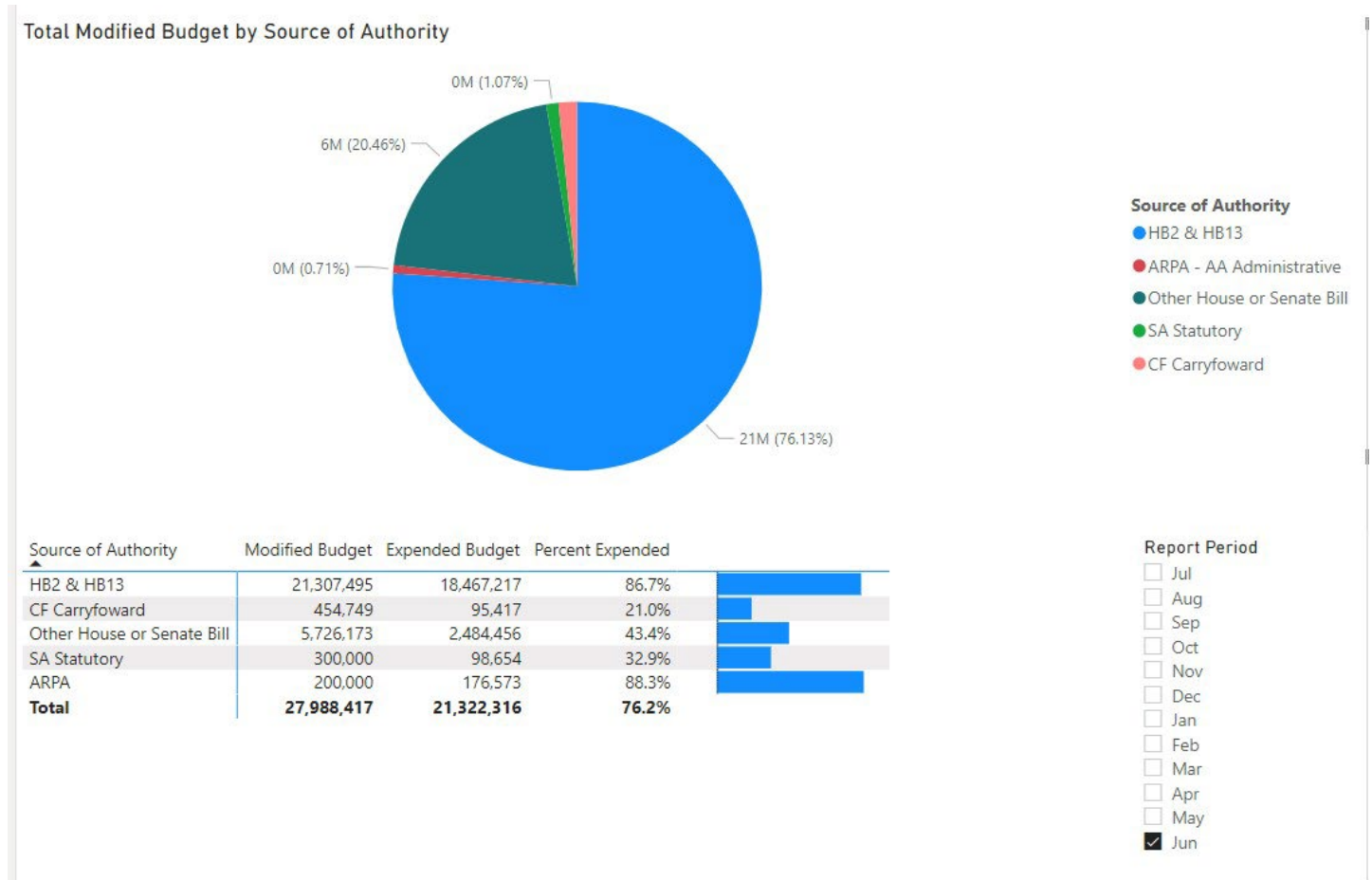


LEGISLATIVE BRANCH

TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the agency is shown in the pie chart below. HB 2 and HB 13 provide 76.1% 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 2021 was allocated:

- \$24,480 to the Legislative Services Division (LSD) with the entire amount budgeted as personal services supported by general fund. LSD expended all of the appropriation for termination payouts
- \$149,779 to the Legislative Committees and Activities (LCA), originally budgeted to operating expenses supported by the general fund. In June, \$84,298 was transferred to transfers-out to support the study of remote/office workspace within the capitol. LCA expended \$15,532 in operating expenses for travel and meeting costs associated with various legislative interim committee meetings
- \$62,685 to the Legislative Fiscal Division (LFD) recorded as operating expenses supported by general fund. In June, \$40,000 was transferred to personal services to support 1.00 FTE in a modified position

to allow for succession planning. As of the end of FY 2022, the LFD has not expended any carryforward appropriations

- \$217,805 to the Legislative Audit Division (LAD) budgeted as operating expenses supported by general fund. The LAD expended \$55,612 in consulting and professional services

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 fiscal year end (FYE) 2022, 44.4% of the personal services, 19.5% of operating expenses, and 100.0% of the transfers out 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 all of the appropriation expended at the end of FY 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 and operating expenses at \$47,109 in FY 2022. Through the end of FY 2022, the Legislative Fiscal Division has expended \$11,478 in personal services and \$10,814 in operating expenses.

Other bills

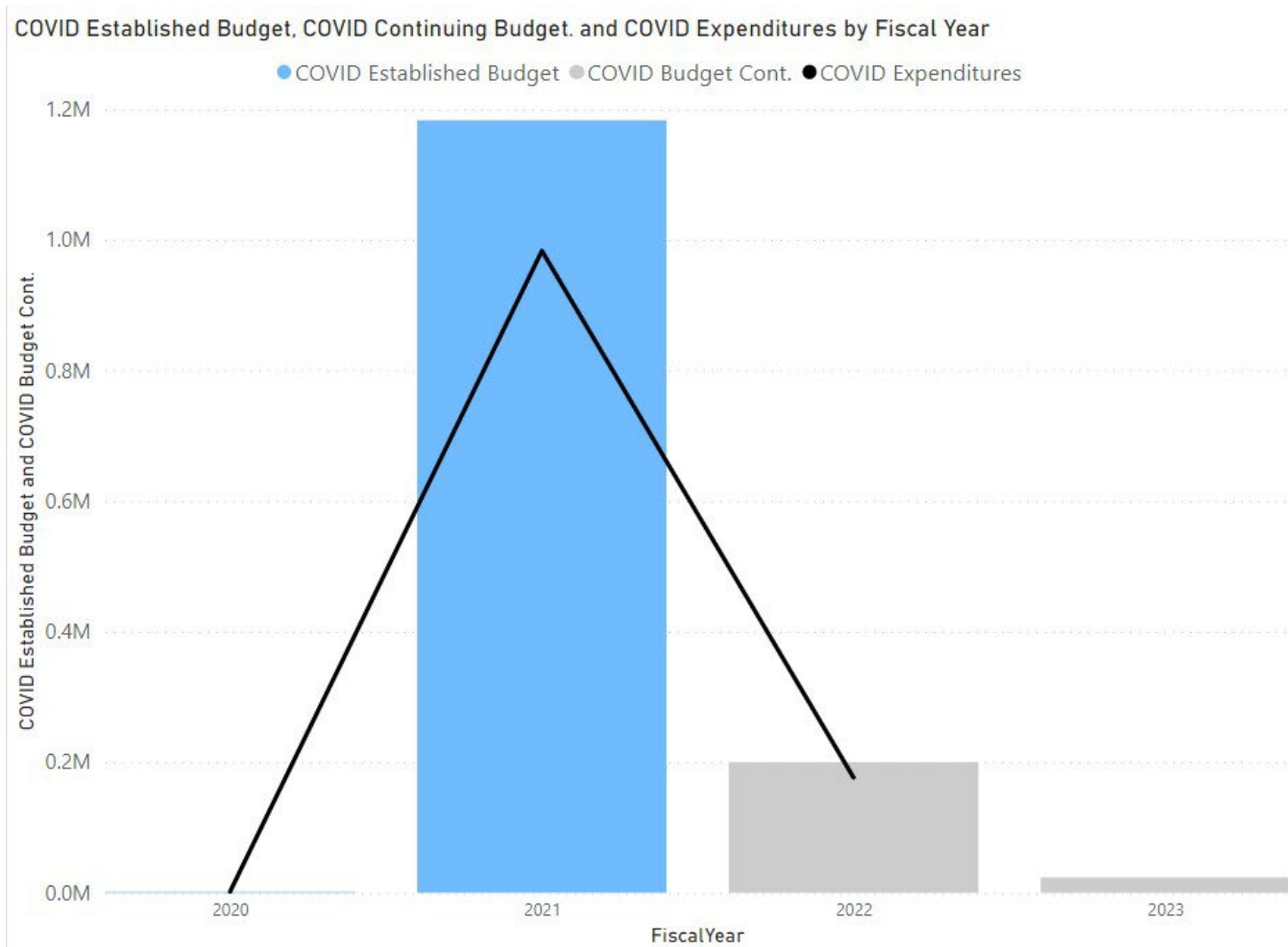
Small amounts of funding were also provided in FY 2022 for:

- 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

At FYE, the Legislative Services Division has expended \$5,134 in HB 39 appropriations and \$393 in SB 303 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.



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 (ARPA) funds appropriated in HB 632 to provide for remote or hybrid legislative meetings during FY 2022. At FYE, the Legislative Services Division has expended \$176,573 of the funding, or 88.3%, 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 the year, the division directors approved \$98,654 in retirement termination pay.

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 June 1, 2022 and the end of the fiscal year. 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 | June Modified Budget | FYE22 Modified Budget | Net Modifications |
|--------------------------------|----------------------|-----------------------|-------------------|
| Legislative Branch | 21,307,495 | 21,307,495 | 0 |
| AUDIT & EXAMINATION | 5,088,088 | 5,088,088 | |
| FISCAL ANALYSIS & REVIEW | 2,347,048 | 2,347,048 | |
| LEGIS. COMMITTEES & ACTIVITIES | 1,623,848 | 1,623,848 | 0 |
| LEGISLATIVE SERVICES | 12,248,511 | 12,248,511 | |
| Total | 21,307,495 | 21,307,495 | 0 |

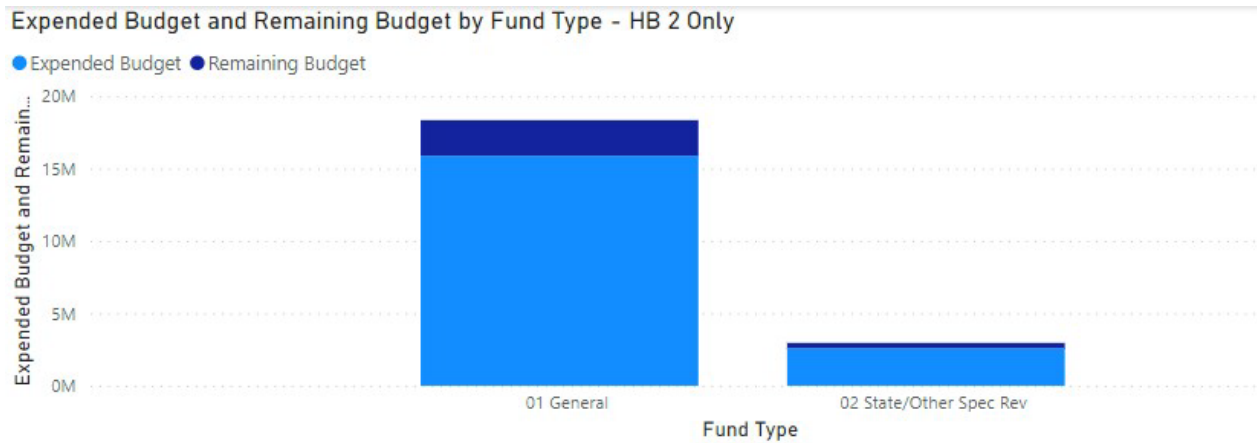
| Acct & Lvl 1 DESC | June Modified Budget | FYE22 Modified Budget | Net Modifications |
|-------------------------------------|----------------------|-----------------------|-------------------|
| 61000 Personal Services | 14,173,391 | 14,173,391 | |
| 62000 Operating Expenses | 5,630,408 | 5,584,706 | -45,702 |
| 63000 Equipment & Intangible Assets | 1,059,696 | 1,059,696 | |
| 68000 Transfers-out | 444,000 | 489,702 | 45,702 |

| Fund Type | June Modified Budget | FYE22 Modified Budget | Net Modifications |
|-------------------------|----------------------|-----------------------|-------------------|
| 01 General | 18,347,071 | 18,347,071 | |
| 02 State/Other Spec Rev | 2,960,424 | 2,960,424 | 0 |

Between June 1, 2022 and fiscal year end the Legislative Branch transferred \$45,702 from operating expenses to transfers out. As discussed under the narrative on carry forward appropriations, the Legislative Branch is participating in a remote/office workspace study being conducted by the Executive Branch, and the transfer is to provide for funding of the study.

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through FYE 2022.



| acclv1_descr | Modified Budget | Expended Budget | Percent Expended |
|-------------------------------|-----------------|-----------------|------------------|
| Personal Services | 14,173,391 | 13,032,654 | 92.0% |
| Operating Expenses | 5,584,706 | 4,685,239 | 83.9% |
| Equipment & Intangible Assets | 1,059,696 | 309,952 | 29.2% |
| Transfers-out | 489,702 | 439,371 | 89.7% |

| Program Name | Modified Budget | Expended Budget | Percent Expended |
|--------------------------------|-------------------|-------------------|------------------|
| AUDIT & EXAMINATION | 5,088,088 | 4,426,989 | 87.0% |
| FISCAL ANALYSIS & REVIEW | 2,347,048 | 2,127,226 | 90.6% |
| LEGIS. COMMITTEES & ACTIVITIES | 1,623,848 | 1,064,619 | 65.6% |
| LEGISLATIVE SERVICES | 12,248,511 | 10,848,382 | 88.6% |
| Total | 21,307,495 | 18,467,217 | 86.7% |

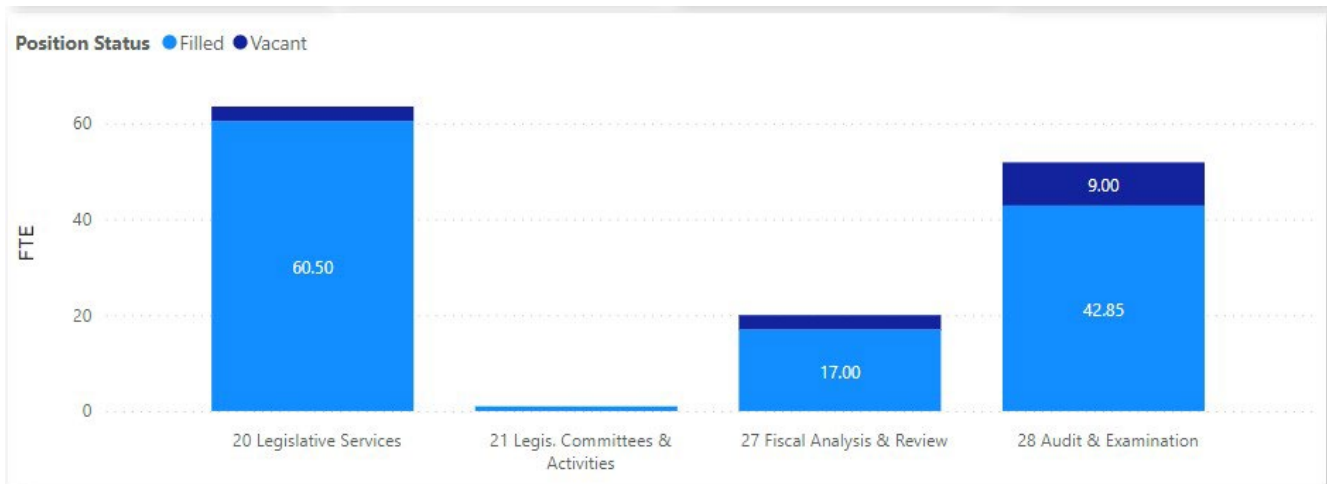
General fund makes up 86.1% of the Legislative Branch HB 2 modified budget for FY 2022. State special revenues comprise the remaining 13.9% and support costs associated with the state broadcasting services; the preparation, publication, and distribution of the Montana Code Annotated; and a portion of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

Personal Services

Personal services make up 66.5% of the budget with expenditures of \$13.0 million or 92.0% spent as of FYE 2022.

Vacancies

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



As shown, the Legislative Branch had 11.0% of its HB 2 positions vacant as of August 1, 2022 including:

- 3.00 FTE or 4.7% within the Legislative Services Division
- 3.00 FTE or 15.0% within the Legislative Fiscal Division
- 9.00 FTE or 17.3% within the Legislative Audit Division

The Legislative Branch continues recruiting to fill vacancies in the next few months. The Legislative Fiscal Division has since filled all its positions, the Legislative Services Division has filled 2.00 FTE of the 3.00 FTE that were vacant on August 1.

Turn over

Since July 1, 2021 , there have been 26 Legislative Branch employees or 18.1% of the FTE that have left employment including:

- 17 that left state employment
- 6 that transferred to another state agency
- 3 that retired

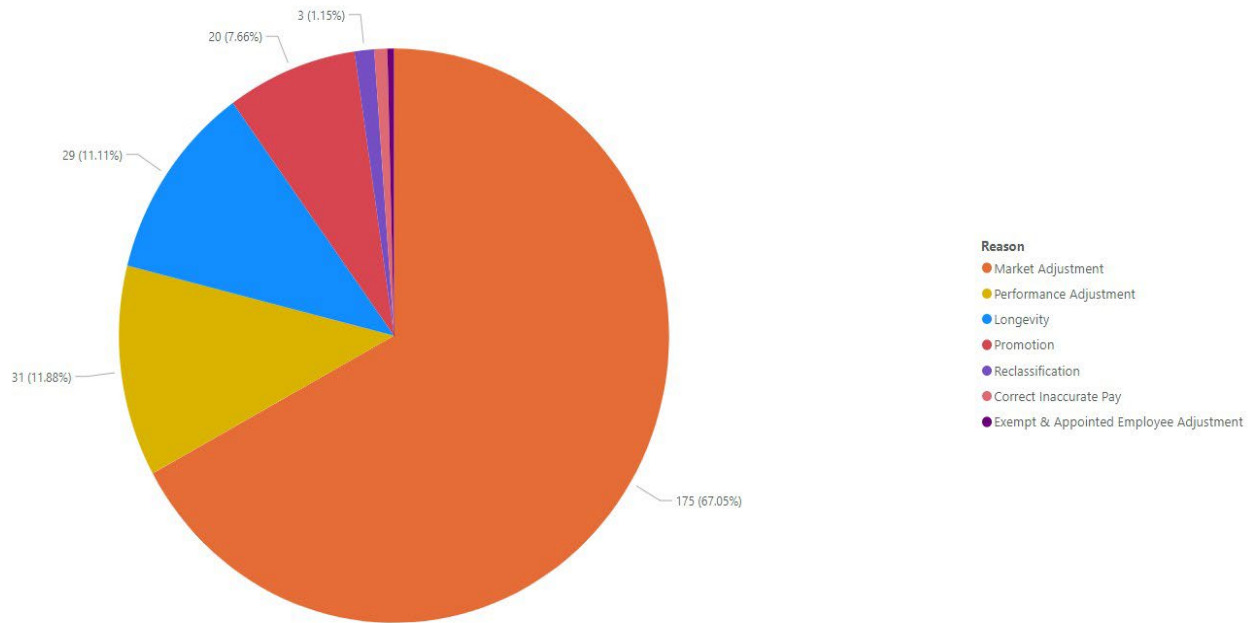
Utilization Rate

Of the total personal services hours budgeted in FY 2022, the divisions have utilized the following:

- Legislative Services Division – 92.2%
- Legislative Committees and Activities – 99.9%
- Legislative Fiscal Division – 90.7%
- Legislative Audit Division – 82.8%

Pay Rate Changes

The following figure shows that pay adjustments within the Legislative Branch in FY 2022. The following figure includes both legislatively approved pay changes and management decisions.



Staff recruitment and retention within the Legislative Branch continues to be a challenge, which was 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. In addition, statutorily required longevity pay adjustments were made.

Operating Expenses

Operating expenses make up 26.2% of the Legislative Branch FY 2022 HB 2 modified budget. As of the end of the year, the branch has spent \$4.7 million, or 83.9% of the operating expenses budget. Significant operating expenditures made include:

- \$1.7 million for other services including information technology (IT) and broadcast production
- \$0.4 million for supplies and materials
- \$0.7 million for communications
- \$0.4 million for travel
- \$0.3 million for rent, mainly for Department of Administration facility management fees
- \$0.6 million for software maintenance
- \$0.6 million for other expenses, the majority for 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 the fiscal year, the Legislative Branch has expended \$0.3 million or 29.2%. The Legislative Branch reduced expenditures by \$397,729 due to accounting requirements required under the Governmental Accounting Standards Board (GASB).

Transfers Out

Transfers out make up 2.3% 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 which has occurred. 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.

OTHER ISSUES

Information Technology Project Expenditures

The following figures show the expenditures and delivery dates for the House/Senate chamber automation project.

| 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 | — |

| 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 \$109,606 and modifying the estimated completion date to December 2021 due to delays related to the impacts of COVID-19 on resource availability. End-to-end testing of the system by the users was conducted in May and successfully completed. The project is closed and will complete a final report November 2022.

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.