

# COMMISSIONER OF POLITICAL PRACTICES

## Section A

---

### JOINT SUBCOMMITTEE OF HOUSE APPROPRIATIONS AND SENATE FINANCE AND CLAIMS COMMITTEES

---

---

#### -----Agencies-----

Commissioner of Political Practice  
Dept. of Administration  
Dept. of Commerce  
Dept. of Labor & Industry  
Dept. of Military Affairs  
Dept. of Revenue

Governor's Office  
Legislative Branch  
Montana Consumer Counsel  
Secretary of State  
State Auditor's Office

#### -----Committee Members-----

##### House

Representative Terry Falk (Chair)  
Representative Luke Musziewicz  
Representative Ken Walsh

##### Senate

Senator Forrest Mandeville (Vice Chair)  
Senator Derek Harvey  
Senator Tony Tezak

#### -----Fiscal Division Staff-----

Molly DelCurto  
Ethan Bergen  
Katie Guenther

**Agency Base Budget Comparison**

The following table compares the base budget with the requested expenditures for the upcoming biennium by type of expenditure and source of funding.

Agency Base Budget Comparison						
Budget Item	Base Budget	Requested Budget		Biennium Change from Base		
	FY 2025	FY 2026	FY 2027	Amount	Percent	
PB	7.00	7.00	7.00	0.00	0.0%	
General Fund	930,662	953,627	951,774	44,077	2.4%	
<b>Total Funds</b>	<b>930,662</b>	<b>953,627</b>	<b>951,774</b>	<b>44,077</b>	<b>2.4%</b>	
Personal Services	633,769	674,823	676,989	84,274	6.6%	
Operating Expenses	296,893	278,804	274,785	(40,197)	(6.8%)	
<b>Total Expenditures</b>	<b>930,662</b>	<b>953,627</b>	<b>951,774</b>	<b>44,077</b>	<b>2.4%</b>	
<b>Total Ongoing</b>	<b>930,662</b>	<b>953,627</b>	<b>951,774</b>	<b>44,077</b>	<b>2.4%</b>	
<b>Total One-Time-Only</b>					<b>0.0%</b>	

**Agency Highlights**

<b>Commissioner of Political Practices Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The Commissioner of Political Practices' 2027 biennium requested appropriations are approximately \$44,000 or 2.4% higher than the FY 2025 base budget. Significant requested changes in general fund include:                             <ul style="list-style-type: none"> <li>◦ Increases in personal services funding of \$84,000 over the next biennium because of increases for benefits and pay rates for positions</li> <li>◦ Operating expenses decrease by \$40,000 in the next two fiscal years primarily due to decreases in information technology costs</li> </ul> </li> </ul>

**Executive Request**

The following table shows the total executive request with the base budget and the statewide present law adjustments, present law adjustments, and new proposals by source of funding.

Commissioner of Political Practices 2027 Biennium Base Budget and Requested Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget Request	General Fund	State Special	Federal Special	Total Funds	% of Budget Request
<b>Base Budget</b>	<b>930,662</b>	<b>0</b>	<b>0</b>	<b>930,662</b>	<b>97.6%</b>	<b>930,662</b>	<b>0</b>	<b>0</b>	<b>930,662</b>	<b>97.8%</b>
Statewide PL										
Personal Services	41,054	0	0	41,054	4.3%	43,220	0	0	43,220	4.5%
Fixed Costs	(18,050)	0	0	(18,050)	(1.9%)	(22,082)	0	0	(22,082)	(2.3%)
Inflation Deflation	(39)	0	0	(39)	(0.0%)	(26)	0	0	(26)	(0.0%)
<b>Total Statewide PL</b>	<b>22,965</b>	<b>0</b>	<b>0</b>	<b>22,965</b>	<b>2.4%</b>	<b>21,112</b>	<b>0</b>	<b>0</b>	<b>21,112</b>	<b>2.2%</b>
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
<b>Total HB 2 Adjustments</b>	<b>22,965</b>	<b>0</b>	<b>0</b>	<b>22,965</b>	<b>2.4%</b>	<b>21,112</b>	<b>0</b>	<b>0</b>	<b>21,112</b>	<b>2.2%</b>
<b>Total Requested Budget</b>	<b>953,627</b>	<b>0</b>	<b>0</b>	<b>953,627</b>		<b>951,774</b>	<b>0</b>	<b>0</b>	<b>951,774</b>	

*Statewide Present Law Adjustment for Personal Services*

In order to explain the factors influencing personal services changes, the proposed statewide personal services present law adjustment (DP1) has been broken down into three categories, as follows:

- Legislative changes - This category includes adjustments explicitly approved by the legislature, such as, changes to benefit rates, longevity adjustments required by statute, and changes in rates for workers' compensation and unemployment insurance
- Management changes - This category includes agency management decisions that adjust personal services related to changes in pay. This includes changes such as hiring positions budgeted (PB) 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 2025 personal services base budget such as management decisions to transfer personal services funding between programs within an agency or movement of personal services funding to or from another expenditure category (e.g. moving funding from operating expenses to personal services)

More details are provided in the analysis of this decision package in the Present Law Adjustments section below.

**Funding**

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

Total Commissioner of Political Practices Funding by Source of Authority 2027 Biennium Budget Request						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
<b>01100 General Fund</b>	<b>1,905,401</b>				<b>1,905,401</b>	<b>100.0%</b>
<b>State Special Revenue Total</b>	-	-	-	-	-	<b>0.0%</b>
<b>Federal Special Revenue Total</b>	-	-	-	-	-	<b>0.0%</b>
<b>Proprietary Fund Total</b>	-	-	-	-	-	<b>0.0%</b>
<b>Total of All Funds</b>	<b>1,905,401</b>	-	-	-	<b>1,905,401</b>	
<b>Percent of All Sources of Authority</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>		

*HB 2 Appropriations*

All of the Commissioner of Political Practices funding is from the general fund.

**Agency Actuals and Budget Comparison**

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the expenditures requested for FY 2026 and FY 2027 by type of expenditure and source of funding.

Agency Actuals and Budget Comparison						
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Request Fiscal 2026	Request Fiscal 2027	
PB	0.00	7.00	7.00	7.00	7.00	7.00
Personal Services	541,201	604,854	633,769	674,823	676,989	
Operating Expenses	145,527	292,134	296,893	278,804	274,785	
<b>Total Expenditures</b>	<b>\$686,728</b>	<b>\$896,988</b>	<b>\$930,662</b>	<b>\$953,627</b>	<b>\$951,774</b>	
General Fund	686,728	896,988	930,662	953,627	951,774	
<b>Total Funds</b>	<b>\$686,728</b>	<b>\$896,988</b>	<b>\$930,662</b>	<b>\$953,627</b>	<b>\$951,774</b>	
<b>Total Ongoing</b>	<b>\$686,728</b>	<b>\$896,988</b>	<b>\$930,662</b>	<b>\$953,627</b>	<b>\$951,774</b>	
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	

*Agency Description*

The Commissioner of Political Practices (COPP) is an independent and nonpartisan office, whose mission is to monitor and to enforce, in a fair and impartial manner:

- Campaign practices and campaign finance disclosure
- Lobbying disclosure
- Business interest disclosure of:
  - Statewide and state district candidates
  - Elected state officials
  - State department directors
  - Ethical standards of conduct for legislators
  - Public officers
  - State employees
- Investigate complaints that arise concerning any of the foregoing

The Commissioner of Political Practices has responsibilities that were defined by a legislative initiative in 1980 requiring disclosure of acts by lobbyists and business interests of elected officials. COPP also has responsibility for the ethical standards of conduct for legislators, public officers, and state employees pursuant to Title 2, Chapter 2, MCA.

Please refer to the agency profile [here](#) for additional information about the agency's organization structure, historical expenditures, goals and objectives, and recent studies and audits.

*FY 2024 Appropriations Compared to FY 2024 Expenditures*

In FY 2024, the Commissioner of Political Practices expended 76.6% of its \$897,000 HB 2 modified budget; this percent expended is slightly below the five-year Olympic average expenditure for the agency of 89.1%. Throughout FY 2024, the agency utilized carryforward authority instead of HB 2 appropriations which partially led to the decrease in percent expended in HB 2. Another reasoning behind this lower-than-anticipated expenditure level is due to the lower legal fees and court costs, relative to previous fiscal years. In the past five years these costs have been as much as \$59,000, while in FY 2024, these expenses were \$1,500.

*FY 2024 Appropriations Compared to FY 2025 Appropriations*

The Commissioner of Political Practices appropriations for FY 2025 are 3.8% higher than that of FY 2024. The minor difference in the appropriation is due to the HB 13 pay plan. This inclusion increases personal services by \$29,000, or 4.8%, in FY 2025.

*Comparison of FY 2025 Legislative Budget to FY 2025 Base*

The figure below illustrates the beginning FY 2025 budget as adopted by the 2023 Legislature compared to the FY 2025 base budget, which includes modifications as approved by the approving authority (as authorized in statute) during the interim. The FY 2025 base budget was agreed upon by the Office of Budget and Program Planning and the Fiscal Division to be the point from which any changes would be recorded for the 2027 biennium budgeting process.

Commissioner of Political Practices				
Comparison of the FY 2025 Legislative Budget to the FY 2025 Base Budget				
	Legislative Budget	Executive Modifications	Base Budget	% Change
<b>01 ADMINISTRATION</b>				
61000 Personal Services	633,769		633,769	0.0%
62000 Operating Expenses	296,893		296,893	0.0%
<b>Total</b>	<b>930,662</b>		<b>930,662</b>	<b>0.0%</b>
<b>Agency Total</b>	<b>930,662</b>		<b>930,662</b>	<b>0.0%</b>

Comparing the FY 2025 legislative budget to the FY 2025 base budget, the COPP did not have any executive modifications.

**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 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	41,054	0	0	41,054	0.00	43,220	0	0	43,220
DP 2 - Fixed Costs	0.00	(18,050)	0	0	(18,050)	0.00	(22,082)	0	0	(22,082)
DP 3 - Inflation Deflation	0.00	(39)	0	0	(39)	0.00	(26)	0	0	(26)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$22,965</b>	<b>\$0</b>	<b>\$0</b>	<b>\$22,965</b>	<b>0.00</b>	<b>\$21,112</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,112</b>

\*"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:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2025 biennium

Commissioner of Political Practices				
FY 2026 Statewide Present Law Adjustment for Personal Services (DP1)				
Program	Legislative Changes	Management Changes	Budget Modifications	Total DP1
01 Administration	\$ 15,022	\$ 20,556	\$ -	\$35,578
Agency Total	\$ 15,022	\$ 20,556	\$ -	\$35,578

The executive requests an increase in personal services funding for the 2027 biennium in the statewide present law adjustment for personal services. Within legislative changes, this increase is due to the increase in benefits for the agency. Management changes increase in this request through hiring positions at different rates throughout the interim.

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: audit fees, Capitol complex rent, 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 executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include in-state state motor pool and motor pool leased vehicles.