A

EXHIBIT 3
DATE Jan 7 2005
~~HB~~ SubComm Training

AGENCY SUBCOMMITTEE GROUPINGS

GENERAL GOVERNMENT AND TRANSPORTATION (Section A)

- Legislative Branch
- Consumer Counsel
- Judiciary
- Governor's Office
- Secretary of State
- Commissioner of Political Practices
- State Auditor
- Transportation
- Revenue
- Administration
- Consensus Council
- Appellate Defender Commission

HEALTH AND HUMAN SERVICES (Section B)

- Public Health and Human Services

NATURAL RESOURCES AND COMMERCE (Section C)

- Fish, Wildlife, and Parks
- Environmental Quality
- Livestock
- Natural Resources and Conservation
- Agriculture
- Commerce

CORRECTIONS AND PUBLIC SAFETY (Section D)

- Crime Control Division
- Justice

CORRECTIONS AND PUBLIC SAFETY (continued)

- Public Service Regulation
- Corrections
- Labor and Industry
- Military Affairs

EDUCATION (Section E)

- Office of Public Instruction
- Board of Public Education
- School for the Deaf and Blind
- Commissioner of Higher Education
- Community Colleges
- University Units and College of Technology
- Agricultural Experiment Station
- Extension Service
- Forestry and Conservation Experiment Station
- Bureau of Mines & Geology
- Fire Services Training School
- Montana Arts Council
- State Library Commission
- Montana Historical Society

LONG-RANGE PLANNING (Section F)

- Long-Range Building Program
- Treasure State Endowment Program
- State Building Energy Conservation
- Resource Indemnity Trust Interest Account
- Cultural and Aesthetic Grant Program
- Libby Bond Program

B

59TH LEGISLATIVE SESSION - 2005

NATURAL RESOURCES AND COMMERCE

Appropriations Subcommittee

Representative Rick Ripley, Chair
Representative Walter McNutt
Representative John Musgrove

Senator Bob Hawks
Senator Ken Hansen
Senator Gregory Barkus

Room: 317-C, State Capitol **Time:** 8:00AM – 12:00 Noon

Secretary:
Brit Nelson (Ext. 4877)
Room 451

LFD Staff:
Barbara Smith (Ext. 5347)
Shane Sierer (Ext. 2722)

OBPP Representatives:
Doug Schmitz (Ext. 1207)
Eileen Rose (Ext. 1338)

**** Agency/Program Order – Executive Action Following Each Program ****

1. RIT Funds -Coal Tax Discussion
2. Livestock
3. Natural Resources and Conservation
4. Commerce
5. Fish, Wildlife & Parks
6. Environmental Quality
7. Agriculture
8.
9.

Day	Weekday	Date	Tentative Schedule Topic / Agency	LFD Analyst
1	Mon	01/03	No subcommittee hearings	
2	Tues	01/04	No subcommittee hearings	
3	Wed	01/05	Orientation / Subcommittee Training	Shane/Barb
4	Thur	01/06	Hearing: 7.75% Coal Tax Allocation/ Resource Indemnity Trust	Shane/Barb
5	Fri	01/07	Hearing: Livestock/Subcommittee Training	Shane
7	Mon	01/10	Hearing: Livestock	Shane
8	Tues	01/11	Executive Action: Livestock	Shane
9	Wed	01/12	Hearing: RIT/ DNRC Overview/Central Services Division, Oil and Gas Division	Barbara
10	Thur	01/13	Hearing: Conservation and Resource Development Division	Barbara
11	Fri	01/14	Hearing: Water Res. Div./ Reserved Water Rights Compact Commission	Barbara
13	Mon	01/17	Hearing: Forestry Division/ Trust Land Division	Barbara
14	Tues	01/18	Executive Action: DNRC	Barbara
15	Wed	01/19	Hearing: Commerce	Shane
16	Thur	01/20	Executive Action: Commerce	Shane
17	Fri	01/21	Hearing: FWP Agency overview/Department Management	Barbara
19	Mon	01/24	Hearing: FWP	Barbara
20	Tues	01/25	Hearing: FWP	Barbara
21	Wed	01/26	Hearing: FWP	Barbara
22	Thur	01/27	Hearing: FWP	Barbara
23	Fri	01/28	Hearing: FWP	Barbara
25	Mon	01/31	Hearing: FWP	Barbara
26	Tues	02/01	Executive Action: FWP	Barbara
27	Wed	02/02	Executive Action: FWP	Barbara
28	Thur	02/03	Hearing: DEQ	Barbara
29	Friday	02/04	Hearing: DEQ	Barbara
31	Mon	02/07	Hearing: DEQ	Barbara
32	Tues	02/08	Hearing: DEQ	Barbara
33	Wed	02/09	Executive Action: DEQ	Barbara
34	Thur	02/10	DNRC/DEQ/FWP Cleanup	Barbara
35	Friday	02/11	Hearing: Agriculture	Shane
37	Mon	2/14	Executive Action: Agriculture	Shane
38	Tue	2/15		
39	Wed	2/16		
40	Thur	2/17		

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AN ACT APPROPRIATING MONEY TO VARIOUS STATE AGENCIES FOR THE BIENNIUM ENDING JUNE 30, 2005; AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Short title. [This act] may be cited as "The General Appropriations Act of 2003".

Section 2. First level expenditures. The agency and program appropriation tables in the legislative fiscal analyst narrative accompanying this bill, showing first level expenditures and funding for the 2005 biennium, are adopted as legislative intent.

Section 3. Severability. If any section, subsection, sentence, clause, or phrase of [this act] is for any reason held unconstitutional, the decision does not affect the validity of the remaining portions of [this act].

Section 4. Appropriation control. An appropriation item designated as "Biennial" may be spent in either year of the biennium. An appropriation item designated "Restricted" may be used during the biennium only for the purpose designated by its title and as presented to the legislature. An appropriation item designated "One Time Only" or "OTO" may not be included in the present law base for the 2007 biennium. The office of budget and program planning shall establish a separate appropriation on the statewide budgeting and accounting system for any item designated as "Biennial", "Restricted", "One Time Only", or "OTO". The designation of "Restricted" is subject to the provisions of [section 7]. The office of budget and program planning shall establish at least one appropriation on the statewide budgeting and accounting system for any appropriation that appears as a separate line item in [this act].

Section 5. Program definition. As used in [this act], "program" has the same meaning as defined in 17-7-102, is consistent with the management and accountability structure established on the statewide budgeting and accounting system, and is identified as a major subdivision of an agency ordinally numbered with an arabic numeral.

Section 6. Personal services funding -- 2007 biennium. (1) Except as provided in subsection (2), present law and new proposal funding budget requests for the 2007 biennium submitted under Title 17, chapter 7, part 1, by each executive, judicial, and legislative branch agency must include funding of first level personal services separate from funding of other expenditures. The funding of first level personal services by accounting entity or equivalent for each fiscal year must be shown at the fourth reporting level or equivalent in the budget request for the 2007 biennium submitted by October 30 to the legislative fiscal analyst by the office of budget and program planning.

(2) The provisions of subsection (1) do not apply to the Montana university system.

Section 7. Approved original operating budget. In accordance with the provisions of 17-7-138, the approved original operating budget for each fiscal year of the 2005 biennium

may include an amount not more than a prorated share by fund type of any across-the-board reductions or any undesignated reductions among all programs, as defined in [section 5], and among all appropriation items, as defined in [section 4], for the entire agency. This exception to legislative restrictions on appropriation items contained in [this act] is authorized only for preparation and approval of the original operating budget, which is due from all agencies by August 1 of each fiscal year, excluding the university system units.

Section 8. Contingent voidness. Because item 1b, item 4b, and item 12e in the department of public health and human services, item 2s in the office of public instruction, and item 4b and item 7n in the Montana university system appropriate coal severance tax permanent fund principal, Article IX, section 5, of the Montana constitution requires a three-fourths vote of the members of each house of the legislature for approval. If [this act] is not approved by a three-fourths vote of the members of each house of the legislature, then item 1b, item 4b, and item 12e in the department of public health and human services, item 2s in the office of public instruction, and item 4b and item 7n in the Montana university system are void.

Section 9. Statewide FTE reduction. Amounts identified as "statewide FTE reduction" in each agency may be reallocated between agencies at the discretion of the approving authority, as defined in 17-7-102(3).

Section 10. Contingent voidness. (1) The appropriations referred to in subsection (2) are void if Senate Bill No. 485 is passed and approved in a form that, together with other revenue deposited in a prevention and stabilization state special revenue account, will include sufficient revenue and biennial appropriations restricted for the following specified uses:

(a) mental health services and prescription drugs for programs established pursuant to 53-21-702(2) and (3), $6,500,000;

(b) child care, $2,000,000;

(c) the Montana initiative for the abatement of mortality in infants program, $1,100,000;

(d) independent living services, $457,532;

(e) extended employment services, $541,278;

(f) child support enforcement, $1,263,678;

(g) mental health medicaid service rates, $800,000;

(h) medicaid hospice services, $340,000;

(i) medicaid home health therapy services, $68,000;

(j) poison control, $77,908; and

(k) AIDS funding, $84,000.

(2) If Senate Bill No. 485 is passed and approved in a form that meets the conditions established in subsection (1), then the following items in the department of public health and human services are stricken from [this act]:

(a) items 1d, 4a, 6a, 6b, 6c, 9c, 9d, 10d, 11b, 11c, 12b, and 12c; and

(b) appropriation conditions related to the prevention and stabilization account.

Section 11. Totals not appropriations. The totals shown in [this act] are for informational purposes only and are not appropriations.

	Fiscal 2004						Fiscal 2005					
	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total
	79,521	0	0	0	0	79,521	79,504	0	0	0	0	79,504
3.	Air Transportation Program (03)											
	177,880	41,000	0	0	0	218,880	180,000	41,000	0	0	0	221,000
4.	Office of Budget and Program Planning (04)											
	1,057,353	0	0	0	0	1,057,353	1,067,025	0	0	0	0	1,067,025
	a.	Legislative Audit (Restricted/Biennial)										
	16,824	0	0	0	0	16,824	0	0	0	0	0	0
5.	Indian Affairs (05)											
	136,878	0	0	0	0	136,878	137,701	0	0	0	0	137,701
	a.	State-Tribal Economic Development -- Carryover (Restricted/Biennial)										
	0	154,000	2,000,000	0	0	2,154,000	0	0	0	0	0	0
6.	Lieutenant Governor (12)											
	246,492	0	0	0	0	246,492	247,150	0	0	0	0	247,150
7.	Citizens' Advocate Office (16)											
	72,479	0	15,000	0	0	87,479	72,380	0	15,000	0	0	87,380
8.	Mental Disabilities Board of Visitors (20)											
	205,939	0	95,444	0	0	301,383	205,801	0	95,427	0	0	301,228
Total												
	4,298,929	5,310,660	2,110,444	0	0	11,720,033	4,235,339	5,156,926	110,427	0	0	9,502,692

Item 1 includes a reduction in general fund money of $42,712 in fiscal year 2004 and $42,712 in fiscal year 2005 for the statewide FTE reduction. The agency may allocate this reduction in funding among programs when developing 2005 biennium operating plans.

Item 1d includes a biennial appropriation of $10,000,000 in state special revenue to the governor's office of economic development for the primary sector business workforce training program. If House Bill No. 564 is not passed and approved, item 1d is void.

The governor's office of economic development shall develop a memorandum of understanding with the Montana tribal governments to outline strategies for communications and

	Fiscal 2004						Fiscal 2005					
	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total

collaborative efforts that can be implemented to help strengthen the economic development opportunities for Montana's tribal communities.

SECRETARY OF STATE (3201)

The secretary of state is appropriated up to $20 million of federal special revenue and up to $750,000 of state special revenue for the 2005 biennium to provide voter services under the federal Help America Vote Act of 2002. Federal special revenue funds are contingent upon receiving federal grant authority under the Help America Vote Act. State special revenue funds are contingent upon receiving matching funds from local government voting entities. Funding is restricted for use only on expenditures associated with the Help America Vote Act and are biennial appropriations for the 2005 biennium.

COMMISSIONER OF POLITICAL PRACTICES (3202)

1.	Administration (01)											
	313,764	0	0	0	0	313,764	313,634	0	0	0	0	313,634
	a.	Legislative Audit (Restricted/Biennial)										
	5,258	0	0	0	0	5,258	0	0	0	0	0	0
Total												
	319,022	0	0	0	0	319,022	313,634	0	0	0	0	313,634

Item 1 includes a reduction in general fund money of $3,891 in fiscal year 2004 and $3,891 in fiscal year 2005 for the statewide FTE reduction.

The commissioner of political practices is encouraged to use the department of justice, agency legal services (ALS), for activities needing legal and investigative assistance. The commissioner of political practices shall provide a report of legal expenditure activity in fiscal year 2004 and through December 31, 2004, in fiscal year 2005 by contracted services and ALS services to the general government and transportation appropriation subcommittee during the 2005 legislative session.

OFFICE OF THE STATE AUDITOR (3401)

1.	Central Management (01)											
	0	533,129	0	0	0	533,129	0	533,878	0	0	0	533,878
	a.	Legislative Audit (Restricted/Biennial)										
	0	5,363	0	0	0	5,363	0	0	0	0	0	0
2.	Insurance Program (03)											
	0	2,694,089	0	0	0	2,694,089	0	2,695,835	0	0	0	2,695,835

	Fiscal Year 2004	Fiscal Year 2005
6. Parks – Capitol Grounds Maintenance	$0.3696/sq.ft	$0.3696/sq.ft.
DEPARTMENT OF ENVIRONMENTAL QUALITY -- 5301		
1. Central Management		
a. Expenses Against Personal Services	23%	23%
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION -- 5706		
1. Air Operations Program		
a. Bell UH-1H	$875.00	$875.00
b. Bell Jet Ranger	$375.00	$375.00
c. Cessna 180 series	$ 95.00	$ 95.00
DEPARTMENT OF COMMERCE – 6501		
1. Board of Investments		
For the purposes of [this act], the legislature defines "rates" as the total collections necessary to operate the board of investments as follows:		
a. Administration Charge (total)	$2,915,000	$2,920,000
2. Director's Office/Management Services		
a. Management Services Indirect Charge Rate	15%	15%
DEPARTMENT OF JUSTICE – 4110		
1. Agency Legal Services		
a. Attorney (per hour)	$71.80	$71.80
b. Paralegal (per hour)	$39.80	$39.80
DEPARTMENT OF CORRECTIONS - 6401		
1. Secure Facilities		
a. Cook/chill rate to Montana State Prison	$1.37/meal	$1.37/meal
b. Cook/chill rate to Riverside Youth Correctional Facility	$2.01/meal	$2.01/meal
c. Cook/chill rate to WATCH DUI Unit	$1.59/meal	$1.59/meal
d. Cook/chill rate to Helena Prerelease	$2.01/meal	$2.01/meal
2. Montana Correctional Enterprises		

Governor's Office

Restricted/Biennial Language and Required Action Language

5. Indian Affairs (05)

136,878	0	0	0	0	136,878	137,701	0	0	0	0
137,701										

a. State-Tribal Economic Development – Carryover (Restricted/Biennial)

0	154,000	2,000,000	0	0	2,154,000	0	0	0	0	0
0										

The governor's office of economic development shall develop a memorandum of understanding with the Montana tribal governments to outline strategies for communications and collaborative efforts that can be implemented to help strengthen the economic development opportunities for Montana's tribal communities.

Department of Revenue

Requirement to Report

The department shall present reports to the revenue and transportation interim committee that show the cost of tax compliance staff and the additional revenue generated from providing the associated tax compliance. The department shall identify the costs and revenue separately for the additional staff added during the August 2002 special legislative session. The revenue and transportation interim committee may determine the frequency for reporting by the department on compliance staff revenue.

Department of Public Health and Human Services

Procedure Language

Item 1 includes $31,769,235 of federal funds in fiscal year 2004 and $31,769,235 of federal funds in fiscal year 2005 to fund cash assistance benefits provided under Montana's temporary assistance for needy families (TANF) grant. If caseloads decrease below this level of funding, resulting in a surplus of federal TANF funds, the following priorities may be funded:

(1) child-care subsidies;
(2) a "rainy day" fund of up to $4 million;
(3) training and education programs to achieve employment in higher wage jobs, including programs offered by tribal colleges; or
(4) supportive services needed for employment of TANF recipients.

Suggestive Language

If budget reductions are enacted by emergency rule in the 2005 biennium, the legislature urges the department to provide a 30-day public notice and to conduct a public hearing prior to adoption of the emergency rules.

Contingent Language

Items 1d, 4a, 6a through 6c, 9c, 9d, 10d, 11b, 11c, 12b, and 12c are contingent upon passage and approval of a bill or bills that establish a state special revenue account for prevention and stabilization of department programs that receives at least $13.7 million of estimated revenue in fiscal year 2004 and $16.5 million of estimated revenue in fiscal year 2005 from reallocation of tobacco settlement proceeds allocated by 17-6-606 (2) and other sources.

Restrictive Language

Funding in item 1c may be used only to provide child-care subsidies. In an effort to stabilize, decrease, or decrease the rate of growth in the TANF cash assistance caseload, the legislature has appropriated $25,600,000 for child-care services in fiscal year 2004. It is the legislature's intent that this funding is to be fully expended for child-care services in fiscal year 2004.

Agency Proposed Budget Budget Item	Base Budget Fiscal 2002	PL Base Adjustment Fiscal 2004	New Proposals Fiscal 2004	Total Exec. Budget Fiscal 2004	PL Base Adjustment Fiscal 2005	New Proposals Fiscal 2005	Total Exec. Budget Fiscal 2005	Total Exec. Budget Fiscal 04-05
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00	5.00
Personal Services	170,288	43,237	(36,528)	176,997	42,566	(36,427)	176,427	353,424
Operating Expenses	161,377	4,659	(20,120)	145,916	(159)	(20,120)	141,098	287,014
Total Costs	**$331,665**	**$47,896**	**($56,648)**	**$322,913**	**$42,407**	**($56,547)**	**$317,525**	**$640,438**
General Fund	331,665	47,896	(56,648)	322,913	42,407	(56,547)	317,525	640,438
Total Funds	**$331,665**	**$47,896**	**($56,648)**	**$322,913**	**$42,407**	**($56,547)**	**$317,525**	**$640,438**

Present Law Adjustments	Fiscal 2004					Fiscal 2005				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					43,237					42,566
Vacancy Savings					0					0
Inflation/Deflation					1,977					1,977
Fixed Costs					2,682					(2,136)
Total Statewide Present Law Adjustments					**$47,896**					**$42,407**
Grand Total All Present Law Adjustments					**$47,896**					**$42,407**

New Proposals	Fiscal 2004					Fiscal 2005				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Eliminate Position & On-going Reductions										
01	0.00	(56,648)	0	0	(56,648)	0.00	(56,547)	0	0	(56,547)
Total	**0.00**	**($56,648)**	**$0**	**$0**	**($56,648)**	**0.00**	**($56,547)**	**$0**	**$0**	**($56,547)**

Department of Public Health and Human Services – Mental Health Division

Present Law Adjustments	Fiscal 2004					Fiscal 2005				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					4,559,635					4,693,130
Vacancy Savings					(1,013,536)					(1,018,875)
Inflation/Deflation					21,370					29,047
Fixed Costs					355,249					371,445
Total Statewide Present Law Adjustments					**$3,922,718**					**$4,074,747**
DP 135 - Mental Health Intergovernmental Transfer Caseload	0.00	0	436,612	1,172,368	1,608,980	0.00	0	445,612	1,163,368	1,608,980
DP 140 - Block Grant Increase	0.00	4,248	0	619,789	624,037	0.00	4,248	0	619,789	624,037
DP 141 - MH UR Contract /Retrospective Reviews	0.00	(287,810)	0	209,334	(78,476)	0.00	(206,368)	0	453,660	247,292
DP 143 - Medicaid Program Changes	0.00	3,350,771	518,480	7,823,225	11,692,476	0.00	5,994,587	738,409	14,507,231	21,240,227
DP 144 - Mental Health Block Grant Increase	0.00	0	0	50,000	50,000	0.00	0	0	50,000	50,000
DP 145 - MCDC Base Adjustment	0.00	0	93,460	49,908	143,368	0.00	0	(70,923)	269,837	198,914
DP 147 - MMHNCC Base Adjustments and Restructuring	(21.56)	(31,651)	0	1,629,324	1,597,673	(21.56)	64,002	0	1,619,263	1,683,265
DP 335 - Reduce CIP FTE	(3.00)	0	(103,480)	0	(103,480)	(3.00)	0	(103,224)	0	(103,224)
DP 344 - Restructure/Reduce Mental Health Services Plan	0.00	(8,054,160)	(233,506)	(708,161)	(8,995,827)	0.00	(8,116,907)	(233,506)	(708,161)	(9,058,574)
DP 351 - IGT Refinancing - Medicaid Caseload	0.00	(657,600)	657,600	0	0	0.00	(648,600)	648,600	0	0
DP 352 - Mental Health Community Services FMAP Change	0.00	72,480	0	(72,480)	0	0.00	214,582	0	(214,582)	0
DP 354 - Medicaid Eligibility Changes	0.00	(15,546)	0	(41,777)	(57,323)	0.00	(15,546)	0	(40,830)	(56,376)
DP 8146 - MSH Base Adjustments and Restructuring (Requires Legislation)	(22.93)	2,987,324	233,506	3,256,516	6,477,346	(22.93)	3,077,012	233,506	3,120,937	6,431,455
Total Other Present Law Adjustments	**(47.49)**	**($2,631,944)**	**$1,602,672**	**$13,988,046**	**$12,958,774**	**(47.49)**	**$367,010**	**$1,658,474**	**$20,840,512**	**$22,865,996**
Grand Total All Present Law Adjustments					**$16,881,492**					**$26,940,743**

Commissioner of Political Practices

Present Law Adjustments	Fiscal 2004					Fiscal 2005				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					43,237					42,566
Vacancy Savings					0					0
Inflation/Deflation					1,977					1,977
Fixed Costs					2,682					(2,136)
Total Statewide Present Law Adjustments					**$47,896**					**$42,407**
Grand Total All Present Law Adjustments					**$47,896**					**$42,407**

New Proposals

Program	Fiscal 2004 FTE	Fiscal 2004 General	Fiscal 2004 State Special	Fiscal 2004 Federal Special	Fiscal 2004 Total Funds	Fiscal 2005 FTE	Fiscal 2005 General	Fiscal 2005 State Special	Fiscal 2005 Federal Special	Fiscal 2005 Total Funds
DP 37 - Family Planning Supplemental Authority										
07	0.50	0	0	251,963	251,963	0.50	0	0	115,583	115,583
DP 40 - Obesity Prevention Program										
07	2.00	0	0	417,510	417,510	2.00	0	0	417,232	417,232
DP 42 - Immunization Increase										
07	0.00	0	0	300,000	300,000	0.00	0	0	300,000	300,000
DP 45 - Behavior Risk Factor Surveillance Coordinator										
07	1.00	0	0	53,398	53,398	1.00	0	0	53,252	53,252
DP 48 - Fetal Alcohol Syndrome Coordinator										
07	1.00	0	0	50,798	50,798	1.00	0	0	50,652	50,652
DP 49 - Pay Off Wells Fargo Loan for Equipment										
07	0.00	0	51,988	0	51,988	0.00	0	0	0	0
DP 51 - WIC Administrative Support										
07	1.00	0	0	0	0	1.00	0	0	0	0
DP 52 - Medicaid Breast & Cervical Cancer Treatment Prog										
07	0.00	207,174	0	339,055	546,229	0.00	208,378	0	337,851	546,229
DP 53 - Montana Breast & Cervical Health Program										
07	1.00	0	0	939,750	939,750	1.00	0	0	939,618	939,618
DP 54 - Epidemiology Support for Diabetes Program										
07	0.50	0	0	27,506	27,506	0.50	0	0	27,434	27,434
DP 55 - School Health Coordinator										
07	1.50	0	85,284	0	85,284	1.50	0	85,101	0	85,101
DP 65 - School Services Contract and Program Monitor										
07	1.00	(113,257)	0	8,178,235	8,064,978	1.00	(277,648)	0	8,026,626	7,748,978
DP 66 - Medicaid Pharmacy Audit										
07	0.00	(23,341)	0	(275,461)	(298,802)	0.00	(54,862)	0	(356,640)	(411,502)
DP 67 - Laboratory Equipment Replacement										
07	0.00	0	195,000	0	195,000	0.00	0	195,000	0	195,000
DP 74 - County Public Health Department Administrative IGT										
07	0.00	0	125,000	125,000	250,000	0.00	0	125,000	125,000	250,000
DP 237 - Cardiovascular Disease 1.5 FTE										
07	1.50	0	0	54,128	54,128	1.50	0	0	53,997	53,997
DP 240 - Eliminate ESRD Program										
07	0.00	(100,000)	0	0	(100,000)	0.00	(100,000)	0	0	(100,000)
DP 242 - Reduce Optional Services										
07	0.00	(250,000)	0	(671,829)	(921,829)	0.00	(250,000)	0	(656,783)	(906,783)
DP 244 - Limit Physicians Visits to 10 Per Year										
07	0.00	(700,561)	0	(1,882,629)	(2,583,190)	0.00	(760,809)	0	(1,998,745)	(2,759,554)
DP 245 - Eliminate Posion Contrrol System										
07	0.00	(38,954)	0	0	(38,954)	0.00	(38,954)	0	0	(38,954)
DP 246 - Reduce Tumor Registry General Fund Support										
07	0.00	(26,774)	0	0	(26,774)	0.00	(26,774)	0	0	(26,774)
DP 247 - Eliminate General Fund Support for Public Health Lab										
07	0.00	(185,374)	0	0	(185,374)	0.00	(185,374)	0	0	(185,374)
DP 248 - Reduce Epidemiology and Surveillance General Fund										
07	0.00	(25,000)	0	0	(25,000)	0.00	(25,000)	0	0	(25,000)
DP 249 - Eliminate AIDS Prevention General Fund										
07	0.00	(42,000)	0	0	(42,000)	0.00	(42,000)	0	0	(42,000)
DP 250 - Eliminate MIAMI/Perinatal General Fund Support										
07	0.00	(567,128)	0	0	(567,128)	0.00	(567,128)	0	0	(567,128)
DP 251 - Eliminate General Fund Support For Farmers Market										
07	0.00	(12,828)	0	0	(12,828)	0.00	(12,828)	0	0	(12,828)
DP 252 - Eliminate Family Planning General Fund Support										
07	0.00	(25,948)	0	0	(25,948)	0.00	(25,948)	0	0	(25,948)
DP 253 - Fund Switch For The CHIP Program										
07	0.00	(4,096,947)	4,096,947	0	0	0.00	(4,258,500)	4,258,500	0	0
DP 254 - Reduce Provider Reimbursement										
07	0.00	(1,263,945)	0	(3,396,621)	(4,660,566)	0.00	(1,404,725)	0	(3,690,397)	(5,095,122)
DP 255 - Environmental Health Tracking										
07	2.00	0	0	510,866	510,866	2.00	0	0	510,866	510,866
DP 256 - Libby Asbestos Screening										
07	2.00	0	0	590,000	590,000	2.00	0	0	590,000	590,000
DP 257 - Transportation Program Changes										
07	0.00	(82,888)	0	(222,746)	(305,634)	0.00	(86,038)	0	(226,033)	(312,071)
DP 258 - Pharmacy Program Changes										
07	0.00	(82,372)	0	(221,360)	(303,732)	0.00	(82,372)	0	(216,402)	(298,774)
DP 259 - Reduce HPSD Admininstration										
07	0.00	(35,000)	0	0	(35,000)	0.00	(35,000)	0	0	(35,000)
DP 260 - Property Eligibility Exclusion Medicaid Reduction										
07	0.00	(92,101)	0	(247,504)	(339,605)	0.00	(92,101)	0	(241,961)	(334,062)
DP 261 - Rape Prevention										
07	0.00	0	0	77,521	77,521	0.00	0	0	77,521	77,521
DP 282 - FTE Reduction										
07	(1.00)	(20,209)	0	(22,421)	(42,630)	(1.00)	(20,209)	0	(22,301)	(42,510)
DP 8063 - Pool & Spa Exemptions (Requires Legislation)										
07	0.00	0	8,500	0	8,500	0.00	0	9,000	0	9,000
Total	**14.00**	**($7,577,453)**	**$4,562,719**	**$4,975,159**	**$1,960,425**	**14.00**	**($8,137,892)**	**$4,672,601**	**$4,216,370**	**$751,079**

Present Law Adjustments	Fiscal 2004					Fiscal 2005				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					11,681,323					11,654,548
Vacancy Savings					0					0
Inflation/Deflation					1,087					1,484
Fixed Costs					273,050					273,050
Total Statewide Present Law Adjustments					**$11,955,460**					**$11,929,082**
DP 4001 - Pay Plan Implementation	0.00	70,296	0	0	70,296	0.00	70,296	0	0	70,296
DP 4002 - Federal Building Rent	0.00	106,123	0	0	106,123	0.00	108,245	0	0	108,245
DP 4003 - Annualize Operating Costs for New Judges	0.00	44,600	0	0	44,600	0.00	44,600	0	0	44,600
DP 4004 - State District Court Costs - Adjusted Base	0.00	7,116,397	0	0	7,116,397	0.00	8,012,112	0	0	8,012,112
Total Other Present Law Adjustments	**0.00**	**$7,337,416**	**$0**	**$0**	**$7,337,416**	**0.00**	**$8,235,253**	**$0**	**$0**	**$8,235,253**
Grand Total All Present Law Adjustments					**$19,292,876**					**$20,164,335**

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 4001 - Pay Plan Implementation - The District Court assumption bill directed the Judicial Branch to develop and implement a branch wide classification and compensation plan by July 1, 2003. The National Center for State Courts, following extensive review, recommended a classification and pay plan, which was approved by the Montana Supreme Court in June 2002. The plan established a grade system with a minimum and maximum pay rate for each pay grade. The pay rates are based in large part on the Executive Branch pay plan. Employees were placed on the system at their county rate of pay. Starting in July 2003, employees above the maximum rate will be frozen until the pay matrix moves enough to "catch-up" with these employees. There are 23 employees currently below the minimum rate in this program. This proposal would move these employees to the minimum pay rate for the assigned grade.

LFD COMMENT

This proposal adjusts the pay for 23.00 of the 25.00 FTE below the minimum pay level as determined under the judicial branch pay plan for an annual general fund cost of $70,296. SB 176 guarantees former county employee salaries at their June 30, 2002 level, and protects them from reductions based on branch wide pay plan implementation, which becomes effective on July 1, 2003. But there was no provision for increasing employee pay that falls below the minimum pay range specified in the pay plan.

In addition, fiscal 2003 personal services costs are higher than anticipated due to pay increases provided to some county employees in the year prior to state assumption, implementation of the fiscal 2003 pay raise on July 1 rather than October 1, along with providing it to the new county employees, and costs of the 8.50 FTE approved by the 2001 legislature. Refer to issues under the agency discussion for more detailed information.

DP 4002 - Federal Building Rent - The branch was authorized 8.50 FTE in the 2003 biennium for the administration of state assumption of district courts. The Department of Administration located office space in the federal building for these FTE. The associated rent is $106,123 in fiscal 2004 and $108,245 in fiscal 2005.