

Agency Biennium Comparison

The following table compares the 2023 biennium appropriated budget to the 2025 biennium budget request by type of expenditure and source of funding.

Agency Biennium Comparison				
Budget Item	Appropriated Budget 22-23	Requested Budget 24-25	Biennium Change	Biennium % Change
Personal Services	28,710,815	35,243,758	6,532,943	22.75 %
Operating Expenses	10,418,254	11,745,916	1,327,662	12.74 %
Equipment & Intangible Assets	1,654,196	4,793,770	3,139,574	189.79 %
Transfers	633,702	415,600	(218,102)	(34.42)%
Total Expenditures	\$41,416,967	\$52,199,044	\$10,782,077	26.03 %
General Fund	35,999,014	47,452,024	11,453,010	31.81 %
State/Other Special Rev. Funds	5,417,953	4,747,020	(670,933)	(12.38)%
Total Funds	\$41,416,967	\$52,199,044	\$10,782,077	26.03 %
Total Ongoing	\$39,162,896	\$48,252,544	\$9,089,648	23.21 %
Total OTO	\$2,254,071	\$3,946,500	\$1,692,429	75.08 %

Mission Statement

The mission of the legislature is to exercise the legislative power of state government vested by the Constitution of the State of Montana and to fulfill its constitutional duties. The mission of the agencies within the Legislative Branch, i.e., the consolidated legislative agency (5-2-201, MCA), is to provide the administration structure to support accomplishment of the powers and duties of the Legislature.

Please refer to the agency profile at <https://leg.mt.gov/lfd/appropriation-subcommittee-section-a/agency-legislative-branch/> for additional information about the agency's organization structure, historical expenditures, goals and objectives, and recent studies and audits.

Agency Highlights

Legislative Branch Major Budget Highlights
<ul style="list-style-type: none"> • The Legislative Branch’s 2025 biennium requested appropriations are approximately \$10.8 million or 26.0% higher than the 2023 biennium. Significant proposals include: <ul style="list-style-type: none"> ◦ Increasing general fund appropriations by approximately \$1.8 million each fiscal year for 20.00 FTE. This includes information technology positions and professional and support staff to address increased workload in the Legislative Services Division ◦ Increasing one-time-only general fund appropriations by \$2.3 million in FY 2024 and \$1.6 million in FY 2025 for information technology systems upgrades ◦ Increasing general fund appropriations by approximately \$367,000 in FY 2024 and \$357,000 in FY 2025 for 3.00 FTE in the Legislative Fiscal Division to address increased workload ◦ A decrease in state special revenue appropriations and an increase in general fund appropriations of approximately \$141,000 each fiscal year in order to move toward a more risk-based audit approach in the Legislative Audit Division

Agency Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the expenditures requested for FY 2024 and FY 2025 by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Request Fiscal 2024	Request Fiscal 2025
FTE	0.00	143.39	143.39	167.34	167.34
Personal Services	13,032,658	14,173,391	14,537,424	17,659,919	17,583,839
Operating Expenses	4,685,257	5,584,706	4,833,548	5,986,722	5,759,194
Equipment & Intangible Assets	309,952	1,059,696	594,500	2,784,823	2,008,947
Transfers	439,371	489,702	144,000	220,560	195,040
Total Expenditures	\$18,467,238	\$21,307,495	\$20,109,472	\$26,652,024	\$25,547,020
General Fund	15,880,270	18,347,071	17,651,943	24,178,379	23,273,645
State/Other Special Rev. Funds	2,586,968	2,960,424	2,457,529	2,473,645	2,273,375
Total Funds	\$18,467,238	\$21,307,495	\$20,109,472	\$26,652,024	\$25,547,020
Total Ongoing	\$17,689,342	\$19,340,953	\$19,821,943	\$24,289,124	\$23,963,420
Total OTO	\$777,896	\$1,966,542	\$287,529	\$2,362,900	\$1,583,600

Agency Discussion*FY 2022 Appropriation Compared to FY 2022 Actual Expenditures*

The HB 2 budget for the Legislative Branch is primarily funded with general fund. The FY 2022 HB 2 budget of approximately \$21.3 million was 86.7% expended as of the end of the fiscal year. Personal services of \$14.2 million were 92.0% expended, operating expenditures of \$5.6 million were 83.9% expended, and equipment and intangible assets of \$1.1 million were 29.2% expended. Lower expenditures were primarily related to recruitment and retention issues with staff, less legislator reimbursements for travel due to remote participation in interim committee meetings, lower expenditures for special council for legislative leadership, and biennial information technology appropriations anticipated to be primarily spent in FY 2023.

FY 2022 Appropriations Compared to FY 2023 Appropriations

Overall, the FY 2023 appropriation is approximately \$1.2 million or 5.6% lower than the FY 2022 appropriation. The difference in appropriations is primarily due to the cyclical nature of the Legislative Branch's activities. The 2021 Legislature approved increases in the FY 2022 appropriations, including:

- One-time-only funding of \$101,000 for the District and Apportionment Commission, \$285,000 for the Judicial Accountability Committee and special counsel for legislative leadership, and \$125,000 for an annual conference of the Pacific Northwest Economic Region
- One-time-only funding of \$300,000 for retirement payouts
- One-time-only funding of approximately \$963,000 for system upgrades for the laws system, legislative portal, codification application and broadcasting as well as legislative audit work paper automation. This work was anticipated to be primarily completed in FY 2022 because the legislature is not in session, so the appropriation in FY 2022 was \$825,000 greater than the appropriation in FY 2023

The difference in appropriations due to the increased appropriation in FY 2022 is slightly offset by:

- A reduction in FY 2022 appropriations of approximately \$234,000 because the legislature approved the elimination of the state share contribution for health insurance for two months
- Additional personal services funding in FY 2023 for additional workload requirements and to address recruitment and retention issues

Comparison of FY 2023 Legislative Budget to FY 2023 Base

The figure below illustrates the beginning FY 2023 budget as adopted by the 2021 Legislature compared to the FY 2023 base budget, which includes modifications as approved by the approving authority (as authorized in statute) during the interim. The FY 2023 base budget was agreed upon by the executive and legislative branches to be the point from which any changes would be recorded for the 2025 biennium budgeting process.

Legislative Branch				
Comparison of the FY 2023 Legislative Budget to the FY 2023 Base Budget				
	Legislative Budget	Executive Modifications	Base Budget	% Change
Legislative Services Division				
Personal Services	7,146,086		7,146,086	0.0%
Operating Expenses	3,556,758	15,200	3,571,958	0.4%
Equipment & Intangible Assets	457,196		457,196	0.0%
Transfers	<u>144,000</u>		<u>144,000</u>	<u>0.0%</u>
Total	11,304,040	15,200	11,319,240	0.1%
Legislative Committees & Activities				
Personal Services	132,661		132,661	0.0%
Operating Expenses	<u>790,274</u>		<u>790,274</u>	<u>0.0%</u>
Total	922,935		922,935	0.0%
Legislative Fiscal Division				
Personal Services	2,347,771		2,347,771	0.0%
Operating Expenses	<u>129,485</u>	<u>(15,200)</u>	<u>114,285</u>	<u>-11.7%</u>
Total	2,477,256	(15,200)	2,462,056	-0.6%
Legislative Audit Division				
Personal Services	4,868,321		4,868,321	0.0%
Operating Expenses	<u>249,391</u>		<u>249,391</u>	<u>0.0%</u>
Total	5,117,712		5,117,712	0.0%
Legislative Branch Total	\$ 19,821,943	\$ -	\$ 19,821,943	0.0%

The Legislative Branch had one modification to the FY 2023 base budget. HB 497 (2021 Legislature) established six interim budget committees. This modification moved budget authority from the Legislative Fiscal Division to the Legislative Services Division (LSD) to allow for LSD staff to manage contracting with secretaries and other operating costs for the interim budget committees.

Legislative Branch Request

The Legislative Branch is requesting an increase of approximately \$6.8 million in FY 2024 and \$5.7 million in FY 2025 above the FY 2023 base appropriations. The increase is partially due to the requested general fund appropriations for 20.00 FTE in the Legislative Services Division, 0.95 FTE in Legislative Committees and Activities, and 3.00 FTE in the Legislative Fiscal Division. Additionally, requests for appropriations for information technology upgrades and the statewide present law adjustment for personal services and inflation are contributing to the requested increase.

These requests will be discussed in further detail at the program level.

5.0% Plan

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5.0%. The Legislative Branch has provided a plan for a reduction of \$759,000 general fund and \$95,000 state special revenue. The plan includes potential reductions in vacancy savings, the number of interim committee meetings, support costs associated with interim committees, and information technology expenditures.

A summary of the entire 2025 biennium 5.0% plan, submitted by the agency, can be found on the agency profile page online.

Agency Goals and Objectives

Statute requires that agencies submit a statement of the agency mission and a statement of goals and objectives for each program of the agency. The goals and objectives are required to be concise, specific, quantifiable, and measurable. Goals and objectives, submitted by the agency, are included in the agency profile webpage.

Agency Personal Services

In order to explain the factors influencing personal services changes, the proposed statewide personal services present law adjustment (DP 1) has been broken down into three categories, as follows:

- Legislatively approved changes – This category includes adjustments explicitly approved by the legislature, such as expected changes to annualize personal services costs included in the FY 2023 statewide pay plan adjustments, changes to benefit rates, increases in pay approved by the legislature, longevity adjustments required by statute, and changes in rates for workers’ compensation and unemployment insurance
- Management decisions – This category includes agency management decisions that adjust personal services related to changes in pay. This includes changes such as hiring full time equivalent (FTE) at a lower rate to replace senior staff and broadband pay adjustments for recruitment and retention
- Budget modifications – This category includes other modifications to the FY 2023 personal services base budget such as management decisions to transfer personal services funding between programs within an agency or transfers to move personal funding to or from other expenditure category (e.g. moving funding from operating expenses to personal services)

The figure below shows the analysis of the executive budget for personal services for each program.

Statewide Present Law Adjustment for Personal Services				
FY 2024 Decision Package 1				
Program	Legislative Changes	Management Decisions	Budget Modifications	Decision Package 1
Legislative Services Division	\$ 140,738	\$ (45,339)	\$ -	\$ 95,399
Legislative Committees and Activities	7,676	84,959	-	92,635
Legislative Fiscal Division	48,982	70,375	-	119,357
Legislative Audit Division	79,224	336,760	-	415,984
Total	\$ 276,620	\$ 446,755	\$ -	\$ 723,375

Personal services appropriations were \$14.5 million or 73.1% of total FY 2023 base appropriations (note: the FY 2023 base appropriations for personal services do not include the one-time-only appropriation of approximately \$43,000 for increased audit workload due to HB 632). The Legislative Branch proposes an increase of \$3.2 million in FY 2024 and \$3.1 million in FY 2025 when compared to the FY 2023 base appropriations. The increase is primarily due to the request for funding for additional FTE in the Legislative Services Division, Legislative Committees and Activities, and Legislative Fiscal Division. The statewide present law adjustment for personal services is also contributing to the requested increase. Additional details of significant factors included in the request for personal services appropriations will be discussed at the program level.

Funding

The following table shows proposed agency funding for all sources of authority.

Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	43,505,524	3,946,500	0	0	47,452,024	90.91 %
State Special Total	4,747,020	0	0	0	4,747,020	9.09 %
Federal Special Total	0	0	0	0	0	0.00 %
Proprietary Total	0	0	0	0	0	0.00 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$48,252,544	\$3,946,500	\$0	\$0	\$52,199,044	
Percent - Total All Sources	92.44 %	7.56 %	0.00 %	0.00 %		

The Legislative Branch is primarily funded with general fund. State special revenues support the costs associated with the state broadcasting service; the preparation, publication, and distribution of the Montana Code Annotated; and a portion of the activities of the Legislative Audit Division.

While not shown in the figure above, the Legislative Branch has statutory appropriation authority for three accounts:

- Legislative Branch reserve account
- Legislative audit specialist services reserve account
- Legislative Branch retirement termination reserve account

Typically, the Legislative Branch reserve account receives unexpended and unencumbered money including funding remaining at the end of the biennium from the “feed bill” (HB 1, the bill that funds the legislative session each biennium) and remaining carryforward appropriations from the various divisions within the branch. The legislative audit specialist services reserve account receives remaining carryforward appropriations from the Legislative Audit Division. The Legislative Branch retirement reserve account has been funded with general fund transfers provided by the legislature or through the deposit of carryforward appropriations.

The funds in the Legislative Branch reserve account may be used for major Legislative Branch information technology projects including hardware, software, consulting services for new initiatives, and replacement and upgrading of existing systems. All projects and funding from the Legislative Branch reserve account must be approved by the Legislative Council.

The funds in the legislative audit specialist services reserve account may be used for contracted services necessary to provide specialist expertise in support of audit activities. All allocations of funds must be approved by the Legislative Audit Committee.

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.

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 Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	17,414,639	17,414,639	34,829,278	73.40 %	19,821,943	19,821,943	39,643,886	75.95 %
SWPL Adjustments	466,413	1,285,257	1,751,670	3.69 %	833,801	1,477,876	2,311,677	4.43 %
PL Adjustments	1,207,606	488,713	1,696,319	3.57 %	1,280,218	345,712	1,625,930	3.11 %
New Proposals	5,089,721	4,085,036	9,174,757	19.33 %	4,716,062	3,901,489	8,617,551	16.51 %
Total Budget	\$24,178,379	\$23,273,645	\$47,452,024		\$26,652,024	\$25,547,020	\$52,199,044	

HB 2 Language -

The following language is requested in HB 2:

“All appropriations for the Legislative Branch are biennial.”

Program Biennium Comparison

The following table compares the 2023 biennium appropriated budget to the 2025 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 22-23	Requested Budget 24-25	Biennium Change	Biennium % Change
Personal Services	13,883,477	18,243,701	4,360,224	31.41 %
Operating Expenses	7,679,382	8,825,618	1,146,236	14.93 %
Equipment & Intangible Assets	1,654,196	4,793,770	3,139,574	189.79 %
Transfers	588,000	415,600	(172,400)	(29.32)%
Total Expenditures	\$23,805,055	\$32,278,689	\$8,473,634	35.60 %
General Fund	22,899,852	31,978,138	9,078,286	39.64 %
State/Other Special Rev. Funds	905,203	300,551	(604,652)	(66.80)%
Total Funds	\$23,805,055	\$32,278,689	\$8,473,634	35.60 %
Total Ongoing	\$22,162,930	\$28,332,189	\$6,169,259	27.84 %
Total OTO	\$1,642,125	\$3,946,500	\$2,304,375	140.33 %

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:

- Bill and amendment drafting, preparation of bills for introduction, and engrossing and enrolling bills
- Publication and records management of legislative documents of record
- Preparation, publication, and distribution of the Montana Code Annotated text and annotations
- Provision of legislative research and reference services
- Support for session and interim committees
- Legal services and counseling on legislative matters and agency legal support
- Review of the text of proposed ballot measures
- Personnel and business services, including processing payroll and completing and monitoring branch budgets
- Planning, installation, and maintenance of branch information technology
- Broadcasting of state government and public policy events
- Provision of legislative information to the public

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

Program Highlights

Legislative Services Division Major Budget Highlights
<ul style="list-style-type: none"> • The Legislative Services Division’s 2025 biennium requested appropriations are approximately \$8.5 million or 35.6% higher than the 2023 biennium. Significant proposals include: <ul style="list-style-type: none"> ◦ An increase in general fund of approximately \$834,000 in FY 2024 and \$825,000 in FY 2025 for 7.00 FTE for information technology positions ◦ An increase in general fund of approximately \$380,000 in FY 2024 and \$375,000 in FY 2025 for 4.00 FTE for professional and support staff. This request is for an interim committee secretary, accounting technician, research analyst, and legislative attorney ◦ An increase in general fund of approximately \$655,000 in FY 2024 and \$643,000 to change 9.00 FTE from modified to permanent. This includes a request for three conference center support staff, two remote meeting coordinators (aggregate), two network administrators, and two interim committee secretaries (aggregate) ◦ An increase in one-time-only general fund appropriations of \$2.3 million in FY 2024 and \$1.6 million in FY 2025 for information technology projects

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the expenditures requested for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Request Fiscal 2024	Request Fiscal 2025
FTE	0.00	68.67	68.67	88.67	88.67
Personal Services	6,484,689	6,737,391	7,146,086	9,078,951	9,164,750
Operating Expenses	3,614,370	4,007,424	3,671,958	4,245,883	4,579,735
Equipment & Intangible Assets	309,952	1,059,696	594,500	2,784,823	2,008,947
Transfers	439,371	444,000	144,000	220,560	195,040
Total Expenditures	\$10,848,382	\$12,248,511	\$11,556,544	\$16,330,217	\$15,948,472
General Fund	10,355,306	11,597,300	11,302,552	16,080,694	15,897,444
State/Other Special Rev. Funds	493,076	651,211	253,992	249,523	51,028
Total Funds	\$10,848,382	\$12,248,511	\$11,556,544	\$16,330,217	\$15,948,472
Total Ongoing	\$10,236,688	\$10,843,690	\$11,319,240	\$13,967,317	\$14,364,872
Total OTO	\$611,694	\$1,404,821	\$237,304	\$2,362,900	\$1,583,600

Program Discussion -

FY 2022 Appropriation Compared to FY 2022 Actual Expenditures

The HB 2 budget for the Legislative Services Division is primarily funded with general fund. The FY 2022 budget of approximately \$12.2 million was 88.6% expended as of the end of FY 2022. Personal services appropriations of \$6.7 million were 96.2% expended at the end of the fiscal year.

Appropriations for operating expenses totaled \$4.0 million and were 90.2% expended at the end of the fiscal year. Slightly lower expenditures were partially due to:

- The \$100,000 one-time-only appropriation for the session system replacement project was 0.0% expended. This appropriation is being used to update the LAWS I status page. This is a biennial appropriation and is in the process of being expended in the second year of the biennium
- Additionally, the \$100,000 state special revenue appropriation for the support of remote and hybrid meetings conducted at the Capitol was 0.0% expended. The Legislative Services Division did not collect fees as a support mechanism for remote and hybrid meetings

Appropriations for equipment and intangible assets totaled approximately \$1.1 million and were 32.2% expended. This includes appropriations for systems upgrades for the LAWS system, legislative portal, codification application, broadcasting system, and legislative audit work paper automation. These appropriations are biennial and are anticipated to be used in FY 2023.

FY 2022 Appropriations Compared to FY 2023 Appropriations

Overall, the FY 2023 appropriation is approximately \$692,000 or 5.6% lower than the FY 2022 appropriation. The odd-year appropriation is typically lower than the even-year appropriation because of the cyclical nature of the Legislative Services Division's workload. The legislature approved increases in FY 2022 appropriations, which included:

- One-time-only funding of \$300,000 for retirement payouts
- One-time-only funding of approximately \$963,000 for systems upgrades for the laws system, the legislative portal, codification application, broadcasting, and legislative audit work paper automation. Since this work is primarily completed in FY 2022 when the legislature is not in session, the appropriation in FY 2022 is \$825,000 greater than the appropriation in FY 2023

The difference in appropriations due to the increased appropriation in FY 2022 is slightly offset by:

- A reduction in FY 2022 appropriations of approximately \$234,000 because the legislature approved the elimination of the state share contribution for health insurance for two months
- Additional personal services funding in FY 2023 for additional workload requirements and to address recruitment and retention issues

Legislative Branch Request

The Legislative Services Division is requesting an increase of \$5.0 million in FY 2024 and \$4.6 million in FY 2025. The largest part of this increase is due to the Legislative Services Division's request for one-time-only funding of \$2.3 million in FY 2024 and \$1.6 million in FY 2025 for information technology projects. This request is primarily for a HB 2 and session financial automation project but also includes requests for audio/video upgrades, access database conversion, and website upgrades. Additionally, the Legislative Services Division has requested increases in funding of approximately \$1.8 million each fiscal year for 20.00 FTE. This includes 7.00 FTE for information technology staff, 4.00 FTE for an interim committee secretary, accounting technician, research analyst and attorney, and converting 9.00 FTE from modified to permanent.

Program Personal Services

Personal services appropriations were \$7.1 million or 63.1% of total FY 2023 base appropriations. The Legislative Services Division proposes an increase of \$1.9 million in FY 2024 and \$2.0 million in FY 2025. This increase is primarily due to new proposals for 20.00 FTE. These new proposals are discussed in more detail below in the New Proposal section of the budget analysis.

In addition to the new proposals, the statewide present law adjustment for personal services is requesting approximately \$95,000 in FY 2024 and \$175,000 in FY 2025. The table below shows the total adjustments for each personal service category in the statewide present law adjustment.

Legislative Branch Legislative Services Division FY 2024 Statewide Present Law Adjustment for Personal Services	
Legislative Changes	\$ 140,738
Management Changes	(45,338)
Total Budget Modifications	<u>-</u>
Total	<u>\$ 95,400</u>

The increase in the statewide present law adjustment for personal services is due to legislative changes, which includes:

- Pay increases related to the pay plan approved by the legislature in HB 13
- Pay increases approved in HB 2 in order to bring existing staff wages closer to the target market rate

The increases in legislative changes are slightly offset by a decrease in management changes. The Legislative Services Division had several long-term staff members retire or resign. These positions were hired at a lower rate than the long-term staff members were paid.

LFD COMMENT The statewide present law adjustment for personal services includes a fund shift in FY 2024 that reduces general fund by \$95,000 and increases state special revenue by \$190,000. This fund shift is due to the cyclical nature of updating and producing the Montana Code Annotated (MCA) following the legislative session. Updating the MCA begins in the odd year of the biennium following the legislative session, but the majority of the work is completed in the even year of the biennium. This results in higher state special revenue expenditures in the even year of the biennium and expenditures are reduced in the odd year of the biennium, which is the base budget year.

The statewide present law adjustment accounts for the cyclical nature of the codification of statutes. Because the base year starts with a lower state special revenue appropriation, the statewide present law adjustment increases the FY 2024 state special revenue appropriation to the level it was funded in FY 2022.

There is a new proposal that requests to eliminate funding personal services with state special revenue. The revenues for the reimbursable activities state special revenue fund have been declining over the last several biennia because fewer copies are printed and sold. While revenues are decreasing, costs to create the MCA are not decreasing at the same rate. As a result, the Legislative Services Division is requesting a new proposal to shift funding from state special revenue to general fund to cover the shortfall in state special revenue funds for personal services for the updating and production of the MCA. Operating expenses will continue to be funded with state special revenue and general fund.

Funding

The following table shows proposed agency funding for all sources of authority.

Legislative Branch, 20-Legislative Services Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	28,031,638	3,946,500	0	0	31,978,138	99.07 %
02800 Reimbursable Activities	300,551	0	0	0	300,551	100.00 %
02985 State Government Broadcasting	0	0	0	0	0	0.00 %
02573 Leg Interim Comm Activities	0	0	0	0	0	0.00 %
State Special Total	\$300,551	\$0	\$0	\$0	\$300,551	0.93 %
03920 ARPA State Recovery Sec 602	0	0	0	0	0	0.00 %
Federal Special Total	\$0	\$0	\$0	\$0	\$0	0.00 %
06004 Electronic Government Services	0	0	0	0	0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$28,332,189	\$3,946,500	\$0	\$0	\$32,278,689	

The Legislative Services Division is primarily funded with general fund. The reimbursable activities state special revenue fund supports the preparation, publication, and distribution of the Montana Code Annotated.

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 Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	11,065,248	11,065,248	22,130,496	69.21 %	11,319,240	11,319,240	22,638,480	70.13 %
SWPL Adjustments	1,378	810,585	811,963	2.54 %	191,379	810,585	1,001,964	3.10 %
PL Adjustments	527,959	530,709	1,058,668	3.31 %	587,233	391,488	978,721	3.03 %
New Proposals	4,486,109	3,490,902	7,977,011	24.95 %	4,232,365	3,427,159	7,659,524	23.73 %
Total Budget	\$16,080,694	\$15,897,444	\$31,978,138		\$16,330,217	\$15,948,472	\$32,278,689	

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 2024-----				-----Fiscal 2025-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(94,601)	190,001	0	95,400	0.00	175,105	0	0	175,105
DP 2 - Fixed Costs	0.00	(71,547)	0	0	(71,547)	0.00	435,874	0	0	435,874
DP 3 - Inflation Deflation	0.00	167,526	0	0	167,526	0.00	199,606	0	0	199,606
DP 4 - Present Law Adjustments	0.00	527,959	59,274	0	587,233	0.00	530,709	(139,221)	0	391,488
Grand Total All Present Law Adjustments	0.00	\$529,337	\$249,275	\$0	\$778,612	0.00	\$1,341,294	(\$139,221)	\$0	\$1,202,073

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

DP 1 - Personal Services -

The Legislative Branch 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:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2023 biennium

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

The Legislative Branch requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 4 - Present Law Adjustments -

The Legislative Branch requests adjustments in general fund and state special revenue appropriations for increases related to information technology. The requested increases for the 2025 biennium include:

- Increases of approximately \$104,000 in hardware costs because of life cycle replacement
- Increases of approximately \$518,000 for software costs. This primarily includes Microsoft license costs because of the addition of legislators to the platform, help desk software, Power BI licenses, maintenance costs for chamber and committee applications, and records request software
- Increases of approximately \$359,000 for audio/video (A/V) costs, which mainly include costs for closed captioning for both online streaming and broadcasting of legislative meeting. A smaller portion of this increase is due to contract costs for production

New Proposals

The “New Proposals” table shows new proposals for spending.

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 5 - FTE Request- Cloud Administrators	2.00	224,804	0	0	224,804	2.00	222,359	0	0	222,359
DP 6 - FTE Request- Database Administrator	1.00	106,015	0	0	106,015	1.00	104,768	0	0	104,768
DP 7 - FTE Request- IT Security Engineer	1.00	126,008	0	0	126,008	1.00	124,838	0	0	124,838
DP 8 - FTE Request- IT Software Engineers	2.00	264,056	0	0	264,056	2.00	261,762	0	0	261,762
DP 9 - FTE Request- Business Analyst	1.00	112,867	0	0	112,867	1.00	111,646	0	0	111,646
DP 10 - FTE Request- Branch Professional/Support Staff	4.00	380,337	0	0	380,337	4.00	375,180	0	0	375,180
DP 11 - FTE Request- Modified to Permanent (PG 20)	9.00	655,377	0	0	655,377	9.00	643,005	0	0	643,005
DP 13 - Legal Services (BIEN/OTO)	0.00	25,000	0	0	25,000	0.00	25,000	0	0	25,000
DP 14 - OLIS Projects (BIEN/OTO)	0.00	2,337,900	0	0	2,337,900	0.00	1,558,600	0	0	1,558,600
DP 15 - Stabilize Leg Staff- Competitive Pay Plan	0.00	1	0	0	1	0.00	1	0	0	1
DP 17 - Funding Switch	0.00	253,744	(253,744)	0	0	0.00	63,743	(63,743)	0	0
Total	20.00	\$4,486,109	(\$253,744)	\$0	\$4,232,365	20.00	\$3,490,902	(\$63,743)	\$0	\$3,427,159

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

DP 5 - FTE Request- Cloud Administrators -

The Legislative Branch requests general fund appropriations for 2.00 FTE for cloud administrators in the Office of Legislative Information Services. The Legislative Branch is taking on the administration of its own email system for both staff and legislators. The requested positions would:

- Ensure the continued operation of the branch’s primary communications and general business processing applications in the Microsoft Office 365 tenant space
- Administer exchange online email, Teams, SharePoint, and other applications in the Microsoft Office suite
- Be primarily responsible for training, support, and security of the Legislative Branch’s Microsoft cloud environment

DP 6 - FTE Request- Database Administrator -

The Legislative Branch requests general fund appropriations for 1.00 FTE for a database administrator in the Office of Legislative Information Services. The Legislative Branch’s database usage has grown considerably in the past several years. The growth in the branch’s application and data storage needs have gone beyond what an ad hoc approach to database administration can properly support. The requested database administrator would help coordinate database systems in an organized and thoughtful manner, with the goals of maintainability, supportability, availability, and recoverability in mind.

DP 7 - FTE Request- IT Security Engineer -

The Legislative Branch requests general fund appropriations for 1.00 FTE for a security engineer in the Office of Legislative Information Services. Currently, security responsibilities are distributed among existing FTE, but it is not their primary focus. The requested position would allow the branch to have a security expert that is focused solely on cybersecurity risk management, policy, training and awareness, and enforcement. The position would ensure the branch’s network and systems are secure, protected, and prepared to respond to security threats.

DP 8 - FTE Request- IT Software Engineers -

The Legislative Branch requests general fund appropriations for 2.00 FTE for software engineers in the Office of Legislative Information Services. Currently, the Legislative Branch relies on contractors for changes in the LAWS II applications. The requested FTE would be assigned to LAWS II and would allow the branch to fully take over the knowledge, day to day support, and upgrades. The intent would be that within four years, the branch would no longer be dependent on the contractor.

DP 9 - FTE Request- Business Analyst -

The Legislative Branch requests general fund appropriations for 1.00 FTE for a business analyst in the Office of Legislative Information Services. The LAWS II project continues to be the dominant priority for project manager/business analyst staff, which includes a focus on the full implementation of LAWS II applications and building a support model that includes backups. An additional business analyst/project manager is needed to serve the other areas of the branch, as well as increase support levels for LAWS II.

DP 10 - FTE Request- Branch Professional/Support Staff -

The Legislative Branch requests general fund appropriations for 4.00 FTE in the Legislative Services Division. This request includes:

- An interim committee secretary supervisor to supervise all interim committee secretaries for interim committees, Legislative Council, interim budget committees, Legislative Finance Committee, and the Modernization and Risk Analysis Committee
- An accounting technician because of increased legislative activity
- A research analyst and legislative attorney to address additional workload for legislative interim committees. From FY 2017 to FY 2022, interim committees increased from 12 to 16 (not including the interim budget committees that are supported by the Legislative Services Division). In addition, the number of regular interim committee meeting days from FY 2020 to FY 2022 has increased from 160 to 188

DP 11 - FTE Request- Modified to Permanent (PG 20) -

The Legislative Branch requests general fund appropriations to change 9.00 FTE from modified to permanent. This request includes funding for 3.00 FTE for audio visual technicians, 2.00 FTE for remote meeting coordinators (aggregate), 2.00 FTE for network administrators, and 2.00 FTE for interim committee secretaries (aggregate). Additional details on these positions include:

- 3.00 FTE - Conference Center Support: The 2021 Legislature allocated funding in HB 632 to provide conference center support for meetings within the Capitol. As meetings have moved toward a hybrid model, allowing increased legislator, agency, and public access to the legislative process, additional support has been needed to facilitate these meetings. The existing modified positions have been successful in supporting legislative meetings and other meetings held by outside agencies such as the Governor's Office, Fish, Wildlife and Parks Commission, and Office of Public Instruction. The request for permanent positions would allow the Legislative Services Division to maintain a consistent group of well trained and well qualified staff to continue this necessary service
- 2.00 Remote Meeting Coordinators (Aggregate): During the 2020 interim and 2021 session there was remote participation by legislators, public, and staff. Remote participation will continue so the Legislative Services Division is requesting permanent FTE for remote meeting managers and coordinators
- 2.00 Network Administrators: Network administrators provide network support and help desk support. There has been increased workload due to the increase in legislative needs and the increase in software and hardware maintenance and upgrade requirements. The Legislative Services Division is requesting permanent FTE for two network administrators
- 2.00 Interim Committee Secretary Pool (Aggregate): HB 497 established six new interim budget committees. The Legislative Services Division is requesting 2.00 FTE (aggregate) to provide secretarial support to these committees

DP 13 - Legal Services (BIEN/OTO)

The Legislative Branch requests one-time-only general fund appropriations to hire outside attorney and legal services.

DP 14 - OLIS Projects (BIEN/OTO) -

The Legislative Services Division requests one-time-only general fund appropriations for information technology projects. For the 2025 biennium, this request includes:

- HB 2 and session financial automation project - \$2.2 million
- Audio/video upgrades - \$410,000
- Fiber integration upgrade - \$30,000
- Access database conversion - \$880,000
- Website upgrades - \$200,000
- Paperless signature validation - \$50,000
- LAWS II core upgrade - \$50,000
- Legislative Audit Division automation project (phase II) - \$50,000

LFD COMMENT In the Legislative Service Division’s budget submission, the initial request was for operating expenses of \$120,000 in FY 2024 and \$80,000 in FY 2025 and equipment expenses of approximately \$2.2 million in FY 2024 and \$1.5 million in FY 2025. To align anticipated expenditures with the account they will spent from, the Legislative Services Division requests operating expense of \$1,288,650 in FY 2024 and \$1,049,250 in FY 2025 and equipment expenses of \$580,850 in FY 2024 and \$977,750 in FY 2025.

DP 15 - Stabilize Leg Staff- Competitive Pay Plan -

The Legislative Branch requests base pay adjustments to stabilize legislative staff with competitive pay. This proposal for the Legislative Services Division is a total general fund increase of \$1 in FY 2024 and \$1 in FY 2025. This is a placeholder to be updated during the legislative session.

Growth in market pay rates for professional and business services occupations has exceeded inflation and statewide wage growth. The Legislative Branch requests a base pay adjustment to accommodate this change in the economic environment and to stabilize legislative staff with competitive pay. In preparation for session, additional market research will be conducted by the division to determine appropriate wages for the 2025 biennium. This research will include performance-based pay as a factor in determining appropriate pay rates relative to the market.

DP 17 - Funding Switch -

The Legislative Branch requests an increase in general fund and a decrease in state special revenue funds for the personal services expenditures related to the update and production of the MCA. The Legislative Branch requests this shift in funding because it is a challenge to fund personal services from this fund when revenues from the sale of printed copies of the MCA is declining and unpredictable.

LFD COMMENT State special revenue collections from the sale of the Montana Code Annotated and ancillary publications has decreased because fewer copies are printed and sold due to the availability of the publications digitally. While the revenues have been decreasing, the costs to update the MCA after each legislative session have not declined. The table below shows the actual, budgeted, and proposed revenues and expenditures from FY 2020 through FY 2025.

Legislative Branch						
Legislative Services Division						
Fund Balance - Reimbursable Activities (02800)						
	Actual FY 2020	Actual FY 2021	Actual FY 2022	Budgeted FY 2023	Proposed FY 2024	Proposed FY 2025
Beginning Fund Balance	\$ 168,671	\$ 190,681	\$ 227,659	\$ 147,442	\$ 206,490	\$ 264,279
Revenue	580,614	124,671	516,176	83,441	412,312	83,441
Expenditures						
Personal Services	(203,276)	(53,743)	(253,743)	(63,743)	-	-
Operating Expenses	<u>(288,130)</u>	<u>(118,114)</u>	<u>(237,651)</u>	<u>(48,649)</u>	<u>(249,523)</u>	<u>(51,028)</u>
Total Expenditures	(491,406)	(171,857)	(491,394)	(112,392)	(249,523)	(51,028)
Adjustments	<u>(67,198)</u>	<u>84,164</u>	<u>(105,000)</u>	<u>88,000</u>	<u>(105,000)</u>	<u>88,000</u>
Ending Fund Balance	<u>\$ 190,681</u>	<u>\$ 227,659</u>	<u>\$ 147,442</u>	<u>\$ 206,490</u>	<u>\$ 264,279</u>	<u>\$ 384,692</u>

While revenues are declining each year, the revenues and fund balance may be sufficient to support personal services expenditures in FY 2024. Legislative options include:

- Adopt the requested fund shift for personal services of approximately \$254,000 in FY 2024 as proposed by the Legislative Services Division and the fund balance will be available for operating expenses in future biennia
- Do not adopt the fund shift for personal services in FY 2024 and use the projected fund balance for personal services expenditures in FY 2024
- Adopt a portion of the of the fund shift in FY 2024 in order to ensure there are sufficient revenues for personal services expenditures in FY 2024

Program Biennium Comparison

The following table compares the 2023 biennium appropriated budget to the 2025 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 22-23	Requested Budget 24-25	Biennium Change	Biennium % Change
Personal Services	534,839	592,711	57,872	10.82 %
Operating Expenses	1,966,242	2,041,266	75,024	3.82 %
Transfers	45,702	0	(45,702)	(100.00)%
Total Expenditures	\$2,546,783	\$2,633,977	\$87,194	3.42 %
General Fund	2,421,783	2,633,977	212,194	8.76 %
State/Other Special Rev. Funds	125,000	0	(125,000)	(100.00)%
Total Funds	\$2,546,783	\$2,633,977	\$87,194	3.42 %
Total Ongoing	\$2,035,287	\$2,633,977	\$598,690	29.42 %
Total OTO	\$511,496	\$0	(\$511,496)	(100.00)%

Program Description

The Legislative Committees and Activities Program supports the activities of legislators and legislative committees that are conducted during the interim between legislative sessions.

Program expenditures support :

- The Legislative Council
- Interim study activities, as defined in 5-5-202 through 5-5-217, MCA
- Cooperative interstate, international, and intergovernmental activities, as outlined in 5-11-303 through 5-11-305, MCA
- Other legislative activities for which appropriations are made

Program Highlights

Legislative Committees and Activities Major Budget Highlights
<ul style="list-style-type: none"> • The proposed Legislative Committees and Activities' 2025 biennium ongoing appropriations are approximately \$599,000 or 29.4% higher than the 2023 biennium. Significant proposals include: <ul style="list-style-type: none"> ◦ An increase in general fund of approximately \$476,000 over the biennium because of increases in legislative salaries, lodging and mileage rates, legislator activity dues, and an increase in interim committee meetings of 16 days ◦ An increase in general fund of approximately \$67,000 for each fiscal year to increase from 0.05 FTE to 1.00 FTE for an environmental policy committee secretary
Legislative Action Items
<ul style="list-style-type: none"> • The requested appropriation for special council for legislative leadership is included the present law request (DP 4) but will now be included in HB 1 for the 2025 biennium. To remove this funding from HB 2 for the 2025 biennium, the legislature would need to reduce the present law adjustment by \$105,000 in FY 2024 and \$45,000 in FY 2025 • The base budget for the 0.05 FTE should be considered when determining the amount of the new proposal that makes this position 1.00 FTE. To adjust for the 0.05 FTE funding already in the base funding, the legislature would need to revise the new proposal to \$42,898 in FY 2024 and \$61,356 in FY 2025

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the expenditures requested for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Request Fiscal 2024	Request Fiscal 2025
FTE	0.00	0.97	0.97	1.92	1.92
Personal Services	254,954	402,178	132,661	387,859	204,852
Operating Expenses	809,677	1,175,968	790,274	1,254,856	786,410
Transfers	0	45,702	0	0	0
Total Expenditures	\$1,064,631	\$1,623,848	\$922,935	\$1,642,715	\$991,262
General Fund	985,333	1,498,848	922,935	1,642,715	991,262
State/Other Special Rev. Funds	79,298	125,000	0	0	0
Total Funds	\$1,064,631	\$1,623,848	\$922,935	\$1,642,715	\$991,262
Total Ongoing	\$898,429	\$1,112,352	\$922,935	\$1,642,715	\$991,262
Total OTO	\$166,202	\$511,496	\$0	\$0	\$0

Program Discussion -*FY 2022 Appropriation Compared to FY 2022 Actual Expenditures*

The Legislative Committees and Activities Program is primarily funded with general fund. The state special revenue in FY 2022 was one-time-only funding for an annual conference of the Pacific Northwest Economic Region (PNWER) hosted by Montana. Overall, the HB 2 budget of approximately \$1.6 million was 65.6% expended as of the end of FY 2022. Lower percentages expended primarily consisted of:

- Operating expenses for interim committees budgeted at approximately \$866,000 of general fund were 77.6% expended. Lower operating expenses were due to less reimbursements for travel due to remote participation in interim meetings
- Appropriations for personal services and operating expenses of \$101,000 for the District and Apportionment Commission were 54.6% expended. Lower expenditures were due to a large portion of the commission's work occurring in FY 2023
- State special revenue appropriations of \$125,000 for the PNWER conference were 63.4% expended, and no additional expenditures are anticipated because the conference is complete
- Appropriations for operating expenses of \$150,000 for special counsel for legislative leadership were 7.5% expended. This appropriation is biennial and can be used in FY 2023, if needed
- Appropriations for personal services of \$100,000 for exempt staff for legislative leadership were 18.6% expended at the end of FY 2022. Funding from HB 1 was expended first, and HB 2 appropriations will be expended second. This is a biennial appropriation, and it is anticipated that it will be spent in FY 2023

FY 2022 Appropriations Compared to FY 2023 Appropriations

Overall, the FY 2023 appropriation is approximately \$701,000 or 43.2% lower than the FY 2022 appropriation. The difference in the appropriations is due to the cyclical nature of legislative business with the majority of the interim work of the legislature occurring in the first year of the biennium. Specifically, there were one-time-only appropriations for the District and Apportionment Commission, PNWER, and the Judicial Accountability Committee in FY 2022.

Legislative Branch Request

The Legislative Committees and Activities is requesting an increase \$720,000 in FY 2024 and \$68,000 in FY 2025. This is primarily due to requested general fund appropriations of approximately \$476,000 in the 2025 biennium for

- Increases in the allowed lodging and mileage rates, legislator activity dues, and increasing interim committee meetings by 16 meeting days
- Special counsel for legislative leadership and the Committee on Judicial Accountability

Additionally, Legislative Committees and Activities is requesting \$67,000 each fiscal year in order to change 0.05 FTE to 1.00 FTE for an environmental policy secretary.

Program Personal Services

Personal services appropriations were approximately \$133,000 or 14.4% of total FY 2023 base appropriations. The Legislative Committees and Activities Program proposes an increase of \$255,000 in FY 2024 and \$72,000 in FY 2025. There are three adjustments that are impacting personal services appropriations, which include:

- A present law adjustment to personal services that increases appropriations by \$95,000 in FY 2024 and decreases appropriations by approximately \$70,000 in FY 2025. These changes are due to legislative salaries for proposed increases in legislative interim committee meetings. Additional details are included in the Present Law Adjustments section below (DP 4)
- A new proposal to increase personal services funding by \$67,000 each fiscal year in order to increase funding for a position from 0.05 FTE to 1.00 FTE. Additional details are included in the New Proposals section below (DP 12)
- A statewide present law adjustment of approximately \$93,000 in FY 2024 and \$74,000 in FY 2025. The table below shows the total adjustments for each personal services category in the statewide present law adjustment

Legislative Branch Legislative Committees and Activities FY 2024 Statewide Present Law Adjustment for Personal Services	
Legislative Changes	\$ 7,676
Management Changes	84,959
Total Budget Modifications	-
Total	\$ 92,635

The statewide present law adjustment for personal services was primarily due to management changes, which include:

- The cyclical nature of the 0.05 FTE in this program results in a greater increase in the first year of the biennium than the second year of the biennium
- Change in salaries and benefits for legislative interim committee members

Funding

The following table shows proposed agency funding for all sources of authority.

Legislative Branch, 21-Legis. Committees & Activities Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	2,633,977	0	0	0	2,633,977	100.00 %	
02573 Leg Interim Comm Activities	0	0	0	0	0	0.00 %	
State Special Total	\$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	\$2,633,977	\$0	\$0	\$0	\$2,633,977		

Legislative Committees and Activities is funded entirely with general fund.

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 Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	922,935	922,935	1,845,870	70.08 %	922,935	922,935	1,845,870	70.08 %
SWPL Adjustments	97,094	79,867	176,961	6.72 %	97,094	79,867	176,961	6.72 %
PL Adjustments	555,458	(78,979)	476,479	18.09 %	555,458	(78,979)	476,479	18.09 %
New Proposals	67,228	67,439	134,667	5.11 %	67,228	67,439	134,667	5.11 %
Total Budget	\$1,642,715	\$991,262	\$2,633,977		\$1,642,715	\$991,262	\$2,633,977	

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.

	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	92,635	0	0	92,635	0.00	74,386	0	0	74,386
DP 3 - Inflation Deflation	0.00	4,459	0	0	4,459	0.00	5,481	0	0	5,481
DP 4 - Present Law Adjustments	0.00	555,458	0	0	555,458	0.00	(78,979)	0	0	(78,979)
Grand Total All Present Law Adjustments	0.00	\$652,552	\$0	\$0	\$652,552	0.00	\$888	\$0	\$0	\$888

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

DP 1 - Personal Services -

The Legislative Branch 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:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2023 biennium

DP 3 - Inflation Deflation -

The Legislative Branch requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 4 - Present Law Adjustments -

The Legislative Branch requests an increase in general fund appropriations in FY 2024 and a decrease in general fund appropriations in FY 2025. The cyclical nature of legislative business in Legislative Committees and Activities results in an uneven request in appropriations for each fiscal year. Appropriations in the first year of the biennium are higher because most of the interim committee work is completed during this time. The requested biennial increase is partially due to an increase in the allowed lodging and mileage rates, legislator activity dues, and increasing interim committee meetings by 16 meeting days.

Additionally, the present law decision package includes a request for general fund appropriations for special counsel for legislative leadership and the Committee on Judicial Accountability.

LFD ISSUE	<p><u>Certain Requests in the Present Law Proposal should be Considered as New Proposals</u></p> <p>The present law decision package for the 2025 biennium includes a request of \$150,000 for special counsel for legislative leadership and approximately \$35,000 for the Committee on Judicial Accountability. These initiatives were funded with one-time-only appropriations in the 2023 biennium, so they should be considered as new proposals in the 2025 biennium.</p> <p>The requested appropriation for special counsel for legislative leadership will be included in HB 1, which was a decision made after the HB 2 budget submission. The legislature should consider reducing the present law adjustment by \$105,000 in FY 2024 and \$45,000 in FY 2025.</p>
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New Proposals

The "New Proposals" table shows new proposals for spending.

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 12 - FTE Request- .05 to 1.0 (PG 21)	0.95	67,228	0	0	67,228	0.95	67,439	0	0	67,439
Total	0.95	\$67,228	\$0	\$0	\$67,228	0.95	\$67,439	\$0	\$0	\$67,439

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

DP 12 - FTE Request- .05 to 1.0 (PG 21) -

The Legislative Branch requests general fund appropriations for 0.95 FTE for the environmental policy committee secretary. This request will change a position that is currently 0.05 FTE to 1.00 FTE because of increased workload.

LFD ISSUE The Base Budget for the 0.05 FTE Needs to be Considered when Determining the Amount of the New Proposal

The salaries and benefits for the 0.05 FTE is included in the base budget and has adjustments included in the statewide present law adjustment for personal services. The base budget for salaries and benefits, including the statewide present law adjustment, for the 0.05 FTE is approximately \$24,000 in FY 2024 and \$6,000 in FY 2025. The total funding needed for this position is approximately \$67,000 each fiscal year.

The new proposal should be requesting personal services funding of \$42,898 in FY 2024 and \$61,356 in FY 2025.

Program Biennium Comparison

The following table compares the 2023 biennium appropriated budget to the 2025 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 22-23	Requested Budget 24-25	Biennium Change	Biennium % Change
Personal Services	4,569,518	5,703,868	1,134,350	24.82 %
Operating Expenses	239,586	341,066	101,480	42.36 %
Total Expenditures	\$4,809,104	\$6,044,934	\$1,235,830	25.70 %
General Fund	4,809,104	6,044,934	1,235,830	25.70 %
Total Funds	\$4,809,104	\$6,044,934	\$1,235,830	25.70 %
Total Ongoing	\$4,809,104	\$6,044,934	\$1,235,830	25.70 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Legislative Fiscal Division provides the legislature with objective fiscal information and analysis relevant to Montana public policy and budget determination.

The division's services include:

- Fiscal analysis of state government and the furnishing of information bearing upon the financial matters of the state
- Identification of ways to effect economy and efficiency in state government
- Estimation of revenue and analysis of tax policy
- Analysis of the executive budget
- Compiling and analyzing fiscal information for legislators and legislative committees
- Staffing and support for legislative committees, including the preparation and processing of the appropriation bills for the legislative, judicial, and executive agencies

The Legislative Finance Committee provides guidance to the Legislative Fiscal Division.

Program Highlights

Legislative Fiscal Division Major Budget Highlights
<ul style="list-style-type: none"> • The Legislative Fiscal Division’s 2025 biennium requested appropriations are approximately \$1.2 million or 25.7% higher than the 2023 biennium. Significant proposals include increasing general fund appropriations by: <ul style="list-style-type: none"> ◦ Approximately \$366,000 in FY 2024 and \$357,000 in FY 2025 for 3.00 FTE to address the increased workload in the division ◦ Approximately \$105,000 in FY 2024 and \$42,000 in FY 2025 for legislator salaries and travel expenses for the seven Interim Budget Committee and the Legislative Finance Committee meetings ◦ Approximately \$119,000 in FY 2024 and \$125,000 in FY 2025 for the statewide present law adjustment for personal services

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the expenditures requested for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Request Fiscal 2024	Request Fiscal 2025
FTE	0.00	21.00	21.00	24.00	24.00
Personal Services	2,061,338	2,221,747	2,347,771	2,858,887	2,844,981
Operating Expenses	65,895	125,301	114,285	197,238	143,828
Total Expenditures	\$2,127,233	\$2,347,048	\$2,462,056	\$3,056,125	\$2,988,809
General Fund	2,127,233	2,347,048	2,462,056	3,056,125	2,988,809
Total Funds	\$2,127,233	\$2,347,048	\$2,462,056	\$3,056,125	\$2,988,809
Total Ongoing	\$2,127,233	\$2,347,048	\$2,462,056	\$3,056,125	\$2,988,809
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Discussion -

FY 2022 Appropriation Compared to FY 2022 Actual Expenditures

The Legislative Fiscal Division is funded entirely with general fund. The HB 2 budget of approximately \$2.3 million was 90.6% expended as of the end of FY 2022.

Personal services appropriations made up the majority of the Legislative Fiscal Division’s budget in FY 2022. Appropriations of \$2.2 million were 92.8% expended at the end of the fiscal year and 90.7% of the total personal services hours budgeted were utilized. The slightly lower personal services expenditures were due to staff turnover.

Appropriations for operating expenses totaled approximately \$125,000 and were 52.6% expended at the end of the fiscal year. The lower percentage expended is primarily due to lower travel and training costs for conferences for staff and legislators. Additionally, there were slightly lower expenses related to remote participation in interim committee meetings.

FY 2022 Appropriations Compared to FY 2023 Appropriations

Overall, the FY 2023 appropriation is approximately \$115,000 or 4.9% higher than the FY 2022 appropriation. This is primarily because of:

- The legislature approved a reduction to FY 2022 appropriations of approximately \$40,000 for the elimination of the state share contribution for health insurance for two months
- The legislature approved additional personal services funding of \$134,000 in FY 2023, which was \$84,000 greater than the appropriation in FY 2022. This funding was provided to address significant recruitment and retention issues related to pay in the Legislative Fiscal Division

Legislative Branch Request

The Legislative Fiscal Division is requesting an increase of approximately \$594,000 in FY 2024 and \$527,000 in FY 2025 above the FY 2023 base appropriations. The increase is partially due to a new proposal that requests \$367,000 in FY 2024 and \$357,000 in FY 2025 for 3.00 FTE due to increased workload because of the addition of interim budget committees, increased data and fiscal support needs, and coordination with interim policy committees. Additionally, the present law adjustment (DP 4) increases appropriations by \$105,000 in FY 2024 and \$42,000 in FY 2025. This request is primarily related to legislative salary and travel expenses for the interim budget committees, which continue through the 2025 biennium by statute.

Program Personal Services

Personal services appropriations were \$2.3 million or 95.4% of total FY 2023 base appropriations. The Legislative Fiscal Division proposes an increase in personal services of \$511,000 in FY 2024 and \$497,000 in FY 2025. There are several adjustments that are impacting personal services appropriations, which include:

- A new proposal to increase personal services funding for 3.00 FTE by approximately \$356,000 each fiscal year. This proposal funds additional staff workload in several areas and additional details are included in the New Proposals section below (DP 10)
- A present law adjustment to personal services that increases appropriations by \$36,000 in FY 2024 and approximately \$16,000 in FY 2025. This increase funds the personal services costs of legislators assigned to the Interim Budget Committees and the Legislative Finance Committee. Additional details are included in the Present Law Adjustments section below (DP 4)
- A statewide present law adjustment of approximately \$119,000 in FY 2024 and \$125,000 in FY 2025. The table below shows the total adjustments for each personal services category in the statewide present law adjustment

Legislative Branch Legislative Fiscal Division FY 2024 Statewide Present Law Adjustment for Personal Services	
Legislative Changes	\$ 48,982
Management Changes	70,376
Total Budget Modifications	-
Total	\$ 119,358

The Legislative Fiscal Division’s statewide present law adjustment for personal services was impacted by legislative and management changes. Reasons for these changes include:

- Legislative changes primarily related to pay increases related to the legislatively approved pay plan and statutorily required longevity
- Management decisions mainly related to pay rate increases for market adjustments, career ladder changes, and promotions

Funding

The following table shows proposed agency funding for all sources of authority.

Legislative Branch, 27-Fiscal Analysis & Review Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	6,044,934	0	0	0	6,044,934	100.00 %	
02128 legislative Fiscal Division	0	0	0	0	0	0.00 %	
State Special Total	\$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	\$6,044,934	\$0	\$0	\$0	\$6,044,934		

The Legislative Fiscal Division is entirely funded with general fund.

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 Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	2,462,056	2,462,056	4,924,112	81.46 %	2,462,056	2,462,056	4,924,112	81.46 %
SWPL Adjustments	121,746	127,575	249,321	4.12 %	121,746	127,575	249,321	4.12 %
PL Adjustments	105,770	42,203	147,973	2.45 %	105,770	42,203	147,973	2.45 %
New Proposals	366,553	356,975	723,528	11.97 %	366,553	356,975	723,528	11.97 %
Total Budget	\$3,056,125	\$2,988,809	\$6,044,934		\$3,056,125	\$2,988,809	\$6,044,934	

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 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	119,358	0	0	119,358	0.00	124,623	0	0	124,623
DP 2 - Fixed Costs	0.00	0	0	0	0	0.00	0	0	0	0
DP 3 - Inflation Deflation	0.00	2,388	0	0	2,388	0.00	2,952	0	0	2,952
DP 4 - Present Law Adjustments	0.00	105,770	0	0	105,770	0.00	42,203	0	0	42,203
Grand Total All Present Law Adjustments	0.00	\$227,516	\$0	\$0	\$227,516	0.00	\$169,778	\$0	\$0	\$169,778

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

DP 1 - Personal Services -

The Legislative Branch 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:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2023 biennium

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

The Legislative Branch requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 4 - Present Law Adjustments -

The Legislative Branch requests general fund appropriations for personal services and travel expenses for legislative participation in interim committee meetings. This includes funding for the six meetings for the Interim Budget Committees established in HB 497 (2021 Legislature) and the seven Legislative Finance Committee meetings. In the 2025 biennium, the request includes:

- An increase of approximately \$85,000 in FY 2024 and \$30,000 in FY 2025 for legislator salaries and travel expenses for the Interim Budget Committees. The appropriation in HB 330 for the additional Legislative Finance Committee members and interim activities was not included in the FY 2023 base budget
- An increase of \$21,000 in FY 2024 and \$13,000 in FY 2025, primarily for legislator travel expenses for the Legislative Finance Committee

New Proposals

The “New Proposals” table shows new proposals for spending.

	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 10 - FTE Request- Branch Professional/Support Staff	3.00	366,552	0	0	366,552	3.00	356,974	0	0	356,974
DP 15 - Stabilize Leg Staff- Competitive Pay Plan	0.00	1	0	0	1	0.00	1	0	0	1
Total	3.00	\$366,553	\$0	\$0	\$366,553	3.00	\$356,975	\$0	\$0	\$356,975

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

DP 10 - FTE Request- Branch Professional/Support Staff -

The Legislative Branch requests general fund appropriations for personal services for 3.00 FTE. This proposal considers the additional staff workload in the following areas, largely with respect to interim committee work:

- Interim Budget Committee meeting administration, which includes agenda development, analysis, and communications support
- Data and fiscal analysis support and coordination with interim policy committees in areas related to public safety, health and human services, and local government
- Core data analysis work related to policy committees including outreach to policy experts

DP 15 - Stabilize Leg Staff- Competitive Pay Plan -

The Legislative Branch requests base pay adjustments to stabilize legislative staff with competitive pay. This proposal for the Legislative Fiscal Division is a total general fund increase of \$1 in FY 2024 and \$1 in FY 2025. This is a placeholder to be updated during the legislative session.

Growth in market pay rates for professional and business services occupations has exceeded inflation and statewide wage growth. The Legislative Branch requests a base pay adjustment to accommodate this change in the economic environment and to stabilize legislative staff with competitive pay. In preparation for session, additional market research will be conducted by the division to determine appropriate wages for the 2025 biennium. This research will include performance-based pay as a factor in determining appropriate pay rates relative to the market.

Program Biennium Comparison

The following table compares the 2023 biennium appropriated budget to the 2025 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 22-23	Requested Budget 24-25	Biennium Change	Biennium % Change
Personal Services	9,722,981	10,703,478	980,497	10.08 %
Operating Expenses	533,044	537,966	4,922	0.92 %
Total Expenditures	\$10,256,025	\$11,241,444	\$985,419	9.61 %
General Fund	5,868,275	6,794,975	926,700	15.79 %
State/Other Special Rev. Funds	4,387,750	4,446,469	58,719	1.34 %
Total Funds	\$10,256,025	\$11,241,444	\$985,419	9.61 %
Total Ongoing	\$10,155,575	\$11,241,444	\$1,085,869	10.69 %
Total OTO	\$100,450	\$0	(\$100,450)	(100.00)%

Program Description

The Legislative Audit Division is the state's independent auditor and a key part of the legislature's responsibility for strict accountability of public funds. The division's products and services provide legislative and executive managers of the public trust with factual, objective, and unbiased information on how state government works and how to make it work better. These products and services include the following:

- Auditing the state's Comprehensive Annual Financial Report and the biennial Federal Single Audit
- Conducting performance audits to focus on agency or program operations and management, efficiency and effectiveness in delivery of government services, or public policy outcomes and impacts
- Conducting financial-compliance audits of each state agency at least every two years to assess adherence to accounting principles, compliance with material laws, and internal controls
- Conducting information systems audits to address the design, operation and maintenance of technology systems and processes, and providing assurances on the quality and reliability of system data
- Maintaining the state's hotline for reporting fraud, waste and abuse in state government and conducting work to verify allegations and substantiate reported cases
- Reporting violations of penal statutes, instances of misfeasance, malfeasance, or nonfeasance, and any instances of apparent criminal violations of the state code of ethics discovered in an audit
- Auditing records of entities under contract with the state
- Assisting the legislature, its committees, and its members by providing information related to the fiscal affairs of state government

The Legislative Auditor is responsible for managing the division and appointing and defining the duties of the division's employees. The Legislative Auditor is appointed by the Legislative Audit Committee, a twelve-member, bipartisan, bicameral permanent joint committee of the legislature.

Program Highlights

Legislative Audit Division Major Budget Highlights
<ul style="list-style-type: none"> • The Legislative Audit Division's 2025 biennium requested appropriations are approximately \$1.0 million or 9.6% higher than the 2023 biennium. Significant proposals include: <ul style="list-style-type: none"> ◦ Increasing general fund and state special revenue appropriations by approximately \$416,000 in FY 2024 and \$451,000 in FY 2025 for the statewide present law adjustment for personal services ◦ Reducing state special revenue and increasing general fund appropriations by approximately \$141,000 each fiscal year in order to move toward a more risk-based audit approach ◦ Increasing general fund and state special revenue appropriations by approximately \$50,000 each year to reclassify an existing associate auditor position to a deputy legislative auditor for technology and data analytics

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the expenditures requested for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Request Fiscal 2024	Request Fiscal 2025
FTE	0.00	52.75	52.75	52.75	52.75
Personal Services	4,231,677	4,812,075	4,910,906	5,334,222	5,369,256
Operating Expenses	195,315	276,013	257,031	288,745	249,221
Total Expenditures	\$4,426,992	\$5,088,088	\$5,167,937	\$5,622,967	\$5,618,477
General Fund	2,412,398	2,903,875	2,964,400	3,398,845	3,396,130
State/Other Special Rev. Funds	2,014,594	2,184,213	2,203,537	2,224,122	2,222,347
Total Funds	\$4,426,992	\$5,088,088	\$5,167,937	\$5,622,967	\$5,618,477
Total Ongoing	\$4,426,992	\$5,037,863	\$5,117,712	\$5,622,967	\$5,618,477
Total OTO	\$0	\$50,225	\$50,225	\$0	\$0

Program Discussion -

FY 2022 Appropriation Compared to FY 2022 Actual Expenditures

The Legislative Audit Division is funded with general fund and state special revenue. The HB 2 budget of approximately \$5.1 million was 87.0% expended as of the end of FY 2022.

Personal service appropriations made up the majority of the Legislative Audit Division's budget in FY 2022. Appropriations of \$4.8 million were 88.7% expended at the end of the fiscal year and 82.8% of the total personal services hours budgeted were utilized. The lower personal services expenditures were due to staff turnover.

FY 2022 Appropriations Compared to FY 2023 Appropriations

Overall, the FY 2023 appropriation is approximately \$80,000 or 1.6% higher than the FY 2022 appropriation. The minor difference is primarily due to:

- The legislature approved a reduction to FY 2022 appropriations of approximately \$56,000 for the elimination of the state share contribution for health insurance for two months
- The legislatively approved pay plan increased personal services appropriations by approximately \$50,000 in FY 2023

Legislative Branch Request

The Legislative Audit Division is requesting an increase of approximately \$505,000 in FY 2024 and \$501,000 in FY 2025 above the FY 2023 base appropriations. The increase is primarily due to the request for appropriations of approximately \$416,000 in FY 2024 and \$451,000 in FY 2025 for the statewide present law adjustment for personal services (described in more detail below). Additionally, the Legislative Audit Division is proposing to move toward a more risk-based model for auditing. This would eliminate regular audits of eight small agencies and the state special revenues associated with the rates paid by these agencies. The division proposes switching \$141,000 of state special funding associated with these rates to general fund in order to move toward the risk-based model.

Program Personal Services

Personal services appropriations were \$4.9 million or 95.1% of total FY 2023 base appropriations (note: the FY 2023 base appropriations for personal services do not include the one-time-only appropriation of approximately \$43,000 for increased audit workload due to HB 632). The Legislative Audit Division proposes an increase in personal services of \$466,000 in FY 2024 and \$501,000 in FY 2025. This increase is partially due to a new proposal that requests approximately \$50,000 each fiscal year to reclassify a position to allow for a deputy auditor for technology and data analytics. Additional details on this new proposal are included in the New Proposal section below (DP 16). The majority of this increase is due to the statewide present law adjustment for personal services, which is requesting \$416,000 in FY 2024 and \$451,000 in FY 2025. The table below shows the total adjustments for each personal services category in the statewide present law adjustment.

Legislative Branch Legislative Audit Division FY 2024 Statewide Present Law Adjustment for Personal Services	
Legislative Changes	\$ 79,224
Management Changes	336,761
Total Budget Modifications	<u>-</u>
Total	<u>\$ 415,985</u>

The Legislative Audit Division's statewide present law adjustment for personal services was impacted by legislative and management changes. Reasons for these changes include:

- Legislative changes primarily related to pay increases related to the legislatively approved pay plan and statutorily required longevity
- Management decisions mainly related to pay rate increases for market adjustments, performance adjustments, and promotions

Funding

The following table shows proposed agency funding for all sources of authority.

Legislative Branch, 28-Audit & Examination Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	6,794,975	0	0	0	6,794,975	60.45 %
02042 Legislative Audit	4,446,469	0	0	0	4,446,469	100.00 %
State Special Total	\$4,446,469	\$0	\$0	\$0	\$4,446,469	39.55 %
Federal Special Total	\$0	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$11,241,444	\$0	\$0	\$0	\$11,241,444	

The Legislative Audit Division is funded with general fund and state special revenue. The state special revenue funds are generated through a charge to state agencies for legislative audit services. The charge is based on a billing rate for audit services and is calculated in accordance with federal regulations.

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 Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	2,964,400	2,964,400	5,928,800	87.25 %	5,117,712	5,117,712	10,235,424	91.05 %
SWPL Adjustments	246,195	267,230	513,425	7.56 %	423,582	459,849	883,431	7.86 %
PL Adjustments	18,419	(5,220)	13,199	0.19 %	31,757	(9,000)	22,757	0.20 %
New Proposals	169,831	169,720	339,551	5.00 %	49,916	49,916	99,832	0.89 %
Total Budget	\$3,398,845	\$3,396,130	\$6,794,975		\$5,622,967	\$5,618,477	\$11,241,444	

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 2024-----				-----Fiscal 2025-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	241,271	174,714	0	415,985	0.00	261,591	189,428	0	451,019
DP 2 - Fixed Costs	0.00	0	(893)	0	(893)	0.00	0	(893)	0	(893)
DP 3 - Inflation Deflation	0.00	4,924	3,566	0	8,490	0.00	5,639	4,084	0	9,723
DP 4 - Present Law Adjustments	0.00	18,419	13,338	0	31,757	0.00	(5,220)	(3,780)	0	(9,000)
Grand Total All Present Law Adjustments	0.00	\$264,614	\$190,725	\$0	\$455,339	0.00	\$262,010	\$188,839	\$0	\$450,849

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

DP 1 - Personal Services -

The Legislative Branch 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:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2023 biennium

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

The Legislative Branch requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 4 - Present Law Adjustments -

The Legislative Branch requests general fund and state special revenue modifications for cyclical adjustments. In FY 2024, the requested increases include:

- Approximately \$21,000 for the Legislative Branch's contracted audit
- \$5,000 for professional certification support
- \$3,000 for a price increase related to actuarial services
- \$3,000 for software licensing increases

In FY 2025, this request includes:

- A reduction of \$20,000 for the Governmental Accountability Office Peer Review. This review does not occur every fiscal year and can be removed from the budget in FY 2025
- An increase of \$5,000 for professional certification support
- An increase of \$3,000 for a price increase related to actuarial services
- An increase of \$3,000 for software licensing increases

Additionally, during the 2021 session, the Legislative Audit Division requested one-time-only funding of \$20,000 for training. This funding was approved by the 2021 Legislature but was inadvertently not included in HB 2 as a one-time-only line item. Therefore, this appropriation is included in the base budget. The Legislative Audit Division is requesting to make the \$20,000 for training permanent in FY 2024 and FY 2025. Because this appropriation is included in the base, this results in a \$0 change.

New Proposals

The "New Proposals" table shows new proposals for spending.

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 16 - Position Reclassifications	0.00	28,951	20,964	0	49,915	0.00	28,951	20,964	0	49,915
DP 17 - Funding Switch	0.00	140,879	(140,879)	0	0	0.00	140,768	(140,768)	0	0
Total	0.00	\$169,830	(\$119,915)	\$0	\$49,915	0.00	\$169,719	(\$119,804)	\$0	\$49,915

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

DP 16 - Position Reclassifications -

The Legislative Branch requests additional general fund and state special revenue appropriations to reclassify an existing associate auditor (entry level position) to a deputy legislative auditor for technology and data analytics. Deputy-level leadership for the information systems audit team was a recommendation identified in a consulting report provided to the Legislative Audit Committee and is a part of the broader effort of the division to move towards a more risk-based audit model.

DP 17 - Funding Switch -

The Legislative Branch requests a decrease in state special revenue and an increase in general fund appropriations because the division is moving towards a risk-based model for conducting audit work. The division is proposing to discontinue regular financial compliance audits at eight small agencies and outsource the annual financial audit of the Montana State Fund. It is proposed that the audit costs for these agencies will be eliminated from HB 2, which would reduce the state special revenues that the Legislative Audit Division receives. The requested shift to general fund appropriations would allow the division to begin conducting risk-based audits.