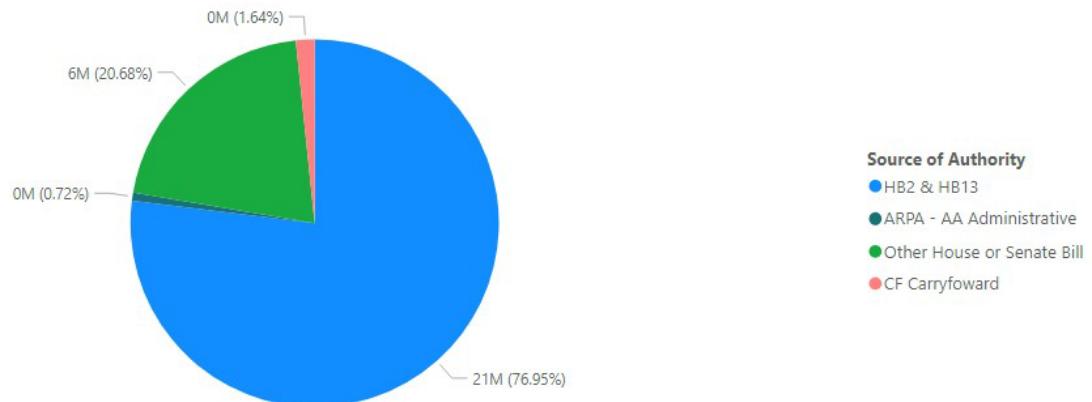


LEGISLATIVE BRANCH

TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the agency is shown in the pie chart below. HB 2 and HB 13 provide 77.0% of the total authority for this agency. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.

Modified Budget and Expended Budget by Source of Authority



| Source of Authority | Modified Budget | Expended Budget | Percent Expended |
|----------------------------|-------------------|-------------------|------------------|
| HB2 & HB13 | 21,307,495 | 11,482,066 | 53.9% |
| CF Carryforward | 454,749 | 14,643 | 3.2% |
| Other House or Senate Bill | 5,726,173 | 1,536,606 | 26.8% |
| ARPA | 200,000 | 55,989 | 28.0% |
| Total | 27,688,417 | 13,089,304 | 47.3% |

| Report Period |
|---|
| <input type="checkbox"/> Jul |
| <input type="checkbox"/> Aug |
| <input type="checkbox"/> Sep |
| <input type="checkbox"/> Oct |
| <input type="checkbox"/> Nov |
| <input checked="" type="checkbox"/> Dec |
| <input checked="" type="checkbox"/> Jan |
| <input checked="" type="checkbox"/> Feb |

Carryforward

Appropriation authority carried forward from FY 2021 was allocated:

- \$24,480 to personal services supported by general fund
- \$430,269 to operating expenses supported by general fund

As reflected in the chart above, as of the end of February the Legislative Branch expended \$14,643 carryforward appropriations in the Legislative Committees and Activities Program for operating expenses.

Other Bills

HB 1 – Legislative Feed Bill

At \$5.3 million, HB 1 makes up 93.3% of the appropriation authority included in Other House or Senate Bills in FY 2022. The biennial appropriations provide for expenditures for legislative interim committees, and initial startup costs for the 2023 Session with \$4.3 million budgeted for personal services, \$1.0 million for operating expenses, and \$70,000 for transfers out. Through February 28, 2022, 25.4% of the appropriations have been expended, which is in line with historic expenditures of the feed bill at this point in the biennium.

SB 191 – Revising State Finance Laws

SB 191 included language allowing unencumbered and unexpended funding from HB 1, enacted by the 2019 Legislature, to be used for expenditures associated with HB 483. HB 483 revised laws related to exempt personal staff for the legislature including:

- A provision providing for a special counsel that serves at the pleasure of the Speaker of the House of Representative and the President of the Senate
- Authorizing exempt staff for the Speaker and the Minority Leader of the House of Representatives
- Providing for exempt staff for the President and the Minority Leader of the Senate

Personal services of \$293,493 are budgeted in FY 2022 with expenditures of \$157,207 through February 28, 2022.

HB 330 – Providing for a Financial Modernization and Risk Analysis Study

HB 330 provided a biennial appropriation of \$50,000 for additional Legislative Finance Committee members and to support interim activities. The bill also extended appropriation authority provided in the 2021 biennium for the financial modernization and risk analysis study. Between the two appropriations, personal services are budgeted at \$33,509 in FY 2022 and operating expenses at \$47,109. Through February 28, 2022 the Legislative Fiscal Division has expended \$12,001 in personal services and \$5,553 in operating expenses.

Other bills

Small amounts of funding were also provided in FY 2022 for:

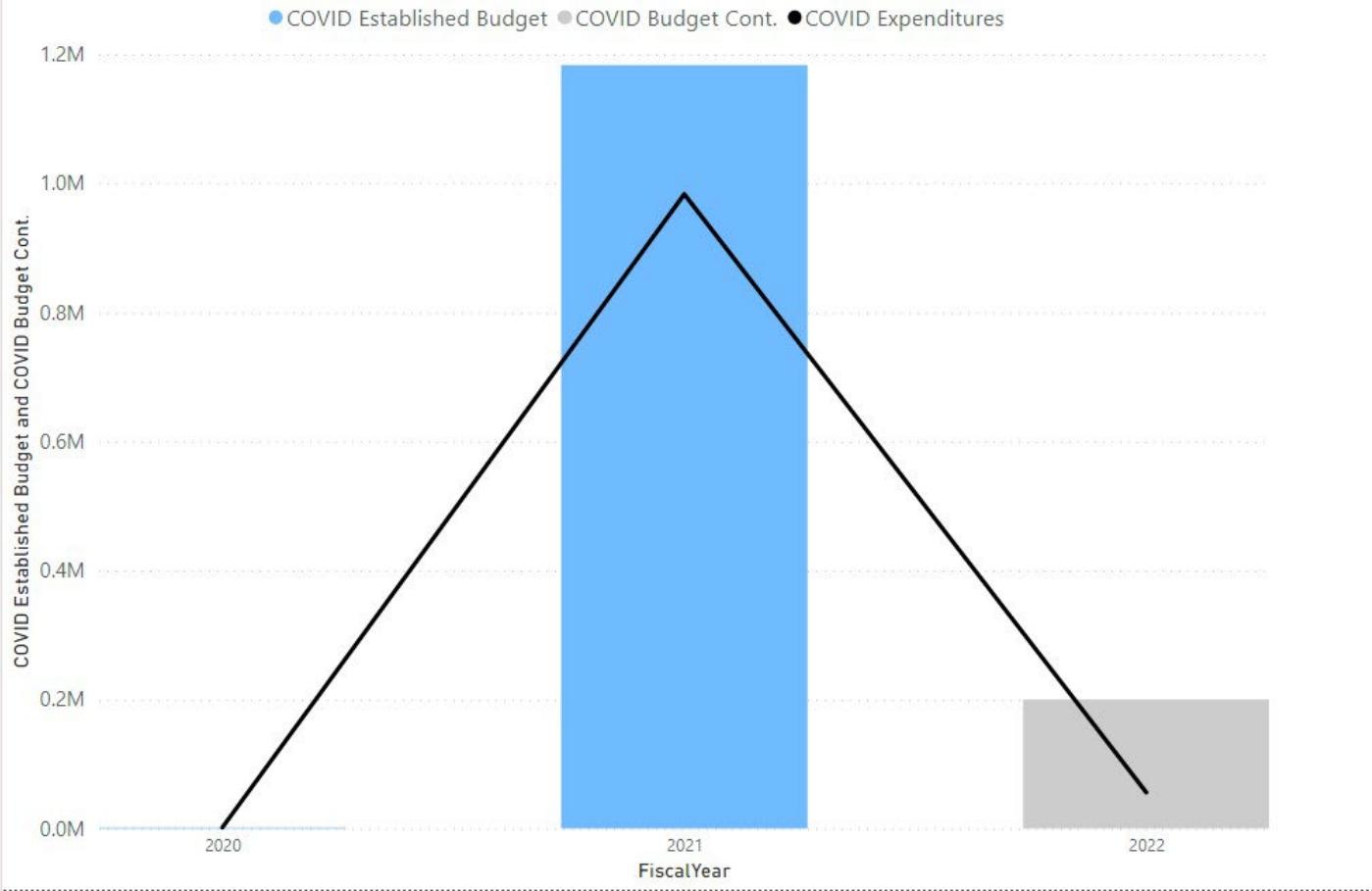
- HB 39 – Continued review of child protective services matters, \$6,500
- HB 689 - Revising campaign finance and practice laws, \$600
- SB 303 – Revising telecommunication contracts that provide services for state inmates, \$400

As of February 28, 2022, the Legislative Services Division has expended \$4,214 in HB 39 appropriations.

COVID-19 Authority

The following chart is provided to allow the legislature to examine the funding that is available to the agency for COVID-19 impacts.

COVID Established Budget, COVID Continuing Budget, and COVID Expenditures by Fiscal Year



The Legislative Branch received a total of \$1.2 million in COVID-19 funds including:

- \$985,000 in coronavirus relief funds to address social distancing aids, sanitizing supplies, and other costs associated with the COVID-19 pandemic. All of this funding was expended in the 2021 biennium
- \$200,000 of the American Rescue Plan Act funds appropriated in HB 632 to provide for remote or hybrid legislative meetings during FY 2022. Through February 28, 2022 the Legislative Services Division has expended \$55,989 of the funding, or 28.0%, for personal services

Statutory Appropriations

The funds in the Legislative Branch retirement termination reserve account may be used for staff retirement termination pay in the Legislative Branch and are statutorily appropriated. The funds may only be expended with the approval of the appropriate branch division director. The 2021 Legislature transferred \$300,000 in general fund into the retirement termination reserve account for anticipated retirements in the 2023 biennium. As of the end of February none of the funds have been expended.

HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the HB 2 modified budget between December 1, 2021 and February 28, 2022. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The [positive modifications](#) and [negative modifications](#) are shown by program, expenditure account, and fund type.

Legislative Budget Compared to Modified Budget - HB 2 Only

| Agency Name | December Modified Budget | March Modified Budget | Net Modifications |
|---|--------------------------|-----------------------|-------------------|
| <input checked="" type="checkbox"/> Legislative Branch | 21,307,495 | 21,307,495 | |
| AUDIT & EXAMINATION | 5,088,088 | 5,088,088 | |
| FISCAL ANALYSIS & REVIEW | 2,354,534 | 2,354,534 | |
| LEGIS. COMMITTEES & ACTIVITIES | 1,623,848 | 1,623,848 | |
| LEGISLATIVE SERVICES | 12,241,025 | 12,241,025 | |
| Total | 21,307,495 | 21,307,495 | |

Acct & Lvl 1 DESC

| Acct & Lvl 1 DESC | December Modified Budget | March Modified Budget | Net Modifications |
|-------------------|--------------------------|-----------------------|-------------------|
|-------------------|--------------------------|-----------------------|-------------------|

| | | | |
|---|------------|------------|--|
| <input checked="" type="checkbox"/> 61000 Personal Services | 14,173,391 | 14,173,391 | |
| <input checked="" type="checkbox"/> 62000 Operating Expenses | 5,630,408 | 5,630,408 | |
| <input checked="" type="checkbox"/> 63000 Equipment & Intangible Assets | 1,059,696 | 1,059,696 | |
| <input checked="" type="checkbox"/> 68000 Transfers-out | 444,000 | 444,000 | |

Fund Type

| Fund Type | December Modified Budget | March Modified Budget | Net Modifications |
|-----------|--------------------------|-----------------------|-------------------|
|-----------|--------------------------|-----------------------|-------------------|

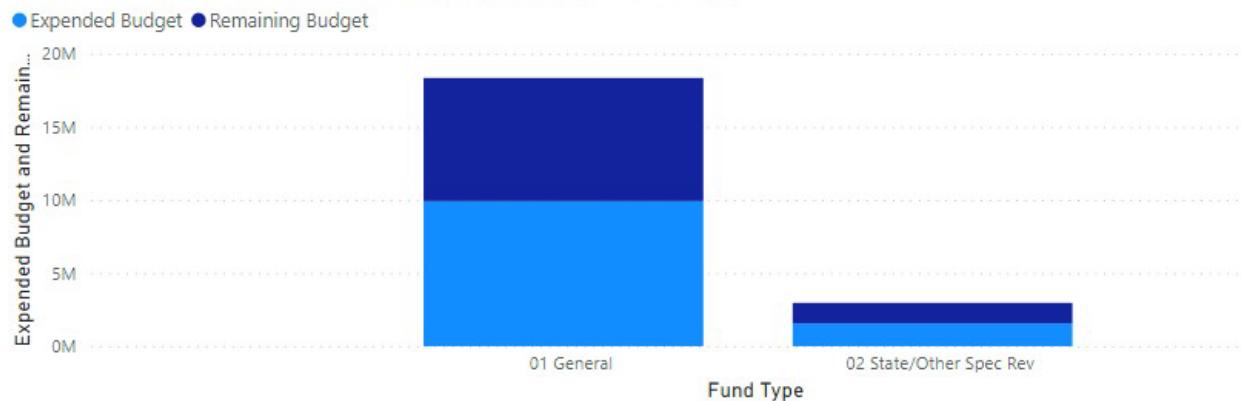
| | | | |
|---|------------|------------|--|
| <input checked="" type="checkbox"/> 01 General | 18,347,071 | 18,347,071 | |
| <input checked="" type="checkbox"/> 02 State/Other Spec Rev | 2,960,424 | 2,960,424 | |

Between December 1, 2021 and February 28, 2022 the Legislative Branch did not modify its HB 2 budget authority.

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through February 28, 2022.

Expenditure Budget and Remaining Budget by Fund Type - HB 2 Only



| acctv1_descr | Modified Budget | Expenditure Budget | Percent Expenditure |
|-------------------------------|-----------------|--------------------|---------------------|
| Personal Services | 14,173,391 | 8,138,259 | 57.4% |
| Operating Expenses | 5,630,408 | 2,907,681 | 51.6% |
| Equipment & Intangible Assets | 1,059,696 | 296,754 | 28.0% |
| Transfers-out | 444,000 | 139,371 | 31.4% |

| Program Name | Modified Budget | Expenditure Budget | Percent Expenditure |
|--------------------------------|-------------------|--------------------|---------------------|
| AUDIT & EXAMINATION | 5,088,088 | 2,691,709 | 52.9% |
| FISCAL ANALYSIS & REVIEW | 2,354,534 | 1,341,925 | 57.0% |
| LEGIS. COMMITTEES & ACTIVITIES | 1,623,848 | 850,828 | 52.4% |
| LEGISLATIVE SERVICES | 12,241,025 | 6,597,603 | 53.9% |
| Total | 21,307,495 | 11,482,066 | 53.9% |

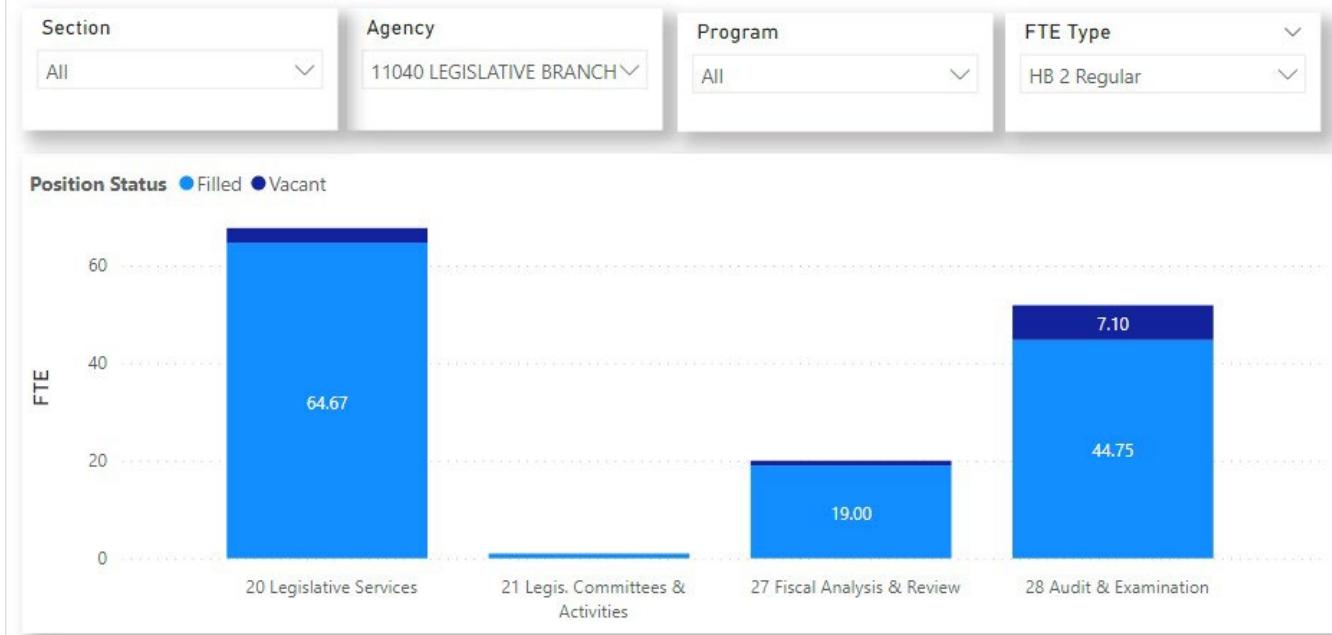
General fund makes up 86.1% of the Legislative Branch HB 2 modified budget for FY 2022. State special revenues comprise the remaining 13.9% and support costs associated with the state broadcasting services; the preparation, publication, and distribution of the Montana Code Annotated; and a portion of the activities of the Legislative Audit Division.

Personal Services

Personal services make up 66.5% of the budget with expenditures of \$8.1 million or 57.4% spent as of February 28, 2022.

The following chart shows the filled and vacant FTE within the agency as of February 1, 2022.

Vacancies - House Bill 2



As shown, the Legislative Branch had 7.9% of its HB 2 positions vacant as of February 1, 2022 including:

- 3.00 FTE or 4.4% within the Legislative Services Division
- 1.00 FTE or 5.0% within the Legislative Fiscal Division
- 7.10 FTE or 13.7% within the Legislative Audit Division

Staff recruitment and retention within the Legislative Branch continues to be a challenge, an issue recognized by the legislature. The 2021 Legislature provided all three divisions with additional personal services appropriations in the 2023 biennium to address staff salaries that are below the levels of similar positions within state government. The directors allocated the funding to market adjustments in July 2021.

Since November, the Legislative Branch has filled a number of vacancies and continues recruiting to fill other vacancies in the next few months.

Next Steps for Personal Services Reporting

In upcoming Quarterly Financial Reports, the LFD will begin the process of a more comprehensive look at personal services. The LFD will compare two executive “snapshots” -- July 2020 and July 2022. The analysis will identify adjustments adopted by the legislature in 2021 and modifications made by the agencies, within the confines of budget law.

The September Quarterly Financial Report will provide the complete comparison from July 2020 to July 2022. Ultimately, the analysis will result in a description of all the components that will be part of the executive's decision package one (DP 1) 2025 biennium budget request. This work will prepare legislators for budget

deliberations in the 2023 session. For a review of how DP 1 works and snapshot components, please read this [short brochure](#) from 2019.

Operating Expenses

Operating expenses make up 26.4% of the Legislative Branch FY 2022 HB 2 modified budget. As of February 28, 2022, the branch has spent \$2.9 million, or 51.6% of the operating expenses budget. Significant operating expenditures made in the first seven months of the year include:

- \$50,000 for insurance
- \$248,000 for IT consulting and professional services
- \$157,000 for broadcast production services
- \$146,000 for printing services
- \$59,000 for webhosting
- \$147,000 for video site management expenses
- \$419,000 for software maintenance
- \$423,000 in annual dues

Equipment and Intangible Assets

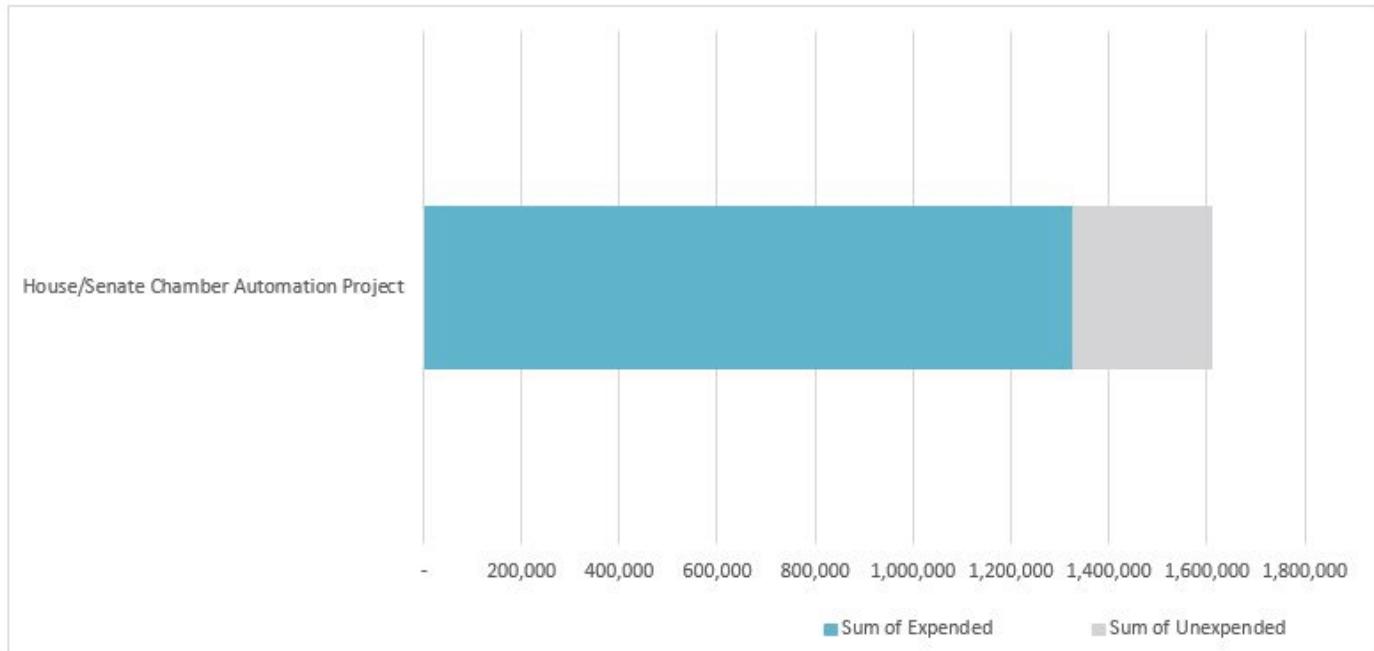
Equipment and intangible assets make up 5.0% of the FY 2022 HB 2 modified budget. The majority of the funding (90.8%) was provided as a biennial, one-time-only general fund appropriation for upgrades for the LAWS system, legislative audit work paper automation, the legislator portal, codification application upgrade, and broadcasting system. As of the end of February, the Legislative Branch has expended \$296,754, or 28.0%.

Transfers Out

Transfers out make up 2.1% of the FY 2022 HB 2 modified budget. The majority of the funding was provided as a biennial, one-time-only general fund appropriation for a transfer to the Legislative Branch retirement termination reserve account. The funds in the Legislative Branch retirement termination reserve account may be used for staff retirement termination pay in the Legislative Branch. The funds may only be expended with the approval of the appropriate branch division director. The funds will be transferred to the retirement termination reserve account and used for anticipated retirement termination payouts.

OTHER ISSUES

Information Technology Project Expenditures



| Large Information Technology Projects Original and Revised Delivery Date | | | | |
|---|------------|------------------------|-----------------------|------------------------------------|
| Project | Start Date | Original Delivery Date | Revised Delivery Date | Change from Original Delivery Date |
| House/Senate Chamber Automation Project | 7/1/2019 | 10/30/2020 | 12/31/2021 | 87.7% |

| Large Information Technology Projects Original and Revised Budgets | | | | |
|---|-----------------|----------------|-----------------------------|--|
| Project | Original Budget | Revised Budget | Change from Original Budget | |
| House/Senate Chamber Automation Project | 1,500,000 | 1,609,606 | 109,606 | |

The Legislative Branch revised its budget for the House/Senate chamber automation project in April 2021, increasing the overall budget by \$109,606 and modifying the estimated completion date to December 2021 due to delays related to the impacts of COVID-19 on resource availability. As of the end of February, testing for the system continues. The bill drafting module is anticipated to be tested in mid-March with end-to-end testing of the system by the users to be conducted in May.

Required Reports

The Legislative Branch did not have any budget amendments, operating plan changes, or program transfers that require reporting to the Legislative Finance Committee.