



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

HB0260 - Revise laws regarding legislative special counsel (Regier, Matt)

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 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	\$84,984	\$301,592	\$422,940	\$552,453	\$280,370
Revenue:					
General Fund	\$0	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$84,984)</u>	<u>(\$301,592)</u>	<u>(\$422,940)</u>	<u>(\$552,453)</u>	<u>(\$280,370)</u>

Description of fiscal impact: HB 260, as amended, creates four additional personal legal staff, increases the number of exempt caucus staff, provides a funding allocation for the exempt legal staff, and makes existing special counsel permanent. The fiscal impact to the Legislative Branch is \$84,984 for fiscal year 2023, \$301,592 for fiscal year 2024, \$422,940 for fiscal year 2025, \$552,453 for fiscal year 2026, and \$280,370 for fiscal year 2027.

FISCAL ANALYSIS

Assumptions:

Legislative Branch

- HB 260, as amended, creates four additional exempt legal staff:
 - One each for House of Representatives majority and minority
 - One each for Senate majority and minority
- HB 260, as amended, allows a former employee that served as special counsel to be hired on a contractual basis.
- HB 260, as amended, retains the existing special counsel provided for in 5-5-110, MCA. Existing special counsel is hired as an employee through May 15, 2023. Effective May 16, 2023, the existing special counsel will be paid through a contract, estimated at \$75,000 annually.
- The \$75,000 contract amount has been inflated by 1.5% for fiscal years 2026 and 2027.

5. Funding for the additional exempt legal staff (FYs 2023, 2024 and one-half of 2025) is in the Legislative Branch's HB 2 budget. The branch will request the funding in the 2027 biennium HB 2 budget request. If HB 2 (Program 21) passes without amendment, Legislative Branch will need no additional appropriation until January 1, 2025.
6. Funding for the additional exempt legal staff (FYs one-half of 2025, 2026, and one-half of 2027) will be requested in the 2025 Session's HB 1.
7. HB 260, as amended, creates two additional exempt caucus staff:
 - a. One each for House of Representatives majority
 - b. One each for Senate majority
8. Section 2(5) of HB 260 requires that appropriation for special counsel and for personal legal staff be the same as the ratio of the parties. For this fiscal note, this ratio is not calculated as it does not affect the total fiscal impact of HB 260, as amended.
9. HB 260, as amended, Section 2(4)(b), allows for up to two additional minority staff if the minority meets or exceeds 40%. For the purposes of this fiscal note, if one or both chambers meet 40% membership in the 2025 Legislative Session, additional appropriation is needed. It is assumed these costs will be included in the 2025 Session's HB 1.
10. 2023 Session's HB 13 statutory pay increases were included in the fiscal impact for FYs 2024 and 2025.
11. There is no current budget to fund additional exempt caucus staff. The Legislative Branch will need additional appropriation as follows:
 - a. The FTE (position numbers) will not be requested. The existing FTE are currently in HB 1 as modified/aggregate positions.
 - b. FY 2023: \$84,984 (HB 2).
 - c. FY 2024: \$226,592 (HB 2).
 - d. FY 2025: \$113,296 (HB 2) and \$117,322 (2025 Session HB 1). It is assumed the Minority meets the 40% membership, so an additional \$117,322 is needed (2025 Session HB 1).
 - e. FY 2026: \$238,164 (2025 Session HB 1). It is assumed the Minority meets the 40% membership, so an additional \$238,164 is needed (2025 Session HB 1).
 - f. FY 2027: \$120,868 (2025 Session HB 1). It is assumed the Minority meets the 40% membership, so an additional \$120,868 is needed (2025 Session HB 1).
12. Personal services costs for fiscal years 2026 and 2027 have been inflated by 1.5%.
13. HB 260, as amended, has an immediate effective date and no termination date.

	<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 - HB 2	\$84,984	\$226,592	\$113,296	\$0	\$0
Personal Services - HB 1	\$0	\$0	\$234,644	\$476,328	\$241,736
Operating Expenses - HB 2	\$0	\$75,000	\$75,000	\$0	\$0
Operating Expenses - HB 1	\$0	\$0	\$0	\$76,125	\$38,634
TOTAL Expenditures	<u>\$84,984</u>	<u>\$301,592</u>	<u>\$422,940</u>	<u>\$552,453</u>	<u>\$280,370</u>
<u>Funding of Expenditures:</u>					
General Fund (01)	✓ <u>\$84,984</u>	✓ <u>\$301,592</u>	✓ <u>\$422,940</u>	✓ <u>\$552,453</u>	✓ <u>\$280,370</u>
TOTAL Funding of Exp.	<u>\$84,984</u>	<u>\$301,592</u>	<u>\$422,940</u>	<u>\$552,453</u>	<u>\$280,370</u>
<u>Revenues:</u>					
General Fund (01)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL Revenues	<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)	(\$84,984)	(\$301,592)	(\$422,940)	(\$552,453)	(\$280,370)

Sponsor's Initials

Date



Budget Director's Initials

3-8-23

Date