nonprofits from property taxes
- SJ 26 – Study resolution for interim monitoring activities recommended by Joint Subcommittees of the House Appropriations and Senate Finance and Claims standing committees
- SJ 27 Interim study of waiver services for children with developmental disabilities (not approved for study)
- SJ 28 – Interim study resolution on performance-based funding for education
- SJ 29 – Study of restorative justice
- SJ 30 – Interim study of ways to reduce childhood trauma

For all study resolutions, the legislature votes on its priorities and studies are organized accordingly. As noted above, the Legislative Council did not approve three studies, based on the results of a poll of legislators. These studies may still be taken up by interim committees if they determine they have time and resources available for doing so.

Each committee requires leadership or the presiding officer of the committee to appoint members and provide funding support for travel and per diem costs while meeting. It also requires Legislative Services or Fiscal Division staff to provide research, legal advice, and/or secretarial support. If the committee determines out-of-Helena meetings are appropriate, staff travel time and costs increase.

Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding Table							
Legis. Committees & Activities							
Program Funding		Base	% of Base	Budget	% of Budget	Budget	% of Budget
		FY 2010	FY 2010	FY 2012	FY 2012	FY 2013	FY 2013
01000	Total General Fund	\$ 452,071	100.0%	\$ 696,877	100.0%	\$ 405,133	100.0%
	01100 General Fund	<u>452,071</u>	<u>100.0%</u>	<u>696,877</u>	<u>100.0%</u>	<u>405,133</u>	<u>100.0%</u>
Grand	Total	<u>\$ 452,071.00</u>	<u>100.0%</u>	<u>\$ 696,877.00</u>	<u>100.0%</u>	<u>\$ 405,133.00</u>	<u>100.0%</u>

The program is entirely funded with general fund.

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 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	452,071	452,071	904,142	82.04%	452,071	452,071	904,142	82.04%
Statewide PL Adjustments	38,102	(68,953)	(30,851)	(2.80%)	38,102	(68,953)	(30,851)	(2.80%)
Other PL Adjustments	149,585	(35,104)	114,481	10.39%	149,585	(35,104)	114,481	10.39%
New Proposals	57,119	57,119	114,238	10.37%	57,119	57,119	114,238	10.37%
Total Budget	\$696,877	\$405,133	\$1,102,010		\$696,877	\$405,133	\$1,102,010	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					40,658					(66,400)
Inflation/Deflation					(119)					(116)
Fixed Costs					(2,437)					(2,437)
Total Statewide Present Law Adjustments		\$38,102	\$0	\$0	\$38,102		(\$68,953)	\$0	\$0	(\$68,953)
DP 211 - Interim Committees Cyclical Program Operations	0.00	149,585	0	0	149,585	0.00	(35,104)	0	0	(35,104)
Total Other Present Law Adjustments	0.00	\$149,585	\$0	\$0	\$149,585	0.00	(\$35,104)	\$0	\$0	(\$35,104)
Grand Total All Present Law Adjustments	0.00	\$187,687	\$0	\$0	\$187,687	0.00	(\$104,057)	\$0	\$0	(\$104,057)

DP 211 - Interim Committees Cyclical Program Operations - An operational increase of \$49,134 relates to decennial work of the Districting & Apportionment Commission, a \$25,354 reduction in dues, an \$8,785 increase for personal car mileage, and a \$50,000 increase for re-establishment of the Legislative Council's discretionary fund for emerging issues that was not expended in the base year.

New Proposals

New Proposals	Program	FTE	-----Fiscal 2012-----			-----Fiscal 2013-----					
			General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 212 - Interstate Organization Dues	21	0.00	79,722	0	0	79,722	0.00	79,722	0	0	79,722
DP 95215 - Interim Comm 5% Reduction Plan, 17-7-111, MCA	21	0.00	(22,603)	0	0	(22,603)	0.00	(22,603)	0	0	(22,603)
Total		0.00	\$57,119	\$0	\$0	\$57,119	0.00	\$57,119	\$0	\$0	\$57,119

DP 212 - Interstate Organization Dues - The legislature approved funding for interstate organizational dues in an amount equal to 30% of the total dues for the 2013 biennium for four interstate organizations including the National Conference of Commissioners on Uniform State Law (NCCUSL), the Pacific Northwest Economic Region (PNWER), the National Conference of State Legislatures (NCSL) and the Council of State Governments (CSG). The program's present law

budget contains funding sufficient to pay 50% of the dues, and this addition increases the total funding to 80% of the anticipated cost.

DP 95215 - Interim Comm 5% Reduction Plan, 17-7-111, MCA - The legislature approved as part of the overall 5% reduction global motion the second of four decision packages. A \$22,000 biennial general fund reduction is the result of removing \$2,000 from each of 11 interim committee budgets. In addition, an \$11,603 reduction each year was made from the Legislative Council's emerging issues fund.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	20.50	20.50	20.50	20.50	20.50	20.50	0.00	0.00%
Personal Services	1,771,252	1,811,909	1,722,406	1,719,970	3,583,161	3,442,376	(140,785)	(3.93%)
Operating Expenses	54,931	86,707	38,653	79,699	141,638	118,352	(23,286)	(16.44%)
Total Costs	\$1,826,183	\$1,898,616	\$1,761,059	\$1,799,669	\$3,724,799	\$3,560,728	(\$164,071)	(4.40%)
General Fund	1,826,183	1,898,616	1,761,059	1,799,669	3,724,799	3,560,728	(164,071)	(4.40%)
Total Funds	\$1,826,183	\$1,898,616	\$1,761,059	\$1,799,669	\$3,724,799	\$3,560,728	(\$164,071)	(4.40%)

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 appropriation bills for the legislative, judicial, and executive agencies. The Legislative Finance Committee provides guidance to the Legislative Fiscal Division.

Program Highlights

Legislative Fiscal Division Major Budget Highlights
<ul style="list-style-type: none"> ◆ The LFD budget decreases by 4.4% compared to the 2011 biennium ◆ Funds for cyclical session expenses are included in FY 2013 at the FY 2011 level ◆ Budget reductions are the result of the legislatively approved 5% reduction plan, more than offsetting the cyclical increase

Program Narrative

The legislatively approved budget for the Legislative Fiscal Division (LFD) decreases by 4.4%, or just under \$0.2 million for the 2013 biennium as compared to the 2011 biennium.

Increases were provided for statewide present law adjustments and for cyclical costs associated with the legislature operating at a higher cost during non-base years. These increases were more than offset by the 5% reduction adopted by the legislature.

Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding Table							
Fiscal Analysis & Review							
		Base	% of Base	Budget	% of Budget	Budget	% of Budget
Program Funding		FY 2010	FY 2010	FY 2012	FY 2012	FY 2013	FY 2013
01000	Total General Fund	\$ 1,826,183	100.0%	\$ 1,761,059	100.0%	\$ 1,799,669	100.0%
	01100 General Fund	<u>1,826,183</u>	<u>100.0%</u>	<u>1,761,059</u>	<u>100.0%</u>	<u>1,799,669</u>	<u>100.0%</u>
Grand	Total	<u>\$ 1,826,183</u>	<u>100.0%</u>	<u>\$ 1,761,059</u>	<u>100.0%</u>	<u>\$ 1,799,669</u>	<u>100.0%</u>

The division is entirely funded with general fund.

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	1,826,183	1,826,183	3,652,366	102.57%	1,826,183	1,826,183	3,652,366	102.57%
Statewide PL Adjustments	9,116	2,181	11,297	0.32%	9,116	2,181	11,297	0.32%
Other PL Adjustments	0	45,000	45,000	1.26%	0	45,000	45,000	1.26%
New Proposals	(74,240)	(73,695)	(147,935)	(4.15%)	(74,240)	(73,695)	(147,935)	(4.15%)
Total Budget	\$1,761,059	\$1,799,669	\$3,560,728		\$1,761,059	\$1,799,669	\$3,560,728	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the adjusted base budget adopted by the legislature. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					8,688					4,207
Inflation/Deflation					(96)					(94)
Fixed Costs					524					(1,932)
Total Statewide Present Law Adjustments		\$9,116	\$0	\$0	\$9,116		\$2,181	\$0	\$0	\$2,181
DP 271 - LFD Cyclical Program Operations	0.00	0	0	0	0	0.00	45,000	0	0	45,000
Total Other Present Law Adjustments	0.00	\$0	\$0	\$0	\$0	0.00	\$45,000	\$0	\$0	\$45,000
Grand Total All Present Law Adjustments	0.00	\$9,116	\$0	\$0	\$9,116	0.00	\$47,181	\$0	\$0	\$47,181

DP 271 - LFD Cyclical Program Operations - The legislature approved an increase in the FY 2013 budget in the categories of overtime, temporary services, printing, photocopy, and office supplies due to cyclical legislative session costs that are not captured in the base year. This is the same amount approved in the previous two biennia.

New Proposals

New Proposals										
Program	FTE	-----Fiscal 2012-----				-----Fiscal 2013-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 95275 - LFD 5% Reduction Plan, 17-7-111, MCA										
27	0.00	(74,240)	0	0	(74,240)	0.00	(73,695)	0	0	(73,695)
Total	0.00	(\$74,240)	\$0	\$0	(\$74,240)	0.00	(\$73,695)	\$0	\$0	(\$73,695)

DP 95275 - LFD 5% Reduction Plan, 17-7-111, MCA - This is the third of four decision packages approved by the legislature to reduce base expenditures by 5%. For the LFD, personal services reductions of \$57,534 in FY 2012 and \$56,989 in FY 2013 represent a plan to leave one professional-level position vacant for the biennium. Operating reductions remove \$8,506 from office supplies and \$8,200 from contracted services each year of the biennium.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	54.50	54.50	54.50	54.50	54.50	54.50	0.00	0.00%
Personal Services	3,498,313	4,067,528	3,822,099	3,821,285	7,565,841	7,643,384	77,543	1.02%
Operating Expenses	176,041	273,947	184,399	190,326	449,988	374,725	(75,263)	(16.73%)
Benefits & Claims	250	0	0	0	250	0	(250)	(100.00%)
Total Costs	\$3,674,604	\$4,341,475	\$4,006,498	\$4,011,611	\$8,016,079	\$8,018,109	\$2,030	0.03%
General Fund	2,195,369	2,447,993	2,319,743	2,393,403	4,643,362	4,713,146	69,784	1.50%
State Special	1,479,235	1,893,482	1,686,755	1,618,208	3,372,717	3,304,963	(67,754)	(2.01%)
Total Funds	\$3,674,604	\$4,341,475	\$4,006,498	\$4,011,611	\$8,016,079	\$8,018,109	\$2,030	0.03%

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 Auditor consults with the Legislative Audit Committee.

Program Highlights

Legislative Audit Division Major Budget Highlights
<ul style="list-style-type: none"> ◆ Statewide present law adjustments and cyclical operations expense increases are offset by the adoption of the 5% reduction plan

Program Narrative

The legislatively approved budget for the Legislative Audit Division (LAD) remains almost constant, with the increases from statewide present law adjustments and funding for cyclical program operations being almost completely offset by the 5% reduction plan adopted by the legislature.

Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding Table							
Audit & Examination							
		Base	% of Base	Budget	% of Budget	Budget	% of Budget
Program Funding		FY 2010	FY 2010	FY 2012	FY 2012	FY 2013	FY 2013
01000	Total General Fund	\$ 2,195,369	59.7%	\$ 2,319,743	57.9%	\$ 2,393,403	59.7%
	01100 General Fund	2,195,369	59.7%	2,319,743	57.9%	2,393,403	59.7%
02000	Total State Special Funds	1,479,235	40.3%	1,686,755	42.1%	1,618,208	40.3%
	02042 Legislative Audit	1,479,235	40.3%	1,686,755	42.1%	1,618,208	40.3%
Grand	Total	\$ 3,674,604	100.0%	\$ 4,006,498	100.0%	\$ 4,011,611	100.0%

This program is funded through a combination of general fund and state special revenue funds generated through the assessment to agencies of federally approved hourly rates charged for audit services.

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 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	2,195,369	2,195,369	4,390,738	93.16%	3,674,604	3,674,604	7,349,208	91.66%
Statewide PL Adjustments	214,210	291,370	505,580	10.73%	488,819	497,432	986,251	12.30%
Other PL Adjustments	9,250	5,750	15,000	0.32%	16,300	12,800	29,100	0.36%
New Proposals	(99,086)	(99,086)	(198,172)	(4.20%)	(173,225)	(173,225)	(346,450)	(4.32%)
Total Budget	\$2,319,743	\$2,393,403	\$4,713,146		\$4,006,498	\$4,011,611	\$8,018,109	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the legislature. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					488,701					487,887
Inflation/Deflation					(1,106)					(1,089)
Fixed Costs					1,224					10,634
Total Statewide Present Law Adjustments		\$214,210	\$274,609	\$0	\$488,819		\$291,370	\$206,062	\$0	\$497,432
DP 281 - LAD Cyclical Program Operations	0.00	9,250	7,050	0	16,300	0.00	5,750	7,050	0	12,800
Total Other Present Law Adjustments	0.00	\$9,250	\$7,050	\$0	\$16,300	0.00	\$5,750	\$7,050	\$0	\$12,800
Grand Total All Present Law Adjustments	0.00	\$223,460	\$281,659	\$0	\$505,119	0.00	\$297,120	\$213,112	\$0	\$510,232

DP 281 - LAD Cyclical Program Operations - Changes from the adjusted base include cyclical costs associated with a peer review required by Governmental Auditing Standards, the biennial Legislative Branch audit, and contract services for the potential use of actuarial expertise during the division's audits of the retirement systems and the Montana State Fund.

New Proposals

New Proposals										
	-----Fiscal 2012-----					-----Fiscal 2013-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 95285 - LAD 5% Reduction Plan, 17-7-111, MCA										
28	0.00	(99,086)	(74,139)	0	(173,225)	0.00	(99,086)	(74,139)	0	(173,225)
Total	0.00	(\$99,086)	(\$74,139)	\$0	(\$173,225)	0.00	(\$99,086)	(\$74,139)	\$0	(\$173,225)

DP 95285 - LAD 5% Reduction Plan, 17-7-111, MCA - This is the fourth of four decision packages approved by the legislature to reduce base expenditures by 5%. Personal services reductions of \$164,915 in FY 2012 and again in FY 2013 represent a plan to leave three professional-level positions vacant for an extended period of time. Operating reductions remove \$2,700 from ITSD voice services and \$5,610 from education and training budgets each year of the biennium.