### Program Biennium Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison

| Budget Item | Appropriated Budget 20-21 | Requested Budget 22-23 | Biennium Change | Biennium % Change |
|---|---|---|---|---|
| Personal Services | 12,856,026 | 13,377,990 | 521,964 | 4.06 % |
| Operating Expenses | 6,378,690 | 7,226,627 | 847,937 | 13.29 % |
| Equipment & Intangible Assets | 3,600,200 | 1,654,196 | (1,946,004) | (54.05)% |
| Transfers | 298,837 | 288,000 | (10,837) | (3.63)% |
| **Total Expenditures** | **$23,133,753** | **$22,546,813** | **($586,940)** | **(2.54)%** |
| General Fund | 22,409,965 | 21,883,596 | (526,369) | (2.35)% |
| State/Other Special Rev. Funds | 723,788 | 663,217 | (60,571) | (8.37)% |
| **Total Funds** | **$23,133,753** | **$22,546,813** | **($586,940)** | **(2.54)%** |
| **Total Ongoing** | **$19,633,753** | **$22,546,813** | **$2,913,060** | **14.84 %** |
| **Total OTO** | **$3,500,000** | **$0** | **($3,500,000)** | **(100.00)%** |

### Program Description

The Legislative Services Division provides objective research, reference, legal, technical, information technology, and business services to the House, Senate, and other divisions of the Legislative Branch.

Division services include:

1. Bill and amendment drafting, preparation of bills for introduction, and engrossing and enrolling bills;
2. Publication and records management of legislative documents of record;
3. Preparation, publication, and distribution of the Montana Code Annotated text and annotations;
4. Provision of legislative research and reference services;
5. Support for session and interim committees;
6. Legal services and counseling on legislative matters and agency legal support;
7. Review of the text of proposed ballot measures;
8. Personnel and business services;
9. Planning, installation, and maintenance of branch information technology;
10. Broadcasting of state government and public policy events; and
11. Provision of legislative information to the public.

The Legislative Council provides policy guidance to the Legislative Services Division.

**Program Highlights**

| Legislative Services Divison<br>Major Budget Highlights |
|---|
| • The Legislative Services Division's 2023 biennium ongoing budget request is approximately $2.9 million or 14.8% higher than the 2021 biennium ongoing budget. Significant changes include:<br>◦ Proposed increases in general fund and state special revenue for statewide present law adjustments for personal services and fixed costs<br>◦ Proposed increases in general fund for a present law adjustment mainly comprised of information technology service costs |
| **Legislative Action Items** |
| • The legislature may wish to designate $1.1 million in general fund proposed for information technology upgrades as one-time-only appropriations, as the expenditures would not be considered ongoing |

**Program Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium budget request by type of expenditure and source of funding.

Program Actuals and Budget Comparison

| Budget Item | Actuals Fiscal 2020 | Approp. Fiscal 2020 | Approp. Fiscal 2021 | Request Fiscal 2022 | Request Fiscal 2023 |
|---|---|---|---|---|---|
| FTE | 0.00 | 67.67 | 67.67 | 67.67 | 67.67 |
| Personal Services | 6,332,061 | 6,354,746 | 6,501,280 | 6,673,073 | 6,704,917 |
| Operating Expenses | 3,108,113 | 3,391,445 | 2,987,245 | 3,764,076 | 3,462,551 |
| Equipment & Intangible Assets | 2,469,472 | 2,603,200 | 997,000 | 1,059,696 | 594,500 |
| Transfers | 142,042 | 149,419 | 149,418 | 144,000 | 144,000 |
| **Total Expenditures** | **$12,051,688** | **$12,498,810** | **$10,634,943** | **$11,640,845** | **$10,905,968** |
| General Fund | 11,542,649 | 11,972,417 | 10,437,548 | 11,131,659 | 10,751,937 |
| State/Other Special Rev. Funds | 509,039 | 526,393 | 197,395 | 509,186 | 154,031 |
| **Total Funds** | **$12,051,688** | **$12,498,810** | **$10,634,943** | **$11,640,845** | **$10,905,968** |
| **Total Ongoing** | **$9,711,336** | **$9,898,810** | **$9,734,943** | **$11,640,845** | **$10,905,968** |
| **Total OTO** | **$2,340,352** | **$2,600,000** | **$900,000** | **$0** | **$0** |

**Program Discussion** -

*FY 2020 Appropriations Compared to FY 2020 Actual Expenditures*

The Legislative Services Division expended 96.4% of its $12.5 million FY 2020 modified HB 2 budget. Personal services were 99.6% expended, operating expenses were 91.6% expended, equipment and intangible assets were 94.9% expended and transfers-out were 95.1% expended. Operating expenses, budgeted at $3.4 million, had a slightly lower percentage

expended because expenditures for the $200,000 biennial appropriation established for furniture for the House and Senate and were included in FY 2020 and will be expended in FY 2021.

*FY 2020 Appropriations Compared to FY 2021 Appropriations*

Overall the FY 2021 appropriation is $1.9 million lower than the FY 2020 appropriation. In FY 2020 restricted biennial appropriations were established for the following projects without a corresponding level of appropriation in FY 2021:

- Bill drafting editor - $500,000
- Digital vote boards - $700,000
- Chamber design for session system replacement - $300,000
- House and senate furniture replacement - $200,000

This makes up the majority of the differences in operating expenses and equipment between the two fiscal years.

*2023 Biennium Budget Request*

The Legislative Services Division is requesting an increase above the 2021 biennium base budget of approximately $1.9 million in FY 2022 and $1.2 million in FY 2023. The proposed increases are primarily due to present law adjustments for information technology projects. This includes funding for legislative audit work paper automation and upgrades to the laws, legislator portal, codification application, hearing room and broadcasting systems. Higher costs for State Information Technology Services Division assessments related to device authentication and network connectivity are also included.

Further detail on the Legislative Services Division's proposals are provided in the Present Law Adjustments section on the following page.

**Program Personal Services**

Personal services were $6.5 million or 66.8% of the FY 2021 base budget. The Legislative Services Division proposes a statewide present law increase for personal services of about $172,000 in FY 2022 and $204,000 in FY 2023. The majority of the increase is due to annualizing the pay plan authorized by the 2019 Legislature and statutorily required increases in retirement costs and longevity, which are considered expected changes in the figure in the Agency Discussion.

**LFD COMMENT** The statewide present law adjustment for personal services includes a funding shift, reducing general fund and increasing state special revenue in FY 2022 to support personal services. The cyclical nature of the legislature includes changes to statutes in the odd year, after the legislature finishes its work. Those changes are codified by the Legislative Services Division. Once the codification is completed, copies of the revised Montana Code Annotated (MCA) are sold to the public. Most sales occur in the even year of the biennium. As revenues for the sale of the MCAs deposited into the state special revenue fund fluctuate between fiscal years, the funding supporting adjustments to personal services also fluctuates.

**Funding**

The following table shows proposed program funding by source of authority.

| Legislative Branch, 20-Legislative Services Division<br>Funding by Source of Authority | | | | | | |
|---|---|---|---|---|---|---|
| Funds | HB2<br>Ongoing | HB2<br>OTO | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>All Funds |
| 01100 General Fund | 21,883,596 | 0 | 0 | 0 | 21,883,596 | 97.06 % |
| 02042 Legislative Audit | 0 | 0 | 0 | 0 | 0 | 0.00 % |
| 02800 Reimbursable Activities | 603,865 | 0 | 0 | 0 | 603,865 | 91.05 % |
| 02985 State Government Broadcasting | 59,352 | 0 | 0 | 0 | 59,352 | 8.95 % |
| **State Special Total** | **$663,217** | **$0** | **$0** | **$0** | **$663,217** | **2.94 %** |
| 03615 LEG COVID19 EXP | 0 | 0 | 0 | 0 | 0 | 0.00 % |
| **Federal Special Total** | **$0** | **$0** | **$0** | **$0** | **$0** | **0.00 %** |
| **Proprietary Total** | **$0** | **$0** | **$0** | **$0** | **$0** | **0.00 %** |
| **Total All Funds** | **$22,546,813** | **$0** | **$0** | **$0** | **$22,546,813** | |

The Legislative Services Division is mainly funded with general fund. State special revenue supports the costs associated with the state broadcasting services and the preparation, publication, and distribution of the Montana Code Annotated.

Figure 3 shows the fund balance, revenues, and expenditures for the reimbursable activities account between FY 2018 and FY 2023.

Figure 3

| Legislative Branch<br>Reimbursable Activities | | | | | | |
|---|---|---|---|---|---|---|
| | Actuals<br>FY 2018 | Actuals<br>FY 2019 | Actuals<br>FY 2020 | Budgeted<br>FY 2021 | Proposed<br>FY 2022 | Proposed<br>FY 2023 |
| Beginning Fund Balance | $51,753 | $294,203 | $97,078 | $257,879 | $209,859 | $293,374 |
| Revenues | | | | | | |
| Sale of documents | 638,009 | 126,287 | 580,577 | 125,000 | 575,000 | 10,000 |
| Grants/Transfers/Misc | 0 | 0 | 100 | 0 | 0 | 0 |
| Total Revenues | 638,009 | 126,287 | 580,677 | 125,000 | 575,000 | 10,000 |
| Expenditures | | | | | | |
| Personal services | 54,338 | 177,704 | 203,276 | 53,743 | 253,743 | 63,743 |
| Operating expenses | 341,221 | 145,708 | 288,130 | 119,277 | 237,742 | 48,637 |
| Total Expenditures | 395,559 | 323,412 | 491,406 | 173,020 | 491,485 | 112,380 |
| Adjustment | 0 | 0 | 71,530 | 0 | 0 | 0 |
| Ending Fund Balance | $294,203 | $97,078 | $257,879 | $209,859 | $293,374 | $190,994 |

State special revenue collections from the sale of the Montana Code Annotated and ancillary publications have decreased because fewer copies are printed and sold due to the availability of the publications digitally. While revenues are decreasing, costs to produce the MCA have not been declining.

**Program Budget Summary by Category**

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary.

Budget Summary by Category

| Budget Item | General Fund Budget Fiscal 2022 | General Fund Budget Fiscal 2023 | General Fund Biennium Fiscal 22-23 | General Fund Percent of Budget | Total Funds Budget Fiscal 2022 | Total Funds Budget Fiscal 2023 | Total Funds Biennium Fiscal 22-23 | Total Funds Percent of Budget |
|---|---|---|---|---|---|---|---|---|
| 2021 Base Budget | 9,537,548 | 9,537,548 | 19,075,096 | 87.17 % | 9,734,943 | 9,734,943 | 19,469,886 | 86.35 % |
| SWPL Adjustments | 138,004 | 592,081 | 730,085 | 3.34 % | 340,704 | 604,781 | 945,485 | 4.19 % |
| PL Adjustments | 1,450,218 | 616,419 | 2,066,637 | 9.44 % | 1,559,309 | 560,355 | 2,119,664 | 9.40 % |
| New Proposals | 5,889 | 5,889 | 11,778 | 0.05 % | 5,889 | 5,889 | 11,778 | 0.05 % |
| **Total Budget** | **$11,131,659** | **$10,751,937** | **$21,883,596** | | **$11,640,845** | **$10,905,968** | **$22,546,813** | |

As shown in the figure above, the 2021 base budget is $900,000 less than total FY 2021 budget reflected in the agency actuals and budget comparison table. In FY 2021, one-time-only funding was provided to the Legislative Services Division for information technology projects.

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments

| | Fiscal 2022 FTE | Fiscal 2022 General Fund | Fiscal 2022 State Special | Fiscal 2022 Federal Special | Fiscal 2022 Total Funds | Fiscal 2023 FTE | Fiscal 2023 General Fund | Fiscal 2023 State Special | Fiscal 2023 Federal Special | Fiscal 2023 Total Funds |
|---|---|---|---|---|---|---|---|---|---|---|
| DP 1 - Personal Services | 0.00 | (28,207) | 200,000 | 0 | 171,793 | 0.00 | 193,637 | 10,000 | 0 | 203,637 |
| DP 2 - Fixed Costs | 0.00 | 166,237 | 2,700 | 0 | 168,937 | 0.00 | 398,460 | 2,700 | 0 | 401,160 |
| DP 3 - Inflation Deflation | 0.00 | (26) | 0 | 0 | (26) | 0.00 | (16) | 0 | 0 | (16) |
| DP 4 - Present Law Adjustment | 0.00 | 1,450,218 | 109,091 | 0 | 1,559,309 | 0.00 | 616,419 | (56,064) | 0 | 560,355 |
| **Grand Total All Present Law Adjustments** | **0.00** | **$1,588,222** | **$311,791** | **$0** | **$1,900,013** | **0.00** | **$1,208,500** | **($43,364)** | **$0** | **$1,165,136** |

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Expected changes
- Personal services management decisions
- Modifications made to the personal services budget in the 2021 biennium

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 4 - Present Law Adjustment -

This proposal includes changes from the FY 2021 base budget as follows:

- Legislative audit work paper automation - $360,000
- Laws II upgrades - $125,000
- Legislator portal - $40,000
- Codification application upgrade – $50,000
- Hearing room audio /video upgrades - $325,000
- Broadcasting upgrades - $173,000

ITSD increased due to rate increases and increase in units

- Network connectivity increase 1 gigabyte (gb) to 10 gb connections - $93,000
- Remote services (video conferencing licenses) - $17,000
- Device authentication - $220,000
- Enterprise rates (including Service Now) increased - $35,000

Contingency Services

- Programming - $210,000
- Web development - $105,000

**LFD COMMENT** As shown in the present law adjustment table, the Legislative Services Division is proposing a fund switch of $56,064 in FY 2023 between state special revenue and general fund. By statute, fund switches are to be included in the budget as a new proposal. The legislature may wish to consider this portion of DP 4 as a new proposal.

**LFD ISSUE** Legislature may wish to designate $1.1 million requested for proposed upgrades as one-time-only

Included in the proposal is $1.1 million in general fund for new automation system or upgrades to existing systems. These expenditures are not ongoing in future biennia. The legislature may wish to designate the costs of new automation systems and the system upgrades as one-time-only.

Legislative Option

- Designate the automation system and system upgrades of $1.1 million in the 2023 biennium as one-time-only
- Adopt the Legislative Service Division proposal for funding the present law adjustment

**New Proposals**

The New Proposals table shows new changes to spending

| New Proposals | Fiscal 2022 | | | | | Fiscal 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 2005 - NRIS/GIS Fixed Costs | | | | | | | | | | |
| | 0.00 | 5,889 | 0 | 0 | 5,889 | 0.00 | 5,889 | 0 | 0 | 5,889 |
| **Total** | **0.00** | **$5,889** | **$0** | **$0** | **$5,889** | **0.00** | **$5,889** | **$0** | **$0** | **$5,889** |

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2005 - NRIS/GIS Fixed Costs -

The 2019 Legislature enacted HB 633 requiring the Legislative Finance Committee (LFC) to conduct a study of the funding of digital library services. The LFC recommended that the Office of Budget and Program Planning include an assessment for the natural resource information system (NRIS) and the geographic information system (GIS) as a fixed cost to state agencies beginning in the 2023 biennium. The assessment is made to those agencies that utilize the NRIS/GIS.