



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

HB0028 - Increase legislator per diem reimbursements for lodging and meals (Knudsen, Rhonda)

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 2023</u> <u>Difference</u>	<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	\$734,759	\$0	\$766,133	\$0	\$798,847
Revenue:					
General Fund	\$0	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$734,759)</u>	<u>\$0</u>	<u>(\$766,133)</u>	<u>\$0</u>	<u>(\$798,847)</u>

Description of fiscal impact: HB 28 changes the methodology for calculating legislator session per diem rates under 5-2-301, MCA. The total increase to the state for fiscal year 2023 is \$734,759, for fiscal year 2025 is \$766,133, and for fiscal year 2027 is \$798,847.

FISCAL ANALYSIS

Assumptions:

Legislative Branch

1. Legislator per diem is budgeted, and paid, from non-HB 2 appropriations (included in House Bill 1).
2. HB 28 changes 5-2-301(3), MCA, to match the federal government per diem rate.
3. HB 28 deletes 5-2-301(4), MCA, requiring the Department of Administration to perform a five-state survey of session per diem rates to set session per diem rate.
4. The result of the 2022 survey would have set the current per diem rate at the 2021 session's rate plus 5% which equals \$132.43 per day. The current federal per diem rate is \$171.00 per day. The difference is \$38.57 per day.
5. The 68th Legislative Session is 90 legislative days. Per diem is paid seven days a week unless more than a three-day break is taken (5-2-301(3), MCA). For the purposes of this fiscal note, it is assumed that there will be 127 days of legislative session per diem paid based on the legislative calendar located on the Legislative Branch's website at the link provided: (<https://leg.mt.gov/content/committees/administration/legislative->

[council/2021-22/nov-15-2022/DRAFT-2023-Session-Calendar.pdf](#)). No Saturday sessions are scheduled, so per diem will be paid through the middle of May.

6. The House of Representatives has 100 members entitled to session per diem. The Senate has 50 members entitled to session per diem.
7. The cost per legislator will be \$4,898.39 (\$38.57 per day x 127 days) for the 68th Legislative Session.
8. The total cost to the state will be \$734,759 (\$4,898.39 x 150 legislators) for the 68th Legislative Session.
9. For the purposes of this fiscal note, an average increase in the federal per diem rate was calculated using an average increase of odd year to odd year as follows:

- Calendar Year 2015: \$145
- Calendar Year 2017: \$159 = 9.7% increase
- Calendar Year 2019: \$167 = 5.0% increase
- Calendar Year 2021: \$169 = 1.2% increase
- Calendar Year 2023: \$171 = 1.2% increase

An average increase over four odd years of 4.27% was applied to fiscal years 2025 and 2027.

10. The total cost to the state will be \$766,133 (\$734,759 x 1.0427) for the 69th Legislative Session.
11. The total cost to the state will be \$798,847 (\$766,133 x 1.0427) for the 70th Legislative Session.

Department of Administration

12. There is no fiscal impact to the Department of Administration's State Human Resources Division. The legislative daily rate statute would reference the federal lodging and meals and incidental expenses rate instead of the State's Human Resources Divisions' survey rate.

Fiscal Note Request – As Introduced

(continued)

	<u>FY 2023</u> <u>Difference</u>	<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	0.00	0.00	0.00	0.00	0.00
<u>Expenditures:</u>					
Personal Services	\$734,759	\$0	\$766,133	\$0	\$798,847
TOTAL Expenditures	\$734,759	\$0	\$766,133	\$0	\$798,847
<u>Funding of Expenditures:</u>					
General Fund (01)	\$734,759	\$0	\$766,133	\$0	\$798,847
TOTAL Funding of Exp.	\$734,759	\$0	\$766,133	\$0	\$798,847
<u>Revenues:</u>					
General Fund (01)	\$0	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>					
General Fund (01)	(\$734,759)	\$0	(\$766,133)	\$0	(\$798,847)



 Sponsor's Initials

1/4/23

 Date



 Budget Director's Initials

12-22-22

 Date