



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill #	HB0497	Title:	Establish interim budget committees
Primary Sponsor:	Mercer, Bill	Status:	As Introduced

- ☐ 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 2022 Difference</u>	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>
Expenditures:				
General Fund	\$149,294	\$85,928	\$151,533	\$87,217
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$149,294)</u>	<u>(\$85,928)</u>	<u>(\$151,533)</u>	<u>(\$87,217)</u>

Description of fiscal impact: HB 497 generally revises legislative interim activities, establishing interim budget committees to be assigned to the Legislative Fiscal Division. The total impact to the general fund is \$235,222 for the 2023 biennium and \$238,750 for the 2025 biennium.

FISCAL ANALYSIS

Assumptions:

Legislative Branch

- HB 497 establishes five interim budget committees to be assigned to the Legislative Fiscal Division.
- Section 2 provides for the appointment and composition of the interim budget. The composition of each committee must be the full membership of the joint budget subcommittee that considers agency budgets each legislative session.
- For the purposes of this fiscal note, the composition of the membership of the joint budget subcommittees for the 2021 session was considered. Section 2, subsection 4, provides that two additional members, one from the house of representatives and one from the senate, be appointed to each of the five interim budget committees. It is assumed that a total number of 47 legislative members will be appointed.
- Members are entitled to receive compensation and expenses are provided in 5-2-302, MCA.

5. Each interim budget committee shall meet quarterly. For the purposes of this fiscal note, it is assumed that, in order to accomplish the duties set forth in this bill, each committee will hold six one-day meetings in Helena for the 2023 biennium and the same for the 2025 biennium.
6. The total estimated cost of legislators' salary for HB 497 is \$35,512 in fiscal year 2022 and \$15,220 in fiscal year 2023. Total travel expenses for legislators are estimated to be \$63,900 in fiscal year 2022 and \$27,385 in fiscal year 2023. An inflationary factor of 1.5% is applied to these costs for the 2025 biennium.
7. Section 8 of this bill provides that the Legislative Fiscal Division assist and provide staff for the interim budget committees. It is assumed that the division will need to hire three temporary committee secretary positions each interim.
8. For the purposes of this fiscal note, it is estimated that each secretary will work a total of 240 hours at an hourly rate of \$17.968 plus applicable payroll taxes. Total secretarial support costs are estimated to be \$10,613 for fiscal year 2022 and \$4,549 for fiscal year 2023. An inflationary factor of 1.5% is applied to these costs for the 2025 biennium.
9. Section 8 of this bill adds to the duties of the Legislative Fiscal Analyst. Subsection 4 provides that the fiscal analyst shall prepare and provide reports, including those produced by interim budget committees, to the legislative clearing house in accordance with 5-11-210, MCA. Subsection 8 requires that the Legislative Fiscal Analyst notify either the Legislative Finance Committee, the interim budget committees, or both, of any concerns that are identified.
10. It is assumed that these additional duties will require 0.50 FTE for the Legislative Fiscal Division. Salary for the 0.50 FTE is assumed to be the equivalent to that of a Legislative Fiscal Analyst I position (annual base of approximately \$65,145). It is further assumed that the division will absorb costs related to health insurance benefits within its existing resources. Total personal services costs are estimated to be \$38,345 in fiscal year 2022 and \$38,378 in fiscal year 2023.
11. Other operational supports costs, such as binder materials and printing costs, are estimated to be \$1,320 for the 2023 biennium. An inflationary factor of 1.5% is applied to these costs for the 2025 biennium.
12. Due to the cyclical nature of the Legislative Branch, all costs, except for costs related to the 0.50 FTE position, are split as follows:
 - a. 70% in the even year of the biennium
 - b. 30% in the odd year of the biennium
13. It is assumed that agendas for the budget interim committees will be limited in scope. Legislative Fiscal Division staff will provide quarterly financial budget status reports to the interim budget committees. If additional reporting is anticipated, the division may require additional staff resources for fiscal analysis.

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.50	0.50	0.50	0.50
<u>Expenditures:</u>				
Personal Services	\$84,470	\$58,147	\$85,737	\$59,019
Operating Expenses	\$64,824	\$27,781	\$65,796	\$28,198
TOTAL Expenditures	<u>\$149,294</u>	<u>\$85,928</u>	<u>\$151,533</u>	<u>\$87,217</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$149,294	\$85,928	\$151,533	\$87,217
TOTAL Funding of Exp.	<u>\$149,294</u>	<u>\$85,928</u>	<u>\$151,533</u>	<u>\$87,217</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)	(\$149,294)	(\$85,928)	(\$151,533)	(\$87,217)

Technical Notes:

- Section 7, subsection 8, of this bill eliminates the appointment of up to six ad hoc nonvoting committee members from the Legislative Finance Committee. Section 1, subsection 8, of HB 330 amends Section 5-12-205, MCA, providing for the appointment of six ad hoc members, for the biennium beginning July 1, 2021.

NOT SIGNED BY SPONSOR

Sponsor's Initials

2/26/21
Date

KA
Budget Director's Initials

2/25/21
Date