



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

SB0299 - Require an audit of the district courts (Usher, Barry)

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 2024 Difference</u>	<u>FY 2025 Difference</u>	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>
Expenditures:				
General Fund	\$170,000	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$170,000	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$170,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: SB 299 requires a performance audit, to be performed by or at the direction of the Legislative Auditor, of Montana district courts to be paid for by the Judicial Branch.

FISCAL ANALYSIS

Assumptions:

1. SB 299 requires a one-time performance audit of district courts.
2. The Legislative Audit Division charges \$85 an hour for a performance audit. Based on past completed performance audits, LAD estimates the audit will take 2,000 hours for a cost of \$170,000.
3. Data required would come from the Full Court System. The Judicial Branch does not employ a data analyst and would need to contract the vendor to provide the data needed by the auditor.
4. The Legislative Audit Division maintains the staff, expertise, and resources necessary to query and extract data from most agency systems. Using existing Legislative Branch resources would negate the need for contracted services to fulfill data needs relative to the Full Court System. In the event that vendor assistance

with the Full Court system is necessary to some degree, audit independence considerations would dictate that these be funded through existing Legislative Branch Resources.

5. The estimated \$170,000 cost of the performance audit paid by the Judicial Branch to the Legislative Audit Division (LAD) would be deposited in the state special revenue account of the LAD. The LAD would conduct the audit with existing resources so no additional expenses are shown.
6. Revenue and expenses are shown in FY 2024. Depending on the timing of the audit, the actual revenue and expenses could be split between FY 2024 and FY 2025.

	<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>				
<u>Expenditures:</u>				
Operating Expenses	\$170,000	\$0	\$0	\$0
TOTAL Expenditures	<u>\$170,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$170,000	\$0	\$0	\$0
TOTAL Funding of Exp.	<u>\$170,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Social Revenue (02)	\$170,000	\$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)	(\$170,000)	\$0	\$0	\$0
State Social Revenue (02)	\$170,000	\$0	\$0	\$0

Technical Notes:

1. Some of the data requested in the bill is not available in the case management system and would need to be hand-counted or gathered through the county Clerk of Courts offices

NO SPONSOR SIGNATURE

Sponsor's Initials

2/20

Date



Budget Director's Initials

2-17-23

Date