

Governor's Office

PROGRAM 01 – EXECUTIVE OFFICE PROGRAM

PL 111 – Transfer the Workforce Training Program - The executive proposes to transfer the Workforce Training Act and its 2.00 FTE to the Department of Commerce from the Governor's Office of Economic Opportunity, and fund the act with general fund.

LFD COMMENT The Martz budget includes a state special revenue appropriation of approximately \$9.8 million to implement HB 564, passed by the 2003 Legislature. The bill, called the Workforce Training Act, created a program to offer training grants to primary sector businesses to create high-wage and high-skill jobs. Funding for the grants comes from an INTERCAP loan from the Board of Investments. The loan would be repaid from new job tax credits offered to these businesses based upon the new jobs and higher wages created. The legality of using the INTERCAP loan program has been questioned.

The Schweitzer Administration proposes to eliminate this funding source, remove all references to the Board of Investments, and provide funding through a direct general fund appropriation. For further discussion, please see narrative for the Department of Commerce.

The executive proposal for the transferring of the Workforce Training Program is contingent upon the passage of two pieces of legislation:

- o LC 1286, which would make the Workforce Training Program permanent, transfer its administration to the Department of Commerce, and revise its funding mechanism
- o LC 1842, which would appropriate \$2,170,000 general fund for the program grants and would establish an effective date upon passage and approval.

If legislation passes, the impact on the Governor's office will be the transfer to the Department of Commerce of:

- o \$139,519 for 2.00 FTE - general fund
- o \$64,957 operating expenses - general fund

And the removal of:

- o \$9,789,803 grants spending authority - state special revenue

PL 555 – Add a Governor's Efficiency Council - The executive recommends \$400,000 one-time-only general fund for the 2007 biennium to add a Governor's Efficiency Council to the Governor's Office.

The council would be made up of nine members: Lieutenant Governor, Chair; Legislative Auditor, as an ex officio member, non-voting; two members appointed by the Speaker of the House; two members appointed by the President of the Senate; and three members appointed by the Governor. The Governor's Office and the Office of Budget and Program Planning would provide the council's staff. The council would work to streamline like services throughout state Government and would provide interim reports to the Legislative Audit Committee with a final report to the 60th Legislature. A biennial appropriation is requested.

LFD COMMENT As of this writing, the \$400,000 is not attached to specific operating expenses and the rationale for the current funds has not been provided. Although interim reports are contained in the recommendation, legislators might want to ask for the goals, objectives, implementation plan, and methods of evaluation for the program and an explanation of how this plan differs in expectations and costs from those tried in the past.



PL 222 – Governor's Office budget increase - The executive recommends the addition of \$189,000 general fund per year to the Governor's Office budget, including \$50,000 operating funds for items such as printing and contracted services, \$50,000 to provide funding for various automation and IT efficiency efforts, and \$70,000 to provide additional travel funds for the Governor and his staff.

**LFD
ISSUE**

Of the \$189,000 each year, the executive requests:

- \$19,000 per year for salary adjustments for classified staff including benefits.
- \$50,000 per year for printing, publication and graphics in addition to the Martz budget of \$5,025 per year in this category
- \$50,000 per year for consultant and professional services in addition to the Martz budget, which includes \$286,074 per year in this category, \$236,000 of which was earmarked for consultants for the Office of Economic Opportunity
- \$70,000 per year, \$140,000 total, is requested for travel over the biennial total of \$134,655 included in the Martz budget.

As of this writing, greater detail for expenditures has not been provided, nor has a rationale for why the increased expenditures are necessary.

NP 334 Marketing Montana and Business Recruitment - The executive recommends one-time-only \$500,000 general fund each year of the 2007 biennium to provide national and international marketing of Montana and business recruitment.

**LFD
COMMENT**

This proposal is attached to the Office of Economic Opportunity.

This office is proposed to work with local economic development organizations in creation and production of marketing materials, and selective targeted institutional advertising. The executive also proposes that the office would assist with the placement of free economic development news in industry publications, state and local web site construction and maintenance, industry and company target research, creation of in-state and out-of-state recruitment teams, selective trade show activity, and recruitment deal construction, marketing and closure, among other activities.

As of this writing, the \$1 million is not attached to specific operating expenses. A description of activities and expenditures is in progress, but it is not known or documented that \$1 million is the actual amount needed to fund the proposal. Also unknown is the amount of the one-time-only funding attached to expenditures that would not be needed in future biennia.

Goals and objectives from previous years are available at the Office of Economic Opportunity web site. Updates to the document were unavailable at the time of this writing.

Legislators might want to:

- Ask for updates to existing goals and objectives and the relationship to expenditures
- Request an implementation plan and methods of evaluation
- Request interim reports to the appropriate committee

Notice about Board of Education DP 7 in the Martz budget

At the time of this writing, a proposal was being developed by OBPP to replace the Martz budget recommendation for a Commissioner of the Board of Education (DP 7) with two positions and additional operating expenses. Details were not available.