



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

SB0485 - Raising hourly rate of legislator compensation (Small, Jason D)

Status: As Amended in Senate Committee

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$1,044,836	\$347,343	\$1,175,800
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>(\$1,044,836)</u>	<u>(\$347,343)</u>	<u>(\$1,175,800)</u>

Description of fiscal impact: SB 485, as amended, raises the salary for legislators to \$182.14 a day. The fiscal impact to the Legislative Branch is \$1,044,836 in FY 2025, \$347,343 in FY 2026, and \$1,175,800 in FY 2027.

FISCAL ANALYSIS

Assumptions:**Legislative Branch**

1. Because Article V, Part V, Section 5, Montana Constitution, prohibits the legislature from fixing its own compensation, the salary increase will be effective January 6, 2025.
2. SB 485 raises the legislator salary to 40% of the Governor's current salary. Section 2-16-405, MCA, requires the Department of Administration conduct a salary survey every two years to set the salary of the Governor and other elected officials. The salary survey conducted in the spring of 2022 set the salary of these elected officials for FY 2024 and FY 2025.
3. In accordance with the results of the salary survey, the salary of the Governor for FY 2025 will be (\$124,820.80) divided by 2,080 hours multiplied by 8 hours to achieve a daily rate (\$192.03).
4. Under current law, legislators are paid in accordance with 5-2-301, MCA. The projection for the daily rate in FY 2025 is \$128.86 per day. This amount is \$63.17 more than the projected FY 2025 daily salary for legislators.

5. Employer payroll taxes of approximately 18% have been included in this analysis, bringing the total daily increase to \$74.54 (\$63.17 x 1.18).
6. Session costs:
 - a. Legislature is in session for 90 days in FY 2025 and FY 2027
 - b. The Montana Legislature has 150 members:
 - i. For the purposes of this fiscal note, the impact for the 2027 Session is calculated using the rate for the 2025 Session. The fiscal impact for the 2025 Session is \$1,006,298.
 - ii. Based on the salary survey referenced in assumption 2, the salary of the Governor has increased an average of 2.6% per biennium over the past three biennia. This equates to \$5 more per day. The fiscal impact for the 2027 Session is \$1,175,800.
7. Interim Costs:
 - a. Based on the 2025 biennium budgeted interim committee meeting days:
 - i. LSD Interim Committees' budget is calculated using an average of 12 legislators for 34 meeting days in FY 2025, 194 meeting days in FY 2026, and 83 meeting days in FY 2027.
 - ii. LFD Interim Committees' budget is calculated using an average of eight legislators for seven meeting days in FY 2025, 42 meeting days in FY 2026, and seven meeting days in FY 2027.
 - iii. LSD Legislator Activities' budget is calculated using an average of five legislators for 56 meeting days (all in FY 2026).
 - iv. Legislative Fiscal Committee has 17 legislative members and is calculated for one meeting day in FY 2025, six meeting days in FY 2026, and one meeting day in FY 2027.
 - v. Legislative Audit Committee has 12 legislative members and is calculated for three meeting days in FY 2025, six meeting days in FY 2026, and four meeting days in FY 2027.
8. The total fiscal impact to the Legislative Branch is \$1,044,836 for FY 2025, \$347,343 for FY 2026, and \$1,175,800 for FY 2027.

	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.00	0.00	0.00	0.00
<u>Expenditures:</u>				
Personal Services	\$0	\$1,044,836	\$347,343	\$1,175,800
Operating Expenses	\$0	\$0	\$0	\$0
TOTAL Expenditures	<u>\$0</u>	<u>\$1,044,836</u>	<u>\$347,343</u>	<u>\$1,175,800</u>
<u>Funding of Expenditures:</u>				
General Fund (01)				
TOTAL Funding of Exp.	<u>\$0</u>	<u>\$1,044,836</u>	<u>\$347,343</u>	<u>\$1,175,800</u>
	<u>\$0</u>	<u>\$1,044,836</u>	<u>\$347,343</u>	<u>\$1,175,800</u>
<u>Revenues:</u>				
General Fund (01)				
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	(\$1,044,836)	(\$347,343)	(\$1,175,800)



 Sponsor's Initials

3.15.23

 Date



 Budget Director's Initials

3-14-23

 Date