

**Program Budget Comparison**

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

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Budget Fiscal 2016	Budget Fiscal 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	65.50	65.50	63.00	63.00	65.50	63.00	(2.50)	(3.82)%
Personal Services	3,718,669	3,961,394	4,083,640	4,080,675	7,680,063	8,164,315	484,252	6.31 %
Operating Expenses	5,686,817	5,152,123	6,367,999	5,893,197	10,838,940	12,261,196	1,422,256	13.12 %
Equipment & Intangible Assets	7,900	0	7,900	7,900	7,900	15,800	7,900	100.00 %
Debt Service	3,311	5,676	3,311	3,311	8,987	6,622	(2,365)	(26.32)%
<b>Total Costs</b>	<b>\$9,416,697</b>	<b>\$9,119,193</b>	<b>\$10,462,850</b>	<b>\$9,985,083</b>	<b>\$18,535,890</b>	<b>\$20,447,933</b>	<b>\$1,912,043</b>	<b>10.32 %</b>
General Fund	3,672,835	3,453,091	4,057,149	3,855,618	7,125,926	7,912,767	786,841	11.04 %
State/Other Special Rev. Funds	625,776	698,787	700,502	679,533	1,324,563	1,380,035	55,472	4.19 %
Federal Spec. Rev. Funds	5,118,086	4,967,315	5,705,199	5,449,932	10,085,401	11,155,131	1,069,730	10.61 %
<b>Total Funds</b>	<b>\$9,416,697</b>	<b>\$9,119,193</b>	<b>\$10,462,850</b>	<b>\$9,985,083</b>	<b>\$18,535,890</b>	<b>\$20,447,933</b>	<b>\$1,912,043</b>	<b>10.32 %</b>

**Program Description**

The Business and Financial Services Division (BFSD) provides leadership and guidance in the development and implementation of accounting policies, procedures, and best business practices that support the mission of the Operations Branch.

**Program Highlights**

<b>Business and Financial Services Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The Governor’s budget proposes an increase of 10.32% over the 2015 biennium that is due to present law adjustments for personal services and fixed costs</li> <li>• All fixed costs for services provided by the Department of Administration and the Legislative Audit Division for the entire department are funded in this division</li> </ul>

**Program Discussion -**

The Business and Financial Services Division is the centralized business center for the Department of Public Health and Human Services (DPHHS). As such, all fixed costs for services provided by the Department of Administration and the legislative audit are paid centrally from this division. It is these fixed costs that account for all of the increase in operating expenses from FY 2014. The largest increases are present law adjustments that add biennial costs of:

- \$0.3 million to support the statewide budget, human resource, and accounting system (SABHRS)
- \$0.4 million for insurance and bonds
- \$0.4 million for statewide indirect costs

**Comparison of FY 2015 Legislative Base to FY 2015 Adjusted Base**

Business and Financial Services FY 2015 Executive and Legislative Appropriations			
Category	Legislative Appropriation	Difference Exec/Leg	Total Executive Implementation
Personal Services	\$4,159,019	(\$197,625)	\$3,961,394
Operating Expenses	\$5,167,436	(\$15,313)	\$5,152,123
Equipment & Intangible Assets	\$0		\$0
Debt Services	<u>\$5,676</u>	<u>\$0</u>	\$5,676
Total Costs	<u>\$9,332,131</u>	<u>(\$212,938)</u>	<u>\$9,119,193</u>

The difference between the 2015 legislative base and the 2015 executive implementation can be attributed to a reorganization removing 3.00 FTE and \$156,901 to the Directors Office for consolidation of payroll and benefit services, and a program transfer moving \$56,037 and 1.00 FTE to the Technology Services Division for system oversight and project management.

#### Personal Services

The actual personal services rate when comparing budgeted to utilized hours is 94.1%. The actual vacancy savings was 5.9% compared to a legislative enacted rate of 4% and an additional 2% on general fund. The only long-term vacancy is a computer specialist position that has been open since December of 2013. As stated earlier, 4.00 FTE were moved to other programs in program transfers and reorganizations.

#### Funding

The following table shows proposed program funding by source from all sources of authority.

Operations Services Branch, 06-Business & Financial Services Division Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	7,912,767	0	0	7,912,767	38.70 %	
02382 6901-02 Indrct Actvty Prog 06	1,380,035	0	0	1,380,035	100.00 %	
<b>State Special Total</b>	<b>\$1,380,035</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,380,035</b>	<b>6.75 %</b>	
03591 6901-03 Indrct Actvty Prog 06	11,155,131	0	0	11,155,131	100.00 %	
<b>Federal Special Total</b>	<b>\$11,155,131</b>	<b>\$0</b>	<b>\$0</b>	<b>\$11,155,131</b>	<b>54.55 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$20,447,933</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,447,933</b>		

The program receives general fund, state special revenue, and federal funds through a complicated, federally approved cost allocation formula that is generally referred to as indirect activity. The funding formula is derived from those funds expended on functions benefitting or serving other programs in the department.

#### Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 Legislative base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	3,540,308	3,540,308	7,080,616	89.48 %	9,332,131	9,332,131	18,664,262	91.28 %
PL Adjustments	516,841	315,310	832,151	10.52 %	1,130,719	652,952	1,783,671	8.72 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
<b>Total Budget</b>	<b>\$4,057,149</b>	<b>\$3,855,618</b>	<b>\$7,912,767</b>		<b>\$10,462,850</b>	<b>\$9,985,083</b>	<b>\$20,447,933</b>	

**Present Law Adjustments -**

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed by the executive. PSPL adjusts all personal services. LGPL provides for adjustments to other expenditures such as operating expenses. Each is discussed in the narrative that follows. Total funds in the Present Law Adjustments table do not include proprietary funds budgeted in House Bill 2.

Present Law Adjustments										
	-----Fiscal 2016-----				-----Fiscal 2017-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 98 - LEG. Personal Services Present Law	0.00	(22,755)	(65,045)	12,421	(75,379)	0.00	(24,138)	(65,528)	11,322	(78,344)
DP 99 - LEG. Present Law	0.00	539,596	53,666	612,836	1,206,098	0.00	339,448	33,180	358,668	731,296
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$516,841</b>	<b>(\$11,379)</b>	<b>\$625,257</b>	<b>\$1,130,719</b>	<b>0.00</b>	<b>\$315,310</b>	<b>(\$32,348)</b>	<b>\$369,990</b>	<b>\$652,952</b>

DP 98 - LEG. Personal Services Present Law -

This adjustment includes all personal services present law as requested by the executive. This includes the executive implementation of the pay plan, FTE reductions from HB 2 boiler plate, and benefit increases. The below table summarizes personal services present law (PSPL).

Personal Services Present Law Adjustments					
FY 2016					
CP 98 PSPL Item	FTE	General Fund	State Special	Federal Special	Total Funds
State Share Health Insurance	63.00	13,723	1,494	15,401	\$30,618
Executive Implementation of 2015 Pay Increase		29,864	3,264	34,920	68,048
Fully Fund 2015 Legislatively Authorized FTE		4,144	776	7,924	12,844
Other		(70,486)	(70,579)	(45,824)	(186,889)
<b>Personal Services Present Law Adjustments</b>	<b>63.00</b>	<b>(\$22,755)</b>	<b>(\$65,045)</b>	<b>\$12,421</b>	<b>(\$75,379)</b>
FY 2017					
CP 98 PSPL Item	FTE	General Fund	State Special	Federal Special	Total Funds
State Share Health Insurance	63.00	13,723	1,494	15,401	\$30,618
Executive Implementation of 2015 Pay Increase		29,864	3,264	34,920	68,048
Fully Fund 2015 Legislatively Authorized FTE		4,144	776	7,924	12,844
Other		(71,869)	(71,062)	(46,923)	(189,854)
<b>Personal Services Present Law Adjustments</b>	<b>63.00</b>	<b>(\$24,138)</b>	<b>(\$65,528)</b>	<b>\$11,322</b>	<b>(\$78,344)</b>

Personal services present law adjustments for the 2017 biennium are negative due to moving 4.00 FTE to other divisions as mentioned earlier.

DP 99 - LEG. Present Law -

This adjustment includes all present law requests by the executive that are not related to personal services, including statewide present law adjustments for inflation and fixed costs. Included in this adjustment are SABHRS operation, insurance, and bonds. The FY 2016 amount includes a general fund adjustment of \$10,481 or 6.8% increase over the last biennia .