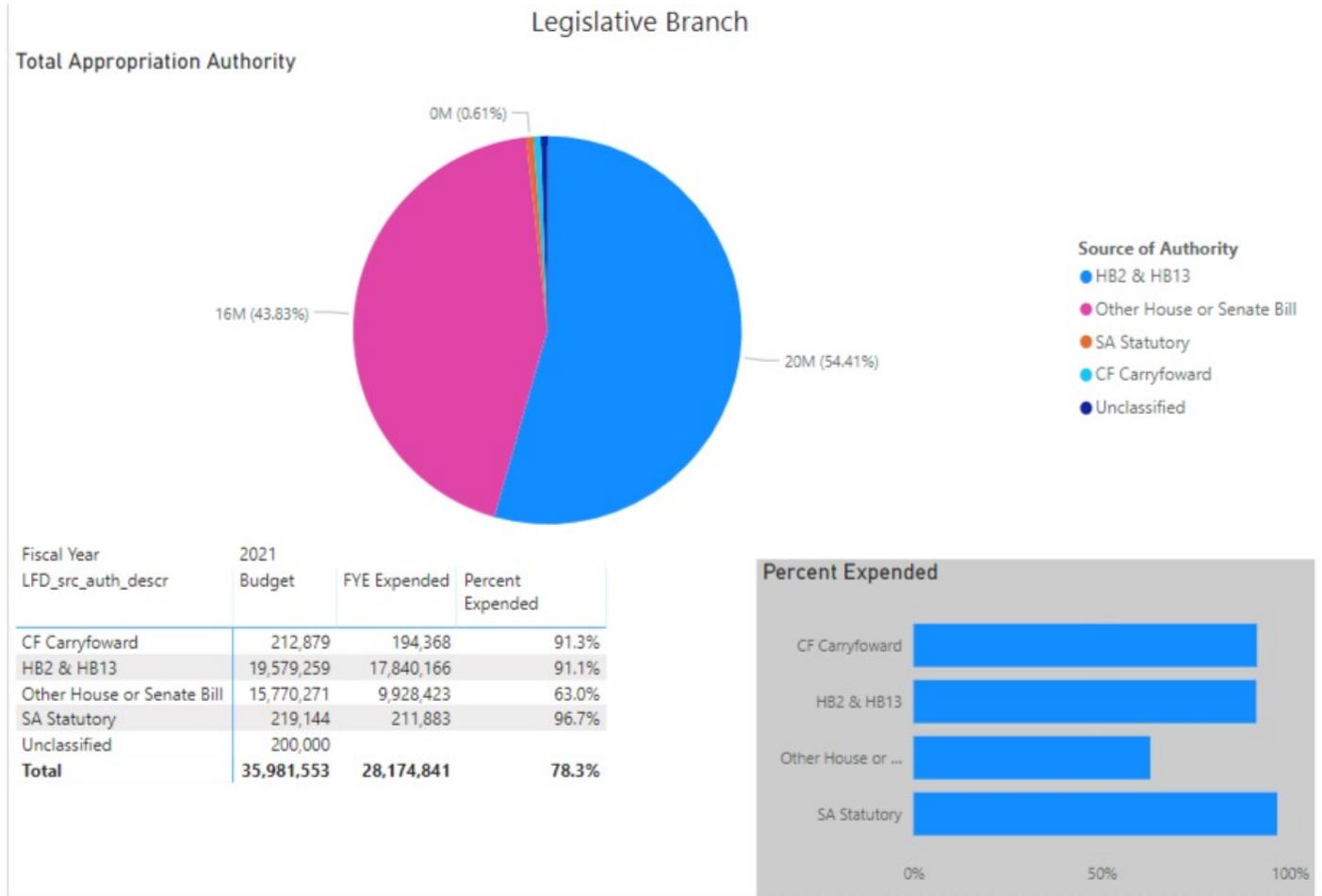


LEGISLATIVE BRANCH

TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the agency is shown in the pie chart below. HB 2 and HB 13 provide 54.4% 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.



Carryforward

Appropriation authority carried forward from FY 2019 was allocated as follows:

- \$158,718 to personal services supported by general fund. Expenditures of \$108,812 for termination payouts were made in the Legislative Services and Legislative Audit Divisions
- \$53,859 to operating expenses supported by general fund. Expenditures of \$33,269 for consulting and professional services were made by the Legislative Audit Division and \$13,275 for dues were made by the Legislative Committees and Activities Division
- \$301 to transfers-out supported by the general fund.

The Legislative Audit Division transferred \$39,013 in carry forward appropriation authority remaining at the end of FY 2021 to the legislative audit specialist services reserve account as allowed in statute.

Other House or Senate Bills

HB 1 – Feed Bill

The majority of the appropriations included in other bills, \$15.5 million, are from the feed bills for the 2019 and 2021 legislative sessions. The appropriations provide for expenditures for current session activities, legislative interim committee activities, and funding for the beginning of the legislative session prior to the passage of the next feed bill.

HB 657 – Community college funding formula and career and technical education funding

The legislature directed the Legislative Finance Committee to conduct a study of education related topics including:

- K-12 special education funding
- Community college funding formula
- Postsecondary career and technical education credit values

FY 2021 appropriations for the study were \$2,921. The 2021 Legislature passed legislation related to all three topics based on the recommendations of the LFC.

HB 715 – Interim Committee Fiscal Studies

HB 715 provided for fiscal studies to be conducted by the Legislative Fiscal Division and allowed the Legislative Council and Legislative Fiscal Division to appoint additional members to interim committees and the Legislative Finance Committee. The bill provided \$122,711 in funding in FY 2021.

HB 754 – Montana University System (MUS) 2-year education

The legislature created a Montana University System 2-year education restructuring review commission to:

- Examine the history and reasons for the Montana University System (MUS) incorporating vocational-technical institutions in the system
- Analyze the impacts of the restructuring on the efficiency and effectiveness of 2-year education in the MUS
- Consider how the MUS addresses student demand for career and technical education training within its 2-year colleges
- Examine the potential for restructuring 2-year education in the MUS to enhance offerings in career and technical education
- Review the governance and organizational structure of university systems in other states and consider whether a different structure would lead to a more effective and efficient university system in Montana
- Prepare a report of findings and recommendations for the 67th Legislature

The bill provided funding of \$46,874 in FY 2021.

HB 776 Districting and Apportionment Committee

The legislature funded the Districting and Apportionment Committee which is an independent five-member commission authorized by the Montana Constitution to draw the boundaries of congressional and legislative districts every 10 years using population data from the most recent U.S. Census. The bill provided \$136,480 in FY 2021.

SB 310- Legislative Process Study

This legislation requested that the Legislative Finance Committee work with the Legislative Council in the following areas:

- Evaluation of other state legislatures' interim policy and budget processes and procedures that encourage development of legislators' understanding of both policy and budget
- Evaluation of the session calendar, schedules, and transition required that would allow for an odd-year session focused on policy and statutory changes
- Evaluation of the session calendar, schedules, and transition required that would allow for an even-year session focused on adopting a biennial budget
- Consideration of the best approach to each interim following a policy session in preparation for the budget session and each interim following a budget session in preparation for the policy session

The bill provided \$4,998 in funding in FY 2021.

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. Administrative authority for CARES I and ARPA appropriations was allocated to the agency by the Governor's Office. Administrative authority is not an appropriation and thus is not included in the total appropriation authority on the shown on the previous page. The appropriation authority for CARES I and ARPA shown below remains with the Governor's Office.

Coronavirus Stimulus Appropriations Legislative Branch

Stimulus Authority	Budget	FYE Expended	Percent Expended
ARPA	200,000		
CARES I	983,355	983,355	100.0%

HB 632 required the Office of Budget and Program Planning in the Governor's Office to allocate \$200,000 of the American Rescue Plan Act funds to the Legislative Branch to provide for remote or hybrid legislative meetings.

The Legislative Branch received \$983,355 in CARES I coronavirus relief funds to address social distancing aids, sanitizing supplies, and other costs associated with the COVID-19 pandemic.

Statutory Appropriations

The Legislative Branch has statutory appropriation authority for three accounts:

- Legislative Branch reserve account
- Legislative audit specialist services reserve account
- Legislative Branch retirement termination reserve account

The Legislative Branch reserve account receives unexpended and unencumbered money including funding remaining at the end of the biennium from the "feed bill" (HB 1, the bill that funds the legislative session each biennium) and remaining carryforward appropriations from the various divisions within the branch. The legislative audit specialist services reserve account receives remaining carryforward appropriations from the Legislative Audit Division. The Legislative Branch retirement reserve account has been funded with general fund transfers provided by the legislature or through deposit of carryforward appropriations.

The funds in the Legislative Branch reserve account may be used for major Legislative Branch information technology projects including hardware, software, consulting services for new initiatives, and replacement and upgrading of existing systems. All projects and funding from the Legislative Branch reserve account must be approved by the Legislative Council. In FY 2021, \$171,039 for equipment & intangible assets were expended from the Legislative Branch reserve account. The fund balance at the end of FY 2021 was \$822,868.

The funds in the legislative audit specialist services reserve account may be used for contracted services necessary to provide specialist expertise in support of audit activities. All allocations of funds must be approved by the Legislative Audit Committee. In FY 2021, \$40,844 for operating expenses were expended from the legislative audit specialist services account. The fund balance at the end of FY 2021 was \$46,083.

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. In FY 2021, there were no expenditures from the Legislative Branch retirement termination reserve account. The fund balance at the end of FY 2021 was \$396.

HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the ending FYE modified budget. 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.

HB 2 Modifications Legislative Branch

Agency Program	HB2 Budget	FYE Modified Budget	Net Modifications	
20 LEGISLATIVE SERVICES	10,932,341	11,082,069	149,728	
21 LEGIS. COMMITTEES & ACTIVITIES	753,336	1,078,299	324,963	
27 FISCAL ANALYSIS & REVIEW	2,148,378	2,285,705	137,327	
28 AUDIT & EXAMINATION	4,712,617	5,133,185	420,568	
Total	18,546,672	19,579,259	1,032,587	1,032,587.42

Expenditure Account	HB2 Budget	FYE Modified Budget	Net Modifications	
61000 Personal Services	13,151,163	13,659,151	507,988	
62000 Operating Expenses	3,949,091	4,586,530	637,439	
63000 Equipment & Intangible Assets	1,297,000	1,186,784	-110,216	
68000 Transfers-out	149,418	146,795	-2,623	

Fund Type	HB2 Budget	FYE Modified Budget	Net Modifications	
01 General	16,363,574	17,076,679	713,105	
02 State/Other Spec Rev	2,183,098	2,502,581	319,483	

The Legislative Branch budget is biennial and as a result the appropriation authority that is not needed in FY 2020 is moved to FY 2021. Biennial appropriations that were moved into FY 2021 include:

- \$572,092 in personal services
- \$677,102 in operating expenses
- \$133,727 in equipment and intangible assets
- \$7,377 in transfers

The appropriations include \$1,070,816 in general fund and \$319,483 in state special revenue.

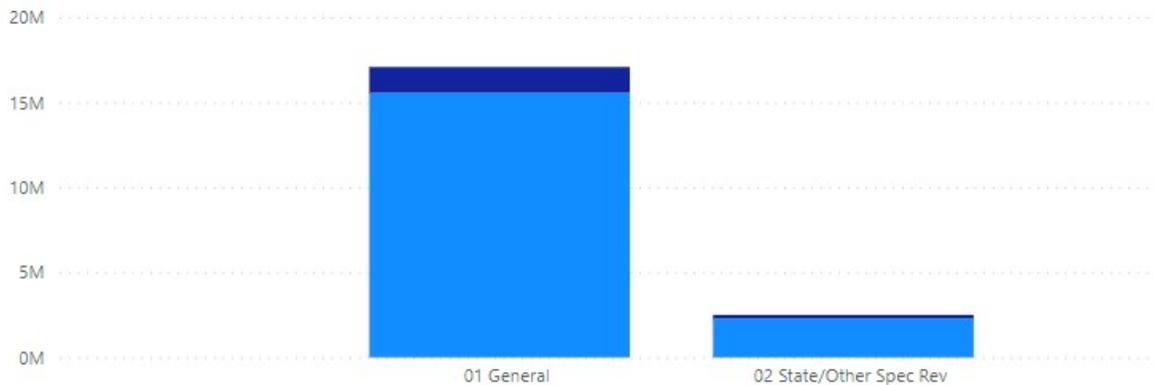
In FY 2020 the Legislative Branch moved \$300,000 in general fund for equipment and intangible assets for the digital vote board project from FY 2021 to FY 2020, the reduction for FY 2021 is included as a budget modification.

The Legislative Branch transferred \$7,095 in personal services from the Legislative Audit Division to the Legislative Services and Legislative Fiscal Divisions to correct a distribution of the pay plan. The Legislative Services Division transferred \$105,944 from equipment and intangible assets to personal services, operating expenses and transfers out.

HB 2 APPROPRIATION AUTHORITY

HB 2 Expenditures

● FYE Expended ● Remaining Budget



Expenditure Account	FYE Modified Budget	FYE Expended	Percent Expended
61000 Personal Services	13,659,151	12,758,299	93.4%
62000 Operating Expenses	4,586,530	3,748,623	81.7%
63000 Equipment & Intangible Assets	1,186,784	1,186,449	100.0%
68000 Transfers-out	146,795	146,795	100.0%

Agency Program	FYE Modified Budget	FYE Expended	Percent Expended
20 LEGISLATIVE SERVICES	11,082,069	10,993,004	99.2%
28 AUDIT & EXAMINATION	5,133,185	4,361,899	85.0%
27 FISCAL ANALYSIS & REVIEW	2,285,705	2,076,752	90.9%
21 LEGIS. COMMITTEES & ACTIVITIES	1,078,299	408,511	37.9%
Total	19,579,259	17,840,166	91.1%

General fund makes up 87.2% of the Legislative Branch HB 2 modified budget. State special revenues comprise the remaining 12.8% and supports the costs associated with the state broadcasting service; the preparation, publication, and distribution of the Montana Code Annotated; and a portion of the activities of the Legislative Audit Division.

Personal services made up 69.8% of the budget with \$0.9 million in authority remaining at the of the fiscal year. These expenditures are slightly lower than historic averages due to vacant positions within the Legislative Branch. Recruitment for the positions are in process.

Operating expenses make up 23.4% of the FY 2021 biennium budget and are 81.7% expended at the end of the fiscal year. Spending for operating expenses is low, mainly due to impacts of COVID-19. Legislative committees have met electronically at the beginning of the fiscal year, reducing travel expenditures. This can be seen in the lower than normal expenditures within the Legislative Committees and Activities budget.

Equipment and intangible assets are 6.1% of the budget and are 100.0% expended at the end of the fiscal year. The 2019 Legislature approved new proposals in FY 2021 for equipment and intangible assets, which include:

- Chamber project - \$600,000 budgeted, \$600,000 expended

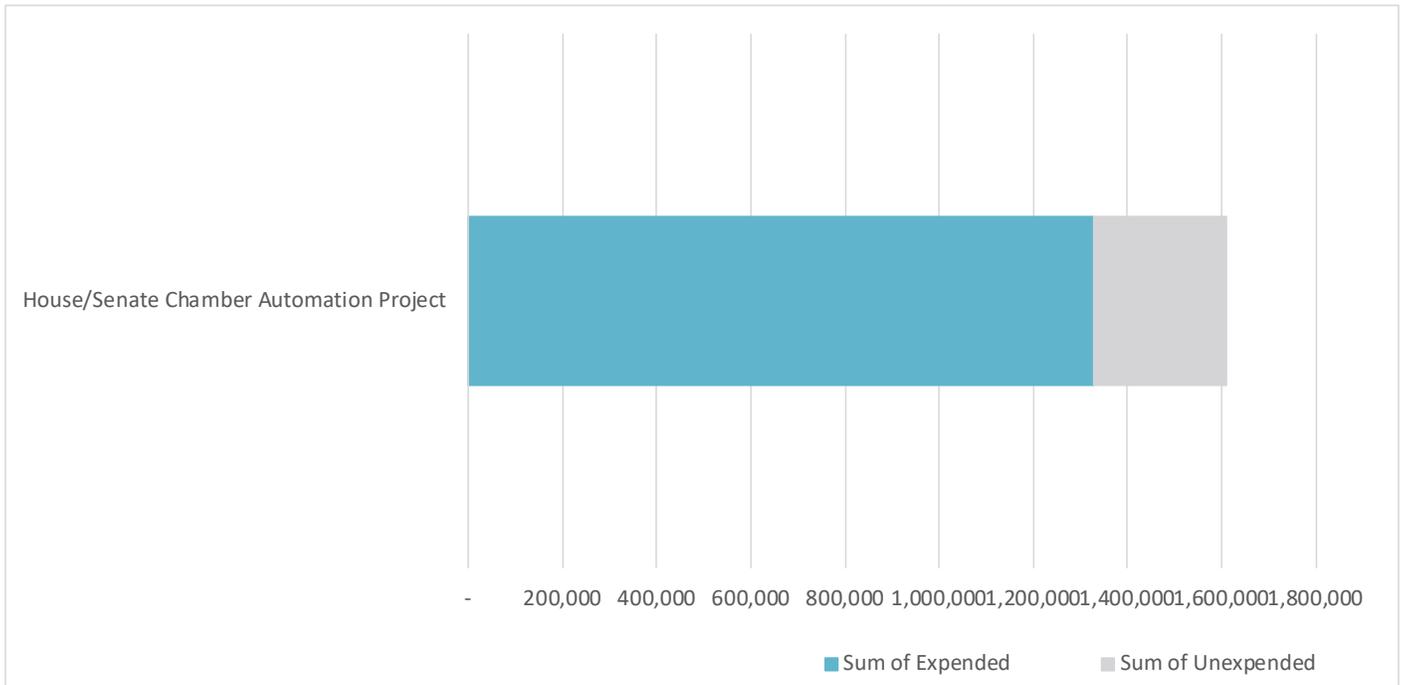
- Legislative portal project - \$300,000 budgeted, \$300,000 expended

Transfers-out make up the remaining 0.7% of the budget and are made at the beginning of the fiscal year. Transfers include:

- \$85,000 for the capitol complex security officer
- \$61,795 for state government broadcasting

OTHER ISSUES

Information Technology Project Expenditures



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	7.3%

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%

The Legislative Branch revised its budget for the House/Senate chamber automation project in April 2021, increasing the overall budget by \$109,600 and modifying the estimated completion date to the December 2021 due to delays related to the impacts of COVID-19 on resource availability. Testing for the entire process for bills, from drafting through introduction, committee action, chamber action, Governor’s amendments, and enrolling is scheduled to be completed at the end of December 2021.

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.