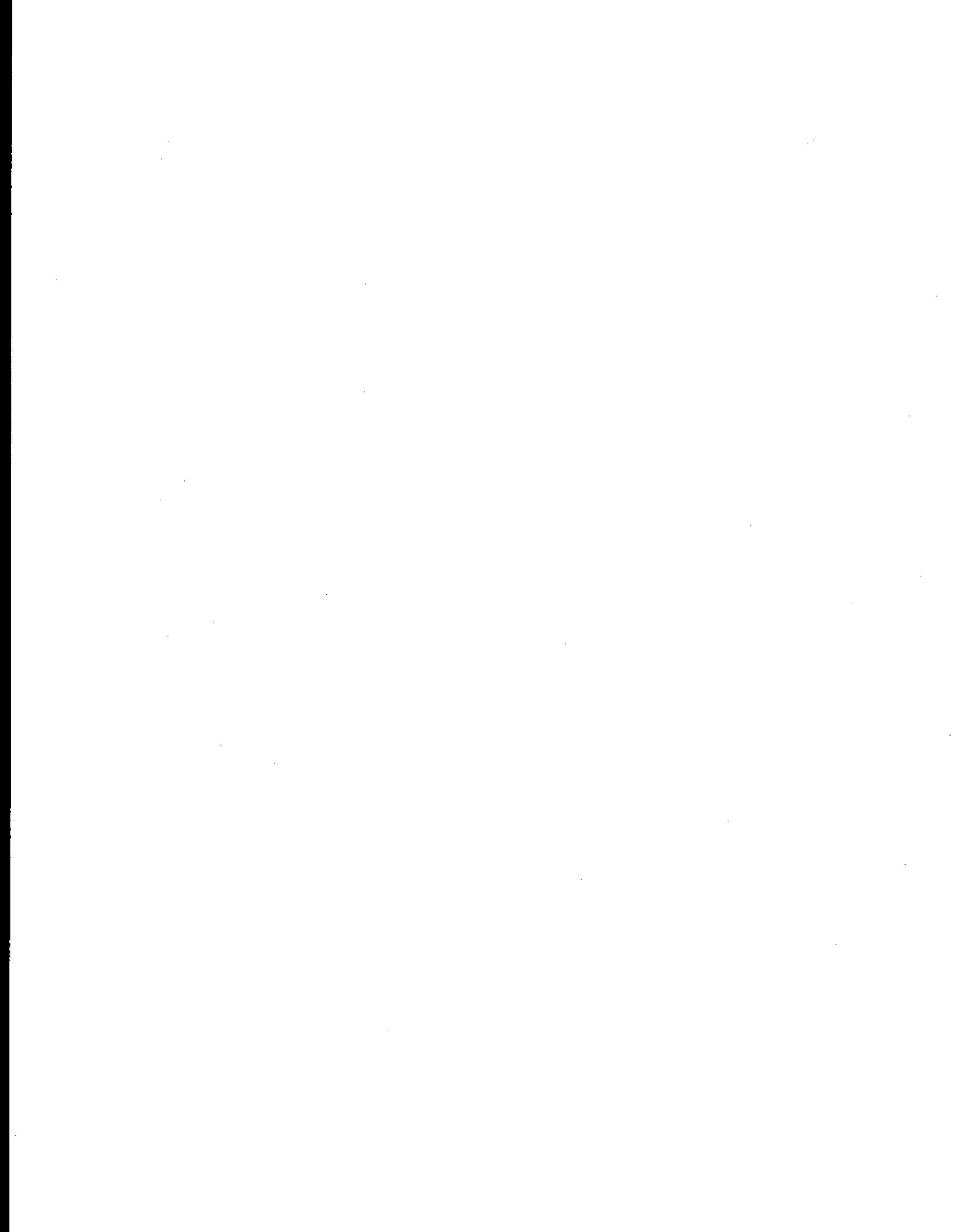


Exhibit Number: |

This exhibit exceeds 10-page maximum; therefore only a small portion of the exhibit is scanned for your research. The original exhibit is on file at the Montana Historical Society and may be viewed there





HOUSE BILL 2 SUMMARY

HB 2 is the general appropriations bill for state government, and includes all agency appropriations, with the exception of:

- Statutory appropriations, (e.g., State Fund, debt service, local government distributions)
- Other appropriations bills (cat-and-dog bills)
- Transfers

STATE BUDGET SUMMARY

The attached color graphs, pages 7, 9, and 11 provide a summarization of HB 2 appropriations. The pie charts summarize HB 2 by general program area (agency/function) and by fund type. The bar graphs below the pie charts show the amount of increase in the 2007 biennium budget over the 2005 biennium. Funding for the 2007 biennium in the graphs is as contained in HB 2 only, and does not include other initiatives such as pay proposals and other cat-and-dog appropriation bills. It is further important to note that the bar graph comparisons are on a biennium-to-biennium basis, which is the more appropriate (statutorily required) method for comparing increases from biennium to biennium than the method used for budget development (base year only). Thus, the bar graphs should be used for comparison purposes only, and will not tie to the amount of increases reflected in the remainder of this narrative, where increases are measured from the base. As shown in the graphs:

HB 2 appropriations for the 2007 biennium through Joint Appropriations Subcommittees action total:

- \$2.6 billion general fund (page 7)
- \$7.0 billion total funds (page 9)

This HB 2 budget provides for biennial changes of:

- \$308.7 million general fund increase, or 13.4 percent (6.7 percent per year) (page 7)
(when the pay plan (HB 447) is added, the general fund biennial increase is 15.1 percent)
- \$807.6 million total funds increase, or 13.0 percent (6.5 percent per year) (page 9)

INCREASE BY GENERAL PROGRAM AREA

The pie chart on page 7 shows the amount and percent of the general fund for major categories. The chart shows:

Budget share:

K-12 and higher education	54.4%
Human services	24.0%
Corrections	<u>9.3%</u>
Together, these total:	87.7% (of the total HB 2 general fund budget)

The general fund budget net increase of \$308.7 million is due to the following:

- Human services increases (\$104.3 million) due primarily to changes in the state matching rate for Medicaid, and caseload and services increases (most notably in Medicaid)

- Corrections increases (\$31.1 million) are primarily due to changes to address the growing secure care population (including expansion of facilities), as well as additional probation and parole officers
- Higher education increases (\$26.0 million) due to enrollment increases, additional student assistance, a higher general fund funding percentage of various programs, and several other initiatives
- Public schools increase (\$83.7 million) primarily due to the added option of three-year averaging of student counts and increases for several other programs including special education, school facility reimbursement, and Indian Education for All
- All other increases a net of \$63.6 million, primarily due to increases for district court expenses, development of a new property tax system and replacement of POINTS, and development of an emergency telecommunications infrastructure

As shown in the pie chart on page 9 (Total Funds), the "Other" and "Human Services" categories comprise a significantly higher share of the pie as compared to the general fund pie chart. This is because a large share of funding for human services, highway construction, and FWP funding is from non-general fund sources (state and federal special). The significant increases in total funds shown in the graph on page 9 reflect additional state special and federal funding for human services programs and highways funding, as well as for K-12 education and environmental functions. These increases are described in more detail in the next section.

FUNDING SUMMARY

The pie chart on page 11 shows how HB 2 is funded:

General fund provides 37.2 percent and federal funds provide 45.6 percent of total HB 2 funds.

Federal funds increase \$308.3 million, or 10.7 percent (this equals 38 percent of the total HB 2 increase)

- Human services accounts for \$256 million, or 83 percent of the total increase, including increased caseloads and services in a number of programs, most particularly in Medicaid and food stamps, as well as Medicaid redesign efforts, continued use of bed tax and hospital utilization fees to match federal funds, and increases in categorical grants
- Other major increases are due to K-12 education grants and programs, environmental and wildlife functions, and community development

State special revenue funds increase \$190.7 million, or 19.2 percent. Three program areas account for \$183.3 million or 96.1 percent of the total increase, including:

- An increase due to the use of highways state special revenue account to match anticipated federal funds, as well as bonding revenue for the Highway 93 project in the Department of Transportation
- Continuance of the bed tax and hospital utilization taxes in the Department of Public Health and Human Services, as well as use of I-149 (cigarette tax) funds for a variety of functions
- Provision of reclamation and remediation bonding authority in the Department of Environmental Quality and other natural resource program initiatives in the Department of Natural Resources, including funds to accelerate the water rights adjudication process

General fund increases \$308.7 million, or 13.4 percent, as described in the previous section.

LEGISLATIVE ACTION – COMPARISON TO BASE

The table on page 13 provides a general fund summary of actions taken by the legislature through joint appropriations subcommittee action in HB 2. Status is shown by subcommittee and agency, for general fund only, as compared to the 2004 base year. A comparison is made to the 2004 base because this is the base from which the legislature determines budgets in the 2007 biennium. Please note, however, that this base-year-only comparison overstates changes from the total 2003 biennium, which is the statutorily required base for legislative comparisons (see the graphs on pages 7 through 11 for a biennial comparison).

As shown in the table on page 13, the total general fund increase over the base year is \$331 million, which includes \$187 million present law adjustments and \$144 million new proposals.

The most significant general fund increases over the base budget are summarized as follows:

- DPHHS increases of \$128 million for Medicaid matching rate, caseloads and service changes, and institutional facility costs (overtime, utilities, provider rates, etc.)
- K-12 education increases of nearly \$85 million for Base Aid (including 3-year averaging), special education, facilities payments, and Indian Education for All
- Corrections increases of \$34 million for an expanding prison population (including expanded secure care facilities), increased prisoner per diem rates, and additional probation and parole officers
- Montana University System enrollments, student assistance increases, and increased general fund support of certain standard budget adjustments of \$22 million
- Increased cost of district court assumption/public defender program
- Statewide present law adjustments for fixed costs and personal services
- Computer systems updates/completion/replacements
- License plate manufacture/replacement
- Emergency telecommunications
- Funding for wildfire suppression initial attack initiatives

The action of the subcommittees is further summarized in the following sections, comparing the proposed legislative budget to present law and to the Executive Budget.

COMPARISON TO PRESENT LAW AND NEW PROPOSALS

The table on page 14 provides a general fund summary, by agency, of the executive budget recommendation and subcommittee action to date as compared to the estimated cost of continuing present law level of operations and services. The first column shows the present law budget based on legislative action to date, \$2.46 billion. The second column shows the total legislative budget to date, \$2.61 billion, including new proposals, and the third column shows the original executive budget recommendation, \$2.58 billion. The "Legislative minus Executive" column shows that the subcommittee recommendation is \$29.5 million above the executive budget. The "Executive minus Present Law" column shows that the executive budget is \$114.3 million above present law, representing new proposals. And as shown in the column, "Legislative minus Present Law", the legislative actions to date are \$148.9 million above present law, representing all new proposals adopted by the legislature.

COMPARISON TO THE EXECUTIVE

The table on page 15 compares the current HB 2 general fund appropriations to the executive budget and to the 2004 base budget. For the purposes of this comparison, the executive budget is the final printed budget submitted by the Governor in early January.

As shown in the table on page 15, HB 2 action through the Joint Appropriations Subcommittees is \$29.5 million general fund above the proposed executive budget.

The largest general fund differences between the Executive Budget and HB 2 occur in the following areas:

- The Office of Public Instruction (\$14.7 million higher) includes \$13.9 million to allow school districts to use the higher of current student count or the average count for the prior three years in determining Base Aid. It also includes an additional \$1.4 million for Indian Education for All (the original executive budget included \$2.0 million). This is partially offset by not adopting other minor proposals recommended in the executive budget. These increases bring the total general fund increase over the 2004 base to \$84.5 million for the 2007 biennium.
- The Department of Public Health and Human Services (\$10.9 million higher), is primarily due to legislative initiatives for direct care worker wage increases, provider rate increases, various service and eligibility enhancements, and a fund switch to support TANF benefit increases, primarily in child care. The legislature also reduced the executive recommendation for the Low Income Energy Assistance Program (LIEAP) by \$4.0 million.
- The Department of Corrections (\$6.9 million higher) provides the same general prisoner bed increase as the Governor's proposal in recognition that adult male prison population projections are beyond the capability of current secure care facilities. However, the legislature rejected the Governor's original proposal to expand the privately owned prison facility in Shelby, and opted instead to increase pre-release facility beds and an expansion at the Montana State Prison. This option is more expensive in the short term than the Shelby expansion proposal. Part of the increase is also due to approval of per diem increases for private, regional, and pre-release centers, and correction of an oversight in the original budget submission that did not carry forward certain population increases.
- The Department of Justice (\$2.7 million higher) is due to approval of \$1.5 million general fund to support the Montana Drug Task Force in place of state special and federal funds, and the approval of several additional FTE to support new initiatives requested by the Attorney General.
- The Department of Natural Resources (\$2.6 million higher) is primarily due to the approval of \$3.2 million to fund initial attack wildfire suppression operations. This is partially offset by the denial of \$0.8 million for reinstatement of the Agricultural Heritage Program.
- Department of Revenue (\$4.0 million lower) is primarily due to non-approval of: 1) an executive request for \$1.4 million for an agricultural/forest land classification system; 2) \$1.1 million for 8 additional tax auditors to increase revenue collections (the auditors were funded in the Dept. of Public Health and Human Services budget); and 3) \$2.1 million to pay off a computer system loan (it is being requested instead as a supplemental appropriation for FY 2005).
- The Judiciary (\$2.3 million lower) is primarily due to non-approval of \$1.9 million in general fund to support the court automation program. The budget as approved provides continued funding for the program with state special revenue from a surcharge placed on certain court filings, pending the outcome of separate legislation to authorize continuation of the surcharge.
- The Department of Environmental Quality (\$2.0 million lower) is due to non-approval of an executive request for a hazardous waste study.



HB 2 NARRATIVE OVERVIEW

PURPOSE AND FORMAT

The HB 2 narrative is an agency-by-agency, program-by-program summary of 2007 biennium appropriations in HB 2. Its purpose is to provide a resource to aid legislators in taking action on HB 2 by providing an explanation of the appropriations included in the bill. The narrative reflects action through Joint Appropriations Subcommittees.

The narrative for each agency begins with an agency summary table comparing total appropriations for the 2007 biennium, including both present law adjustments and new proposals, to the FY 2004 base budget. (Present law adjustments are those adjustments to the base necessary to maintain operations under current law. New proposals are to fund new activities, reductions in existing services, or expansions not currently conducted by the agency.) Following the agency table is a reference to the pages in the LFD Budget Analysis in which the agency is discussed in more detail. If the analyst felt a global perspective was needed, or a major budget area highlighted, it is included in the agency presentation at the beginning of the agency narrative.

The agency section of the narrative also includes a table comparing HB 2 to the Executive Budget request, as well as an explanation of significant differences. Agency highlights are included in a table, followed by further discussion if warranted, and a table summarizing funding, by program. This section ends with a discussion of any agency-wide language included in HB 2, as well as any agency-wide issues.

Explanations of the changes in appropriations from the base for each program within the agency follow. These sections begin with a program summary table showing the base budget, all present law adjustments, new proposals, and the total legislative budget. Also included is a summary of program funding. A table showing major present law adjustments, and an explanation of those adjustments, follows. A table and explanation outlining all new proposals (if any) follow the present law adjustments section. Finally, a section for language included in HB 2 and for other issues, as applicable, is included.

PRESENT LAW ADJUSTMENTS TABLE

The present law adjustments table shows current level changes from base expenditures that have been approved by the legislature. As such, the table includes both positive and negative entries, depending upon whether the legislature is appropriating more or fewer funds than were expended in FY 2004. The reader should keep the following in mind when examining this table:

- Because the adjustments represent changes from the base, the entry in the table does not necessarily represent all recommended appropriations for the stated purpose. The table will not indicate any expenditures for the same purpose carried forward in the base. For example, if the agency expended \$1,000 for supplies in the base year of FY 2004, and is requesting an additional \$500 per year, the present law table will show a yearly adjustment of \$500, rather than the total request for supplies of \$1,500.

- The table only includes present law adjustments, while new proposals may include additional or less funding for a similar purpose. For example, the present law table may indicate a reduction in equipment from the level expended in FY 2004. However, additional equipment may be included in a new proposal.

STATEWIDE PRESENT LAW ADJUSTMENTS

Most present law tables include one or several "statewide present law adjustments". Statewide adjustments are those adjustments applied to each agency based upon either: 1) factors beyond the individual agency's control; or 2) other underlying factors. In the 2007 biennium, these adjustments are identified as: 1) inflation; 2) fixed costs (which are those costs charged to agencies to fund the operations of certain centralized service functions of state government, such as data network fees, messenger services, and legislative audit); 3) full funding of personal services. (There are a number of reasons why personal services will change, including vacancy savings in the base year, upgrades/downgrades, elimination of termination pay, and annualization of the pay plan implemented by the 2003 Legislature.); and 4) vacancy savings. A 4 percent vacancy savings on most positions is generally included in statewide and other present law adjustments.

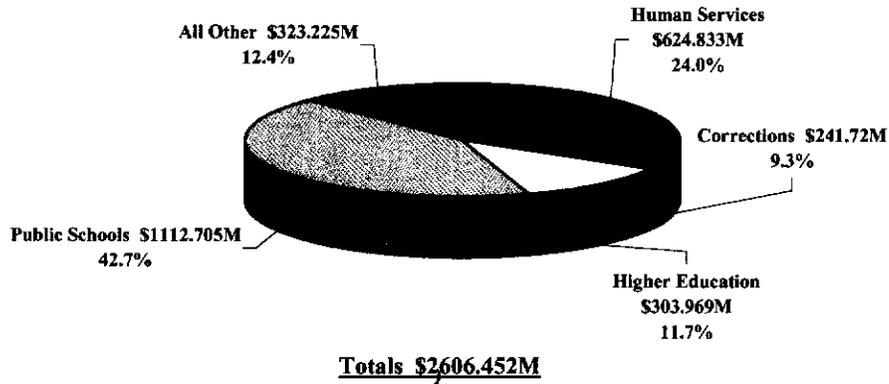
Because of the global application of these factors and the need for consistency among agencies, these adjustments are included in the "statewide" section of the present law table to alert decision makers that, if adjustments are made to these costs, adjustments should be made to the underlying factors upon which the adjustments are based. In a joint meeting at the beginning of the legislative session, the Senate Finance and House Appropriations Committees agreed that these adjustments would be made. However, ultimate discretion was left to the legislature to address specific adjustments in specific programs. The LFD analyst has noted if the legislature has taken action that constitutes less than full funding of these adjustments.

PROPRIETARY FUNDS

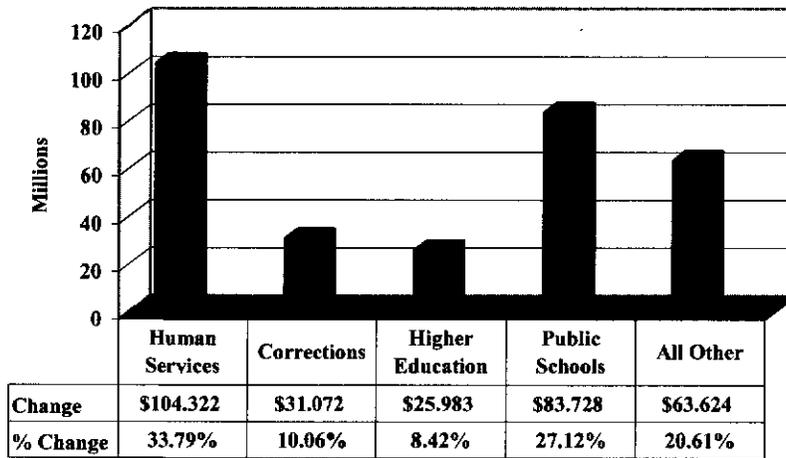
Proprietary funds are those funds collected in return for the provision of a service or product, i.e. the provision of computer services to agencies of state government, or services for which a fee is charged, such as legal services. Proprietary funds consist of internal service funds (for operations that provide goods or services to state government on a cost-reimbursement basis) and enterprise funds (for operations that provide goods or services to the public on a user charge basis). HB 576, passed by the 1995 Legislature, removed the requirement that most proprietary funds be appropriated. Instead, the legislature required that internal service fund rates be approved by the legislature, above which the agencies may not adjust during the interim. Enterprise fund rates do not require legislative approval. The Office of Budget and Program Planning (OBPP) must include an analysis of the rates, fund balances, and fund equity in the executive budget.

The following narrative includes all rates approved by the legislature for those programs funded with internal service funds, as well as short descriptions of the primary reasons for any changes in rates approved. The discussions are included within the relevant programs within agencies. The approved rates are also listed in HB 2 (section R) to meet the statutory requirement that the rates be approved in the general appropriation act.

**Total General Fund
2007 Biennium Legislative Budget Recommendations**



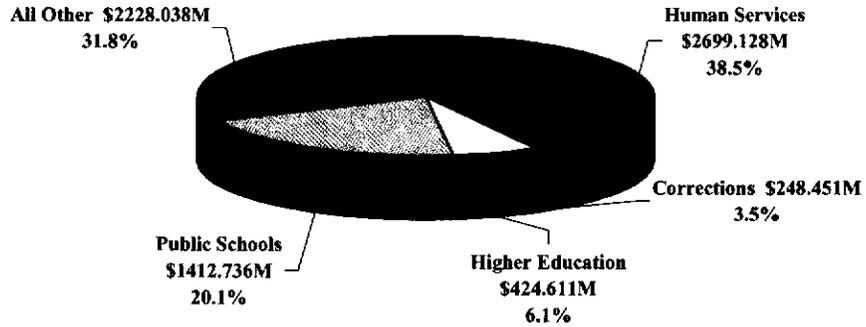
**Total General Fund
2005 to 2007 Biennium Legislative Budget Change**



\$308.729 Million or Percent Change 13.44%

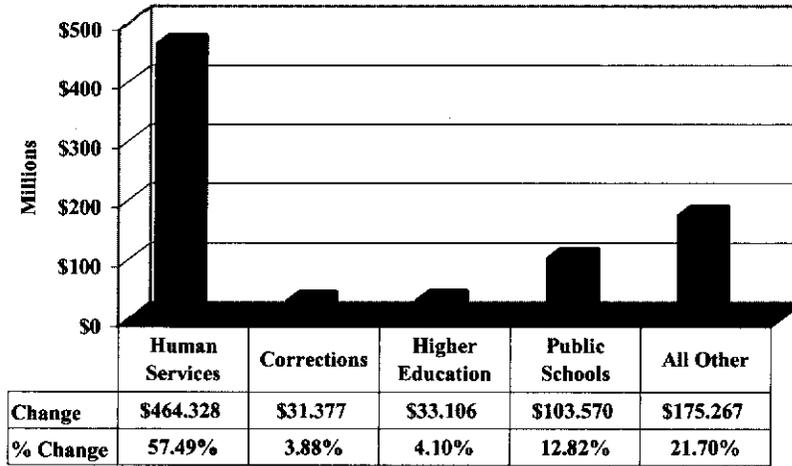


**Total Funds
2007 Biennium Legislative Budget Recommendations**



Totals \$7012.964M

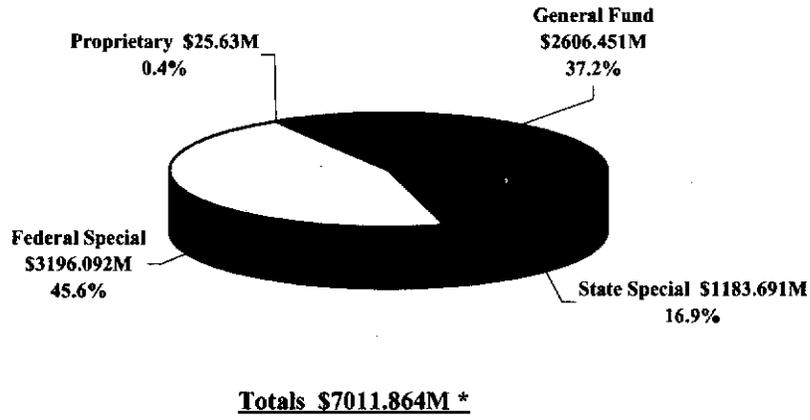
**Total Funds
2005 to 2007 Biennium Legislative Budget Change**



\$807.648 Million or Percent Change 13.02%

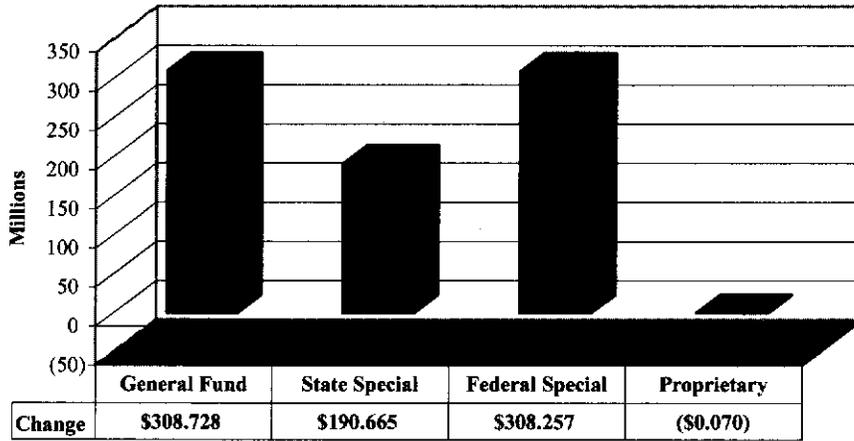


**Comparison By Fund Type
2007 Biennium Legislative Budget Recommendations**



* Does not include capital projects or expendable trust appreciation.

**Comparison By Fund Type
2005 to 2007 Biennium Legislative Budget Change**



\$807.58 Million or Percent Change 13%



**Sub-Committee Recommendation Compared to the Base
General Fund**

Sub-Committee	Agency	Base Times 2	Sub-Committee 2007 Biennium	Change
01 General Government & Transportation		150,904,764	186,985,290	36,080,526
	1104 Legislative Branch	14,110,370	16,610,815	2,500,445
	2110 Judiciary	62,062,556	72,321,807	10,259,251
	3101 Governors Office	8,453,340	11,411,464	2,958,124
	3202 Commissioner Of Political Prac	618,634	713,539	94,905
	3401 State Auditors Office	-	-	-
	5801 Department Of Revenue	58,558,718	73,467,693	14,908,975
	6101 Department Of Administration	6,727,916	11,907,993	5,180,077
	6102 Appellate Defender	373,230	414,110	40,880
	6106 Montana Consensus Council		137,869	137,869
02 Health & Human Services		496,897,178	624,832,716	127,935,538
	6901 Public Health & Human Services	496,897,178	624,832,716	127,935,538
03 Natural Resources & Commerce		45,128,044	59,767,930	14,639,886
	5301 Dept Of Environmental Quality	6,107,488	8,226,437	2,118,949
	5603 Department Of Livestock	1,042,606	1,487,710	445,104
	5706 Dept Nat Resource/Conservation	33,651,058	39,275,957	5,624,899
	6201 Department Of Agriculture	1,196,270	1,527,390	331,120
	6501 Department Of Commerce	3,130,622	9,250,436	6,119,814
04 Corrections & Public Safety		258,815,456	301,278,592	42,463,136
	4107 Crime Control Division	3,247,504	3,437,597	190,093
	4110 Department Of Justice	36,995,212	43,629,238	6,634,026
	4201 Public Service Regulation			-
	6401 Dept. Of Corrections	208,038,574	241,719,544	33,680,970
	6602 Labor & Industry	2,311,050	3,249,273	938,223
	6701 Dept Of Military Affairs	8,223,116	9,242,940	1,019,824
05 Education		1,323,826,880	1,433,586,620	109,759,740
	3501 Office Of Public Instruction	1,028,170,122	1,112,705,238	84,535,116
	5101 Board Of Public Education	282,618	332,640	50,022
	5102 Commissioner Of Higher Education	281,557,406	303,968,709	22,411,303
	5113 School For The Deaf & Blind	6,817,786	8,713,167	1,895,381
	5114 Montana Arts Council	572,500	647,261	74,761
	5115 Library Commission	2,995,612	3,407,572	411,960
	5117 Montana Historical Society	3,430,836	3,812,033	381,197
Grand Total		2,275,572,322	2,606,451,148	330,878,826

General Fund Budget Information By Agency

Sub-COM
↓

Agcy Code	Agency Name	Present Law Budget 2007 Biennium	Legislative Budget 2007 Biennium	Executive Budget 2007 Biennium	Legislative Minus Executive	Legislative Minus Present Law	Executive Minus Present Law
1104	Legislative Branch	\$16,356,409	\$16,610,815	\$16,756,076	(\$145,261)	\$254,406	\$399,667
2110	Judicial Branch	67,119,334	72,321,807	74,576,143	(2,254,336)	5,202,473	7,456,809
3101	Governor's Office	10,032,256	11,411,464	12,701,495	(1,290,031)	1,379,208	2,669,239
3202	Commissioner Of Political Practices	713,539	713,539	647,698	65,841	-	(65,841)
3401	State Auditor's Office	-	-	-	-	-	-
3501	Office Of Public Instruction	1,051,048,323	1,112,705,238	1,097,967,922	14,737,316	61,656,915	46,919,599
4107	Crime Control Division	3,437,597	3,437,597	3,437,597	-	-	-
4110	Department Of Justice	41,799,114	43,629,238	40,978,771	2,650,467	1,830,124	(820,343)
4201	Public Service Regulation	-	-	-	-	-	-
5101	Board Of Public Education	318,640	332,640	332,640	-	14,000	14,000
5102	Commissioner Of Higher Education	290,495,823	303,968,709	303,346,748	621,961	13,472,886	12,850,925
5113	School For The Deaf & Blind	7,936,967	8,713,167	8,436,967	276,200	776,200	500,000
5114	Montana Arts Council	597,261	647,261	647,261	-	50,000	50,000
5115	Montana State Library	3,228,090	3,407,572	3,407,572	-	179,482	179,482
5117	Montana Historical Society	3,812,033	3,812,033	3,812,033	-	-	-
5301	Department Of Environmental Quality	7,856,980	8,226,437	10,226,437	(2,000,000)	369,457	2,369,457
5603	Department Of Livestock	1,102,712	1,487,710	1,137,710	350,000	384,998	34,998
5706	Dept Of Natural Resources & Conservation	33,874,479	39,275,957	36,716,695	2,559,262	5,401,478	2,842,216
5801	Department Of Revenue	67,566,649	73,467,693	77,449,399	(3,981,706)	5,901,044	9,882,750
6101	Department Of Administration	7,207,993	11,907,993	11,907,993	-	4,700,000	4,700,000
6102	Appellate Defender	414,110	414,110	397,616	16,494	-	(16,494)
6106	Mt Consensus Council	-	137,869	-	137,869	137,869	-
6201	Department Of Agriculture	1,189,056	1,527,390	1,189,056	338,334	338,334	-
6401	Department Of Corrections	227,965,908	241,719,544	234,784,069	6,935,475	13,753,636	6,818,161
6501	Department Of Commerce	8,250,436	9,250,436	9,250,436	-	1,000,000	1,000,000
6602	Department Of Labor & Industry	2,449,219	3,249,273	3,674,419	(425,146)	800,054	1,225,200
6701	Department Of Military Affairs	8,742,940	9,242,940	9,242,940	-	500,000	500,000
6901	Dept Of Public Health & Human Services	599,083,033	624,832,716	613,910,646	10,922,070	25,749,683	14,827,613
Total		\$2,462,598,901	\$2,606,451,148	\$2,576,936,339	\$29,514,809	\$143,852,247	\$114,337,438

**Sub-Committee Recommendation Compared to the Executive Budget
General Fund**

Sub-Committee	Agency	Executive 2007 Biennium	Sub-Committee 2007 Biennium	Change
01 General Government & Transportation		194,436,420	186,985,290	(7,451,130)
	1104 Legislative Branch	16,756,076	16,610,815	(145,261)
	2110 Judiciary	74,576,143	72,321,807	(2,254,336)
	3101 Governors Office	12,701,495	11,411,464	(1,290,031)
	3202 Commissioner Of Political Prac	647,698	713,539	65,841
	3401 State Auditors Office	-	-	-
	5801 Department Of Revenue	77,449,399	73,467,693	(3,981,706)
	6101 Department Of Administration	11,907,993	11,907,993	-
	6102 Appellate Defender	397,616	414,110	16,494
	6106 Montana Consensus Council	-	137,869	137,869
02 Health & Human Services		613,910,646	624,832,716	10,922,070
	6901 Public Health & Human Services	613,910,646	624,832,716	10,922,070
03 Natural Resources & Commerce		58,520,334	59,767,930	1,247,596
	5301 Dept Of Environmental Quality	10,226,437	8,226,437	(2,000,000)
	5603 Department Of Livestock	1,137,710	1,487,710	350,000
	5706 Dept Nat Resource/Conservation	36,716,695	39,275,957	2,559,262
	6201 Department Of Agriculture	1,189,056	1,527,390	338,334
	6501 Department Of Commerce	9,250,436	9,250,436	-
04 Corrections & Public Safety		292,117,796	301,278,592	9,160,796
	4107 Crime Control Division	3,437,597	3,437,597	-
	4110 Department Of Justice	40,978,771	43,629,238	2,650,467
	4201 Public Service Regulation	-	-	-
	6401 Dept. Of Corrections	234,784,069	241,719,544	6,935,475
	6602 Labor & Industry	3,674,419	3,249,273	(425,146)
	6701 Dept Of Military Affairs	9,242,940	9,242,940	-
05 Education		1,417,951,143	1,433,586,620	15,635,477
	3501 Office Of Public Instruction	1,097,967,922	1,112,705,238	14,737,316
	5101 Board Of Public Education	332,640	332,640	-
	5102 Commissioner Of Higher Education	303,346,748	303,968,709	621,961
	5113 School For The Deaf & Blind	8,436,967	8,713,167	276,200
	5114 Montana Arts Council	647,261	647,261	-
	5115 Library Commission	3,407,572	3,407,572	-
	5117 Montana Historical Society	3,812,033	3,812,033	-
Grand Total		2,576,936,339	2,606,451,148	29,514,809



Agency Legislative Budget

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Agency Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	124.77	0.20	0.00	124.97	0.20	0.00	130.14	130.14
Personal Services	7,131,990	627,728	13,518	7,773,236	619,277	0	7,751,267	15,524,503
Operating Expenses	1,916,296	674,387	240,888	2,831,571	383,737	0	2,300,033	5,131,604
Equipment	98,375	4,625	0	103,000	(33,375)	0	65,000	168,000
Total Costs	\$9,146,661	\$1,306,740	\$254,406	\$10,707,807	\$969,639	\$0	\$10,116,300	\$20,824,107
General Fund	7,055,185	979,920	254,406	8,289,511	1,266,119	0	8,321,304	16,610,815
State/Other Special	2,091,476	326,820	0	2,418,296	(296,480)	0	1,794,996	4,213,292
Total Funds	\$9,146,661	\$1,306,740	\$254,406	\$10,707,807	\$969,639	\$0	\$10,116,300	\$20,824,107

Page Reference

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Executive Budget Comparison

The following table compares the legislative budget for the 2007 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2004	Executive Budget Fiscal 2006	Legislative Budget Fiscal 2006	Leg - Exec. Difference Fiscal 2006	Executive Budget Fiscal 2007	Legislative Budget Fiscal 2007	Leg - Exec. Difference Fiscal 2007	Biennium Difference Fiscal 06-07
FTE	124.77	124.97	124.97	0.00	130.14	130.14	0.00	
Personal Services	7,131,990	7,773,236	7,773,236	0	7,751,267	7,751,267	0	0
Operating Expenses	1,916,296	2,902,952	2,831,571	(71,381)	2,373,913	2,300,033	(73,880)	(145,261)
Equipment	98,375	103,000	103,000	0	65,000	65,000	0	0
Total Costs	\$9,146,661	\$10,779,188	\$10,707,807	(\$71,381)	\$10,190,180	\$10,116,300	(\$73,880)	(\$145,261)
General Fund	7,055,185	8,360,892	8,289,511	(71,381)	8,395,184	8,321,304	(73,880)	(145,261)
State/Other Special	2,091,476	2,418,296	2,418,296	0	1,794,996	1,794,996	0	0
Total Funds	\$9,146,661	\$10,779,188	\$10,707,807	(\$71,381)	\$10,190,180	\$10,116,300	(\$73,880)	(\$145,261)

The legislature reduced the budget as published in the executive budget by \$145,261 general fund to eliminate dues for the Council of State Governments.

Agency Highlights

Legislative Branch Major Budget Highlights	
◆	The increase of \$805,000 over the 2005 biennium is primarily due to: <ul style="list-style-type: none"> • Present law adjustments • Costs related to the next legislative session that occur in FY 2007 which are not reflected in the FY 2004 base year • New proposals for disaster recovery and security plans • Legislator services / participation
◆	The Legislative Branch budget is established as biennial

Funding

The following figure summarizes funding for the agency, by program and source, as adopted by the legislature. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Agency Funding 2007 Biennium Legislative Budget				
Agency Program	General Fund	State Spec.	Grand Total	Total %
20 Legislative Services	\$ 9,586,342	\$ 1,237,760	\$ 10,824,102	52.0%
21 Legis. Committees & Activities	752,968	-	752,968	3.6%
27 Fiscal Analysis & Review	2,583,939	-	2,583,939	12.4%
28 Audit & Examination	<u>3,687,566</u>	<u>2,975,532</u>	<u>6,663,098</u>	<u>32.0%</u>
Grand Total	<u>\$ 16,610,815</u>	<u>\$ 4,213,292</u>	<u>\$ 20,824,107</u>	<u>100.0%</u>

The Legislative Branch is funded with general fund except for state special revenue appropriations that support costs associated with the state broadcasting service; the preparation, publication, and distribution of Montana Code Annotated text and annotations; and the Audit and Examination Program.

The Legislative Branch budget is presented in annual format for budget review only; the budget is established as biennial to respond to the need to manage the branch cyclical expenditures and revenues.