



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # HB0588

Title: Revise personal staff limits for executive branch

Primary Sponsor: Knudsen, Casey

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 X Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<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>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 588 allows agency directors appointed by the Governor to appoint personal staff and provides limits on the number of personal staff based on the number of permanent FTE in each agency. The bill does not provide for additional FTE, but rather allows existing positions to be reclassified from positions where the employees would be hired through a competitive hiring process to positions where the employees would be appointed by the agency director. For the 2023 biennium, it is assumed that any fiscal impact of a pay differential between the budget for the classified position and the salary of the appointed position would be absorbed within agency resources. There may be a fiscal impact in the 2025 biennium, when the personal services snapshot would capture actual pay of employees, to the extent an appointed staff were paid more than the position that was reclassified.

FISCAL ANALYSIS

Assumptions:

1. It is assumed that existing FTE within agencies with directors appointed by the Governor would be reclassified as personal staff reporting to the director. It is further assumed that appointed staff would be filled using vacant positions or as position becomes vacant and that there would be no Reduction-in-Force to identify positions to reclassify.
2. Agencies would use existing resources to fund the reclassified positions for the 2023 biennium.

3. In section 2 of the bill, it allows agencies with directors appointed by the Governor that have over 100 full-time employees as defined in 2-18-601, MCA, to appoint personal staff at a limit not to exceed 10% of the agency's number of full-time employees.
4. A full-time employee defined in 2-18-601(7), MCA, means an employee who normally works 40 hours a week.
5. The table below is a breakdown by agency of permanent employees. The data is taken from the personal services OBPP snapshot performed in July 2020 for budget development and includes only permanent positions. The snapshot data is derived from the state accounting, budgeting, and human resources system.

Agency	Full Time FTE	Max Appointed Staff
Dept of Fish, Wildlife & Parks	654	65
Dept of Environmental Quality	409	40
Department of Transportation	2,108	210
Dept of Nat Resources & Conservation	500	50
Dept of Revenue	621	62
Dept of Administration	510	51
Dept of Agriculture	111	11
Dept of Corrections	1,330	133
Dept of Commerce	190	19
Dept of Labor & Industry	770	77
Dept of Military Affairs	217	21
Dept of Public Health and Human Services	2,703	270

Technical Notes:

1. This legislation may conflict with presently existing collective bargaining agreements.

Department of Labor and Industry

2. To the extent the bill may be applied to employees of the unemployment insurance division, it may create a conformance issue with federal unemployment requirements because it conflicts with Title III of the Social Security Act, which requires merit hiring of UI staff.



 Sponsor's Initials

3-1-21

 Date



 Budget Director's Initials

3/1/21

 Date