

**Agency Legislative Budget**

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

Agency Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	124.97	0.00	5.00	129.97	0.00	5.00	135.14	135.14
Personal Services	7,639,179	1,304,807	643,982	9,587,968	1,321,843	996,640	9,957,662	19,545,630
Operating Expenses	2,333,927	348,661	549,066	3,231,654	(17,728)	74,782	2,390,981	5,622,635
Equipment	21,693	68,307	59,500	149,500	38,307	0	60,000	209,500
Transfers	0	0	0	0	0	0	0	0
<b>Total Costs</b>	<b>\$9,994,799</b>	<b>\$1,721,775</b>	<b>\$1,252,548</b>	<b>\$12,969,122</b>	<b>\$1,342,422</b>	<b>\$1,071,422</b>	<b>\$12,408,643</b>	<b>\$25,377,765</b>
General Fund	7,730,017	1,471,321	1,199,790	10,401,128	1,690,323	963,430	10,383,770	20,784,898
State/Other Special	2,264,782	250,454	52,758	2,567,994	(347,901)	107,992	2,024,873	4,592,867
<b>Total Funds</b>	<b>\$9,994,799</b>	<b>\$1,721,775</b>	<b>\$1,252,548</b>	<b>\$12,969,122</b>	<b>\$1,342,422</b>	<b>\$1,071,422</b>	<b>\$12,408,643</b>	<b>\$25,377,765</b>

**Agency Description**

The Legislative Branch consists of entities consolidated as provided in 5-2-503, MCA. The principal consolidated entities include the Senate, 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 compose 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 Legislative 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**

<b>Legislative Branch Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The Legislative Branch budget increases are primarily due to \$1.4 million in new proposals, a branch pay and classification market revision, and annualization of the 2007 biennium statewide pay plan</li> <li>◆ New proposals are primarily related to:                             <ul style="list-style-type: none"> <li>• 5.0 FTE for information management and information technology development/security</li> <li>• Provision of computers/information technology access to legislators</li> <li>• Expanded legislative participation in regional and interstate cooperative organizations</li> <li>• Funding for TVMT coverage of the 2009 session and interim</li> </ul> </li> </ul>

**Summary of Legislative Action**

The legislature approved a budget that maintains operations of the Legislative Fiscal Division and the Legislative Audit Division primarily at present law levels. Legislative Services Division increases include: 1) \$365,021 and 2.00 FTE for legislative control over its information technology environment; 2) \$200,000 for TVMT coverage of the 2009 Legislative

Session and interim; 3)\$123,256 and 1.00 FTE for a legislative information officer; 4)\$75,000 for a technology allowance for legislators during the 2009 Legislature; and 5)\$74,188 and 2.00 FTE for computer security and disaster recovery.

The \$3.0 million in present law adjustments includes \$2.8 million in statewide present law adjustments and \$0.2 million for program operations relating to the interim and legislative session. The branch implemented a revised pay and classification plan to achieve market equity in FY 2006.

**Agency Discussion**

The Legislative Branch (branch) business cycle is biennial, related to the cyclical nature of legislative sessions, production and publication of the Montana Codes Annotated, interim study committees and activities, and biennial audit work. As such, the Legislative Branch receives biennial appropriations. However, as a means to facilitate comparison, the budget is presented in annual format for budget review. 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 base year (even years), yet recur every other year (odd year). A biennium-to-biennium comparison provides a more accurate comparison.

**Funding**

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

Total Agency Funding 2009 Biennium Budget				
Agency Program	General Fund	State Spec.	Grand Total	Total %
20 Legislative Services Division	\$ 11,780,277	\$ 1,227,817	\$ 13,008,094	51.26%
21 Legis. Committees & Activities	1,194,478	-	1,194,478	4.71%
27 Fiscal Analysis & Review	3,138,020	-	3,138,020	12.37%
28 Audit & Examination	<u>4,672,123</u>	<u>3,365,050</u>	<u>8,037,173</u>	<u>31.67%</u>
Grand Total	<u>\$ 20,784,898</u>	<u>\$ 4,592,867</u>	<u>\$ 25,377,765</u>	100.00%

The Legislative Branch is funded 83.7 percent general fund and 16.3 percent state special revenue. The state special revenues support the costs associated with the state broadcasting service; the preparation, publication, and distribution of Montana Code Annotated text and annotations; and the financial-compliance component of the Legislative Audit Division.

The Legislative Branch budget is presented in an annual format for budget review only. The budget is established as biennial to respond to the need to manage the branch cyclical expenditures and revenues associated with the legislative session process.

**Other Legislation**

House Bill 49 requires the Education and Local Government Interim Committee to appoint a subcommittee to conduct a study of local government special purpose districts. HB 49 allocates up to \$20,000 of general fund over the biennium to the Legislative Services Division to conduct the study.

House Bill 139 established a Legislative Branch retirement termination reserve account in the state special revenue fund. Money deposited into the account is statutorily appropriated to the Legislative Services Division to be used for staff retirement termination pay. For the 2009 biennium \$400,000 of general fund is to be transferred into the account.

House Bill 304 creates a Water Policy Interim Committee to conduct a detailed analysis and study of issues related to water quantity, quality, and use in Montana. \$50,000 of general fund is appropriated to the committee.

House Bill 488 requires the Revenue and Transportation Interim Committee to conduct a study on the revaluation of class 3 agricultural land, class 4 residential and commercial property, and class 10 forest lands. \$50,000 of general fund is appropriated to the Legislative Services Division for the study.

Study Resolutions and Interim Studies – The legislature passed the bills discussed above requesting specific interim studies. In addition, several joint resolutions were passed requesting specific interim studies. These studies are prioritized by legislative direction, and available staff and funding. As many studies as possible will be completed during the interim period.

The following house and senate joint resolutions request interim studies.

Resolutions Requesting Interim Studies During the 2009 Biennium	
Presented in Order of Priority	
Resolution	Purpose
HJR 48	Health insurance reform and publicly funded health care programs
SJR 31	Taxation and school funding
SJR 24	Prison population growth and alternative sentencing
HJR 46	Election laws
HJR 26	Mental health issues in criminal and juvenile justice systems
HJR 59	Redesign of public retirement systems
SJR 15	Impacts of certain services on health care delivery
HJR 50	Mental health precommitment process
HJR 57	Conservation easements on state land
SJR 13	Value added agriculture
SJR 5	Acute care and rural emergency medical services
SJR 6	Juvenile justice
HJR 61	Linkage of state and federal income taxes
HJR 39	Economic development
HJR 22	Payback and incentive for dental students
HJR 28	State business infrastructure
SJR 2	DUI laws
HJR 52	Problem gambling
HJR 47	Funding of Montana genetics program
HJR 33	Polio
HJR 45	Options for state document systems to reflect actual names

**Executive Budget Comparison**

The following table compares the legislative budget in the 2009 biennium to the budget requested by the approving authority, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2006	Executive Budget Fiscal 2008	Legislative Budget Fiscal 2008	Leg – Exec. Difference Fiscal 2008	Executive Budget Fiscal 2009	Legislative Budget Fiscal 2009	Leg – Exec. Difference Fiscal 2009	Biennium Difference Fiscal 08-09
FTE	124.97	127.97	129.97	2.00	133.14	135.14	2.00	
Personal Services	7,639,179	9,114,748	9,587,968	473,220	9,131,923	9,957,662	825,739	1,298,959
Operating Expenses	2,333,927	2,818,432	3,231,654	413,222	2,391,183	2,390,981	(202)	413,020
Equipment	21,693	90,000	149,500	59,500	60,000	60,000	0	59,500
Transfers	0	0	0	0	0	0	0	0
<b>Total Costs</b>	<b>\$9,994,799</b>	<b>\$12,023,180</b>	<b>\$12,969,122</b>	<b>\$945,942</b>	<b>\$11,583,106</b>	<b>\$12,408,643</b>	<b>\$825,537</b>	<b>\$1,771,479</b>
General Fund	7,730,017	9,507,883	10,401,128	893,245	9,666,163	10,383,770	717,607	1,610,852
State/Other Special	2,264,782	2,515,297	2,567,994	52,697	1,916,943	2,024,873	107,930	160,627
<b>Total Funds</b>	<b>\$9,994,799</b>	<b>\$12,023,180</b>	<b>\$12,969,122</b>	<b>\$945,942</b>	<b>\$11,583,106</b>	<b>\$12,408,643</b>	<b>\$825,537</b>	<b>\$1,771,479</b>

The legislature included 2.00 FTE and general fund of \$294,175 in FY 2008 and \$170,846 in FY 2009 that was not in the original budget submitted. This was included to allow the legislature more control over its information technology environment rather than rely on the executive branch for this function.

A one-time-only general fund appropriation of \$200,000 for TVMT was also approved. The 2007 Legislature passed HB 368, which included an appropriation of \$265,000 to the Legislative Services Division for the operation of the broadcasting services of legislative proceedings. The bill contained a contingent voidness clause that voided the appropriation if HB 818 was not approved. This bill died in conference committee. During the May 2007 Special Session the funding for broadcast services was included in HB 2 at the reduced amount to ensure broadcast of legislative proceedings during the 2009 Legislature.

\$200,000 was included in HB 2 for an interim study of mental health funding alternatives. The legislative technology allowance for the 2009 session was reduced from the requested \$135,000 to \$75,000. \$18,900 was included to support fiscal division staff attending a 5 day training seminar at John F. Kennedy School of Government on government performance improvements. Finally, reductions in the motor pool rate were included.

**Program Legislative Budget**

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

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	51.00	0.00	5.00	56.00	0.00	5.00	61.17	61.17
Personal Services	3,313,004	465,820	460,607	4,239,431	543,591	618,729	4,475,324	8,714,755
Operating Expenses	1,833,022	257,025	211,626	2,301,673	5,509	(56,365)	1,782,166	4,083,839
Equipment	21,693	68,307	59,500	149,500	38,307	0	60,000	209,500
Transfers	0	0	0	0	0	0	0	0
<b>Total Costs</b>	<b>\$5,167,719</b>	<b>\$791,152</b>	<b>\$731,733</b>	<b>\$6,690,604</b>	<b>\$587,407</b>	<b>\$562,364</b>	<b>\$6,317,490</b>	<b>\$13,008,094</b>
General Fund	4,337,321	756,884	719,016	5,813,221	1,080,746	548,989	5,967,056	11,780,277
State/Other Special	830,398	34,268	12,717	877,383	(493,339)	13,375	350,434	1,227,817
<b>Total Funds</b>	<b>\$5,167,719</b>	<b>\$791,152</b>	<b>\$731,733</b>	<b>\$6,690,604</b>	<b>\$587,407</b>	<b>\$562,364</b>	<b>\$6,317,490</b>	<b>\$13,008,094</b>

**Program Description**

The Legislative Services Division provides objective 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; 4) legal counseling on legislative matters and agency legal support; 5) agency business services; 6) planning, installation, and maintenance of the agency computer network and applications; 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 legislative activities; and 11) provision of legislative information to the public. The Legislative Council provides policy guidance to the Legislative Services Division.

**Program Highlights**

<b>Legislative Services Division Major Budget Highlights</b>
<p>Funding adjustments are attributed to:</p> <ul style="list-style-type: none"> <li>◆ Statewide present law adjustments for pay plan annualizations and adjustments</li> <li>◆ Adjustments in operating expenses related to the cyclical nature of the legislative process</li> <li>◆ New proposals for:                             <ul style="list-style-type: none"> <li>● 2.0 FTE for information technology security and operations, funded mostly by reductions in base expenditures</li> <li>● 2.0 FTE for information technology independence from the executive branch</li> <li>● 1.0 FTE for a legislative information officer</li> <li>● \$200,000 to fund broadcasting services of legislative proceedings</li> </ul> </li> </ul>

**Program Narrative**

This program has present law adjustments for the cyclical session employee costs in FY 2009. These costs do not occur in the non-session base year, and do not represent a true increase when comparing biennium to biennium.

This program pays all fixed costs for the Legislative Branch programs. A significant increase is attributable to increases of over \$200,000 for the biennium for technology based services and facility rent charged by other agencies.

Reductions in state special revenue reflect the comparison to the base year and the cyclical nature of this program.

**Funding**

The following table shows program funding, by source, for the base year and for the 2009 biennium as adopted by the legislature.

Program Funding Table Legislative Services Div						
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009
<b>01000 Total General Fund</b>	<b>\$ 4,337,321</b>	<b>83.9%</b>	<b>\$ 5,813,221</b>	<b>86.9%</b>	<b>\$ 5,967,056</b>	<b>94.5%</b>
01100 General Fund	4,337,321	83.9%	5,813,221	86.9%	5,967,056	94.5%
<b>02000 Total State Special Funds</b>	<b>830,398</b>	<b>16.1%</b>	<b>877,383</b>	<b>13.1%</b>	<b>350,434</b>	<b>5.5%</b>
02800 Reimbursable Activities	786,636	15.2%	835,081	12.5%	322,164	5.1%
02985 State Government Broadcasting	43,762	0.8%	42,302	0.6%	28,270	0.4%
<b>Grand Total</b>	<b>\$ 5,167,719</b>	<b>100.0%</b>	<b>\$ 6,690,604</b>	<b>100.0%</b>	<b>\$ 6,317,490</b>	<b>100.0%</b>

The Legislative Services Program is funded by general fund except for state special revenue appropriations that support costs associated with the state broadcasting service and the preparation, publication, and distribution of Montana Codes Annotated.

**Present Law Adjustments**

The “Present Law Adjustments” table shows the primary changes to the adjusted base budget approved 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 2008-----					-----Fiscal 2009-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					466,155					543,926
Inflation/Deflation					809					1,068
Fixed Costs					86,120					123,716
<b>Total Statewide Present Law Adjustments</b>					<b>\$553,084</b>					<b>\$668,710</b>
DP 1 - Program Operations, Legislative Services Division										
0.00	199,348	38,740	0	238,088	0.00	192,834	(274,117)	0	(81,283)	
DP 6015 - State Motor Pool Rate Change										
0.00	(20)	0	0	(20)	0.00	(20)	0	0	(20)	
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$199,328</b>	<b>\$38,740</b>	<b>\$0</b>	<b>\$238,068</b>	<b>0.00</b>	<b>\$192,814</b>	<b>(\$274,117)</b>	<b>\$0</b>	<b>(\$81,303)</b>
<b>Grand Total All Present Law Adjustments</b>					<b>\$791,152</b>					<b>\$587,407</b>

DP 1 - Program Operations, Legislative Services Division - Additional funds were provided for publication and distribution of the Montana Codes Annotated and increased printing and office supply costs during a legislative session.

DP 6015 - State Motor Pool Rate Change - The funding for vehicle rentals and leases from the State Motor Pool was reduced from the level requested.

**New Proposals**

Program	Fiscal 2008					Fiscal 2009					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 2 - Network Technician FTE/Contracted Srv Reduction	20	1.00	(26,393)	0	0	(26,393)	1.00	(26,353)	0	0	(26,353)
DP 3 - Computer Security FTE/Contracted Srv Reduction	20	1.00	(436)	0	0	(436)	1.00	74,624	0	0	74,624
DP 4 - Technology Allowance for Legislators (Biennial)	20	0.00	75,000	0	0	75,000	0.00	0	0	0	0
DP 5 - Legislative Information Officer FTE	20	1.00	63,605	0	0	63,605	1.00	59,651	0	0	59,651
DP 6 - Legislative Control of IT Environment	20	2.00	294,175	0	0	294,175	2.00	170,846	0	0	170,846
DP 7 - TVMT - Rst/Bien/OTO	20	0.00	200,000	0	0	200,000	0.00	0	0	0	0
DP 6013 - 2009 Biennium Pay Plan - HB 13	20	0.00	108,400	12,717	0	121,117	0.00	265,277	13,375	0	278,652
DP 6014 - Retirement Employer Contributions - HB 131	20	0.00	4,665	0	0	4,665	0.00	4,944	0	0	4,944
<b>Total</b>	<b>5.00</b>	<b>\$719,016</b>	<b>\$12,717</b>	<b>\$0</b>	<b>\$731,733</b>	<b>5.00</b>	<b>\$548,989</b>	<b>\$13,375</b>	<b>\$0</b>	<b>\$562,364</b>	

DP 2 - Network Technician FTE/Contracted Srv Reduction - The legislature provided a biennial general fund reduction of \$135,000 in present law contracted services from the branch computer network budget and a biennial increase of \$82,254 in personal services for 1.0 FTE to fund an ongoing need for a network technician. The general fund reduction of \$52,746 over the biennium is the result of personal services costs compared to contracted services hourly rates.

DP 3 - Computer Security FTE/Contracted Srv Reduction - The legislature added a Security and Disaster Recovery Officer to ensure the technology security plan and the disaster recovery plan are implemented and maintained. The biennial general fund cost of \$149,188, when combined with a reduction of \$75,000 in the branch network budget, results in a biennial increase of \$74,188.

DP 4 - Technology Allowance for Legislators (Biennial) - The legislature provided funding for the Computer Systems Planning Council recommendation for a program to financially assist legislators in purchasing hardware or software for conducting legislative business.

DP 5 - Legislative Information Officer FTE - The legislature supported funding for a legislative information officer to conduct and coordinate public outreach and to increase awareness and understanding of the legislative institution. Biennial costs include an operational budget of \$6,261, a \$20,000 budget for printing and distribution of educational materials and for training, and personal services costs of \$96,995.

DP 6 - Legislative Control of IT Environment - The legislature included funding to support 2.00 FTE and \$294,175 general fund in FY 2008 and \$170,846 in FY 2009 to provide the legislature with the ability to control its IT environment.

DP 7 - TVMT - Rst/Bien/OTO - The legislature included \$200,000 in restricted, biennial, one-time-only funding for TVMT, which provides live and delayed broadcasts of legislative proceedings.

DP 6013 - 2009 Biennium Pay Plan - HB 13 - The legislature passed a pay plan (HB 13 of the 2007 regular session) that provides an additional 3.0 percent in FY 2008 and FY 2009, a 0.5 percent increase in the 10-year longevity increment, an additional 0.6 percent discretionary allocation, as well as an additional \$33 per month in health insurance contribution in FY 2008 and an additional \$36 per month in FY 2009. These amounts represent this program's allocation of costs to fund this pay plan.

DP 6014 - Retirement Employer Contributions - HB 131 - The legislature adopted HB 131, which increases the employer contribution to retirement systems. The amounts shown represent this program's allocation of costs to fund this increased contribution.

**Program Legislative Budget**

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

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	0.97	0.00	0.00	0.97	0.00	0.00	0.97	0.97
Personal Services	68,237	47,392	16,095	131,724	(28,293)	6,617	46,561	178,285
Operating Expenses	274,445	86,118	318,540	679,103	(68,502)	131,147	337,090	1,016,193
Transfers	0	0	0	0	0	0	0	0
<b>Total Costs</b>	<b>\$342,682</b>	<b>\$133,510</b>	<b>\$334,635</b>	<b>\$810,827</b>	<b>(\$96,795)</b>	<b>\$137,764</b>	<b>\$383,651</b>	<b>\$1,194,478</b>
General Fund	342,682	133,510	334,635	810,827	(96,795)	137,764	383,651	1,194,478
State/Other Special	0	0	0	0	0	0	0	0
<b>Total Funds</b>	<b>\$342,682</b>	<b>\$133,510</b>	<b>\$334,635</b>	<b>\$810,827</b>	<b>(\$96,795)</b>	<b>\$137,764</b>	<b>\$383,651</b>	<b>\$1,194,478</b>

**Program Description**

The Legislative Committees and Activities Program supports the activities of standing and interim legislative committees 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	
◆	Increases are due to: <ul style="list-style-type: none"> <li>• Minor present law adjustments</li> <li>• New proposals for dues and legislator participation in regional and national organizations</li> <li>• \$200,000 for an interim study on mental health funding</li> </ul>

**Funding**

The following table shows program funding, by source, for the base year and for the 2009 biennium as adopted by the legislature.

Program Funding Table Legis. Committees & Acti						
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009
<b>01000 Total General Fund</b>	<b>\$ 342,682</b>	<b>100.0%</b>	<b>\$ 810,827</b>	<b>100.0%</b>	<b>\$ 383,651</b>	<b>100.0%</b>
01100 General Fund	342,682	100.0%	810,827	100.0%	383,651	100.0%
<b>Grand Total</b>	<b>\$ 342,682</b>	<b>100.0%</b>	<b>\$ 810,827</b>	<b>100.0%</b>	<b>\$ 383,651</b>	<b>100.0%</b>

The program is funded with general fund.

**Present Law Adjustments**

The “Present Law Adjustments” table shows the primary changes to the adjusted base budget approved 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 2008-----					-----Fiscal 2009-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					47,392					(28,293)
Inflation/Deflation					755					780
<b>Total Statewide Present Law Adjustments</b>					<b>\$48,147</b>					<b>(\$27,513)</b>
DP 6 - Program Operations, Committees & Activities Prg	0.00	85,392	0	0	85,392	0.00	(69,252)	0	0	(69,252)
DP 6015 - State Motor Pool Rate Change	0.00	(29)	0	0	(29)	0.00	(30)	0	0	(30)
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$85,363</b>	<b>\$0</b>	<b>\$0</b>	<b>\$85,363</b>	<b>0.00</b>	<b>(\$69,282)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$69,282)</b>
<b>Grand Total All Present Law Adjustments</b>					<b>\$133,510</b>					<b>(\$96,795)</b>

DP 6 - Program Operations, Committees & Activities Prg - The legislature provided for FY 2008 increases and FY 2009 decreases to reflect the adjustments to the base year for the biennial legislative cycle. Program cost increases are for the increased cost of legislator mileage, photocopy equipment, and revisions to 2-15-1019, MCA, requiring legislative liaisons to the State Compensation Insurance Fund board of directors.

DP 6015 - State Motor Pool Rate Change - The funding for vehicle rentals and leases from the State Motor Pool was reduced from the level requested.

**New Proposals**

New Proposals	-----Fiscal 2008-----					-----Fiscal 2009-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 7 - Participation, Nat'l Conf of State Legislatures	21	0.00	14,248	0	0	14,248	0.00	14,248	0	0	14,248
DP 8 - Participation & Dues, Council of State Govt.	21	0.00	91,177	0	0	91,177	0.00	94,303	0	0	94,303
DP 9 - Participation, Pacific NW Econ Region	21	0.00	20,538	0	0	20,538	0.00	20,539	0	0	20,539
DP 10 - Participation, River Governance	21	0.00	8,670	0	0	8,670	0.00	8,671	0	0	8,671
DP 12 - Interim Study on Mental Health	21	0.00	200,000	0	0	200,000	0.00	0	0	0	0
DP 6014 - Retirement Employer Contributions - HB 131	21	0.00	2	0	0	2	0.00	3	0	0	3
<b>Total</b>	<b>0.00</b>	<b>\$334,635</b>	<b>\$0</b>	<b>\$0</b>	<b>\$334,635</b>	<b>0.00</b>	<b>\$137,764</b>	<b>\$0</b>	<b>\$0</b>	<b>\$137,764</b>	

DP 7 - Participation, Nat'l Conf of State Legislatures - The legislature supported participation of eight delegates in one NCSL conference each year at a biennial cost of \$28,496.

DP 8 - Participation & Dues, Council of State Govt. - The legislature provided for payment of Montana's membership dues in the Council of State Governments (CSG), an interstate organization which serves the Executive, Judicial and Legislative branches of state governments and advocates multi-state problem solving. A biennial budget of \$185,480 in general fund includes \$159,464 for dues and \$26,016 for participation of eight delegates in one CSG conference each year.

DP 9 - Participation, Pacific NW Econ Region - The legislature provided a biennial appropriation of \$41,077 in general fund for payment of \$30,000 for Montana's dues and participation of four delegates once each fiscal year in the Pacific Northwest Economic Region (PNWER), an international organization promoting regional collaborations among Alaska, Idaho, Montana, Washington and the provinces of Alberta, British Columbia, and the Yukon Territory.

DP 10 - Participation, River Governance - The legislature approved funding for four members to participate in Council on River Governance meetings during the 2009 biennium. The council mission is to assert state legislative authority over natural resources and river governance issues and to unite states for a proactive agenda of legislative action.

DP 12 - Interim Study on Mental Health - The legislature included \$200,000 in general fund to support an interim legislative study on mental health.

DP 6014 - Retirement Employer Contributions - HB 131 - The legislature adopted HB 131, which increases the employer contribution to retirement systems. The amounts shown represent this program's allocation of costs to fund this increased contribution.

**Program Legislative Budget**

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

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	18.50	0.00	0.00	18.50	0.00	0.00	18.50	18.50
Personal Services	1,206,744	218,400	46,916	1,472,060	220,508	104,170	1,531,422	3,003,482
Operating Expenses	36,290	(224)	18,900	54,966	43,282	0	79,572	134,538
Transfers	0	0	0	0	0	0	0	0
<b>Total Costs</b>	<b>\$1,243,034</b>	<b>\$218,176</b>	<b>\$65,816</b>	<b>\$1,527,026</b>	<b>\$263,790</b>	<b>\$104,170</b>	<b>\$1,610,994</b>	<b>\$3,138,020</b>
General Fund	1,243,034	218,176	65,816	1,527,026	263,790	104,170	1,610,994	3,138,020
<b>Total Funds</b>	<b>\$1,243,034</b>	<b>\$218,176</b>	<b>\$65,816</b>	<b>\$1,527,026</b>	<b>\$263,790</b>	<b>\$104,170</b>	<b>\$1,610,994</b>	<b>\$3,138,020</b>

**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	
◆	Increases are due to: <ul style="list-style-type: none"> <li>• Statewide present law adjustments due to the cyclical nature of legislative session costs that are not in base year</li> <li>• Pay plan annualizations and adjustments</li> <li>• Training costs for government performance improvements</li> </ul>

**Funding**

The following table shows program funding, by source, for the base year and for the 2009 biennium as adopted by the legislature.

Program Funding Table Fiscal Analysis & Review						
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009
<b>01000 Total General Fund</b>	<b>\$ 1,243,034</b>	<b>100.0%</b>	<b>\$ 1,527,026</b>	<b>100.0%</b>	<b>\$ 1,610,994</b>	<b>100.0%</b>
01100 General Fund	1,243,034	100.0%	1,527,026	100.0%	1,610,994	100.0%
<b>Grand Total</b>	<b>\$ 1,243,034</b>	<b>100.0%</b>	<b>\$ 1,527,026</b>	<b>100.0%</b>	<b>\$ 1,610,994</b>	<b>100.0%</b>

This program is funded with general fund.

**Present Law Adjustments**

The “Present Law Adjustments” table shows the primary changes to the adjusted base budget approved 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 2008-----					-----Fiscal 2009-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					218,400					219,008
Inflation/Deflation					(214)					(208)
<b>Total Statewide Present Law Adjustments</b>					<b>\$218,186</b>					<b>\$218,800</b>
DP 12 - Program Operations, Analysis & Review Program	0.00	0	0	0	0	0.00	45,000	0	0	45,000
DP 6015 - State Motor Pool Rate Change	0.00	(10)	0	0	(10)	0.00	(10)	0	0	(10)
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>(\$10)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$10)</b>	<b>0.00</b>	<b>\$44,990</b>	<b>\$0</b>	<b>\$0</b>	<b>\$44,990</b>
<b>Grand Total All Present Law Adjustments</b>					<b>\$218,176</b>					<b>\$263,790</b>

DP 12 - Program Operations, Analysis & Review Program - The legislature increased general fund in FY 2009 to support additional costs of overtime, temporary services, printing and photocopy, and office supplies due to cyclical legislative session costs which are not captured in the base year.

DP 6015 - State Motor Pool Rate Change - The funding for vehicle rentals and leases from the State Motor Pool was reduced from the level requested.

**New Proposals**

New Proposals	-----Fiscal 2008-----					-----Fiscal 2009-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 16 - Government Performance Training	27	0.00	18,900	0	0	18,900	0.00	0	0	0	0
DP 6013 - 2009 Biennium Pay Plan - HB 13	27	0.00	45,175	0	0	45,175	0.00	102,322	0	0	102,322
DP 6014 - Retirement Employer Contributions - HB 131	27	0.00	1,741	0	0	1,741	0.00	1,848	0	0	1,848
<b>Total</b>	<b>0.00</b>	<b>\$65,816</b>	<b>\$0</b>	<b>\$0</b>	<b>\$65,816</b>	<b>0.00</b>	<b>\$104,170</b>	<b>\$0</b>	<b>\$0</b>	<b>\$104,170</b>	

DP 16 - Government Performance Training - The legislature provided a restricted, biennial, one-time-only appropriation to support staff attending a 5 day training seminar at John F. Kennedy School of Government on government performance improvements. This is based on a Legislative Finance Committee initiative to implement performance budgeting.

DP 6013 - 2009 Biennium Pay Plan - HB 13 - The legislature passed a pay plan (HB 13 of the 2007 regular session) that provides an additional 3.0 percent in FY 2008 and FY 2009, a 0.5 percent increase in the 10-year longevity increment, an additional 0.6 percent discretionary allocation, as well as an additional \$33 per month in health insurance contribution in FY 2008 and an additional \$36 per month in FY 2009. These amounts represent this program’s allocation of costs to fund this pay plan.

DP 6014 - Retirement Employer Contributions - HB 131 - The legislature adopted HB 131, which increases the employer contribution to retirement systems. The amounts shown represent this program's allocation of costs to fund this increased contribution.

**Program Legislative Budget**

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

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	54.50	0.00	0.00	54.50	0.00	0.00	54.50	54.50
Personal Services	3,051,194	573,195	120,364	3,744,753	586,037	267,124	3,904,355	7,649,108
Operating Expenses	190,170	5,742	0	195,912	1,983	0	192,153	388,065
Transfers	0	0	0	0	0	0	0	0
<b>Total Costs</b>	<b>\$3,241,364</b>	<b>\$578,937</b>	<b>\$120,364</b>	<b>\$3,940,665</b>	<b>\$588,020</b>	<b>\$267,124</b>	<b>\$4,096,508</b>	<b>\$8,037,173</b>
General Fund	1,806,980	362,751	80,323	2,250,054	442,582	172,507	2,422,069	4,672,123
State/Other Special	1,434,384	216,186	40,041	1,690,611	145,438	94,617	1,674,439	3,365,050
<b>Total Funds</b>	<b>\$3,241,364</b>	<b>\$578,937</b>	<b>\$120,364</b>	<b>\$3,940,665</b>	<b>\$588,020</b>	<b>\$267,124</b>	<b>\$4,096,508</b>	<b>\$8,037,173</b>

**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.

**Program Highlights**

Audit and Examination Major Budget Highlights	
◆	Increases are due primarily to statewide present law adjustments for pay plan annualizations and adjustments

**Funding**

The following table shows program funding, by source, for the base year and for the 2009 biennium as adopted by the legislature.

Program Funding Table Audit & Examination						
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009
<b>01000 Total General Fund</b>	<b>\$ 1,806,980</b>	<b>55.7%</b>	<b>\$ 2,250,054</b>	<b>57.1%</b>	<b>\$ 2,422,069</b>	<b>59.1%</b>
01100 General Fund	1,806,980	55.7%	2,250,054	57.1%	2,422,069	59.1%
<b>02000 Total State Special Funds</b>	<b>1,434,384</b>	<b>44.3%</b>	<b>1,690,611</b>	<b>42.9%</b>	<b>1,674,439</b>	<b>40.9%</b>
02042 Legislative Audit	1,434,384	44.3%	1,690,611	42.9%	1,674,439	40.9%
<b>Grand Total</b>	<b>\$ 3,241,364</b>	<b>100.0%</b>	<b>\$ 3,940,665</b>	<b>100.0%</b>	<b>\$ 4,096,508</b>	<b>100.0%</b>

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.

**Present Law Adjustments**

The “Present Law Adjustments” table shows the primary changes to the adjusted base budget approved 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 2008-----					-----Fiscal 2009-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					573,195					586,037
Inflation/Deflation					2,925					3,670
<b>Total Statewide Present Law Adjustments</b>					<b>\$576,120</b>					<b>\$589,707</b>
DP 13 - Program Operations, Audit & Examination Program	0.00	3,958	(1,003)	0	2,955	0.00	(476)	(1,069)	0	(1,545)
DP 6015 - State Motor Pool Rate Change	0.00	(77)	(61)	0	(138)	0.00	(80)	(62)	0	(142)
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$3,881</b>	<b>(\$1,064)</b>	<b>\$0</b>	<b>\$2,817</b>	<b>0.00</b>	<b>(\$556)</b>	<b>(\$1,131)</b>	<b>\$0</b>	<b>(\$1,687)</b>
<b>Grand Total All Present Law Adjustments</b>					<b>\$578,937</b>					<b>\$588,020</b>

DP 13 - Program Operations, Audit & Examination Program - The legislature included changes from the adjusted base of \$2,955 in FY 2008 and (\$1,545) in FY 2009 resulting from cyclical costs associated with a Peer Review required by Governmental Auditing Standards, on-site training costs, and contract services for the potential use of actuarial expertise on audits of the retirements systems and the Montana State Fund.

DP 6015 - State Motor Pool Rate Change - The funding for vehicle rentals and leases from the State Motor Pool was reduced from the level requested.

**New Proposals**

New Proposals	-----Fiscal 2008-----					-----Fiscal 2009-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6013 - 2009 Biennium Pay Plan - HB 13	28	0.00	77,697	38,340	0	116,037	0.00	169,714	92,848	0	262,562
DP 6014 - Retirement Employer Contributions - HB 131	28	0.00	2,626	1,701	0	4,327	0.00	2,793	1,769	0	4,562
<b>Total</b>	<b>0.00</b>	<b>\$80,323</b>	<b>\$40,041</b>	<b>\$0</b>	<b>\$120,364</b>	<b>0.00</b>	<b>\$172,507</b>	<b>\$94,617</b>	<b>\$0</b>	<b>\$267,124</b>	

DP 6013 - 2009 Biennium Pay Plan - HB 13 - The legislature passed a pay plan (HB 13 of the 2007 regular session) that provides an additional 3.0 percent in FY 2008 and FY 2009, a 0.5 percent increase in the 10-year longevity increment, an additional 0.6 percent discretionary allocation, as well as an additional \$33 per month in health insurance contribution in FY 2008 and an additional \$36 per month in FY 2009. These amounts represent this program’s allocation of costs to fund this pay plan.

DP 6014 - Retirement Employer Contributions - HB 131 - The legislature adopted HB 131, which increases the employer contribution to retirement systems. The amounts shown represent this program's allocation of costs to fund this increased contribution.