

Executive (Schweitzer) Proposed Budget

EXHIBIT 16
 DATE 1/21/2005
 HB

Program: APPROPRIATION DISTRIBUTION				Reporting Level: 5102-09-00-00-00-00				
Budget Item	Base Budget 2004	PL Base Adjustment 2008	New Proposals 2006	Total Budget 2006	PL Base Adjustment 2007	New Proposals 2007	Total Budget 2007	Biennial Budget 2006 - 2007
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Costs	\$43,983	\$0	\$0	\$43,983	\$0	\$0	\$43,983	\$87,966
Transfers	\$137,255,170	\$4,274,877	\$2,500,000	\$144,029,847	\$4,004,888	\$2,500,000	\$143,780,058	\$287,789,803
Total Costs:	\$137,299,153	\$4,274,877	\$2,500,000	\$144,073,830	\$4,004,888	\$2,500,000	\$143,804,039	\$287,877,869
General Fund	\$124,188,153	\$3,064,878	\$2,511,810	\$129,774,439	\$2,500,886	\$2,530,889	\$129,229,928	\$259,004,367
State/Other Special	\$13,101,000	\$1,210,001	(\$11,810)	\$14,299,391	\$1,504,000	(\$30,889)	\$14,574,111	\$28,873,502
Total Funds:	\$137,299,153	\$4,274,877	\$2,500,000	\$144,073,830	\$4,004,888	\$2,500,000	\$143,804,039	\$287,877,869

LFD COMMENT The revised executive budget eliminates funding for all of the Shared Leadership for a Stronger Montana Economy initiatives in the university system budget, which includes ten new proposal decision packages in the appropriation distribution program (funding for the university units and public service/research agencies) as follows:

- ◆ DP 8 – Shared Leadership - Extension Cropping Specialist – This decision package would add \$65,600 general fund in FY 2007 for 1.00 FTE Cropping Systems Specialist Position that would be located at the Extension Service on the MSU Bozeman campus. The executive budget intends that this proposal will be matched with \$16,400 from non-state funding sources identified by the Board of Regents.
- ◆ DP 16 – Shared Leadership - Livestock Specialist – This decision package would add \$131,000 general fund in the 2007 biennium budget for 1.00 FTE Livestock Specialist Position to be located at the Extension Service at the AES Research Center in Miles City. The executive budget intends that this proposal will be matched with \$32,800 from non-state funding sources identified by the Board of Regents.
- ◆ DP 51 – Shared Leadership - Distance Learning Initiative - OTO – This decision package would add \$1 million general fund in the 2007 biennium to support the development and implementation of a statewide distance learning plan across the university system and partnering with education providers at all levels. The executive budget intends that this proposal will be matched by \$250,000 from non-state funding identified by the Board of Regents. This proposal is a one-time-only (OTO), biennial appropriation.
- ◆ DP 60 – Shared Leadership - 2-Yr Education-Develop Common Curriculum – OTO – This decision package would add \$120,000 general fund in the 2007 biennium primarily to support the development of a common 2-year college curriculum and instruction program for the Associate of Applied Science degrees. The executive budget intends that this proposal will be matched by \$400,000 from non-state funding identified by the Board of Regents. This proposal is a one-time-only (OTO), biennial appropriation.
- ◆ DP 61 – Shared Leadership - MT Tech Economic Development Resource Center -OTO - This decision package would add \$100,000 general fund in the 2007 biennium to support economic development and new business recruitment efforts of the Montana Tech Economic Development Resource Center in Butte. The executive budget intends that this proposal will be matched by a \$200,000 investment from non-state funding identified by the Board of Regents, which will replace state funding in the 2009 biennium. This proposal is for a one-time-only (OTO), biennial appropriation.
- ◆ DP 63 – Shared Leadership - Increase Supply of Health Care Workers - OTO - This decision package would add \$1 million general fund in the 2007 biennium to support the delivery of health care education programs to rural place-bound citizens in Montana, with the goal to increase the supply of trained and qualified health care workers. The executive budget intends that this proposal will be matched by \$250,000 from non-state funding identified by the Board of Regents. This proposal is for a one-time-only (OTO), biennial appropriation.

LED COMMENT (cont.)

- ◆ DP 66 – Shared Leadership - FSTS Plan - Add One Trainer – This decision package would add \$153,000 general fund in the 2007 biennium for 1.00 FTE Trainer Position at the Fire Service Training School. The position would be designed to train fire fighters in a variety of skilled areas to become better prepared to respond to the growing variety of emergency incidents. The executive budget intends that this proposal will be matched by \$38,259 from non-state funding sources identified by the Board of Regents.
- ◆ DP 67 – Shared Leadership - Integrated Weed Mgmt & Biotechnology – This decision package would add \$320,000 general fund in the 2007 biennium for 2.00 FTE weed science and research positions at the Agriculture Experiment Station, and 1.00 FTE plant or animal biotechnology position. The positions would increase research on integrated weed management practices and the biological control of weeds, as well as genetic research to improve plant and animal production. The executive budget intends that this proposal will be matched by \$159,967 from non-state funding sources identified by the Board of Regents.
- ◆ DP 68 – Shared Leadership - Technical Assistance to Small Oil & Gas Operators – This decision package would add \$147,000 general fund in the 2007 biennium for 1.00 FTE Petroleum Geologist position at the Bureau of Mines located in Butte. The position would be responsible for mapping and other technical assistance to support small oil and gas operators with exploration and development efforts. The executive budget intends that this proposal will be matched by \$36,720 from non-state funding sources identified by the Board of Regents.
- ◆ DP 69 – Shared Leadership - Coal and Coal bed-Methane Technology Program – This decision package would add \$147,000 general fund in the 2007 biennium for 1.00 FTE Coal Geologist position at the Bureau of Mines located in Butte. The position would be responsible for database and information flow as well as other technical assistance to support coal and coal bed-methane development efforts. The executive budget intends that this proposal will be matched by \$36,720 from non-state funding sources identified by the Board of Regents.

In total, these ten Schweitzer budget revisions reduce \$4.3 million general fund from the Martz budget in Program 09 appropriation Distribution for the university educational units and public service/research agencies.

New Proposals

Program: APPROPRIATION DISTRIBUTION					Reporting Level: 5102-09-00-00-00-00					
	Fiscal 2006				Fiscal 2007					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 78 - Equipment - 2 Year Programs - OTO	0.00	2,500,000	0	0	2,500,000	0.00	2,500,000	0	0	2,500,000
DP 200 - Class 8 Threshold (Bus. Tax Exp.) to \$20k	0.00	11,810	(11,810)	0	0	0.00	30,889	(30,889)	0	0
Totals	0.00	\$2,511,810	(\$11,810)	\$0	\$2,500,000	0.00	\$2,530,889	(\$30,889)	\$0	\$2,500,000

NP 200 – Class 8 Threshold (Bus. Tax Exempt) From \$20K to \$5K – The revised executive budget (Schweitzer budget) would increase the business equipment property tax exemption from \$5,000 market value to \$20,000 market value. This would reduce property tax revenues in FY 2006 and FY 2007 so that six-mill levy state special revenue to the university educational units would be reduced. Therefore, the revised executive budget would backfill the six-mill revenue reduction with general fund, total of \$42,499 in the 2007 biennium.

LED ISSUE

The proposal to increase the business equipment property tax exemption will be included in legislation during the 2005 session. At the time of this analysis, that legislation had not yet been drafted so there is no bill or bill draft number to use for reference. However, when the legislation is drafted and considered, if the legislature does not pass the bill, then there will be no change to the property tax revenue, including the six-mill levy revenue.

Therefore, should the legislature decide to approve NP 200, the legislature may want to make this general fund appropriation of \$42,400 contingent upon passage of the legislation to increase the business equipment property tax exemption. If that legislation does not pass, this NP would then be excluded from HB2 appropriations.