



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2025 Biennium

**Bill information:**

HB0841 - Report on full-time equivalents (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 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>
<b>Expenditures:</b>				
General Fund	\$12,500	\$12,500	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>(\$12,500)</u>	<u>(\$12,500)</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** HB 841 requires the Executive Branch, Legislative Branch, and the Judicial Branch to report quarterly to the Legislative Finance committee on certain FTE vacancy scenarios. The bill provides \$25,000 of general fund appropriations for implementation of the reports.

### FISCAL ANALYSIS

**Assumptions:**

1. The quarterly report to the Legislative Finance Committee required by HB 841 must include the following components:
  - a. The number of vacant FTE in the agency;
  - b. the program and job title of the FTE and the last date the agency attempted to hire for a position;
  - c. if a hire contractor was used to fulfil the job duties of a vacant position, including the amount paid to the contractor and the scope of work the contractor performed;
  - d. overtime paid to ensure the duties of a vacant position were performed including the number of employees in each job classification paid overtime to cover the work of vacant positions, the amount of overtime paid each week, the scope of duties performed during overtime status; and
  - e. the number of modified (temporary) FTE approved, job descriptions for the modified FTE, funding source for the modified FTE, and the duration of the modified FTE.

2. The information for item a is readily available in the Statewide Accounting, Budgeting, and Human Resource System (SABHRS).
3. The information is item b is partially available in SABHRS, and partially available in the state’s recruitment system. There may also be some manual research required for this report component.
4. The information required by item c would require manual tracking or research.
5. The information described in item d would require a combination of SABHRS data and manual tracking and input.
6. The information described in item e would require a combination of SABHRS data and manual tracking and input.
7. HB 841 requires the Executive Branch Agencies, the Legislative Branch, and the Judicial Branch to provide the quarterly reports and provides appropriations.
8. For purposes of this fiscal note, costs are shown as being spent equally in each year of the biennium, but depending on actual experience of implementing the reporting requirements the expenditures may occur differently.

**Office of Budget and Program Planning/Executive Branch**

9. HB 841 provides a \$20,000 general fund appropriation to the Office of Budget and Program Planning (OBPP) for the 2025 biennium.
10. While the bill requires each Executive Branch agency to provide the quarterly report to the Legislative Finance Committee, the bill also provides the appropriation to OBPP.
11. The Executive Branch includes 30 state agencies, including 5 agencies headed by statewide elected officials, 5 administratively attached agencies, and the Office of the Commissioner of Higher Education.
12. For consistency and efficiency, it would seem appropriate for the OBPP to develop a tracking system to capture the required report information and generate the required reports centrally for all Executive Branch agencies, rather than have each of the agencies generate its own report.
13. The appropriation would likely be used to purchase and develop a tracking system to capture data from the HR and Financial modules of the SABHRS system and the state recruitments system and allow for manual data entry from agencies to capture additional required data. The system would also need to have a document storage component to account for the required position descriptions.
14. Until such a system could be scoped and analyzed, it is unknown if the \$20,000 appropriation would be sufficient. The appropriation provided in the bill is one-time-only for the 2025 biennium. However, depending on the implemented system, there could be ongoing subscription or maintenance costs required in future fiscal years.
15. The Executive Budget requested and the Section A Joint Appropriations Subcommittee has approved a request for an additional OBPP budget analyst. If the budget analyst remains approved and included in HB 2 through passage and approval, the OBPP does not anticipate the need for additional personnel. However, there are a significant number of bills currently in the legislative process requiring additional reporting from OBPP and state agencies. Depending on which of the bills are passed and approved, there may be additional resources required. If the currently approved position does not remain in HB 2, additional resources would be required.
16. Generation of much of the data required for the quarterly reports will require additional work on the part of state agencies. The volume of work may vary from agency to agency, but each agency will need to divert existing employees from current work tasks to provide the information. The impact of such diversions on other agency work cannot be predicted.

**Legislative Branch**

17. The Legislative Branch would be required to submit a quarterly report with the same components outlined in assumption #1. Legislative staff are “exempt,” so no overtime is paid.
18. It’s assumed that the \$2,500 appropriation will cover the operating costs of providing written reports (printing and supplies) to the Legislative Finance Committee.
19. The appropriation provided in the bill is one-time-only for the 2025 biennium. However, there could be ongoing costs required in future fiscal years.

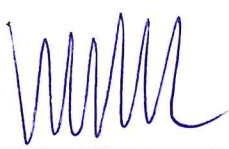
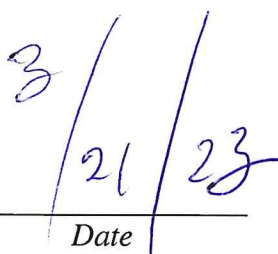


**Judicial Branch**

- 20. The Judicial Branch would be required to submit a quarterly report with the same components outlined in assumption #1.
- 21. It's assumed that the \$2,500 appropriation will cover the operating costs of providing written reports (printing and supplies) to the Legislative Finance Committee.
- 22. The appropriation provided in the bill is one-time-only for the 2025 biennium. However, there could be ongoing costs required in future fiscal years.

	<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>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
OBPP	\$10,000	\$10,000	\$0	\$0
Legislative Branch	\$1,250	\$1,250	\$0	\$0
Judicial Branch	\$1,250	\$1,250	\$0	\$0
<b>TOTAL Expenditures</b>	<u>\$12,500</u>	<u>\$12,500</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$12,500	\$12,500	\$0	\$0
<b>TOTAL Funding of Exp.</b>	<u>\$12,500</u>	<u>\$12,500</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$12,500)	(\$12,500)	\$0	\$0

**Technical Notes:**

- 1. It is assumed that the FTE in the Office of Commissioner of Higher Education will be included in the Executive Branch report. However, it is unclear if the employees of the campuses of the Montana University System (MUS) or to be included in the quarterly reporting. If the MUS employees are intended to be reported, there may be additional resources required.

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