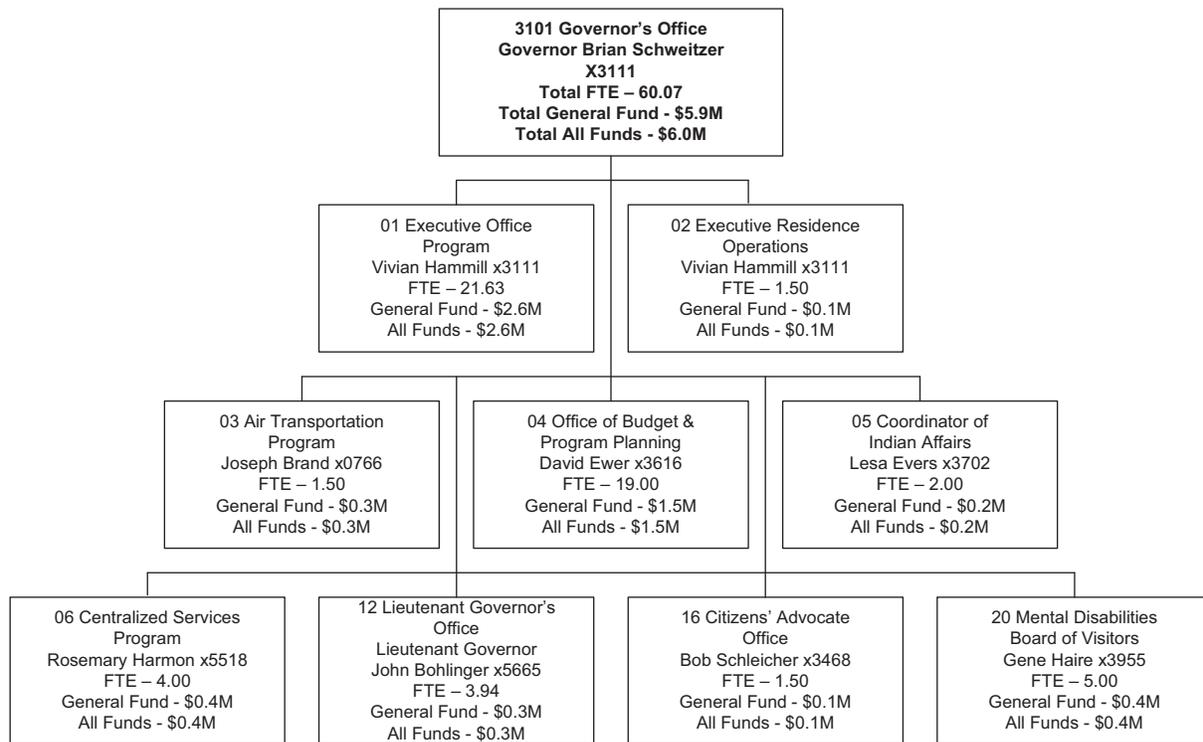


**Agency Budget Comparison**

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

Agency Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	60.07	60.07	60.07	60.07	60.07	60.07	0.00	0.00%
Personal Services	4,465,074	4,605,475	4,502,571	4,500,239	9,070,549	9,002,810	(67,739)	(0.75%)
Operating Expenses	1,507,560	1,563,598	1,567,852	1,503,989	3,071,158	3,071,841	683	0.02%
Equipment & Intangible Assets	0	0	0	0	0	0	0	n/a
<b>Total Costs</b>	<b>\$5,972,634</b>	<b>\$6,169,073</b>	<b>\$6,070,423</b>	<b>\$6,004,228</b>	<b>\$12,141,707</b>	<b>\$12,074,651</b>	<b>(\$67,056)</b>	<b>(0.55%)</b>
General Fund	5,946,921	6,136,573	6,057,949	5,991,819	12,083,494	12,049,768	(33,726)	(0.28%)
State Special	25,713	32,500	12,474	12,409	58,213	24,883	(33,330)	(57.26%)
Federal Special	0	0	0	0	0	0	0	n/a
Other	0	0	0	0	0	0	0	n/a
<b>Total Funds</b>	<b>\$5,972,634</b>	<b>\$6,169,073</b>	<b>\$6,070,423</b>	<b>\$6,004,228</b>	<b>\$12,141,707</b>	<b>\$12,074,651</b>	<b>(\$67,056)</b>	<b>(0.55%)</b>

The following is the agency organizational chart, with contact information. The chart has been modified by the LFD to include the FY 2010 base budget FTE, general fund, and total funds for each program. As applicable, total agency proprietary funds and statutory appropriations, along with associated FTE, are also shown.



**Agency Description**

The Governor's Office oversees the activities of the executive branch of Montana state government, consistent with statutory and constitutional mandates.

The Office of the Governor exists under authority granted in Article VI of the Montana Constitution. The Governor has constitutional and statutory authority to administer the affairs of the State of Montana. The Governor appoints all military and civil officers of the state whose appointments are provided for by statute or the constitution, grants reprieves

and pardons, and serves on various boards and commissions. The Governor approves or vetoes legislation, reports to the legislature on the condition of the state, and submits a biennial executive budget. The Governor also represents the state in relations with other governments and the public.

The Governor’s office is comprised of the following programs:

- The Executive Office
- The Executive Residence Operations
- The Air Transportation Program
- The Office of Budget and Program Planning
- The Coordinator of Indian Affairs
- The Centralized Services Division
- The Lieutenant Governor’s Office
- The Citizens’ Advocate Office
- The Mental Disabilities Board of Visitors

The Mental Health Ombudsman is housed within the Mental Disabilities Board of Visitors program.

**Agency Highlights**

<p><b>Governor’s Office</b> <b>Major Budget Highlights</b></p>
<ul style="list-style-type: none"> <li>◆ The Governor’s proposed budget decreases by 0.55% from the prior biennium, primarily due to statewide present law adjustments. The executive has also submitted a 5% reduction plan for the agency that includes a 4% personal services reduction, unspecified across the board reduction, and a reduction in the air transportation state special revenue fund</li> <li>◆ Additional personal services funding is requested in two programs to align budgeted amounts with actual expenditures for previously unfilled positions</li> <li>◆ The Governor’s proposal includes \$66,400 over the biennium for scheduled computer replacements</li> </ul>
<p><b>Legislative Action Issues</b></p>
<ul style="list-style-type: none"> <li>◆ Major LFD Issues                             <ul style="list-style-type: none"> <li>● The executive’s statewide present law proposal includes a \$19,957 biennial funding switch from state special revenue to general fund in the Citizens’ Advocate program</li> <li>● A portion of the general fund expenditures for the Governor’s Air Transportation program could be replaced by state special revenue</li> </ul> </li> <li>◆ Interim Committee Recommendations                             <ul style="list-style-type: none"> <li>● The Legislative Finance Committee recommends that the budget starting point be the adjusted base minus 5%</li> </ul> </li> </ul>

**Agency Discussion**

*Goals and Objectives:*

State law requires agency and program goals and objectives to be specific and quantifiable to enable the legislature to establish appropriations policy. As part of its appropriations deliberations the legislature may wish to review the following:

- Goals, objectives and year-to-date outcomes from the 2011 biennium.

- o Critical agency goals, objectives, and anticipated outcomes and their correlation to the executive's budget request for the 2013 biennium.

#### 2011 Biennium Goals

The Governor's Office had no goals that were monitored by the Legislative Finance Committee during the 2011 biennium.

#### 2013 Biennium Goals

During the interim the Legislative Finance Committee met with the agency to select critical goals and performance measurements for the legislature to consider during the appropriation process. The identified critical goal selected from the Governor's Office of Economic Development is:

Goal: The office will advise the Governor on policy issues related to economic development; assist the Governor in accomplishing his economic development initiatives; lead the state's business recruitment, retention, and expansion efforts; coordinate the development and distribution of a statewide coordinated strategic economic development marketing plan; and serve as the state's primary economic development liaison between federal, state, and local agencies, Montana tribal governments, private, non-profit economic development organizations, and the private sector. In doing so, the office will focus on infrastructure development, technology development, workforce development, marketing and recruitment, permitting and regulatory issues, energy development, and capital development.

#### **Agency Personal Services Narrative**

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited by LFD staff as necessary for brevity and/or clarity.

- o **Labor Market Experience** – Half of the employees in the Governor's Office are directly appointed by the Governor and therefore there is not a high frequency of recruitment. During the current biennium the classified positions have remained fairly stable with the exception of employees retiring. Each of these positions were filled with the office receiving an adequate number of qualified applicants for each position. The fiscal manager from the Office of Budget and Program Planning left at the beginning of 2010, but the position was not filled. The responsibilities were instead split between two existing positions resulting in reclassification of those positions and increases in pay funded from the budget of the unfilled position.
- o **Pay Philosophy** – The Governor's Office maintains three separate pay plans: one for OBPP employees, one for the Mental Disabilities Board of Visitors, and one for the classified employees of the Governor's immediate staff. The agency is currently operating under a pay freeze, but prior to that time they were following a policy of periodic raises based on performance appraisal or reclassification of positions.
- o **Obstacles** - In general, the agency has not and does not expect to experience any difficulty attracting or retaining workers. Governor Schweitzer's term of office will end in January of 2013 and there is an expected turnover of approximately 24 existing appointed employees at that time or earlier.

#### *Agency Overview*

The Governor's proposed budget decreases 0.55% from the previous biennium. This reduction is primarily due to statewide present law adjustments, partially offset by a number of smaller increases in several programs.

#### *Legislative Audit Report*

The latest legislative audit report on the Office of the Governor notes, without recommendation, three factors that reduce the expenditures shown in the tables from the amounts actually expended in the agency.

- 1) Several positions over the last several years have been on loan from other agencies. The other agencies pay the salary and benefits of the loaned employees. The audit states the employees: "...worked anywhere from one day to several years on loan to the office..." The audit notes that some of the employees were loaned to provide assistance at busy times while others were loaned "...because the officials believed the position was best placed

at the office, even though another state agency received funding for the position...” The audit estimates expenses were about \$99,693 in FY 2009 and \$77,761 in FY 2010.

- 2) Funds have been transferred from other agencies to the Governor’s Office to fund two initiatives in this agency: a) the Governor’s Math and Science Initiative; and b) the Governor’s American Indian Nations Council and attorney. The audit states: “The base funding for these office activities is included in the budget of other agencies other than the office’s budget...this effectively shifts the approval authority for funding of these programs from the legislature to the governor. This has created funding sources for these programs that side-step the budgeting process...” for expenses that are neither one-time nor incidental. The audit further notes: “This is not a process that is prohibited by law; however, it is a process that allows continuing programs to be funded without legislative approval...” The audit estimates that the office funded expenditures of \$110,653 in FY 2009 and \$137,205 in FY 2010 through this mechanism.
- 3) The audit notes that \$21,000 in dues to the Western Governor’s Association were paid by the Department of Transportation. Office personnel state this practice has been in place since FY 2002.

### **5% Reduction Plan**

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. The following summarizes the plan submitted for this program.

Total 5% Reduction Plan Identified by Governor's Office, By Division Included and Not Included in Executive Budget 2013 Biennium					
Program/DP Number/Description	FTE	General Fund	% Of Total	State Special Revenue	% Of Total
<u>Executive Office Program</u>					
<i>Not Included in Executive Budget</i>					
55400 4% Personal Services Reduction	1.00	\$132,642	23.7%	\$0	0.0%
95101 5% Plan Across the Board Reduction		\$88,600	15.8%	\$0	0.0%
Subtotal Not Included in Executive Budget		\$221,242	39.5%	\$0	0.0%
<u>Executive Residence Operations Program</u>					
<i>Not Included in Executive Budget</i>					
95101 5% Plan Across the Board Reduction		\$4,072	0.7%	\$0	0.0%
<u>Air Transportation Program</u>					
<i>Not Included in Executive Budget</i>					
95101 5% Plan Across the Board Reduction		\$10,358	1.8%	\$0	0.0%
95102 5% Plan Air Transportation SSR Reduction		0	0.0%	2,572	100.0%
Subtotal Not Included in Executive Budget		\$10,358	1.8%	\$2,572	100.0%
<u>Office of Budget and Program Planning Program</u>					
<i>Not Included in Executive Budget</i>					
55400 4% Personal Services Reduction	1.00	\$187,432	33.4%	\$0	0.0%
95101 5% Plan Across the Board Reduction		\$51,328	9.2%	\$0	0.0%
Subtotal Not Included in Executive Budget		\$238,760	42.6%	\$0	0.0%
<u>Indian Affairs Program</u>					
<i>Not Included in Executive Budget</i>					
95101 5% Plan Across the Board Reduction		\$6,118	1.1%	\$0	0.0%
<u>Centralized Services Program</u>					
<i>Not Included in Executive Budget</i>					
95101 5% Plan Across the Board Reduction		\$11,206	2.0%	\$0	0.0%
<u>Office of the Lieutenant Governor</u>					
<i>Not Included in Executive Budget</i>					
95101 5% Plan Across the Board Reduction		\$11,806	2.1%	\$0	0.0%
<u>Citizens' Advocate Office Program</u>					
<i>Not Included in Executive Budget</i>					
95101 5% Plan Across the Board Reduction		\$2,700	0.5%	\$0	0.0%
<u>Mental Health Ombudsman</u>					
<i>Not Included in Executive Budget</i>					
55400 4% Personal Services Reduction	0.50	\$50,492	9.0%	\$0	0.0%
95101 5% Plan Across the Board Reduction		\$3,644	0.7%	\$0	0.0%
Subtotal Not Included in Executive Budget		\$54,136	9.7%	\$0	0.0%
<u>Total Reduction Plan</u>					
Included in Executive Budget		\$0	0.0%	\$0	0.0%
Not Included in Executive Budget		\$560,398	100.0%	2,572	100.0%
Total Agency Reduction Plan		\$560,398		\$2,572	

*Narrative Discussion*

There are three items included in the 5% reduction plan submitted by the agency totaling \$560,389 in general fund reductions and \$2,572 in state special revenue reductions: 1) FTE reductions in three programs; 2) across-the-board reductions in all programs; and 3) a reduction in state special revenue in the Air Transportation Program. The Mental Disabilities Board of Visitors is an administratively attached entity that hires its' own staff and is therefore exempt from

the 5% reduction plan requirement as provided for in 17-7-111(3)(f), MCA. None of the items are included in the executive budget.

The first item presented in the plan is personal services reductions totaling \$370,566 for the biennium that would eliminate the following positions:

- o 1.0 FTE policy specialist in the Governor's Office of Economic Development (Executive Office Program)
- o 1.0 FTE financial manager in the Governor's Office of Budget and Program Planning
- o 0.5 FTE social service technician in the Mental Health Ombudsman (Mental Disabilities Board of Visitors Program)

These reductions have been characterized as part of the 4% personal services reductions included in the executive budget for most other agencies of the executive branch.

Of the three positions, only the 0.5 FTE position in the Mental Health Ombudsman Program was filled during the base year; the other two positions are vacant. The Mental Health Ombudsman program is budgeted under the Mental Disabilities Board of Visitors Program, but is given a separate appropriation and is subject to the 5% reduction plan requirement even though the Mental Disabilities Board of Visitors is exempt.

The second item is an across the board general fund reduction totaling \$94,916 annually. The reduction has been allocated across the agency in proportion to the amount of general fund expended by each program during the base year. There are no direct impacts attributable to this portion of the reduction. Each program administrator would have to manage the application of the reduction to minimize negative impacts.

The third item is a reduction of state special revenue authority from the Air Transportation Special Revenue account in the amount of \$1,286 annually. The base year expenditures from this account to support the Air Transportation Program were \$1,305. The Air Transportation Program is supported by the general fund as well as this fund with expenditures of general fund comprising 99.5% of total program expenditures in the base year. 95% of the agency-wide state special revenue authority subject to the reduction plan requirement is due to base year expenditures in the Citizens' Advocate Office Program, but the executive has allocated the entire reduction to the air transportation special revenue account. There is no apparent substantial impact to the program as a result of this reduction.

**LFD  
ISSUE**

Lack of Detail to Determine Impacts

The executive has submitted an across-the-board reduction for about 33 percent of the total reduction plan. Without details of which services would be curtailed or eliminated, it is not possible to determine the potential impact of the reduction.

**Funding**

The following table summarizes funding for the agency, by program and source, as recommended by the Governor. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Agency Funding 2013 Biennium Budget					
Agency Program	General Fund	State Spec.	Grand Total	Total %	
01 Executive Office Program	\$ 5,046,950	\$ -	\$ 5,046,950	41.80%	
02 Executive Residence Operations	231,666	-	231,666	1.92%	
03 Air Transportation Program	645,174	2,610	647,784	5.36%	
04 Ofc Budget & Program Planning	3,398,529	-	3,398,529	28.15%	
05 Coordinator Of Indian Affairs	351,362	-	351,362	2.91%	
06 Centralized Services Division	739,251	-	739,251	6.12%	
12 Lieutenant Governor'S Office	663,123	-	663,123	5.49%	
16 Citizens' Advocate Office	179,505	22,273	201,778	1.67%	
20 Mental Disabilities Bd Visitr	794,208	-	794,208	6.58%	
<b>Grand Total</b>	<b>\$ 12,049,768</b>	<b>\$ 24,883</b>	<b>\$ 12,074,651</b>	<b>100.00%</b>	

The Governor’s Office is almost entirely funded with general fund. State special revenue is generated through the rental charges to other state agencies for the use of the Governor’s airplane and from the Department of Public Health and Human Services (DPHHS) for calls handled by the Citizens’ Advocate Office on their behalf.

**Statutory Appropriations**

The following table shows the total statutory appropriations associated with this agency. Because statutory appropriations do not require reauthorization each biennium, they do not appear in HB 2 and are not routinely examined by the legislature. The table is provided so that the legislature can get a more complete picture of agency operations and associated policy.

As appropriate, LFD staff has segregated the statutory appropriations into two general categories: 1) those where the agency primarily acts in an administrative capacity and the appropriations consequently do not relate directly to agency operations; and 2) those that have a more direct bearing on the mission and operations of the agency.

Statutory Appropriations Governor's Office					
Purpose	MCA #	Fund Source	Fiscal 2010	Fiscal 2012*	Fiscal 2013*
<i>No Direct Bearing on Agency Operations</i>					
Local incidence response by state	10-3-310	GF	\$0	\$0	\$0
Governor declared emergency/disaster	10-3-312	GF	301,963	0	0
Presidential declared major disaster in Montana	10-3-314	FSR	44,283	0	0

\* 10-3-312, MCA authorizes the Governor to expend up to \$16 million general fund in any biennium when a disaster or an emergency is declared

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	5,946,921	5,946,921	11,893,842	98.71%	5,972,634	5,972,634	11,945,268	98.93%
Statewide PL Adjustments	45,392	(3,639)	41,753	0.35%	32,153	(16,943)	15,210	0.13%
Other PL Adjustments	56,771	41,934	98,705	0.82%	56,771	41,934	98,705	0.82%
New Proposals	8,865	6,603	15,468	0.13%	8,865	6,603	15,468	0.13%
<b>Total Budget</b>	<b>\$6,057,949</b>	<b>\$5,991,819</b>	<b>\$12,049,768</b>		<b>\$6,070,423</b>	<b>\$6,004,228</b>	<b>\$12,074,651</b>	

**Program Budget Comparison**

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

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	21.63	21.63	21.63	21.63	21.63	21.63	0.00	0.00%
Personal Services	1,787,970	1,756,812	1,680,488	1,676,168	3,544,782	3,356,656	(188,126)	(5.31%)
Operating Expenses	828,389	882,482	844,784	845,510	1,710,871	1,690,294	(20,577)	(1.20%)
<b>Total Costs</b>	<b>\$2,616,359</b>	<b>\$2,639,294</b>	<b>\$2,525,272</b>	<b>\$2,521,678</b>	<b>\$5,255,653</b>	<b>\$5,046,950</b>	<b>(\$208,703)</b>	<b>(3.97%)</b>
General Fund	2,616,359	2,639,294	2,525,272	2,521,678	5,255,653	5,046,950	(208,703)	(3.97%)
State Special	0	0	0	0	0	0	0	n/a
<b>Total Funds</b>	<b>\$2,616,359</b>	<b>\$2,639,294</b>	<b>\$2,525,272</b>	<b>\$2,521,678</b>	<b>\$5,255,653</b>	<b>\$5,046,950</b>	<b>(\$208,703)</b>	<b>(3.97%)</b>

**Program Description**

The Executive Office Program aids the Governor in overseeing and coordinating the activities of the Executive Branch of Montana state government. The program provides administrative, legal, and press support for the Office of the Governor. The Executive Office Program also administers programs with special impact on the citizens and governmental concerns of Montana. Special programs include the Office of Economic Development, which was created to strengthen the foundations of the state's business environment and diversify and expand existing economic endeavors to achieve long-term economic stability.

**Program Highlights**

<p><b>Executive Office Program</b> <b>Major Budget Highlights</b></p>
<ul style="list-style-type: none"> <li>◆ The Governor’s proposed budget decreases by 4.0% from the previous biennium due to statewide present law adjustments</li> </ul>

**Program Narrative**

*Goals and Objectives*

2013 Biennium Goal

The Legislative Finance Committee recommends the legislature consider the following critical goal and performance measurement(s) as part of its decisions on the executive's budget requests for this program.

- o The Governor’s Office of Economic Development will advise the Governor on policy issues related to economic development; assist the Governor in accomplishing his economic development initiatives; lead the state’s business recruitment, retention, and expansion efforts; coordinate the development and distribution of a statewide coordinated strategic economic development marketing plan; and serve as the state’s primary economic development liaison between federal, state, and local agencies, Montana tribal governments, private, non-profit economic development organizations, and the private sector. In doing so, the office will focus on infrastructure development, technology development, workforce development, marketing and recruitment, permitting and regulatory issues, energy development, and capital development.

*5% Reduction Plan*

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. The following summarizes the plan submitted for this program.

The Governor’s proposed 5% reduction plan for the Executive Office program contains two items. Neither item is included in the executive budget. The first of applies a 4% reduction to the agency personal services budget. The programmatic implementation is the elimination of 1.0 FTE from the Governor’s Office of Economic Development, producing a biennial reduction of \$132,642. This FTE is currently vacant. The second item is an across the board unallocated general fund reduction resulting in an \$88,600 biennial savings. The adoption of the 5% plan by the legislature would result in an additional 4.4% decrease in total funding for the program.

**Funding**

The following table summarizes funding for the agency, by program and source, as recommended by the Governor. Funding for each program is discussed in detail in the individual program narratives that follow.

Program Funding Table Executive Office Program						
Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000 Total General Fund	\$ 2,616,359	100.0%	\$ 2,525,272	100.0%	\$ 2,521,678	100.0%
01100 General Fund	<u>2,616,359</u>	<u>100.0%</u>	<u>2,525,272</u>	<u>100.0%</u>	<u>2,521,678</u>	<u>100.0%</u>
Grand Total	<u>\$ 2,616,359</u>	<u>100.0%</u>	<u>\$ 2,525,272</u>	<u>100.0%</u>	<u>\$ 2,521,678</u>	<u>100.0%</u>

The Executive Office Program is entirely funded with general fund.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	2,616,359	2,616,359	5,232,718	103.68%	2,616,359	2,616,359	5,232,718	103.68%
Statewide PL Adjustments	(91,087)	(94,681)	(185,768)	(3.68%)	(91,087)	(94,681)	(185,768)	(3.68%)
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$2,525,272</b>	<b>\$2,521,678</b>	<b>\$5,046,950</b>		<b>\$2,525,272</b>	<b>\$2,521,678</b>	<b>\$5,046,950</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(43,039)					(47,520)
Vacancy Savings					(64,443)					(64,282)
Inflation/Deflation					(2,416)					(2,371)
Fixed Costs					18,811					19,492
<b>Total Statewide Present Law Adjustments</b>		<b>(\$91,087)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$91,087)</b>		<b>(\$94,681)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$94,681)</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$91,087)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$91,087)</b>	<b>0.00</b>	<b>(\$94,681)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$94,681)</b>

**Program Personal Services Narrative**

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited by LFD staff as necessary for brevity and/or clarity.

- o **Program Specific Obstacles** - All of the employees of the Executive Office Program qualify as exempt employees under 2-18-103 and 104 MCA. Because of the exempt status of the employees, the agency has not provided detailed personal services information for the program.
- o **Retirements** - Governor Schweitzer’s term of office will end in January of 2013 and there is an assumed agency-wide turnover of approximately 24 existing appointed employees at that time or earlier. Assuming normal earnings/usage of annual and sick leave of those employees, the agency anticipates a compensated absence liability of \$475,576. This may be a significantly lesser amount if some of those employees transfer to other agencies instead of terminating their state employment.

**Program Budget Comparison**

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

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	1.50	1.50	1.50	1.50	1.50	1.50	0.00	0.00%
Personal Services	69,750	65,073	64,061	63,943	134,823	128,004	(6,819)	(5.06%)
Operating Expenses	50,564	61,291	51,459	52,203	111,855	103,662	(8,193)	(7.32%)
<b>Total Costs</b>	<b>\$120,314</b>	<b>\$126,364</b>	<b>\$115,520</b>	<b>\$116,146</b>	<b>\$246,678</b>	<b>\$231,666</b>	<b>(\$15,012)</b>	<b>(6.09%)</b>
General Fund	120,314	126,364	115,520	116,146	246,678	231,666	(15,012)	(6.09%)
<b>Total Funds</b>	<b>\$120,314</b>	<b>\$126,364</b>	<b>\$115,520</b>	<b>\$116,146</b>	<b>\$246,678</b>	<b>\$231,666</b>	<b>(\$15,012)</b>	<b>(6.09%)</b>

**Program Description**

The Governor's Residence Operations Program provides for the day-to-day operations of the official state Executive Residence.

**Program Highlights**

<b>Executive Residence Operations Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The Governor’s proposed budget decreases by 6.1% from the previous biennium primarily due to statewide present law adjustments, partially offset by a request for additional personal services</li> <li>◆ The proposed budget includes a request for additional personal services because a position vacant when the budgets were established was hired at a higher rate</li> </ul>

**Program Narrative**

*5% Reduction Plan*

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. The following summarizes the plan submitted for this program.

The 5% reduction plan for the Executive Residence Operations program, which is not included in the executive budget, includes an across the board unallocated general fund reduction resulting in a \$4,072 biennial savings. The adoption of the plan by the legislature would result in an additional 1.76% decrease in the total funding for the program.

**Funding**

The following table summarizes funding for the agency, by program and source, as recommended by the Governor. Funding for each program is discussed in detail in the individual program narratives that follow.

Program Funding Table							
Executive Residence Operations							
		Base	% of Base	Budget	% of Budget	Budget	% of Budget
Program Funding		FY 2010	FY 2010	FY 2012	FY 2012	FY 2013	FY 2013
01000	Total General Fund	\$ 120,314	100.0%	\$ 115,520	100.0%	\$ 116,146	100.0%
	01100 General Fund	120,314	100.0%	115,520	100.0%	116,146	100.0%
Grand	Total	<u>\$ 120,314</u>	<u>100.0%</u>	<u>\$ 115,520</u>	<u>100.0%</u>	<u>\$ 116,146</u>	<u>100.0%</u>

The Executive Residence Operations program is funded entirely from general fund.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	120,314	120,314	240,628	103.87%	120,314	120,314	240,628	103.87%
Statewide PL Adjustments	(11,286)	(10,660)	(21,946)	(9.47%)	(11,286)	(10,660)	(21,946)	(9.47%)
Other PL Adjustments	6,492	6,492	12,984	5.60%	6,492	6,492	12,984	5.60%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$115,520</b>	<b>\$116,146</b>	<b>\$231,666</b>		<b>\$115,520</b>	<b>\$116,146</b>	<b>\$231,666</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2012-----				-----Fiscal 2013-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(9,782)					(9,905)
Vacancy Savings					(2,399)					(2,394)
Inflation/Deflation					1,036					1,723
Fixed Costs					(141)					(84)
<b>Total Statewide Present Law Adjustments</b>		<b>(\$11,286)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$11,286)</b>		<b>(\$10,660)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$10,660)</b>
DP 201 - Adjust Budget for Actual Pay Rate	0.00	6,492	0	0	6,492	0.00	6,492	0	0	6,492
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$6,492</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,492</b>	<b>0.00</b>	<b>\$6,492</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,492</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$4,794)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$4,794)</b>	<b>0.00</b>	<b>(\$4,168)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$4,168)</b>

**Program Personal Services Narrative**

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited by LFD staff as necessary for brevity and/or clarity.

- o **Pay Plan Exceptions** – There are no specific employee groups for which the program has created special pay rates or exceptions.
- o **Program Specific Obstacles** – No program specific obstacles were encountered by the program.

- o **Vacancy** – There was a lapse between the retirement of the previous custodian and the hiring of the successor to the position that resulted in an increase in comp time, but it was a transient situation that has decreased after filling the position.
- o **Legislatively Applied Vacancy Savings** – Vacancy savings was achieved by holding vacant positions open longer than would otherwise be required.
- o **Pay/Position Changes** – The custodian position was hired at a rate higher than the budgeted entry rate resulting in a requested increase in personal services funding.
- o **Retirements** – The agency does not anticipate any retirements in the 2013 biennium, nor will they have any employees eligible for full retirement.

DP 201 - Adjust Budget for Actual Pay Rate - The Governor's Office is asking for additional personal services funding to cover a gap in funding for a half-time position that was vacant at the date on which the budget is determined, but which has been recruited and filled at a rate in excess of the budgeted entry rate. The Governor's Residence Operations has hired a 0.50 FTE Custodian for \$5.34 more per hour than its budgeted rate. Including a calculation for benefits at between 16-17%, the Residence Operations program requests \$6,492 each year.

**Program Budget Comparison**

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

Program Budget Comparison Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	1.50	1.50	1.50	1.50	1.50	1.50	0.00	0.00%
Personal Services	113,734	112,952	119,678	119,417	226,686	239,095	12,409	5.47%
Operating Expenses	193,988	182,371	200,068	208,621	376,359	408,689	32,330	8.59%
<b>Total Costs</b>	<b>\$307,722</b>	<b>\$295,323</b>	<b>\$319,746</b>	<b>\$328,038</b>	<b>\$603,045</b>	<b>\$647,784</b>	<b>\$44,739</b>	<b>7.42%</b>
General Fund	306,417	287,323	318,441	326,733	593,740	645,174	51,434	8.66%
State Special	1,305	8,000	1,305	1,305	9,305	2,610	(6,695)	(71.95%)
<b>Total Funds</b>	<b>\$307,722</b>	<b>\$295,323</b>	<b>\$319,746</b>	<b>\$328,038</b>	<b>\$603,045</b>	<b>\$647,784</b>	<b>\$44,739</b>	<b>7.42%</b>

**Program Description**

The Air Transportation Program provides the Governor with air transportation.

**Program Highlights**

<b>Air Transportation Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The Governor’s proposed budget increases by 7.4% over the previous biennium primarily due to statewide present law adjustments for personal services, insurance, and inflation on aircraft fuel</li> </ul>
<b>Major LFD Issues</b>
<ul style="list-style-type: none"> <li>◆ A portion of the general fund expenditures could be replaced with state special revenue</li> </ul>

**Program Narrative**

*5% Reduction Plan*

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. The following summarizes the plan submitted for this program.

The 5% reduction plan for the Air Transportation program includes two items that are not in the Governor’s proposed budget. The first of these is an across the board unallocated general fund reduction resulting in a \$10,358 biennial savings. The second is a \$2,572 biennial reduction in state special revenue expenditures that would essentially eliminate the use of state special revenue funding for the program in the upcoming biennium. The adoption of the plan by the legislature would result in an additional 1.6% decrease in general fund expenditures and a 2.0% decrease in the total funding for the program.

**Funding**

The following table summarizes funding for the agency, by program and source, as recommended by the Governor. Funding for each program is discussed in detail in the individual program narratives that follow.

Program Funding Table							
Air Transportation Program							
Program Funding		Base	% of Base	Budget	% of Budget	Budget	% of Budget
		FY 2010	FY 2010	FY 2012	FY 2012	FY 2013	FY 2013
01000	Total General Fund	\$ 306,417	99.6%	\$ 318,441	99.6%	\$ 326,733	99.6%
	01100 General Fund	306,417	99.6%	318,441	99.6%	326,733	99.6%
02000	Total State Special Funds	1,305	0.4%	1,305	0.4%	1,305	0.4%
	02693 Air Transportation Special Rev	<u>1,305</u>	<u>0.4%</u>	<u>1,305</u>	<u>0.4%</u>	<u>1,305</u>	<u>0.4%</u>
Grand	Total	<u>\$ 307,722</u>	<u>100.0%</u>	<u>\$ 319,746</u>	<u>100.0%</u>	<u>\$ 328,038</u>	<u>100.0%</u>

The Air Transportation program is funded with both general fund and state special revenue. Income for the state special revenue account has historically come from other agencies’ use of the Governor’s plane when not occupied by the Governor. Although this use has been minimal in the past few biennia, the residual fund balance of the state special revenue account has continued to increase.

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**General Fund Could Be Replaced By State Special Revenue**

The agency has maintained a state special revenue fund balance in excess of \$40,000 in the Air Transportation special revenue fund while funding 99.6% of the program’s expenditures from the general fund. 17-2-108, MCA requires agencies to apply expenditures against appropriated non-general fund money whenever possible before using general fund appropriations. In order to apply this statute and expend the fund balance that is being carried in the state special revenue fund account, the funds must be appropriated. The legislature could choose to replace the general fund appropriation with state special revenue funds in the amount of the fund balance, saving about \$45,000 in general fund. Alternatively the legislature could fund the program entirely from the general fund and transfer the excess fund balance of the state special revenue account to the general fund.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	306,417	306,417	612,834	94.99%	307,722	307,722	615,444	95.01%
Statewide PL Adjustments	12,024	20,316	32,340	5.01%	12,024	20,316	32,340	4.99%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$318,441</b>	<b>\$326,733</b>	<b>\$645,174</b>		<b>\$319,746</b>	<b>\$328,038</b>	<b>\$647,784</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					10,931					10,658
Vacancy Savings					(4,987)					(4,975)
Inflation/Deflation					7,021					9,240
Fixed Costs					(941)					5,393
<b>Total Statewide Present Law Adjustments</b>		<b>\$12,024</b>	<b>\$0</b>	<b>\$0</b>	<b>\$12,024</b>		<b>\$20,316</b>	<b>\$0</b>	<b>\$0</b>	
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$12,024</b>	<b>\$0</b>	<b>\$0</b>	<b>\$12,024</b>	<b>0.00</b>	<b>\$20,316</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,316</b>

**Program Personal Services Narrative**

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited by LFD staff as necessary for brevity and/or clarity.

- o **Pay Plan Exceptions** – The program has no specific employee groups for which the agency has created special pay rates or exceptions.
- o **Program Specific Obstacles** – No program specific obstacles were reported by the agency.
- o **Vacancy** – The program had no vacancy in the prior biennium and does not expect any vacancies in the upcoming biennium.
- o **Legislatively Applied Vacancy Savings** – Since this program has only 1.5 FTE, the legislatively applied vacancy savings charged to the program is normally made up for in other programs.
- o **Pay/Position Changes** – There were no changes in pay or positions in the past biennium.
- o **Retirements** – The program had no retirements in the prior biennium and does not have any employees eligible for retirement in the upcoming biennium.

**Program Budget Comparison**

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

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	19.00	19.00	19.00	19.00	19.00	19.00	0.00	0.00%
Personal Services	1,324,041	1,508,366	1,497,614	1,499,610	2,832,407	2,997,224	164,817	5.82%
Operating Expenses	208,859	207,392	205,431	195,874	416,251	401,305	(14,946)	(3.59%)
<b>Total Costs</b>	<b>\$1,532,900</b>	<b>\$1,715,758</b>	<b>\$1,703,045</b>	<b>\$1,695,484</b>	<b>\$3,248,658</b>	<b>\$3,398,529</b>	<b>\$149,871</b>	<b>4.61%</b>
General Fund	1,532,900	1,715,758	1,703,045	1,695,484	3,248,658	3,398,529	149,871	4.61%
State Special	0	0	0	0	0	0	0	n/a
Federal Special	0	0	0	0	0	0	0	n/a
Other	0	0	0	0	0	0	0	n/a
<b>Total Funds</b>	<b>\$1,532,900</b>	<b>\$1,715,758</b>	<b>\$1,703,045</b>	<b>\$1,695,484</b>	<b>\$3,248,658</b>	<b>\$3,398,529</b>	<b>\$149,871</b>	<b>4.61%</b>

**Program Description**

The Office of Budget and Program Planning (OBPP) assists the Governor in preparing the Governor's executive budget and administering the state government budget. In addition, the OBPP prepares and monitors revenue estimates and collections, prepares and publishes fiscal notes on proposed legislation and initiatives, and acts as approving authority for operational plan changes, program transfers, and budget amendments in the Executive Branch, in accordance with Title 17, Chapter 7, MCA. The OBPP acts as the lead Executive Branch agency for compliance with the federal Single Audit Act.

**Program Highlights**

<b>Office of Budget and Program Planning Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The Governor’s proposed budget increases by 4.6% from the previous biennium, primarily due to statewide present law adjustments. In addition to the items included the proposed budget, the Governor’s 5% reduction plan also includes an unallocated general fund reduction of \$51,328 over the biennium, which would result in an additional 1.5% reduction in total program funding</li> </ul>

**Program Narrative**

*5% Reduction Plan*

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. The following summarizes the plan submitted for this program.

The Governor’s proposed 5% reduction plan for the Office of Budget and Program Planning contains two items, neither of which is included in the executive budget. If adopted, the plan would reduce the program by 7.0%.

The 5% reduction plan includes a 4% reduction to the agency personal services budget. The programmatic implementation is the elimination of 1.0 FTE producing a biennial reduction of \$187,432. The position that would be eliminated is a financial manager. The position is currently vacant, and was also vacant during the base year, when excess appropriation authority in this program resultant from this vacancy was transferred to

other programs within the agency that did not achieve the applied vacancy savings. In its 5% reduction plan submittal, the agency states that the elimination of the position has the potential to increase workload and overtime. However, since the position is currently vacant, the elimination may have little impact on current operations. The second item is an across the board unallocated general fund reduction resulting in a \$51,328 biennial savings.

**Funding**

The following table summarizes funding for the agency, by program and source, as recommended by the Governor. Funding for each program is discussed in detail in the individual program narratives that follow.

Program Funding Table						
Ofc Budget & Program Planning						
Program Funding	Base	% of Base	Budget	% of Budget	Budget	% of Budget
	FY 2010	FY 2010	FY 2012	FY 2012	FY 2013	FY 2013
01000 Total General Fund	\$ 1,532,900	100.0%	\$ 1,703,045	100.0%	\$ 1,695,484	100.0%
01100 General Fund	<u>1,532,900</u>	<u>100.0%</u>	<u>1,703,045</u>	<u>100.0%</u>	<u>1,695,484</u>	<u>100.0%</u>
Grand Total	<u>\$ 1,532,900</u>	<u>100.0%</u>	<u>\$ 1,703,045</u>	<u>100.0%</u>	<u>\$ 1,695,484</u>	<u>100.0%</u>

The Office of Budget and Program Planning is funded entirely with general fund.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	1,532,900	1,532,900	3,065,800	90.21%	1,532,900	1,532,900	3,065,800	90.21%
Statewide PL Adjustments	169,632	154,108	323,740	9.53%	169,632	154,108	323,740	9.53%
Other PL Adjustments	513	8,476	8,989	0.26%	513	8,476	8,989	0.26%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$1,703,045</b>	<b>\$1,695,484</b>	<b>\$3,398,529</b>		<b>\$1,703,045</b>	<b>\$1,695,484</b>	<b>\$3,398,529</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					235,975					238,052
Vacancy Savings					(62,402)					(62,483)
Inflation/Deflation					(63)					(62)
Fixed Costs					(3,878)					(21,399)
<b>Total Statewide Present Law Adjustments</b>		<b>\$169,632</b>	<b>\$0</b>	<b>\$0</b>	<b>\$169,632</b>		<b>\$154,108</b>	<b>\$0</b>	<b>\$0</b>	<b>\$154,108</b>
DP 4001 - Global Insight Contract and Session Costs	0.00	513	0	0	513	0.00	8,476	0	0	8,476
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$513</b>	<b>\$0</b>	<b>\$0</b>	<b>\$513</b>	<b>0.00</b>	<b>\$8,476</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,476</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$170,145</b>	<b>\$0</b>	<b>\$0</b>	<b>\$170,145</b>	<b>0.00</b>	<b>\$162,584</b>	<b>\$0</b>	<b>\$0</b>	<b>\$162,584</b>

**Program Personal Services Narrative**

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited by LFD staff as necessary for brevity and/or clarity.

- o **Pay Plan Exceptions** – There are no specific employee groups for which the agency has created special pay rates or exceptions.
- o **Program Specific Obstacles** – The program reported no specific obstacles related to personal services.
- o **Vacancy** – The only vacancy in the program resulted from the departure of the financial manager. The responsibilities of the position were divided between two other positions, resulting in a reclassification of those positions and an increase in pay funded from leaving the financial manager position open.
- o **Legislatively Applied Vacancy Savings** – The program reported no issues dealing with the legislatively applied vacancy savings and transferred \$56,514 in personal services expenditure authority to other programs within the agency in the base year.
- o **Pay/Position Changes** – The changes in pay and positions were resultant from the redistribution of the financial manager position responsibilities to other positions as noted above.
- o **Retirements** – The budget office had one retirement in the current biennium, but does not expect any retirements in the upcoming biennium.

DP 4001 - Global Insight Contract and Session Costs - The budget for the Office of Budget and Program Planning contains funding to pay for a subscription to IHS Global Insight. This subscription provides economic data that is used in developing revenue estimates and in conducting other analyses. The cost of the contract for the economic data will increase 2% per year in the next biennium. This decision package also includes \$7,500 in FY 2013 only to cover the increased costs related to the preparation and publication of the executive budget.

**Program Budget Comparison**

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

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	2.00	2.00	2.00	2.00	2.00	2.00	0.00	0.00%
Personal Services	152,841	151,091	147,011	146,635	303,932	293,646	(10,286)	(3.38%)
Operating Expenses	27,953	36,675	28,837	28,879	64,628	57,716	(6,912)	(10.70%)
<b>Total Costs</b>	<b>\$180,794</b>	<b>\$187,766</b>	<b>\$175,848</b>	<b>\$175,514</b>	<b>\$368,560</b>	<b>\$351,362</b>	<b>(\$17,198)</b>	<b>(4.67%)</b>
General Fund	180,794	187,766	175,848	175,514	368,560	351,362	(17,198)	(4.67%)
<b>Total Funds</b>	<b>\$180,794</b>	<b>\$187,766</b>	<b>\$175,848</b>	<b>\$175,514</b>	<b>\$368,560</b>	<b>\$351,362</b>	<b>(\$17,198)</b>	<b>(4.67%)</b>

**Program Description**

The Coordinator of Indian Affairs Program serves as the Governor's liaison with state Indian tribes, provides information and policy support on issues confronting the Indians of Montana, and advises and makes recommendations on these issues to the Legislative and Executive Branches. The coordinator also serves the Montana congressional delegation as an advisor and intermediary in the field of Indian affairs and acts as spokesperson for representative Native American organizations and groups, both public and private, whenever that support is requested. The program is mandated by 2-15-217 and 90-11-101, MCA.

**Program Highlights**

<b>Coordinator of Indian Affairs Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The Governor’s proposed budget decreases by 4.7% in the 2013 biennium from the previous biennium due to vacancy savings, which the program did not achieve in the base year</li> <li>◆ A portion of the agency’s 5% reduction plan that is not included in the Governor’s budget would reduce total program funding by an additional 1.74%</li> </ul>

**Program Narrative**

*5% Reduction Plan*

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. The following summarizes the plan submitted for this program.

The 5% reduction plan for the Coordinator of Indian Affairs program includes an across the board unallocated general fund reduction resulting in a \$6,118 biennial savings. This reduction is not included in the Governor’s proposed budget. The adoption of the plan by the legislature would result in an additional 1.74% decrease in the total funding for the program.

**Funding**

The following table summarizes funding for the agency, by program and source, as recommended by the Governor. Funding for each program is discussed in detail in the individual program narratives that follow.

Program Funding Table Coordinator Of Indian Affairs							
		Base	% of Base	Budget	% of Budget	Budget	% of Budget
Program Funding		FY 2010	FY 2010	FY 2012	FY 2012	FY 2013	FY 2013
01000	Total General Fund	\$ 180,794	100.0%	\$ 175,848	100.0%	\$ 175,514	100.0%
	01100 General Fund	180,794	100.0%	175,848	100.0%	175,514	100.0%
	Grand Total	<u>\$ 180,794</u>	<u>100.0%</u>	<u>\$ 175,848</u>	<u>100.0%</u>	<u>\$ 175,514</u>	<u>100.0%</u>

The Coordinator of Indian Affairs Program is funded entirely from the general fund.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	180,794	180,794	361,588	102.91%	180,794	180,794	361,588	102.91%
Statewide PL Adjustments	(4,946)	(5,280)	(10,226)	(2.91%)	(4,946)	(5,280)	(10,226)	(2.91%)
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$175,848</b>	<b>\$175,514</b>	<b>\$351,362</b>		<b>\$175,848</b>	<b>\$175,514</b>	<b>\$351,362</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2012-----				-----Fiscal 2013-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					295					(96)
Vacancy Savings					(6,125)					(6,110)
Inflation/Deflation					(167)					(164)
Fixed Costs					1,051					1,090
<b>Total Statewide Present Law Adjustments</b>		<b>(\$4,946)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$4,946)</b>		<b>(\$5,280)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$5,280)</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$4,946)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$4,946)</b>	<b>0.00</b>	<b>(\$5,280)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$5,280)</b>

**Program Personal Services Narrative**

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited by LFD staff as necessary for brevity and/or clarity.

- o **Pay Plan Exceptions** - There are no specific employee groups for which the program has created special pay rates or exceptions.
- o **Program Specific Obstacles** – Due to its small size any vacancies result in significant impedance to the program’s operations.
- o **Vacancy** – There have been no vacant positions in the program during the current biennium.
- o **Legislatively Applied Vacancy Savings** – The small size of the program and the lack of turnover have prevented the program from achieving their budgeted amount of vacancy savings. Additional authority was

transferred between programs to cover the shortfall.

- o **Pay/Position Changes** – At the end of FY 2010, a 31.82% pay increase was provided to the program administrator.
- o **Retirements** – The program is not expecting any retirements in the upcoming biennium.

**Program Budget Comparison**

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

Program Budget Comparison Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	4.00	4.00	4.00	4.00	4.00	4.00	0.00	0.00%
Personal Services	298,318	283,780	278,008	278,634	582,098	556,642	(25,456)	(4.37%)
Operating Expenses	65,549	48,324	123,580	59,029	113,873	182,609	68,736	60.36%
Equipment & Intangible Assets	0	0	0	0	0	0	0	n/a
<b>Total Costs</b>	<b>\$363,867</b>	<b>\$332,104</b>	<b>\$401,588</b>	<b>\$337,663</b>	<b>\$695,971</b>	<b>\$739,251</b>	<b>\$43,280</b>	<b>6.22%</b>
General Fund	363,867	332,104	401,588	337,663	695,971	739,251	43,280	6.22%
<b>Total Funds</b>	<b>\$363,867</b>	<b>\$332,104</b>	<b>\$401,588</b>	<b>\$337,663</b>	<b>\$695,971</b>	<b>\$739,251</b>	<b>\$43,280</b>	<b>6.22%</b>

**Program Description**

The Centralized Services Program provides business services to all programs within the Governor's Office. Services include payroll and personnel, accounting, central asset management and computer replacement, data processing, and budget preparation and monitoring for the entire office.

**Program Highlights**

<b>Centralized Services Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The Governor’s proposed budget increases 6.2% from the previous biennium due to a request for funding of scheduled computer equipment replacement</li> <li>◆ A portion of the agency’s 5% reduction plan includes an \$11,206 unallocated general fund reduction that is not included in the Governor’s proposed budget</li> </ul>

**Program Narrative**

*5% Reduction Plan*

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. The following summarizes the plan submitted for this program.

The 5% reduction plan for the Centralized Services program includes an across the board unallocated general fund reduction resulting in an \$11,206 biennial savings. This reduction is not included in the Governor’s proposed budget. The adoption of the plan by the legislature would result in an additional 1.55% decrease in the total funding for the program.

**Funding**

The following table summarizes funding for the agency, by program and source, as recommended by the Governor. Funding for each program is discussed in detail in the individual program narratives that follow.

Program Funding Table Centralized Services Division							
		Base	% of Base	Budget	% of Budget	Budget	% of Budget
Program Funding		FY 2010	FY 2010	FY 2012	FY 2012	FY 2013	FY 2013
01000	Total General Fund	\$ 363,867	100.0%	\$ 401,588	100.0%	\$ 337,663	100.0%
	01100 General Fund	<u>363,867</u>	<u>100.0%</u>	<u>401,588</u>	<u>100.0%</u>	<u>337,663</u>	<u>100.0%</u>
Grand	Total	<u>\$ 363,867</u>	<u>100.0%</u>	<u>\$ 401,588</u>	<u>100.0%</u>	<u>\$ 337,663</u>	<u>100.0%</u>

The Centralized Services Program is funded entirely from the general fund.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	363,867	363,867	727,734	98.44%	363,867	363,867	727,734	98.44%
Statewide PL Adjustments	(15,744)	(54,607)	(70,351)	(9.52%)	(15,744)	(54,607)	(70,351)	(9.52%)
Other PL Adjustments	44,600	21,800	66,400	8.98%	44,600	21,800	66,400	8.98%
New Proposals	8,865	6,603	15,468	2.09%	8,865	6,603	15,468	2.09%
<b>Total Budget</b>	<b>\$401,588</b>	<b>\$337,663</b>	<b>\$739,251</b>		<b>\$401,588</b>	<b>\$337,663</b>	<b>\$739,251</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2012-----				-----Fiscal 2013-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(8,726)					(8,074)
Vacancy Savings					(11,584)					(11,610)
Fixed Costs					4,566					(34,923)
<b>Total Statewide Present Law Adjustments</b>			\$0	\$0	<b>(\$15,744)</b>		<b>(\$54,607)</b>	\$0	\$0	<b>(\$54,607)</b>
DP 6001 - Computer Replacement - 5 year replacement cycle	0.00	44,600	0	0	44,600	0.00	21,800	0	0	21,800
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$44,600</b>	<b>\$0</b>	<b>\$0</b>	<b>\$44,600</b>	<b>0.00</b>	<b>\$21,800</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,800</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$28,856</b>	<b>\$0</b>	<b>\$0</b>	<b>\$28,856</b>	<b>0.00</b>	<b>(\$32,807)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$32,807)</b>

**Program Personal Services Narrative**

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited by LFD staff as necessary for brevity and/or clarity.

- o **Pay Plan Exceptions** - There are no specific employee groups for which the program has created special pay rates or exceptions.
- o **Program Specific Obstacles** – The program is not expecting any difficulty attracting or retaining workers
- o **Vacancy** – The program did not have any vacant positions during the base year.
- o **Legislatively Applied Vacancy Savings** – Although the program had no vacancies during the base year, they

were able to achieve their legislatively applied vacancy saving by using carry-forward authority from a prior biennium.

- o **Pay/Position Changes** – There have been no pay or position changes in the program during the base year.
- o **Retirements** – The program administrator for Centralized Services retired during the current biennium, but the position was filled with minimal impact to the program’s operations.

DP 6001 - Computer Replacement - 5 year replacement cycle - Because the Governor's Office is not funded in the agency base budget for computer replacements, the agency has historically requested OTO funding in each executive budget for the number of computers that will need to be replaced during that biennium. Starting in FY 2011, the computer replacement cycle will move to 5 years. This request includes funding for replacing computer equipment that will exceed its 5 year expected life cycle in FY 2012 and FY 2013.

<b>LFD COMMENT</b>	Although it is noted that this type of request has been funded historically with one time only (OTO) funding in the decision package description, the Governor’s proposal does not designate this request to be funded as one time only. The legislature may want to instruct staff to apply the OTO designation to this item should it be adopted as part of the legislatively approved budget.
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**New Proposals**

The “New Proposals” table summarizes all new proposals requested by the Governor. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

Program	-----Fiscal 2012-----					-----Fiscal 2013-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 6002 - Relocate Governor's Office Servers to SMDC	06	0.00	8,865	0	0	8,865	0.00	6,603	0	0	6,603
<b>Total</b>	<b>0.00</b>	<b>\$8,865</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,865</b>	<b>0.00</b>	<b>\$6,603</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,603</b>	

DP 6002 - Relocate Governor's Office Servers to SMDC - The budget includes general fund of \$6,865 in FY 2012 and \$6,603 in FY 2013 to pay the costs of co-locating the Governor's Office servers at the new State of Montana Data Center (SMDC). In addition, the request includes \$2,000 general fund in FY 2012 only to purchase a KVM Console, which is a keyboard and monitor unit that fits in the storage rack and allows staff to work on the server.

**Program Budget Comparison**

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

Program Budget Comparison Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	3.94	3.94	3.94	3.94	3.94	3.94	0.00	0.00%
Personal Services	301,872	303,675	303,109	302,244	605,547	605,353	(194)	(0.03%)
Operating Expenses	47,052	54,332	28,846	28,924	101,384	57,770	(43,614)	(43.02%)
<b>Total Costs</b>	<b>\$348,924</b>	<b>\$358,007</b>	<b>\$331,955</b>	<b>\$331,168</b>	<b>\$706,931</b>	<b>\$663,123</b>	<b>(\$43,808)</b>	<b>(6.20%)</b>
General Fund	348,924	358,007	331,955	331,168	706,931	663,123	(43,808)	(6.20%)
<b>Total Funds</b>	<b>\$348,924</b>	<b>\$358,007</b>	<b>\$331,955</b>	<b>\$331,168</b>	<b>\$706,931</b>	<b>\$663,123</b>	<b>(\$43,808)</b>	<b>(6.20%)</b>

**Program Description**

The Office of the Lieutenant Governor is responsible for carrying out duties prescribed by statute established by Article VI, Section 4 of the Montana Constitution, as well as those delegated by the Governor. Statutory authority is Title 2, Chapter 15, part 3, MCA.

**Program Highlights**

<b>Lieutenant Governor's Office Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The Governor's proposed budget decreases by 6.2% from the previous biennium due to a reduction in fixed costs allocated to this program</li> <li>◆ A portion of the agency's 5% reduction plan includes an \$11,806 unallocated general fund reduction that is not included in the Governor's proposed budget</li> </ul>

**Program Narrative**

*5% Reduction Plan*

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. The following summarizes the plan submitted for this program.

The 5% reduction plan for the Lieutenant Governor's Office includes an across the board unallocated general fund reduction resulting in an \$11,806 biennial savings. This reduction is not included in the Governor's proposed budget. The adoption of the plan by the legislature would result in an additional 1.55% decrease in the total funding for the program.

**Funding**

The following table summarizes funding for the agency, by program and source, as recommended by the Governor. Funding for each program is discussed in detail in the individual program narratives that follow.

Program Funding Table Lieutenant Governor'S Office							
Program Funding		Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000	Total General Fund	\$ 348,924	100.0%	\$ 331,955	100.0%	\$ 331,168	100.0%
	01100 General Fund	348,924	100.0%	331,955	100.0%	331,168	100.0%
Grand	Total	<u>\$ 348,924</u>	<u>100.0%</u>	<u>\$ 331,955</u>	<u>100.0%</u>	<u>\$ 331,168</u>	<u>100.0%</u>

The Lieutenant Governor’s Office is funded entirely from the general fund.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	348,924	348,924	697,848	105.24%	348,924	348,924	697,848	105.24%
Statewide PL Adjustments	(16,969)	(17,756)	(34,725)	(5.24%)	(16,969)	(17,756)	(34,725)	(5.24%)
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$331,955</b>	<b>\$331,168</b>	<b>\$663,123</b>		<b>\$331,955</b>	<b>\$331,168</b>	<b>\$663,123</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2012-----				-----Fiscal 2013-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					9,317					8,432
Vacancy Savings					(8,080)					(8,060)
Inflation/Deflation					(1,352)					(1,332)
Fixed Costs					(16,854)					(16,796)
<b>Total Statewide Present Law Adjustments</b>		<b>(\$16,969)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$16,969)</b>		<b>(\$17,756)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$17,756)</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$16,969)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$16,969)</b>	<b>0.00</b>	<b>(\$17,756)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$17,756)</b>

**Program Personal Services Narrative**

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited by LFD staff as necessary for brevity and/or clarity.

- o **Pay Plan Exceptions** - There are no specific employee groups for which the program has created special pay rates or exceptions.
- o **Program Specific Obstacles** – The program is not expecting any difficulty attracting or retaining workers.
- o **Vacancy** – The program did not have any vacant positions during the base year.
- o **Legislatively Applied Vacancy Savings** – Although the program had no vacancies during the base year, additional authority was transferred from other programs to meet the personal services budget, including the legislatively applied vacancy savings.

- o **Pay/Position Changes** – There have been no pay or position changes in the program during the base year.
- o **Retirements** – There have been no retirements in the Lieutenant Governor’s Office during the current biennium. However, Governor Schweitzer’s term of office will end in January of 2013 and there is an assumed turnover of exempt staff.

### Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	1.50	1.50	1.50	1.50	1.50	1.50	0.00	0.00%
Personal Services	93,580	91,945	89,352	89,422	185,525	178,774	(6,751)	(3.64%)
Operating Expenses	10,602	12,188	11,482	11,522	22,790	23,004	214	0.94%
<b>Total Costs</b>	<b>\$104,182</b>	<b>\$104,133</b>	<b>\$100,834</b>	<b>\$100,944</b>	<b>\$208,315</b>	<b>\$201,778</b>	<b>(\$6,537)</b>	<b>(3.14%)</b>
General Fund	79,774	79,633	89,665	89,840	159,407	179,505	20,098	12.61%
State Special	24,408	24,500	11,169	11,104	48,908	22,273	(26,635)	(54.46%)
<b>Total Funds</b>	<b>\$104,182</b>	<b>\$104,133</b>	<b>\$100,834</b>	<b>\$100,944</b>	<b>\$208,315</b>	<b>\$201,778</b>	<b>(\$6,537)</b>	<b>(3.14%)</b>

### Program Description

The Citizens' Advocate Office exists to provide access to state government for Montana citizens. The office provides information to citizens and functions as a referral service for public comments, suggestions, and requests for information. The office provides a toll-free number to the public.

### Program Highlights

<b>Citizens' Advocate Office Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The Governor's proposed budget decreases by 3.1% from the previous biennium due to statewide present law adjustments</li> <li>◆ A portion of the agency's 5% reduction plan includes an \$2,700 unallocated general fund reduction that is not included in the Governor's proposed budget. While the total budget decreases, general fund increases by 12.6% due to a funding switch</li> </ul>
<b>Major LFD Issues</b>
<ul style="list-style-type: none"> <li>◆ The executive proposes a funding switch that moves \$19,957 from state special revenue to general fund</li> </ul>

### Program Narrative

#### *5% Reduction Plan*

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. The following summarizes the plan submitted for this program.

The 5% reduction plan for the Citizens' Advocate Office program includes an across the board unallocated general fund reduction resulting in a \$2,700 biennial savings. This reduction is not included in the Governor's proposed budget. The adoption of the plan by the legislature would result in an additional 1.5% decrease in general fund and 1.34% decrease in the total funding for the program.

**Funding**

The following table summarizes funding for the agency, by program and source, as recommended by the Governor. Funding for each program is discussed in detail in the individual program narratives that follow.

Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000 Total General Fund	\$ 79,774	76.6%	\$ 89,665	88.9%	\$ 89,840	89.0%
01100 General Fund	79,774	76.6%	89,665	88.9%	89,840	89.0%
02000 Total State Special Funds	24,408	23.4%	11,169	11.1%	11,104	11.0%
02253 Citizen'S Advocate State Special Re	24,408	23.4%	11,169	11.1%	11,104	11.0%
<b>Grand Total</b>	<b>\$ 104,182.0</b>	<b>100.0%</b>	<b>\$ 100,834.0</b>	<b>100.0%</b>	<b>\$ 100,944.0</b>	<b>100.0%</b>

The Citizens' Advocate Office is funded with both general fund and state special revenue. The state special revenue account is funded through charges by the Citizens' Advocate to the Department of Public Health and Human Services (DPHHS) for the telephone calls that the Citizens Advocate Office handles on behalf of DPHHS, as they are the initial point of contact for many DPHHS programs.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	79,774	79,774	159,548	88.88%	104,182	104,182	208,364	103.26%
Statewide PL Adjustments	9,891	10,066	19,957	11.12%	(3,348)	(3,238)	(6,586)	(3.26%)
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$89,665</b>	<b>\$89,840</b>	<b>\$179,505</b>		<b>\$100,834</b>	<b>\$100,944</b>	<b>\$201,778</b>	

**Present Law Adjustments**

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

	-----Fiscal 2012-----				-----Fiscal 2013-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(505)					(432)
Vacancy Savings					(3,723)					(3,726)
Fixed Costs					880					920
<b>Total Statewide Present Law Adjustments</b>		<b>\$9,891</b>	<b>(\$13,239)</b>	<b>\$0</b>	<b>(\$3,348)</b>		<b>\$10,066</b>	<b>(\$13,304)</b>	<b>\$0</b>	<b>(\$3,238)</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$9,891</b>	<b>(\$13,239)</b>	<b>\$0</b>	<b>(\$3,348)</b>	<b>0.00</b>	<b>\$10,066</b>	<b>(\$13,304)</b>	<b>\$0</b>	<b>(\$3,238)</b>

**LFD  
ISSUE**Funding Switch to General Fund

The program has decreased state special revenue funding by about 54.5% from the base year in the upcoming biennium and shifted the majority of that funding to the general fund.

As stated in the funding section of this narrative, the office charges the Department of Public Health and Human Services (DPHHS) for work done on their behalf. Examination of the actual time spent on phone calls for DPHHS showed that less time was expended than the funding level appeared to warrant. Consequently, the program requests additional general fund to reduce the amount of funding contributed by DPHHS to more accurately reflect the actual workload.

Two separate adjustments make up the switch:

- 1) The total statewide present law adjustments reduce the budget for the program by \$6,586 over the biennium. This reduction is applied only to the state special revenue fund.
- 2) The program has also shifted another \$19,957 funding from the state special revenue account to the general fund.

The result of both of these adjustments is that although the total funding for the program would decline by 3.1% from the previous biennium, the general fund expenditures would increase by 12.6%.

Should be Made in New Proposal

Statute requires that any change in funding source must be done in a decision package. Instead, the office has made this change in the adjusted base. Therefore, the legislature may want to act on this funding switch separately.

**Program Personal Services Narrative**

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited by LFD staff as necessary for brevity and/or clarity.

- o **Pay Plan Exceptions** - There are no specific employee groups for which the program has created special pay rates or exceptions.
- o **Program Specific Obstacles** – The program is not expecting any difficulty attracting or retaining workers.
- o **Vacancy** – The program did not have any vacant positions during the base year.
- o **Legislatively Applied Vacancy Savings** – Although the program had no vacancies during the base year, additional authority was transferred from other programs to meet their personal services budget, including the legislatively applied vacancy savings.
- o **Pay/Position Changes** – There have been no pay or position changes in the program during the base year.
- o **Retirements** – The program had no retirements in the current biennium and does not have any employees eligible for retirement in the upcoming biennium.

**Program Budget Comparison**

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

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	5.00	5.00	5.00	5.00	5.00	5.00	0.00	0.00%
Personal Services	322,968	331,781	323,250	324,166	654,749	647,416	(7,333)	(1.12%)
Operating Expenses	74,604	78,543	73,365	73,427	153,147	146,792	(6,355)	(4.15%)
<b>Total Costs</b>	<b>\$397,572</b>	<b>\$410,324</b>	<b>\$396,615</b>	<b>\$397,593</b>	<b>\$807,896</b>	<b>\$794,208</b>	<b>(\$13,688)</b>	<b>(1.69%)</b>
General Fund	397,572	410,324	396,615	397,593	807,896	794,208	(13,688)	(1.69%)
<b>Total Funds</b>	<b>\$397,572</b>	<b>\$410,324</b>	<b>\$396,615</b>	<b>\$397,593</b>	<b>\$807,896</b>	<b>\$794,208</b>	<b>(\$13,688)</b>	<b>(1.69%)</b>

**Program Description**

The Mental Disabilities Board of Visitors program is actually two individual programs providing related services to the people of Montana.

The Mental Disabilities Board of Visitors is charged with formally reviewing patient care and assisting people who have complaints about services at Montana's licensed mental health centers, community hospital psychiatric units, children's residential treatment programs, and at the state facilities that serve people with mental illnesses and developmental disabilities. The board provides legal services to patients at Montana State Hospital. The Governor appoints six board members who represent recipients of services and their families, and the mental health and developmental disability professions. The board employs administrative and legal staff and contracts with mental health and developmental disability professionals to carry out its responsibilities for patient representation and facility review. The Mental Disabilities Board of Visitors Program was created by the Developmental Disabilities Act of 1975 and the Mental Commitment and Treatment Act of 1975 and exists as a state mandate.

The Mental Health Ombudsman is statutorily directed to "represent the interests of individuals with regard to need for public mental health services". The office functions with 1.5 FTE responding to statewide requests for service. The Office of the Ombudsman was created by the legislature in 1999 and is appointed by the Governor for a four year term.

**Program Highlights**

<b>Mental Disabilities Board of Visitors Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The Governor's proposed budget decreases by 1.7% from the previous biennium due in large part to a reduction in statewide present law adjustments, partially offset by an increase because a position vacant when the budgets were established was hired at a higher rate</li> <li>◆ The portion of the agency's 5% reduction plan applicable to the program would further reduce the funding for the Mental Health Ombudsman program by 0.5%</li> </ul>

**Program Narrative**

*5% Reduction Plan*

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. The following summarizes the plan submitted for this program.

The Governor’s proposed 5% reduction plan for the Mental Disabilities Board of Visitors program contains two items, both of which apply only to the Mental Health Ombudsman program because the Mental Disabilities Board of Visitors is exempted from the 5% reduction plan requirement by 17-7-11(3)(f), MCA. The executive has included in the plan an across the board unallocated general fund reduction resulting in a \$3,644 biennial savings, and the reduction of a 0.50 FTE. Neither reduction is included in the executive budget. Adoption of the 5% plan by the legislature would result in an additional 6.8% decrease in total funding for the Mental Health Ombudsman program. Since other staff would absorb the duties of this FTE, service timeliness may be impacted. The FTE is currently filled.

**Funding**

The following table summarizes funding for the agency, by program and source, as recommended by the Governor. Funding for each program is discussed in detail in the individual program narratives that follow.

Program Funding Table Mental Disabilities Bd Visitrs						
Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000 Total General Fund	\$ 397,572	100.0%	\$ 396,615	100.0%	\$ 397,593	100.0%
01100 General Fund	397,572	100.0%	396,615	100.0%	397,593	100.0%
<b>Grand Total</b>	<b>\$ 397,572.00</b>	<b>100.0%</b>	<b>\$ 396,615.00</b>	<b>100.0%</b>	<b>\$ 397,593.00</b>	<b>100.0%</b>

This program is funded entirely by the general fund.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	397,572	397,572	795,144	100.12%	397,572	397,572	795,144	100.12%
Statewide PL Adjustments	(6,123)	(5,145)	(11,268)	(1.42%)	(6,123)	(5,145)	(11,268)	(1.42%)
Other PL Adjustments	5,166	5,166	10,332	1.30%	5,166	5,166	10,332	1.30%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$396,615</b>	<b>\$397,593</b>	<b>\$794,208</b>		<b>\$396,615</b>	<b>\$397,593</b>	<b>\$794,208</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					8,370					9,323
Vacancy Savings					(13,254)					(13,291)
Inflation/Deflation					(317)					(312)
Fixed Costs					(922)					(865)
<b>Total Statewide Present Law Adjustments</b>		<b>(\$6,123)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$6,123)</b>		<b>(\$5,145)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$5,145)</b>
DP 2000 - Adjust Budget for Actual Pay Rate										
	0.00	5,166	0	0	5,166	0.00	5,166	0	0	5,166
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$5,166</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,166</b>	<b>0.00</b>	<b>\$5,166</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,166</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$957)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$957)</b>	<b>0.00</b>	<b>\$21</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21</b>

DP 2000 - Adjust Budget for Actual Pay Rate - The Governor's Office is asking for additional personal services funding to cover a gap in funding for a half-time position that was vacant at the date from which the personal services budget is determined, but which has been recruited and filled at a rate in excess of the budgeted entry rate. The Mental Disabilities Board of Visitors has hired a 0.50 FTE Legal Assistant for \$4.26 more per hour than its budgeted rate. Including a calculation for benefits at between 16-17%, the Board of Visitors is underfunded by \$5,166 each year.

<b>LFD COMMENT</b>	<p>This decision package applies only to the Mental Disabilities Board of Visitors. It is related to the statewide present law in that the reductions from the base expenditures for personal services are because this position cost more than was budgeted in the previous biennium so a reduction was applied to the adjusted base to align the upcoming budget with the snapshot date budget for the position. This decision package essentially reverses that present law adjustment and provides the program with the budget authority for the projected cost of the position in the upcoming biennium.</p>
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