

# APPENDIX A

## GOVERNOR'S BUDGET REVISIONS

On December 15, the executive submitted amendments to the original executive budget as allowed under 17-7-112 (9), MCA.

The primary modification came in the form of an increase in the executive's revenue estimate which is used to balance the executive budget proposal. A comparison of the Governor's fund balance analysis for the December 15 and November 15 budget submissions shows an increase in general funds available for FY 2011 through FY 2013 of \$118.7 million. The executive revenue estimate is \$104.3 million above the revenues adopted by the Revenue and Transportation Interim Committee on November 19, 2010.

On the disbursement side, the Governor's revision of expenditures that were submitted on December 15 are:

- A net HB 2 reductions of \$2.3 million general fund and \$1.0 million other funds
- No revisions to statutory appropriations or non-HB 2 proprietary funds
- No revisions to the Long-Range Planning spending proposals
- Revisions to two fund transfers:
  - From the Treasure State Endowment Program, the amount to be transferred was decreased from \$18.5 million to \$17.6 million to adjust in part for a funding shortage
  - From the Long-Range Building Program, an additional \$1 million is transferred based upon the executive's increased revenue estimate.

The following figure provides a list of the decision package revisions that comprise the HB 2 related changes.

This list identifies the changes for each department by showing the decision package name but does not provide any detail beyond the dollar amount for the 2013 biennium. Legislative Fiscal Division staff has prepared its Legislative Budget Analysis based upon the original November 15 budget submission, except for Long-Range Planning – Section F in Volume 7. Staff will be prepared to explain differences for each agency budget for their respective joint appropriations subcommittees.

Generally, the revisions represented in the figure consist primarily of the following:

- Department of Justice: The executive revisions adjusts the Highway Patrol budget for:
  - An appropriation funding correction for executive protection funding
  - The statutorily required pay adjustments for Highway Patrol officers in HB 2
- Higher Education: The Governor's November 15th budget overstated HB 2 personal services costs for the Montana University System by \$2.4 million as the proposed budget included the 1% optional retirement plan costs that are statutorily appropriated by Section 19-21-203, MCA. Rather than reduce the proposed

budget, the Governor added the \$2.4 million to the \$12.66 million new proposal for the Montana University System. This adjustment also impacted the 4% personal services reduction calculation.

- Department of Public Health and Human Services: The revised executive budget submitted in December lowered general fund by a net \$4.0 million compared to the original submission in November. General fund changes over \$0.1 million are:
  - Offset general fund state Medicaid match for increased enrollment in HMK with insurance premium tax state special revenue – \$3.1 million
  - Reinstate a portion of funding for mental health crisis jail diversion services - \$0.6 million
  - Remove duplicate request for information technology facility maintenance contracts - \$0.3 million

2013 Biennium Executive Budget Revisions - Expenditures			
Adjustments Received December 15, 2010 - Per 17-7-112(9), MCA			
Agency	Fund	Decision Package	2013 Biennium
<u>House Bill 2</u>			
Justice	GF	PL00000 Adjust Base	\$ (368,055)
Justice	SSR	PL00000 Adjust Base	165,026
Justice	PF	PL00000 Adjust Base	203,029
Justice	SSR	PL01307 MPH Salary Increase per Survey	1,900,000
Comm of Higher Ed	GF	NP0918 University System Funding	2,363,208
Comm of Higher Ed	GF	NP55400 4% Personal Services Reduction	249
Comm of Higher Ed	GF	NP55401 4% Personal Services Reduction - Educational Units	88,051
Comm of Higher Ed	GF	NP55402 4% Personal Services Reduction - Agencies	6,072
Comm of Higher Ed	GF	PL00920 Remove 1% Statutory ORP from Base	(2,363,208)
Comm of Higher Ed	FF	PL00920 Remove 1% Statutory ORP from Base	(1,766)
Natural Resources & Cons	SSR	NP02324 Resource Development Bureau Fund Switch	-
Public Health & Human Svc	GF	NP80010 Recovery Audit Contract	69,788
Public Health & Human Svc	SSR	NP80010 Recovery Audit Contract	68,238
Public Health & Human Svc	FF	NP80010 Recovery Audit Contract	138,024
Public Health & Human Svc	SSR	PL70010 Tribal Tobacco Prevention Contract	180,000
Public Health & Human Svc	GF	PL11001 Med Ben - Physical Health Caseload	(3,135,714)
Public Health & Human Svc	SSR	PL11001 Med Ben - Physical Health Caseload	3,135,714
Public Health & Human Svc	GF	PL11022 CPI - MMIS Components	(234,824)
Public Health & Human Svc	FF	PL11022 CPI - MMIS Components	(692,756)
Public Health & Human Svc	GF	PL55141 HB130 Crisis Diversion Funding in HB 2 (17-7-140)	1,238,936
Public Health & Human Svc	SSR	PL11017 HMK - CHIP - Caseload	(1,464,653)
Public Health & Human Svc	FF	PL11017 HMK - CHIP - Caseload	(4,680,827)
		Net Total	<u>\$ (3,385,468)</u>
		Net General Fund	(2,335,497)
		Net Other Funds	(1,049,971)