



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 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 Difference</u> | <u>FY 2025 Difference</u> | <u>FY 2026 Difference</u> | <u>FY 2027 Difference</u> |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Expenditures: | | | | |
| General Fund | \$10,888 | \$10,888 | \$10,888 | \$10,888 |
| State Special Revenue | \$22,175 | \$22,175 | \$22,175 | \$22,175 |
| Federal Special Revenue | \$16,888 | \$16,888 | \$16,888 | \$16,888 |
| Other | \$1,800 | \$1,800 | \$1,800 | \$1,800 |
| 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>(\$10,888)</u> | <u>(\$10,888)</u> | <u>(\$10,888)</u> | <u>(\$10,888)</u> |

Description of fiscal impact: HB 314 increases the compensation rate for boards, commissions, and councils to \$100 per day.

FISCAL ANALYSIS

Assumptions:

Department of Administration

1. Cost 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)

2. MSL pays commission expenses from the general fund.
3. MSL has 7 commission members and is required to meet 6 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. A Scenic Historic Byways Advisory Council exists in partnership with the MDT's Transportation Commission.
6. 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..."
7. 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.

Department of Natural Resources and Conservation (DNRC)

8. 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.
9. 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.
10. 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.
11. Total estimated cost for all eligible board members at DNRC would total \$2,400 that would be paid from state special revenue.

Department of Justice (DOJ)

12. The Gambling Control Division (GCD) supports the operations of the quarterly Gaming Advisory Council (GAC), 2-15-2021, MCA. The GAC has nine members.
13. It is assumed that 7 of the 9 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.
14. 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.
15. 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 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.
16. The total increased cost to the Dept. of Justice is expected to be \$100 from general fund, \$2,800 from state special revenue and \$2,100 from federal special revenue for a total of \$5,000 from all sources.

Department of Environmental Quality

17. The Board of Environmental Review (BER) consists of seven board members.
18. All seven members of the board would be eligible for compensation under HB 314 for an additional \$50 per day.
19. Assuming that BER meets for one day, six times per year equals a total of \$2,100 in general funds.

Department of Agriculture

20. 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.
21. 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.
22. 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

23. 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.
24. The SBDC advisory council is made up of eight members that meets once per year.
25. All eight members are eligible to receive the compensation in HB 314 totaling \$400 per year in general funding per year.

Department of Labor and Industry

26. 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.
27. 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.
28. 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.
29. 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.
30. 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.
31. 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.
32. 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.
33. 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.
34. Total increases in WSD in federal special revenue expenditures in the committees noted above would total \$8,200.
35. OCS has one commission that would be impacted by HB 314. This includes the Montana Commission on Community Service.
36. 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 year, this would be an increase of \$3,000 for meetings and \$500 for grant reviews.
37. Total increase in OCS in general fund expenditures in the commission noted above would total \$3,500.

Department of Public Health and Human Services

38. 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.
39. The department assumes meetings and members will remain constant for FY 2024 and FY 2025.
40. 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.

| | <u>FY 2024 Difference</u> | <u>FY 2025 Difference</u> | <u>FY 2026 Difference</u> | <u>FY 2027 Difference</u> |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <u>Fiscal Impact:</u> | | | | |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 |
| <u>Expenditures:</u> | | | | |
| Personal Services | \$51,751 | \$51,751 | \$51,751 | \$51,751 |
| TOTAL Expenditures | \$51,751 | \$51,751 | \$51,751 | \$51,751 |
| <u>Funding of Expenditures:</u> | | | | |
| General Fund (01) | \$10,888 | \$10,888 | \$10,888 | \$10,888 |
| State Special Revenue (02) | \$22,175 | \$22,175 | \$22,175 | \$22,175 |
| Federal Special Revenue (03) | \$16,888 | \$16,888 | \$16,888 | \$16,888 |
| Other | \$1,800 | \$1,800 | \$1,800 | \$1,800 |
| TOTAL Funding of Exp. | \$51,751 | \$51,751 | \$51,751 | \$51,751 |
| <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 |


Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

| | | | | |
|------------------------------|------------|------------|------------|------------|
| General Fund (01) | (\$10,888) | (\$10,888) | (\$10,888) | (\$10,888) |
| State Special Revenue (02) | (\$22,175) | (\$22,175) | (\$22,175) | (\$22,175) |
| Federal Special Revenue (03) | (\$16,888) | (\$16,888) | (\$16,888) | (\$16,888) |
| Other | (\$1,800) | (\$1,800) | (\$1,800) | (\$1,800) |

Technical Notes:

1. There are several quasi-judicial boards and commissions that are not covered by this legislation across several agencies. This will result in board members receiving less compensation than those serving on boards and commissions covered by this legislation.
2. This may cause some issues for board members and/or agencies trying to track these differences, which maybe contrary to the intent of this legislation.

NOT SIGNED BY SPONSOR

| | | | |
|---------------------------|-------------|--|-------------|
| | |  | 2-1-23 |
| <i>Sponsor's Initials</i> | <i>Date</i> | <i>Budget Director's Initials</i> | <i>Date</i> |