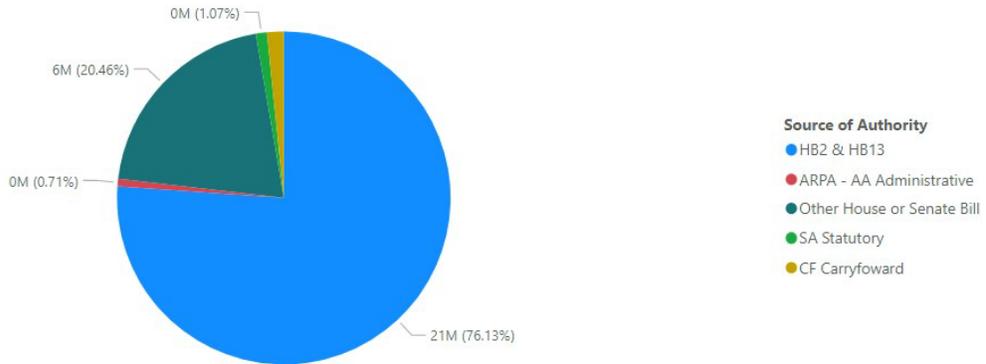


LEGISLATIVE BRANCH

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.

Total Modified Budget by Source of Authority



Source of Authority	Modified Budget	Expended Budget	Percent Expended
HB2 & HB13	21,307,495	16,431,266	77.1%
CF Carryforward	454,749	68,301	15.0%
Other House or Senate Bill	5,726,173	2,287,956	40.0%
SA Statutory	300,000	26,690	8.9%
ARPA	200,000	122,372	61.2%
Total	27,988,417	18,936,585	67.7%

Report Period

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

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 May the Legislative Branch expended \$68,301 carryforward appropriations including:

- \$24,480 for termination payouts in the Legislative Services Division
- \$15,324 in operation expenses for travel and meeting costs in the Legislative Committees and Activities Program
- \$28,497 in consulting and professional services in the Legislative Audit Division

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 May 31, 2022, 37.9% 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 \$237,162 or 80.8% through May 31, 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 May 31, 2022, the Legislative Fiscal Division has expended \$11,788 in personal services and \$9,977 in operating expenses.

Other bills

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

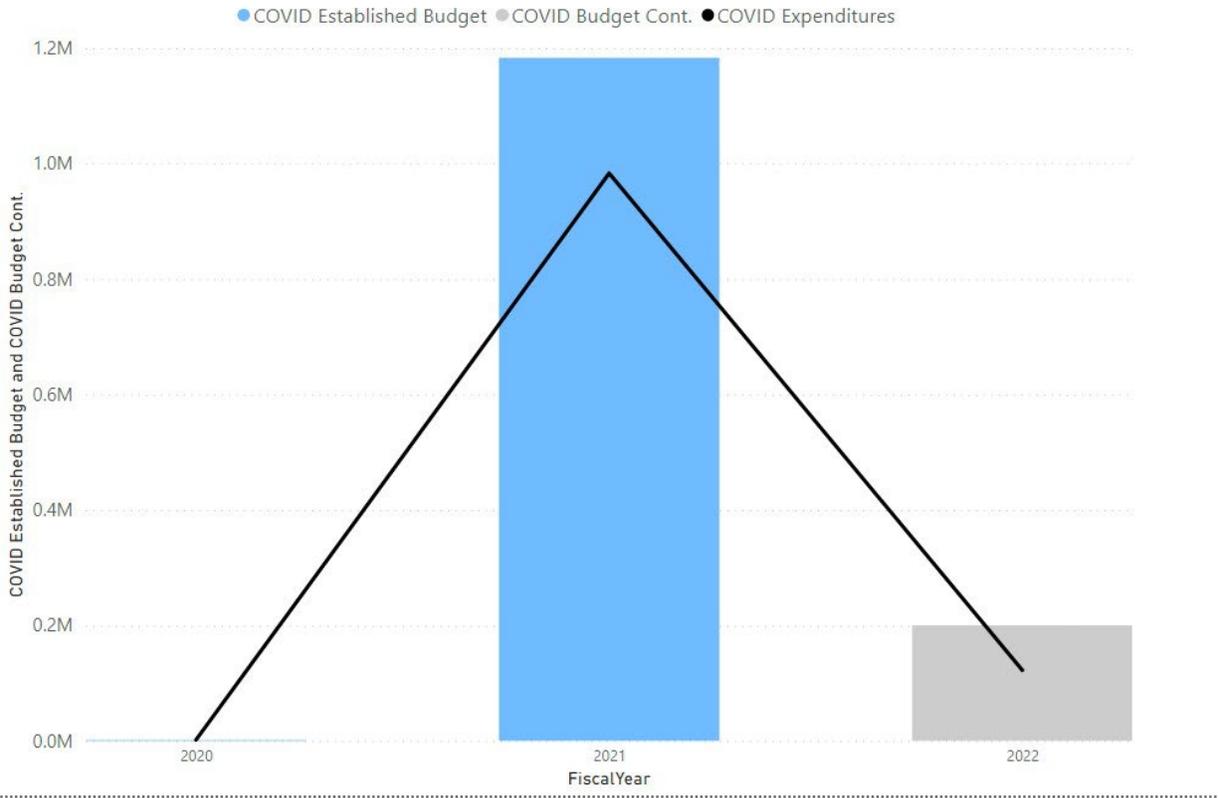
- HB 39 – Continued review of child protective services matters, \$6,500
- HB 689 - Revising campaign finance and practice laws, \$600
- SB 303 – Revising telecommunication contracts that provide services for state inmates, \$400

As of May 31, 2022, the Legislative Services Division has expended \$4,711 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.

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 (ARPA) funds appropriated in HB 632 to provide for remote or hybrid legislative meetings during FY 2022. Through May 31, 2022, the Legislative Services Division has expended \$122,372 of the funding, or 61.2%, 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 May, the division directors approved \$26,690 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 March 1, 2022 and 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
Legislative Branch	21,307,495	21,307,495	0
AUDIT & EXAMINATION	5,088,088	5,088,088	
FISCAL ANALYSIS & REVIEW	2,354,534	2,347,048	-7,486
LEGIS. COMMITTEES & ACTIVITIES	1,623,848	1,623,848	
LEGISLATIVE SERVICES	12,241,025	12,248,511	7,486
Total	21,307,495	21,307,495	0

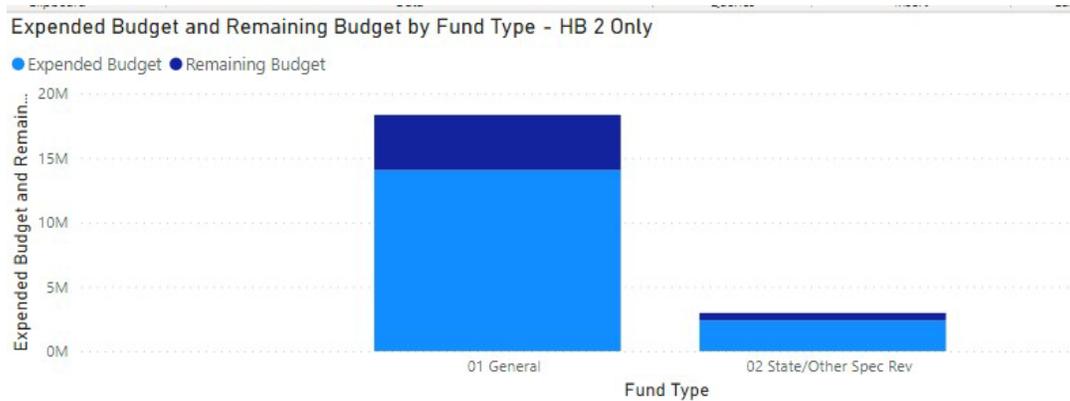
Acct & Lvl 1 DESC	March Modified Budget	June Modified Budget	Net Modifications
61000 Personal Services	14,173,391	14,173,391	
62000 Operating Expenses	5,630,408	5,630,408	0
63000 Equipment & Intangible Assets	1,059,696	1,059,696	
68000 Transfers-out	444,000	444,000	

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

Between March 1, 2022 and May 31, 2022 the Legislative Branch transferred \$7,486 in operating expenses from the Legislative Fiscal Division to the Legislative Committees and Activities Division. Secretaries staffing the Interim Budget Committees will now be hired and supervised by the Legislative Committees and Activities Division rather than the Legislative Fiscal Division.

HB 2 APPROPRIATION AUTHORITY

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



acclv1_descr	Modified Budget	Expended Budget	Percent Expended
Personal Services	14,173,391	11,659,672	82.3%
Operating Expenses	5,630,408	3,624,541	64.4%
Equipment & Intangible Assets	1,059,696	707,681	66.8%
Transfers-out	444,000	439,371	99.0%

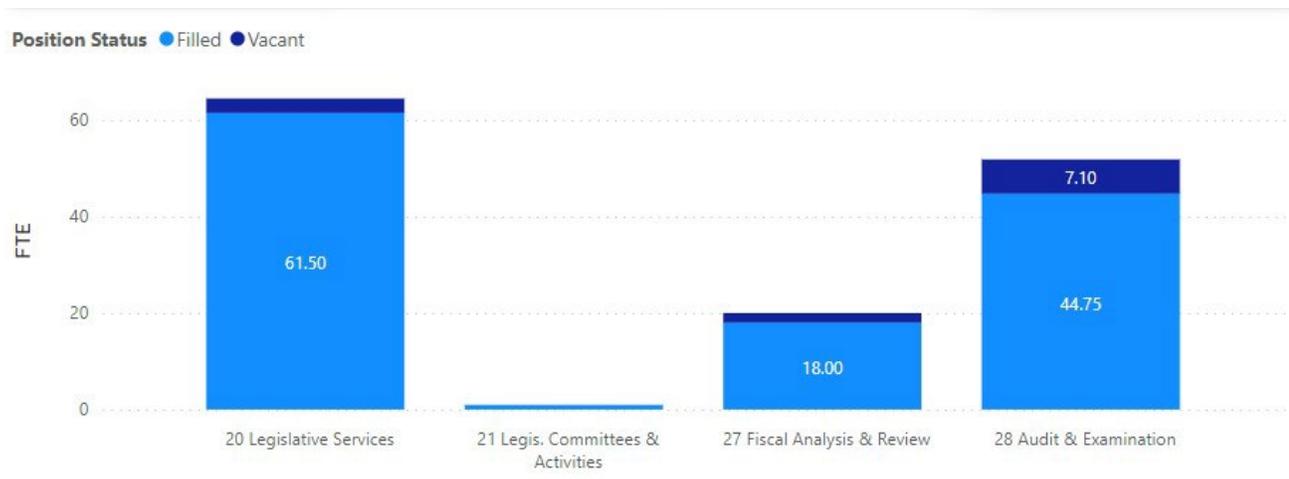
Program Name	Modified Budget	Expended Budget	Percent Expended
AUDIT & EXAMINATION	5,088,088	3,941,738	77.5%
FISCAL ANALYSIS & REVIEW	2,347,048	1,922,475	81.9%
LEGIS. COMMITTEES & ACTIVITIES	1,623,848	989,376	60.9%
LEGISLATIVE SERVICES	12,248,511	9,577,678	78.2%
Total	21,307,495	16,431,266	77.1%

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 \$11.7 million or 82.3% spent as of May 31, 2022.

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



As shown, the Legislative Branch had 8.8% of its HB 2 positions vacant as of May 1, 2022 including:

- 3.00 FTE or 4.7% within the Legislative Services Division
- 2.00 FTE or 10.0% 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 March, 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 May 31, 2022, the branch has spent \$3.6 million, or 64.4% of the operating expenses budget. Significant operating expenditures made include:

- \$1.1 million for other services including IT and broadcast production
- \$0.2 million for supplies and materials
- \$0.6 million for communications
- \$0.3 million for travel
- \$0.3 million for rent, mainly for Department of Administration facility management fees
- \$0.5 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 May, the Legislative Branch has expended \$707,681, or 66.8%.

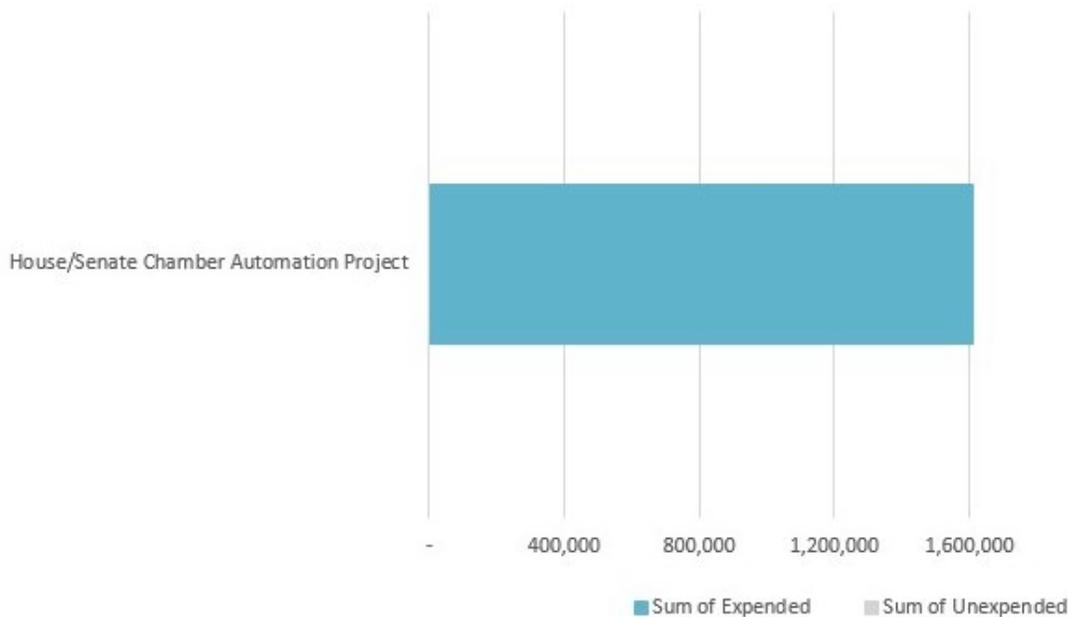
Transfers Out

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 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 figure shows the expenditures 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 in six months, or in 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.