



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

| | | | |
|-------------------------|-----------------|----------------|---|
| Bill # | SB0144 | Title: | Revise laws to consolidate procurement accounts |
| Primary Sponsor: | Buttrey, Edward | Status: | As Introduced |

- 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 2016 Difference</u> | <u>FY 2017 Difference</u> | <u>FY 2018 Difference</u> | <u>FY 2019 Difference</u> |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Expenditures: | | | | |
| General Fund | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue | \$100,000 | \$100,000 | \$100,000 | \$100,000 |
| Federal Special Revenue | \$0 | \$0 | \$0 | \$0 |
| Other | (\$100,000) | (\$100,000) | (\$100,000) | (\$100,000) |
| Revenue: | | | | |
| General Fund | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue | \$100,000 | \$100,000 | \$100,000 | \$100,000 |
| Federal Special Revenue | \$0 | \$0 | \$0 | \$0 |
| Other | (\$100,000) | (\$100,000) | (\$100,000) | (\$100,000) |
| Net Impact-General Fund Balance: | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

Description of fiscal impact: SB 144 consolidates two existing procurement accounts into one state special revenue account and revises the acceptable use of money in the account. This legislation will have no net fiscal impact to the Department of Administration, General Services Division. The expenses and revenues are currently being recorded in a propriety fund, and no overall increases in rebate revenues are anticipated.

FISCAL ANALYSIS

Assumptions:

- The total sales from the Montana eMarket Place for office supplies, janitorial supplies, coarse paper, and trash can liners will be approximately \$5 million, based on actual sales from FY 2014. The state receives 2% from the sale of these products to support the Montana eMarket Place (formerly known as the Central Stores Program). The 2% revenue will be deposited in the state special revenue account in the 2017B and going forward.

2. The internal service fund under the former Central Stores Program will be eliminated. The expenses for the operations of the procurement card and fuel card programs will move from the internal service (proprietary) fund to a state special revenue fund.
3. Transfer of excess revenues to the general fund are anticipated to remain unchanged through FY 2019, so no impact is shown to the general fund. Any additional revenues minus costs of operations for the next fiscal year will be swept to the general fund annually.

| | <u>FY 2016</u> <u>Difference</u> | <u>FY 2017</u> <u>Difference</u> | <u>FY 2018</u> <u>Difference</u> | <u>FY 2019</u> <u>Difference</u> |
|---|---|---|---|---|
| <u>Fiscal Impact:</u> | | | | |
| <u>Expenditures:</u> | | | | |
| Personal Services | \$0 | \$0 | \$0 | \$0 |
| Operating Expenses | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| TOTAL Expenditures | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> |
| <u>Funding of Expenditures:</u> | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue (02) | \$100,000 | \$100,000 | \$100,000 | \$100,000 |
| Other | <u>(\$100,000)</u> | <u>(\$100,000)</u> | <u>(\$100,000)</u> | <u>(\$100,000)</u> |
| TOTAL Funding of Exp. | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> |
| <u>Revenues:</u> | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue (02) | \$100,000 | \$100,000 | \$100,000 | \$100,000 |
| Other | <u>(\$100,000)</u> | <u>(\$100,000)</u> | <u>(\$100,000)</u> | <u>(\$100,000)</u> |
| TOTAL Revenues | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> |
| <u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u> | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue (02) | \$0 | \$0 | \$0 | \$0 |
| Other | \$0 | \$0 | \$0 | \$0 |

Sponsor's Initials

Date

Budget Director's Initials

Date