



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:	
SB0157 - Generally revise laws relating to legislative exempt staff (Ellsworth, Jason W)	
Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>
Expenditures:					
General Fund	\$118,071	\$452,570	\$561,855	\$681,208	\$691,427
Revenue:					
General Fund	\$0	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	(\$118,071)	(\$452,570)	(\$561,855)	(\$681,208)	(\$691,427)

Description of fiscal impact: SB 157 revises laws related to legislative personal staff, increases the allowable number of personal staff, makes the special counsel permanent, and provides an immediate effective date. The fiscal impact to the state is \$118,071 for FY 2023, \$452,570 for FY 2024, \$561,855 for FY 2025, \$681,208 for FY 2026, and \$691,427 for FY 2027.

FISCAL ANALYSIS

Assumptions:

Legislative Branch

1. Section 1, subsection 4, provides for an additional two personal staff as follows:
 - a. One additional personal staff for the Speaker of the House of Representatives
 - b. One additional personal staff for the President of the Senate
2. Section 1, subsection 4(b), provides up to two additional personal staff as follows:
 - a. One additional personal staff for the minority leader of the House of Representatives if the membership in the minority caucus of the House of Representatives is 40% or greater of the total membership of the chamber
 - b. One additional personal staff for the minority leader of the Senate if the membership in the minority caucus of the Senate is 40% or greater of the total membership of the chamber

3. For purposes of this fiscal note, it is assumed that for FY 2024, and for half of FY 2025 (07/01/2024 – 12/31/2024), memberships in the House of Representatives Minority Caucus and the Senate Minority Caucus are below the 40% threshold.
4. New personal staff is compensated at the current annual salary of the existing personal staff (\$82,000).
5. SB 157 is effective on passage and approval.
6. SB 157 eliminates the termination date of 5-5-110, MCA, making special counsel for the majority party permanent.
7. Section 5-5-110, MCA, allows for only one special counsel.
8. Since existing personal staff are enrolled in the State of Montana Benefit Plan, it is assumed that the additional personal staff will also be enrolled.
9. It is also assumed the additional personal staff to the majority are full-time permanent positions. A 1.5% inflationary factor has been added for fiscal years 2026 and 2027. The fiscal impact for personal services is as follows:
 - a. FY 2023 - \$91,071(2.00 FTE for five months)
 - b. FY 2024 - \$218,570 (2.00 FTE for 12 months)
 - c. FY 2025 - \$218,570 (2.00 FTE for 12 months)
 - d. FY 2026 - \$221,849 (2.00 FTE for 12 months * 1.5% inflationary factor)
 - e. FY 2027 - \$225,177 (2.00 FTE for 12 months * 1.5% inflationary factor)
10. The fiscal impact for fiscal years 2025, 2026 and 2027 is difficult to determine, but the fiscal note was written with the assumption that membership in the House of Representatives and the Senate Minority Caucuses will be 40% or greater at the beginning of the 2025 Session, and two additional staff will be added. The fiscal impact (personal services) is as follows:
 - a. FY 2025 - \$109,285 (2.00 FTE for six months)
 - b. FY 2026 - \$221,849 (2.00 FTE for 12 months * 1.5% inflationary factor)
 - c. FY 2027 - \$225,177 (2.00 FTE for 12 months * 1.5% inflationary factor)
11. The 67th Legislature passed HB 483 which authorized leadership aides, special counsel, and the special select committee on judicial accountability. Since there was no appropriation provided in HB 483, HB 2 was amended in Free Conference Committee to add the funding (\$285,496).
12. For the purposes of this fiscal note, it is assumed that the special counsel is a temporary employee through May 15, 2023. After that date, the special counsel will be contracted and paid as part of operations.
13. It is assumed for the remainder of FY 2023, the special counsel will report 180 hours at an hourly rate of \$150 (\$27,000) and for FY 2024 and FY 2025, the special counsel will report 1,560 hours at an hourly rate of \$150 (\$234,000 each fiscal year). These are operating expenditures.
14. A 1.5% inflationary factor has been added for fiscal years 2026 and 2027.

	<u>FY 2023</u> <u>Difference</u>	<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	2.00	2.00	3.00	4.00	4.00
<u>Expenditures:</u>					
Personal Services	\$91,071	\$218,570	\$327,855	\$443,698	\$450,354
Operating Expenses	\$27,000	\$234,000	\$234,000	\$237,510	\$241,073
TOTAL Expenditures	\$118,071	\$452,570	\$561,855	\$681,208	\$691,427
<u>Funding of Expenditures:</u>					
General Fund (01)	\$118,071	\$452,570	\$561,855	\$681,208	\$691,427
TOTAL Funding of Exp.	\$118,071	\$452,570	\$561,855	\$681,208	\$691,427
<u>Revenues:</u>					
General Fund (01)	\$0	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>					
General Fund (01)	(\$118,071)	(\$452,570)	(\$561,855)	(\$681,208)	(\$691,427)

Technical Notes:

1. There is no reference to funding for special counsel after the HB 2 appropriation expires on June 30, 2023.
2. SB 157 has an immediate effective date and provides up to four personal staff without providing funding for the additional staff.

NO SPONSOR SIGNATURE

_____ 1/23/23 _____ [Signature] _____ 1-18-23
 Sponsor's Initials Date Budget Director's Initials Date