



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 Amended in House Committee

- ☐ 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	\$118,577	\$72,764	\$120,355	\$73,855
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$118,577)</u>	<u>(\$72,764)</u>	<u>(\$120,355)</u>	<u>(\$73,855)</u>

Description of fiscal impact: HB 497, as amended, 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 \$191,341 for the 2023 biennium and \$194,210 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. For the purposes of this fiscal note, it is assumed that three one-day meetings will be held in Helena, and that three one-day meetings will be held via teleconference for the 2023 and the 2025 biennia.
7. The total estimated cost of legislators' salary for HB 497 is \$35,512 in FY 2022 and \$15,220 in FY 2023. Total travel expenses for legislators are estimated to be \$31,950 in FY 2022 and \$13,693 in FY 2023. An inflationary factor of 1.5% is applied to these costs for the 2025 biennium.
8. It is assumed that the division will need to hire three temporary committee secretary positions each interim.
9. 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 FY 2022 and \$4,549 for FY 2023. An inflationary factor of 1.5% is applied to these costs for the 2025 biennium.
10. 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 FY 2022 and \$4,549 for FY 2023. An inflationary factor of 1.5% is applied to these costs for the 2025 biennium.
11. 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 FY 2022 and \$38,378 in FY 2023.
12. Other operational supports costs, such as binder materials and printing costs, are estimated to be \$3,080 for the 2023 biennium. An inflationary factor of 1.5% is applied to these costs for the 2025 biennium.
13. 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
14. 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 Difference</u>	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.50	0.50	0.50	0.50
<u>Expenditures:</u>				
Personal Services	\$84,471	\$58,147	\$85,737	\$59,019
Operating Expenses	\$34,106	\$14,617	\$34,618	\$14,836
TOTAL Expenditures	<u>\$118,577</u>	<u>\$72,764</u>	<u>\$120,355</u>	<u>\$73,855</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$118,577	\$72,764	\$120,355	\$73,855
TOTAL Funding of Exp.	<u>\$118,577</u>	<u>\$72,764</u>	<u>\$120,355</u>	<u>\$73,855</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)	(\$118,577)	(\$72,764)	(\$120,355)	(\$73,855)




 Sponsor's Initials



 Date



 Budget Director's Initials



 Date