



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2021 Biennium

Bill #	HB0773	Title:	Modifying entitlement share payments
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Primary Sponsor:	Regier, Matt	Status:	As Introduced
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- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2020 Difference</u>	<u>FY 2021 Difference</u>	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>
Expenditures:				
General Fund	\$19,023	\$12,682	(\$831,886)	(\$856,843)
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$19,023)</u>	<u>(\$12,682)</u>	<u>\$831,886</u>	<u>\$856,843</u>

Description of fiscal impact: HB 773 creates a Public Defender Contribution Task Force. It is estimated that there is a total general fund fiscal impact of \$31,705 for the 2021 biennium. HB 773 revises the entitlement share calculation to include a local government contribution rate for funding the Office of Public Defender (OPD), creating a mechanism for future legislatures to reduce the local government's entitlement share payment based on the OPD caseload for the local government and its population. HB 773 reduces entitlement payments by \$831,886 in FY 2022 and \$856,843 in FY 2023.

FISCAL ANALYSIS

Assumptions:

Legislative Service Division

- Section 1 of HB 773 establishes a Public Defender Contribution Task Force to review, monitor, and provide input and guidance regarding the shared financial responsibility to fund the Office of State Public Defender between the state and local governments and the revisions to 15-1-121, MCA, pursuant to this bill.
- Section 1 provides that there are 6 legislative members to be paid pursuant to 5-2-302, MCA. Legislative members are entitled to salary and reimbursement for travel expenses. Additionally, 5 non-legislative members are to be appointed to this task force and will be paid pursuant to 2-18-501 through 2-18-503, MCA. It is assumed that no salary will be incurred for these 5 non-legislative members and only reimbursement for travel expenses will be paid.
- Section 2 of this bill requires that the work of this task force be completed by September 1, 2020.

4. It is assumed that, in order to fulfill the requirements if HB 773, 6 one-day meetings will be held in Helena. It is estimated that the total cost of travel expenses for this task force is \$20,106 for the 2021 biennium. It is further estimated that salary paid to legislative members will cost \$5,959 for the 2021 biennium.
5. It is assumed that other operational costs will be incurred. These costs include supplies, printing, communications, as well as contracted secretarial hours. The total estimate for these costs is \$5,640 for the 2021 biennium.
6. Section 5 of HB 773 provides a general fund appropriation to the legislative services division in the amount of \$15,000 for the biennium beginning July 1, 2019, to support the activities of this task force. It is estimated that an additional \$16,705 would be required for to fulfill the requirements of this bill.

Department of Revenue

7. New section (13) to 15-1-121, MCA, states that beginning with the 2025 Legislature, the legislature shall review expenditures of the OPD. Further, if the growth rate in OPD expenditures is greater than the entitlement share growth rate, then the legislature may recommend a bill to reduce the entitlement share to local governments.
8. New section (14) reduce the entitlement share to local government by \$831,886, \$856,843, \$882,548, and \$909,024 in FY 2022 through FY 2025 respectively.

	<u>FY 2020</u> <u>Difference</u>	<u>FY 2021</u> <u>Difference</u>	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Personal Services	\$3,575	\$2,384	\$0	\$0
Operating Expenses	\$15,448	\$10,298	\$0	\$0
Transfers	\$0	\$0	(\$831,886)	(\$856,843)
TOTAL Expenditures	<u>\$19,023</u>	<u>\$12,682</u>	<u>(\$831,886)</u>	<u>(\$856,843)</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$19,023	\$12,682	(\$831,886)	(\$856,843)
TOTAL Funding of Exp.	<u>\$19,023</u>	<u>\$12,682</u>	<u>(\$831,886)</u>	<u>(\$856,843)</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$19,023)	(\$12,682)	\$831,886	\$856,843

Technical Notes:

1. In Section 4 of this bill the Legislative Fiscal Division (LFD) reporting requirements appear to be listed under Title 47, the OPD feels that this placement causes confusion and that the reporting requirements for the LFD should be included statutes that pertain to the LFD, not legal services.

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<i>Sponsor's Initials</i>	<i>Date</i>	<i>Budget Director's Initials</i>	<i>Date</i>