



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:	
HB0893 - Create the office of public records ombudsman & advisory council (Stafman, Ed)	
Status:	As Introduced

- 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	\$264,736	\$264,736	\$264,736	\$264,736
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$264,736)</u>	<u>(\$264,736)</u>	<u>(\$264,736)</u>	<u>(\$264,736)</u>

Description of fiscal impact: HB 893 will create the Office of the Public Ombudsman which will be administratively allocated to the Department of Administration. HB 893 will also create the Public Records Advisory Council. The purpose of the Public Ombudsman Office and the Public Records Advisory council will be to facilitate dispute resolution, provide that dispute resolution records are confidential, and provide training to public employees. There is an appropriation from the general fund to the department to help offset the costs of establishing this office.

FISCAL ANALYSIS

Assumptions:

Department of Administration

- The Department of Administration (DOA) will require 2.00 FTE to implement the requirements of HB 893 – an attorney and a compliance specialist.
- Estimated salary and benefits for the attorney are \$112,332 and estimated salary and benefits for the compliance specialist are \$54,516 for a total personal services cost of \$166,848. Personal services have been inflated by 1.5% for fiscal years 2026 and 2027.
- The balance of the annual appropriation will be used to fund the operating expenses of the Public Records Ombudsman office and reimbursement and compensation for Public Records Advisory council members.
- Additional fiscal impacts to the Department of Administration from participating in facilitated dispute resolution with the ombudsperson as provided in HB 893 are undetermined.

5. The department assumes agency lawyers will represent the department in facilitated dispute resolutions under HB 893.
6. The department anticipates some cases will be resolved through dispute resolution, which is generally less costly than litigation. It is difficult to quantify the savings that may be achieved as the result of successful dispute resolutions.
7. Some costs may increase as a result of HB 893. Some requesters now accept DOA’s public records decisions rather than proceeding to court. The department assumes a portion of those requesters, who currently accept DOA’s decision, will instead initiate facilitated dispute resolution which will increase staff time and legal costs for the agency.
8. Some disputes are not likely to be resolved via facilitated dispute resolution, and HB 893 will compound and prolong the process of resolving these public records disputes. Matters that are likely to be litigated, whether or not there is a dispute resolution process, include cases that require balancing the right to know and an individual’s right of privacy. The department assumes participating in an additional dispute resolution step in public records disputes that are only likely to be resolved by court proceedings will increase DOA’s overall staff time and legal costs.
9. The Department of Administration is unable to determine the extent to which these factors will impact the cost of responding to record requests.

Office of the Secretary of State

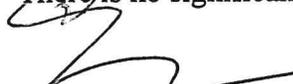
10. While there may be a minimal fiscal impact, the Office of the Secretary of State will absorb the costs associated with implementing the requirements of HB 893 within the office’s existing operating budget.

	<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>
<u>Fiscal Impact:</u>				
FTE	2.00	2.00	2.00	2.00
<u>Expenditures:</u>				
Personal Services	\$166,848	\$166,848	\$169,351	\$171,891
Operating Expenses	\$97,888	\$97,888	\$95,385	\$92,845
TOTAL Expenditures	<u>\$264,736</u>	<u>\$264,736</u>	<u>\$264,736</u>	<u>\$264,736</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$264,736	\$264,736	\$264,736	\$264,736
TOTAL Funding of Exp.	<u>\$264,736</u>	<u>\$264,736</u>	<u>\$264,736</u>	<u>\$264,736</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Revenues	<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)	(\$264,736)	(\$264,736)	(\$264,736)	(\$264,736)

Effect on County or Other Local Revenues or Expenditures:

Montana Association of Counties

1. There is no significant local government fiscal impact from HB 893.

	3/30/23		3-30-23
Sponsor's Initials	Date	Budget Director's Initials	Date