



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

HB0314 - Revise compensation for members of boards, commissions, and councils (Brockman, Tony)

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 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
Expenditures:				
General Fund	\$20,388	\$20,388	\$20,388	\$20,388
State Special Revenue	\$64,225	\$64,225	\$64,225	\$64,225
Federal Special Revenue	\$25,038	\$25,038	\$25,038	\$25,038
Other	\$22,150	\$22,150	\$22,150	\$22,150
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$20,388)</u>	<u>(\$20,388)</u>	<u>(\$20,388)</u>	<u>(\$20,388)</u>

Description of fiscal impact: HB 314, as amended, adds 2-15-124, MCA, quasi-judicial boards to the list of applicable boards. The bill increases the compensation rate for boards, commissions, and councils to \$100 per day.

FISCAL ANALYSIS

Assumptions:**Department of Administration**

- The fiscal impact is calculated based on five commissioners that meet four times a year for quarterly Lottery public meetings for a total of \$1,000 per year. The Lottery is funded with proprietary funds.

Montana State Library (MSL)

- MSL pays commission expenses from the general fund.

3. MSL has seven commission members and is required to meet six times per year.
4. MSL currently pays \$50 per diem and HB 314 would increase the amount to \$100 for a total of \$2,100 per year.

Department of Transportation (MDT)

5. As amended, HB 314 impacts the Transportation Commission and the Aeronautics Board.
6. The Transportation Commission has five board members and meets once a month for one to two days. The additional \$50 per day per diem multiplied by five board members would increase per diem expenses by \$6,000 annually.
7. The Aeronautics Board has nine board members and meets four times per year, with one meeting lasting two days for a total of five days per year. The additional \$50 per day per diem multiplied by nine board members would increase per diem expenses by \$2,250 annually.
8. A Scenic Historic Byways Advisory Council exists in partnership with the MDT's Transportation Commission.
9. An estimate based on the maximum membership for the state scenic-historic advisory council per 60-2-601(3), MCA, is "...no more than 11 members..."
10. The Scenic Historic Byways Advisory Council could hold two meetings per fiscal year with each meeting lasting one day for a total of two days per fiscal year per member for a total of \$1,100 per fiscal year in state special revenue funding.
11. The total estimated cost for MDT would be \$9,350 covered by state special revenue funding.

Department of Natural Resources and Conservation (DNRC)

12. As amended, the seven members that serve on the Montana Board of Oil and Gas Conservation (BOGC) will each receive an additional \$50 per day.
13. BOGC members attend six business meetings and six public hearings per year. Based on this, the division estimates the impact of House Bill 314 to be \$4,200.
14. The DNRC Conservation and Resource Development Division (CARDD) paid \$1,400 in per diem in FY 2022. Based on this amount, CARDD expects HB 314 to double that amount for the Resource Conservation Advisory Council.
15. The DNRC Water Resources Division Board of Water Well Contractors (BWWC) board members currently receive compensation per day of \$50. The total cost per year for their compensation will increase by \$1,000 with the increased per diem rate of \$100 per day.
16. BWWC licensing fees are established by administrative rule and were increased in 2022. Due to this recent fee increase, the increase in employee compensation to \$100 per day will be absorbed into the program budget without requiring another administrative rule change.
17. Total estimated cost for all eligible board and council members at DNRC would total \$6,600 that would be paid from state special revenue.

Department of Justice (DOJ)

18. The Public Safety Officer Standard and Training council is made up of 13 members with current expenses of \$9,000 at \$50 per day. This is expected to increase to \$18,000 at \$100 each day. The \$9,000 expense will be funded in state special revenue.
19. The Gambling Control Division (GCD) supports the operations of the quarterly Gaming Advisory Council (GAC), 2-15-2021, MCA. The GAC has nine members.
20. It is assumed that seven of the nine Council members will be compensated at a maximum of \$100 per day, four times a year for quarterly council meetings, resulting in a total of \$2,800 in state special revenue funding.
21. Forensic Services Division (FSD) assumes that the Forensic Science Division advisory board would pay for one qualifying member for one meeting per year for a total cost of \$100 in general funds.
22. The Montana Board of Crime Control (MBCC) assumes that the bill would increase the compensation for the Youth Justice Council created with EO 3-2022. Ten members of this board are not public employees and would receive increased compensation of \$50 per day. The board meets four times a year for a total estimated cost of \$2,000 in federal special revenue authority needed.

23. The total increased cost to the Dept. of Justice is expected to be \$100 from general fund, \$11,800 from state special revenue and \$2,100 from federal special revenue for a total of \$14,000 from all sources.

Department of Environmental Quality

24. The Board of Environmental Review (BER) consists of seven board members.

25. All seven members of the board would be eligible for compensation under HB 314 for an additional \$50 per day.

26. Assuming that BER meets for one day, six times per year equals a total of \$2,100 in general funds.

Department of Agriculture

27. It is assumed that the agency would continue to have the same number of board members, meetings, and in-person participation as in the past 6 years.

28. It is estimated that the total cost for HB 314 would be approximately \$18,000 based on the average annual per diem costs between FY 2017 and FY 2022 for the agency for all qualifying boards. This average excludes FY 2021 data from the average as a low travel year.

29. It is estimated that the compensation from HB 314 would be paid approximately \$700 per year from the general fund, \$15,000 from state special revenue, \$1,500 from federal special revenue and \$800 from proprietary funding.

Department of Commerce

30. The Small Business Development Center (SBDC) advisory council is the only advisory council within Commerce created under 2-15-122, MCA. No other Commerce attached boards, commissions or committees are named in the bill.

31. The SBDC advisory council is made up of eight members that meets once per year.

32. All eight members are eligible to receive the compensation in HB 314 totaling \$400 per year in general funding per year.

33. Quasi-judicial boards designated by 2-15-124, MCA, at the Department of Commerce include the proprietarily funded Board of Housing, Board of Investments, and Facilities Finance Authority; and the state special revenue funded Hard Rock Mining Board.

34. The Board of Housing is a seven-member board that meets an average of eight days each year for \$2,800 in proprietary funds; the Board of Investments has 11 members and meets an average of 16 days each year for an estimated \$8,800; the Facilities Finance Authority has seven members and meets an average of seven days each year for an estimated \$2,450.

35. Compensation would increase by \$14,050 in proprietary funds.

36. The Hard Rock Mining Board has five members and meets an average of five days each year. Compensation would increase by \$1,250 in state special revenue funds.

37. Total estimated cost for all eligible board and council members at Commerce would total \$15,300 from all sources of funding.

Department of Labor and Industry

38. HB 314, as amended, would add quasi-judicial boards including the Board of Personnel Appeals (BOPA), the Human Rights Commission (HRC), and the Unemployment Insurance Appeals Board (UIAB).

39. BOPA has five members who meet monthly for one day. It is assumed that each member would attend every meeting and would request the \$100 per diem. With a \$50 increase per member, per meeting, this would be an increase of \$3,000.

40. HRC has five members who meet every other month for two days and each member requires two days preparation time. It is assumed that each member would attend every meeting and would request the \$100 per diem. With a \$50 increase per member, per day, this would be an increase of \$6,000.

41. The total increase in ESD in state special revenue expenditures is \$3,000 for BOPA and total increase for general fund expenditures is \$6,000 for HRC.

42. The Unemployment Insurance Division has one board that would be impacted by HB 314.

43. The Unemployment Insurance Appeals Board (UIAB) has three members who meet monthly for one day with two days case review time. It is assumed that each member would attend every meeting and would request the \$100 per diem. With a \$50 increase per member, per day, this would be an increase of \$5,400.
44. The total increase in UID in federal special revenue expenditures for UIAB would total \$5,400.
45. The Workforce Services Division (WSD) has six advisory committees, boards, and councils that would be impacted by HB 314. These committees include SWIB, Apprenticeship Advisory Council (AAC), Executive Committee, WIOA Committee, Workforce Policy Committee, and Education, Training, and Upskill Committee.
46. It is assumed each advisory committee in WSD would meet four times per year as stated in their bylaws, except for AAC which meets once per year. It is also assumed that each qualifying member would attend every meeting and would be compensated with \$100 per diem.
47. The SWIB has sixteen qualifying board members that meet four times annually. With a \$50 increase per member per meeting, this would be an increase of \$3,200.
48. AAC has seven qualifying council members that meet once per year. With a \$50 increase per member per meeting, this would be an increase of \$350.
49. The Executive Committee has five qualifying board members that meet four times annually. With a \$50 increase per member per year, this would be an increase of \$1,250.
50. The WIOA Committee has six qualifying board members that meet four times annually. With a \$50 increase per member per year, this would be an increase of \$1,200.
51. The Workforce Policy Committee has five qualifying board members that meet four times annually. With a \$50 increase per member per year, this would be an increase of \$1,000.
52. Education, Training, and Upskill Committee has six qualifying board members that meet four times annually. With a \$50 increase per member per year, this would be an increase of \$1,200.
53. Total increases in WSD in federal special revenue expenditures in the committees noted above would total \$8,200.
54. OCS has one commission that would be impacted by HB 314. This includes the Montana Commission on Community Service.
55. It is assumed that all fifteen commission members in OCS will meet four times annually and five of the commissioners will perform two grant reviews annually. With a \$50 increase per member per day, this would be an increase of \$3,000 for meetings and \$500 for grant reviews.
56. Total increase in OCS in general fund expenditures in the commission noted above would total \$3,500.
57. Total estimated cost for all eligible board and council members at DLI is \$26,100.

Department of Public Health and Human Services

58. Based on payment history of compensation to advisory council members in FY 2022, the department paid \$7,950.00 to advisory council members with 25% paid from general fund, 11% paid from state special revenue, and 64% from federal funding sources.
59. The department assumes meetings and members will remain constant for FY 2024 and FY 2025.
60. HB 314 Section 1(5)(a) doubles the compensation from \$50 to \$100 per member. The department estimates increased honorarium costs of \$7,950 in FY 2024 and 7,950 in FY 2025.

Montana State Fund

61. The MSF Board of Directors compensation is provided for in 2-15-124, MCA.
62. The MSF Board Directors provided for in 2-15-1019, MCA, consist of seven members.
63. Each MSF board member will receive an additional \$50 for each day the member is engaged in the performance of board duties. Annually, each MSF board member is expected to attend eight board of directors' meetings and ten sub-committee meetings. The annual additional cost is estimated to be \$6,300.

Department of Livestock

64. The Department of Livestock has three quasi-judicial boards.
65. The Board of Livestock is a seven-member board that meets ten times per year for a total increase of \$3,500 in SSR compensation.

- 66. The Board of Milk Control is a five-member board that meets three times per year for a total increase of \$750 in SSR compensation.
- 67. The Livestock Loss Board is a five-member board that meets up to three times per year for a total increase of \$750 in general fund compensation.
- 68. Total increased costs for all boards and councils is \$5,000.

Montana Arts Council (MAC)

- 69. MAC has 15 appointed council members.
- 70. MAC will have a minimum of two in person meetings where each member will be paid for two days. This will increase the amount paid per fiscal year by \$3,000.
- 71. An average of five council members will conduct at least 10 days of non-council meeting duties. This will increase the amount paid per fiscal year by \$2,500.
- 72. The Cultural and Aesthetic Projects Advisory Committee falls under 2-15-1521, MCA. The compensation for this committee is not affected by this bill.
- 73. The impact will be additional expenditures of \$5,500 per fiscal year to cover council members payments for attendance at bi-annual council meetings and various other grant panel meetings. The costs will be split 50/50 general fund and federal special revenue.

Office of the Commissioner of Higher Education (OCHE)

- 74. The Board of Regents (BOR) consists of seven members.
- 75. The BOR holds meetings six times per year. Four of the meetings are two days with a day of travel prior to the meeting for a total of 12 days of compensation. The other two meetings would be one day with one day of travel prior to the meeting for a total of four days of compensation.
- 76. Total estimated cost for the BOR per diem is \$5,600 in general fund.

Department of Fish, Wildlife & Parks (FWP)

- 77. This bill allows for an increase, of up to \$100, to the daily rate for boards and advisory council members.
- 78. The Department of Fish, Wildlife & Parks (FWP) has two quasi-judicial boards and four advisory councils that are eligible for the increased daily compensation per 2-15-124(7) MCA.
- 79. FWP currently pays \$50 per day and will increase to \$100 per day.
- 80. The total increased cost to FWP is expected to be \$12,100 from state special revenue.

Boards and Councils	# of Members	Total Days	@ \$50	@ \$100	Increased Cost
Fish & Wildlife Commission	7	12	\$4,200	\$8,400	\$4,200
Parks & Recreation	5	8	\$2,000	\$4,000	\$2,000
Upland Game Bird Enhancement	12	4	\$2,400	\$4,800	\$2,400
WL Habitat Improvement	10	4	\$2,000	\$4,000	\$2,000
Wetlands Protection	7	2	\$700	\$1,400	\$700
WL Mitigation	8	2	\$800	\$1,600	\$800
Total			\$12,100	\$24,200	\$12,100

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.00	0.00	0.00	0.00
<u>Expenditures:</u>				
Personal Services	\$131,801	\$131,801	\$131,801	\$131,801
TOTAL Expenditures	\$131,801	\$131,801	\$131,801	\$131,801
<u>Funding of Expenditures:</u>				
General Fund (01)	\$20,388	\$20,388	\$20,388	\$20,388
State Special Revenue (02)	\$64,225	\$64,225	\$64,225	\$64,225
Federal Special Revenue (03)	\$25,038	\$25,038	\$25,038	\$25,038
Other	\$22,150	\$22,150	\$22,150	\$22,150
TOTAL Funding of Exp.	\$131,801	\$131,801	\$131,801	\$131,801
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0

<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$20,388)	(\$20,388)	(\$20,388)	(\$20,388)
State Special Revenue (02)	(\$64,225)	(\$64,225)	(\$64,225)	(\$64,225)
Federal Special Revenue (03)	(\$25,038)	(\$25,038)	(\$25,038)	(\$25,038)
Other	(\$22,150)	(\$22,150)	(\$22,150)	(\$22,150)

Technical Notes:

Department of Military Affairs

1. Board of Veteran’s Affairs falls under 2-15-1205, MCA, and is administratively attached to the department following 2-15-314, which is not affected by HB 314.
2. The commission for Disaster and Emergency Services, SERC, serves without compensation.

Legislative Branch

3. HB 314 amends 5-2-301(4), MCA. This same section is currently repealed in HB 28.
4. If both HB 314 and HB 28 pass, this will be a direct conflict. It is the Legislative Branch’s recommendation to add “Coordination Instruction.”


Sponsor’s Initials

2-23-23
Date


Budget Director’s Initials

2-23-23
Date