



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

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Director
AMY CARLSON

DATE: Sept. 15, 2020
TO: Legislative Finance Committee
FROM: Nick VanBrown
RE: Personal Services Budget Analysis

Contained within the governor's budget request will be an adjustment to personal services. This adjustment, as in previous biennia, will be labeled State-Wide Decision Package 1 (DP1). DP1 is a funding request for the difference between the existing level of personal services costs and the amount of personal services funding in the base.

Like last biennium the Legislative Fiscal Division (LFD) will be providing a personal services comparison as part of its budget analysis. This will involve showing how the DP1 was arrived at, splitting it between:

- Legislatively anticipated personal service changes including; the annualized cost of the legislatively approved pay plan, changes to longevity, benefit rates, and the number of hours in the fiscal year.
- Budget modifications that occurred in the base year such as transferring funding between operating and personal services.
- Any management decisions that may have occurred, this would include things such as hiring a new person at a lower wage after a retirement of a senior staff member or a pay adjustment from the reclassification of a position into a different job type.

This comparison allows the legislature to have a more detailed breakdown of personal services requests.