



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

SB0434 - Establish Constitution Settlement Commission of the States (Manzella, Theresa)

Status: As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input 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

	FY 2024 <u>Difference</u>	FY 2025 <u>Difference</u>	FY 2026 <u>Difference</u>	FY 2027 <u>Difference</u>
Expenditures:				
General Fund	\$609,412	\$609,412	\$618,553	\$627,832
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	(\$609,412)	(\$609,412)	(\$618,553)	(\$627,832)

Description of fiscal impact: SB 434 enacts the “Constitution Settlement Commission of the States” for Montana. The minimum fiscal impact to the Legislative Branch is estimated at \$1,218,824 for the 2025 biennium and \$1,246,385 for the 2027 biennium. * This estimate does not include travel expenses, which will increase the fiscal impact, but cannot be determined without additional information. (See assumptions 6 and 10.)

FISCAL ANALYSIS

Assumptions:

Legislative Branch

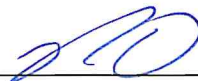
1. SB 434 is a declaration that only the states may define the nature and scope of powers to be delegated to the United States government.
2. SB 434, Section 2, creates the Constitution Settlement Commission of the States to provide a mechanism for a consensus decision from the states concerning what powers the states have granted to the United States government.
3. The commission shall maintain its office in, or near, Denver, Colorado.
4. The commission is comprised of a minimum of nine delegates. For this fiscal note, it’s assumed that Montana will have one delegate (Section 2 (9)).

5. SB 434 Section 2 (19) requires the state to pay the delegate salary and state-determined benefits equal to the amount that the state pays its governor or the chief justice of its supreme court.
 - a. Per the Montana Transparency Website:
 - i. Governor of Montana: \$118,394
 - ii. Chief Justice of Montana’s Supreme Court: \$157,789
 - b. For this fiscal note, it is assumed that the state will pay lower of the two.
6. The state may pay or reimburse travel expenses of a delegate to and from commission meetings, and reasonable living expenses. The fiscal impact of travel is difficult to determine:
 - a. SB 434 does not specify how many meetings the commission will have.
 - b. Current travel rates are:
 - i. Mileage based on federal rate: 0.655/mile
 - ii. The federal lodging rate in Denver is: \$153/night, November through March and \$199/night April through October.
 - iii. The federal meal rates in Denver are:
 1. Breakfast: \$18
 2. Lunch: \$20
 3. Dinner: \$36
 - iv. If the delegate chooses to travel commercial air, 2-18-501(9), MCA states “All commercial air travel must be by the least expensive class service available.”
7. SB 434 does not specify what agency is responsible to compensate the delegate. It is assumed the Legislative Branch will pay these costs.
8. SB 434 Section 2 (19) requires states to annually pay three-times the total amount of the state’s governor’s salary and benefits (annual total is \$457,059).
 - a. Governor of Montana’s base salary: \$118,394
 - b. Employer paid taxes: \$21,311
 - c. Employer provided health insurance: \$12,648
9. Excluding travel costs, the minimum annual cost is estimated to be \$609,412 (\$152,353 + \$457,069). This estimate has been inflated by 1.5% for fiscal years 2026 and 2027.
10. *There will be additional fiscal impacts for travel, but those costs cannot be determined at this time.

	<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	\$152,353	\$152,353	\$154,638	\$156,958
Operating Expenses	\$457,059	\$457,059	\$463,915	\$470,874
TOTAL Expenditures	<u>\$609,412</u>	<u>\$609,412</u>	<u>\$618,553</u>	<u>\$627,832</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$609,412	\$609,412	\$618,553	\$627,832
TOTAL Funding of Exp.	<u>\$609,412</u>	<u>\$609,412</u>	<u>\$618,553</u>	<u>\$627,832</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$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)	(\$609,412)	(\$609,412)	(\$618,553)	(\$627,832)

NO SPONSOR SIGNATURE

2/27/23



2-27-23

Sponsor's Initials

Date

Budget Director's Initials

Date