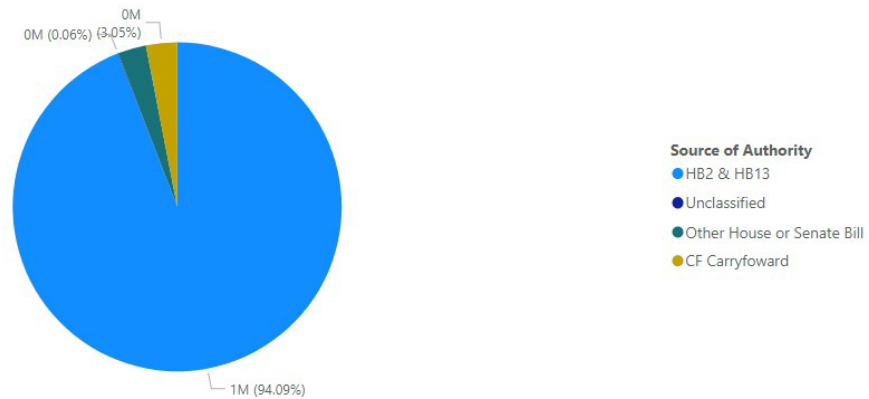


COMMISSIONER OF POLITICAL PRACTICES

TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the agency is shown in the pie chart below. HB 2 and HB 13 provide 94.1% 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.

Total Modified Budget by Source of Authority



Source of Authority	Modified Budget	Expended Budget	Percent Expended
HB2 & HB13	809,560	620,846	76.7%
CF Carryforward	26,267	25,843	98.4%
Other House or Senate Bill	24,000	23,270	97.0%
Unclassified	548		
Total	860,375	669,959	77.9%

Report Period

- Jul
- Aug
- Sep
- Oct
- Nov
- Dec
- Jan
- Feb
- Mar
- Apr
- May
- Jun

Carryforward

The Commissioner of Political Practices (COPP) has carryforward appropriation authority from FY 2020 of \$26,267 in general fund budgeted as operating expenses, which is available for expenditure in FY 2022. As shown in the figure above, as of the end of May, COPP has expended \$25,843, the majority for legal fees and court costs. The Commissioner of Political Practices was required to defend the constitutionality of the Clean Campaign Act, a statute enacted in 2007. The judge declared for the plaintiff, requiring COPP to pay the plaintiff's legal fees.

Other Bills

SB 191 – Revise State Finance Laws

The 2021 Legislature appropriated \$1.5 million in general fund and \$1.0 million in state special revenue to the Office of Budget and Program Planning in the Governor's Office for allocations to state agencies, mainly for costs associated with enacted legislation that did not provide appropriations. The Commissioner of Political Practices received a total of \$24,000 in general fund FY 2022 including:

- \$12,000 for SB 224, a bill revising campaign finance laws and requiring the Commissioner of Political Practices to amend the administrative rules manual to incorporate the changes in the campaign reporting requirements
- \$12,000 for SB 319, a bill that revised campaign finance laws to allow for the creation of joint fundraising committees. These funds will be used to upgrade the campaign electronic reporting system used by the Commissioner of Political Practices for reporting committee participants

This funding is considered one-time-only and as such will not be included in the base budget for the 2025 biennium. As of the end of May, COPP has expended \$11,270 for consulting and professional services related to SB 224 and \$12,000 for consulting and professional services related to SB 319.

Unclassified

Per 39-71-403(1)(b)(iv), MCA, when workers' compensation premiums are lower than the previous year, state agencies shall reduce personal services appropriations by the amount of the premium reduction. To track the changes in appropriation authority, total appropriation is not reduced, instead the Governor's Office of Budget and Program Planning (OBPP) requires state agencies to:

- Reduce HB 2, statutory, and proprietary appropriations
- Create a separate offsetting entry on the financial statements in the same amount using an identifying number for workers' compensation entries

The offsetting entries are identified as "frozen" appropriations, which means the appropriations will not be spent unless authorized by OBPP. The Commissioner of Political Practices reduced personal services appropriations by \$548 for workers' compensation premium savings.

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 from March 1, 2022 through May 31, 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	March Modified Budget	June Modified Budget	Net Modifications
Commissioner of Political Prac	810,108	809,560	-548
Total	810,108	809,560	-548

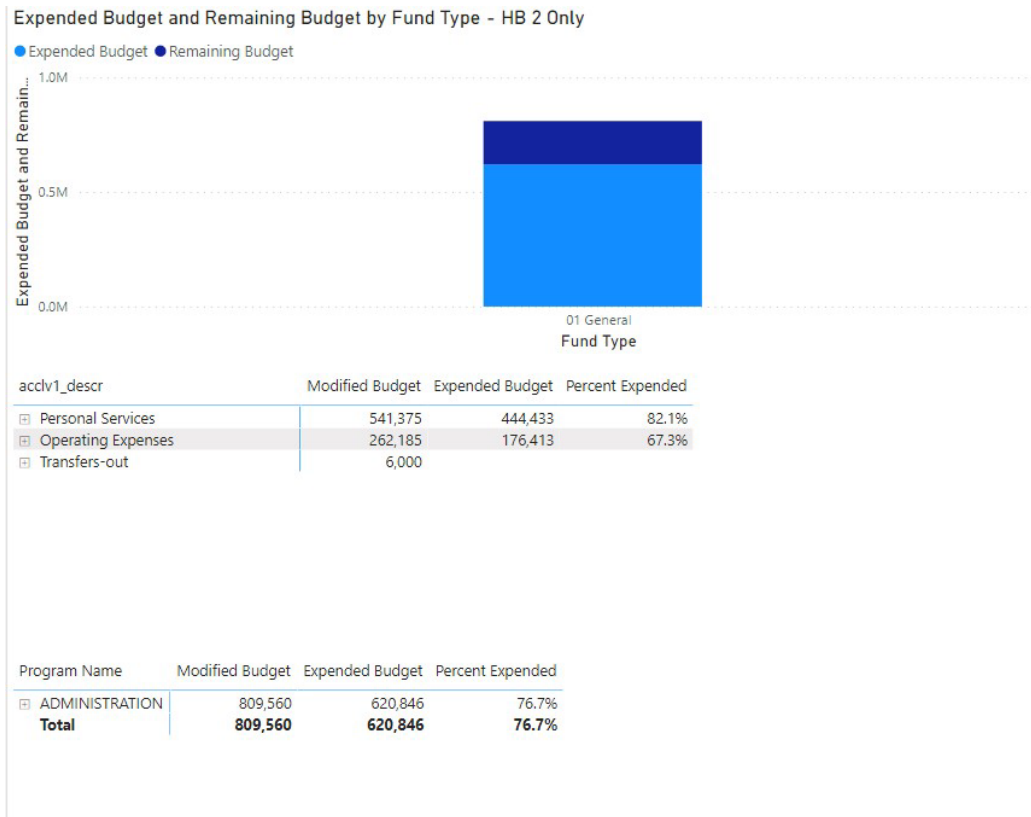
Acct & Lvl 1 DESC	March Modified Budget	June Modified Budget	Net Modifications
61000 Personal Services	541,923	541,375	-548
62000 Operating Expenses	262,185	262,185	
68000 Transfers-out	6,000	6,000	

Fund Type	March Modified Budget	June Modified Budget	Net Modifications
01 General	810,108	809,560	-548

Between March 1, 2022 and May 31, 2022, COPP reduced personal services by \$548 for workers' compensation premium reductions.

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through May 31, 2022.

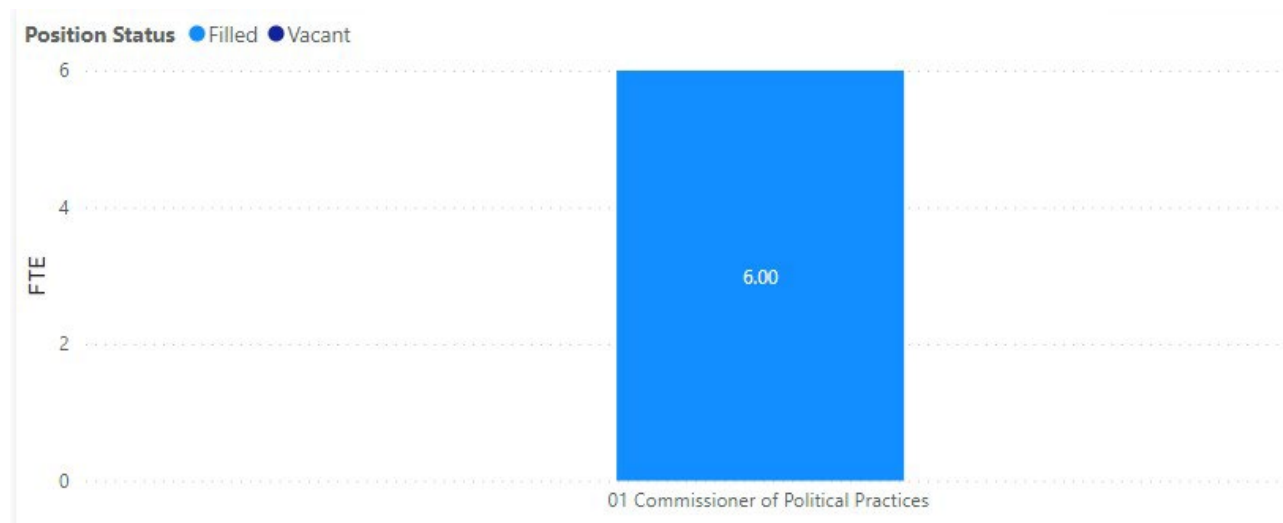


The Commissioner of Political Practices is completely funded through the general fund. As of the end of May, 76.7% of the HB 2 modified budget has been expended.

Personal Services

Personal services make up 66.9% of the HB 2 modified budget and are 82.1% expended as of the end of May.

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



The 2021 Legislature provided COPP with an additional FTE for an attorney as one-time-only in the 2023 biennium. The chart above only reflects the ongoing FTE funded in HB 2. All positions within COPP have been filled throughout the fiscal year.

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 32.4% of the HB 2 modified budget and are 67.3% expended as of the end of May. Consulting and professional services and rent for office space make up 50.5% of the operating expenses.

OTHER ISSUES

Required Reports

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