

## **APPENDIX B - FTE CHANGES**

FTE, or full-time-equivalent, is used to account for full and part-time employees of state government. The legislature does not appropriate FTE per se, but instead uses FTE and its individual attributes such as salary and benefits to build the personal services budget. The FTE are also used to indicate which FTE can be used to build the base budget in the next biennium.

The 2015 biennium HB 2 boilerplate included language that FTE established in the 2015 biennium should reflect the personal services budget, which included a 4% vacancy savings reduction. The executive did not reduce FTE in the 2015 biennium to implement this language. Instead, the executive has reduced FTE in most agencies in the proposed 2017 biennium budget. The following figure shows the base FY 2014 and appropriated FY 2015 FTE as they appear in the executive budget, and the boilerplate language reductions taken by the executive. The Legislative and Judicial Branches were exempt, as were any agencies that had been exempt from vacancy savings due to either size or statutory exemption.

Executive Budget FTE Removed for HB 2 Boilerplate 2015 Biennium					
Section/Agency	Executive FY 2014	Executive FY 2015	Removed for Boilerplate	New Base FY 2014	New Base FY 2015
Section A					
State Auditor	87.80	87.80	3.26	84.54	84.54
Revenue	670.28	670.28	24.72	645.56	645.56
Administration	149.13	149.13	6.21	142.92	142.92
Commerce	49.25	49.25	2.21	47.04	47.04
Labor and Industry	751.58	751.58	30.02	721.56	721.56
Military Affairs	199.21	199.21	4.50	194.71	194.71
Section B					
Public Health and Human Services	2,923.58	2,923.58	68.79	2,854.79	2854.79
Section C					
Fish, Wildlife, and Parks	701.28	701.28	20.52	680.76	680.76
Environmental Quality	383.47	383.47	17.92	365.55	365.55
Transportation	2,129.26	2,129.26	78.99	2,050.27	2050.27
Livestock	138.47	138.47	5.85	132.62	132.62
Natural Resources and Conservation	542.78	542.78	18.92	523.86	523.86
Agriculture	118.53	118.53	3.79	114.74	114.74
Section D					
Justice	771.85	771.85	18.41	753.44	753.44
Public Service Commission	40.00	40.00	1.56	38.44	38.44
Office of the Public Defender	217.50	217.50	8.96	208.54	208.54
Corrections	1,281.89	1,281.89	16.87	1,265.02	1265.02
Section E					
Office of Public Instruction	163.35	163.35	6.81	156.54	156.54
Commissioner of Higher Education	93.88	93.88	3.98	89.90	89.9
State Library	30.75	30.75	1.29	29.46	29.46
Historical Society	<u>60.83</u>	<u>60.83</u>	<u>2.44</u>	58.39	58.39
Total	<u>11,504.67</u>	<u>11,504.67</u>	<u>346.02</u>	<u>11,158.65</u>	<u>\$ 11,158.65</u>

## EXECUTIVE PROPOSAL

The following figure shows the increase requested by the executive from the FY 2014 minus the executive boilerplate implementation. This adjustment was made in order to show the policy areas where the executive has requested a change in total FTE. The executive would add 195.17 FTE in FY 2017 compared to FY 2015, with over 93% of the net increase in five agencies. The reduction in the Department of Labor and Industry is due to a reorganization that would move positions funded in HB 2 to a non-HB 2 proprietary fund.

Section/Agency	FY 15 - 17				
	New Base FY 2014	New Base FY 2015	Executive FY 2016	Executive FY 2017	Total Change
<b>Section A</b>					
Legislative Branch**	134.22	139.39	133.22	138.39	(1.00)
Consumer Counsel	5.54	5.54	5.54	5.54	0.00
Governor's Office	58.07	58.07	58.07	58.07	0.00
Secretary of State*	0.00	0.00	0.00	0.00	0.00
Commissioner of Political Practices	6.00	6.00	7.00	7.00	1.00
State Auditor	84.54	84.54	80.54	80.54	(4.00)
Revenue	645.56	645.56	651.55	651.55	5.99
Administration*	142.92	142.92	143.42	143.42	0.50
Commerce*	47.04	47.04	52.04	52.04	5.00
Labor and Industry	721.56	721.56	688.56	688.56	(33.00)
Military Affairs	194.71	194.71	200.21	200.21	5.50
<b>Section B</b>					
Public Health and Human Services	2,854.79	2,854.79	2,872.80	2,945.49	90.70
<b>Section C</b>					
Fish, Wildlife, and Parks	680.76	680.76	694.62	694.08	13.32
Environmental Quality	365.55	365.55	365.55	365.55	0.00
Transportation	2,050.27	2,050.27	2,062.32	2,062.32	12.05
Livestock	132.62	132.62	139.12	139.12	6.50
Natural Resources and Conservation	523.86	523.86	526.36	526.36	2.50
Agriculture	114.74	114.74	114.74	114.74	0.00
<b>Section D</b>					
Judicial Branch	422.58	422.58	433.58	433.58	11.00
Board of Crime Control	17.50	17.50	17.50	17.50	0.00
Justice	753.44	753.44	759.44	759.42	5.98
Public Service Commission	38.44	38.44	38.44	38.44	0.00
Office of the Public Defender	208.54	208.54	256.00	256.00	47.46
Corrections	1,265.02	1,265.02	1,283.52	1,283.52	18.50
<b>Section E</b>					
Office of Public Instruction	156.54	156.54	162.71	162.71	6.17
Board of Public Education	4.00	4.00	3.00	3.00	(1.00)
School for the Deaf and Blind	88.61	88.61	88.61	88.61	0.00
Commissioner of Higher Education***	89.90	89.90	89.90	89.90	0.00
Arts Council	7.00	7.00	7.00	7.00	0.00
State Library	29.46	29.46	30.46	30.46	1.00
Historical Society	58.39	58.39	59.39	59.39	<u>1.00</u>
<b>Total</b>	<u>11,902.17</u>	<u>11,907.34</u>	<u>12,025.21</u>	<u>12,102.51</u>	<u>195.17</u>
*The Office of the Secretary of State and a significant number of Department of Administration and Department of Commerce staff are funded with proprietary funds that are not included in HB 2.					
**FY 2017 includes session staff.					
***Includes only staff within the Office of the Commissioner of Higher Education.					

Among the major changes for significant proposed policy actions are the following:

- DPHHS – “First Step” initiatives and other mental health proposals in FY 2017, and make permanent modified positions added during the interim to assist Offices of Public Assistance
- Office of the Public Defender – Make modified positions added in the interim permanent and additional staff to address workload issue, and reverse the reduction taken to implement the HB 2 boilerplate language
- Corrections – Additional probation and parole officers
- Fish, Wildlife, and Parks – Staff to implement the proposed sage grouse function
- Judicial Branch – Court Help program

## **LEGISLATIVE OPTIONS**

The 2015 LFD Budget Analysis contains a more detailed description of each of the proposed changes to FTE included in the personal services funding in the executive budget, with associated comments or issues.

## **REFERENCES**

<http://leg.mt.gov/fbp-2017.asp>

## APPENDIX B – ONE-TIME-ONLY EXPENDITURE PROPOSALS

The executive recommends that \$41.5 million general fund be appropriated in HB 2 on a one-time-only (OTO) basis in the 2017 biennium. The executive is also requesting OTO funds in other legislation totaling \$16.1 million, including:

- HB 10 Long Range Information Technology - \$12.0 million cash transfer for a portion of a total \$20.0 million for projects
- HB 13 Pay Plan bill - \$1.275 million for a contingency fund and training. The remaining funding in the bill would be ongoing

A detailed description of the LRIT projects is provided in section F of the budget analysis located here: [http://leg.mt.gov/content/Publications/fiscal/BA-2017/section\\_f/lrbp.pdf](http://leg.mt.gov/content/Publications/fiscal/BA-2017/section_f/lrbp.pdf)

The pay plan is discussed in the expenditure section of the report under Other Legislation.

### EXECUTIVE PROPOSAL

The following figure details the general fund OTOs proposed by the executive in HB 2.

One-Time-Only Expenditure Proposals Executive Budget - General Fund 2017 Biennium		
HB 2	Present Law	New Proposals
Legislative Branch		
Carbon Dioxide Subcommittee		9,610
State Auditor		
Insure Montana		4,769,387
Revenue		
Fiscal Note Overtime	70,000	
Commerce		
Native American Language		1,500,000
Enhance Economic Development		5,500,000
DPHHS		
Child Care STARS to Quality		2,400,000
AMDD Suicide Mortality Review Team	67,000	
Suicide Prevention Grants		500,000
DEQ		
Zortman Landusky Additional		500,000
DNRC		
Sage Grouse Conservation Fund		10,000,000
Water Resources Database	126,000	
Justice		
Montana v Wyoming Litigation		500,000
CSKT Water Litigation		500,000
Commissioner of Higher Education		
Research to Improve Montana's Economy		15,000,000
MSDB		
Upgrade Software	25,000	
Extra-Curricular Compensation	53,876	
Total by DP Type	<u>\$341,876</u>	<u>\$41,178,997</u>

## **LEGISLATIVE OPTIONS**

Additional discussion of each proposal can be found in the narratives for the individual agencies listed, along with any LFD analyst comments and/or options.

## **REFERENCES**

<http://leg.mt.gov/fbp-2017.asp>

## APPENDIX B - FY 2015 SUPPLEMENTAL REQUESTS

### EXECUTIVE PROPOSAL

The executive is requesting \$31.6 million general fund in the 2015 biennium as supplemental funding. The figure shows supplemental appropriations since the 2001 biennium. The amount requested is slightly less than the average for the time period. However, please note that, unlike most other biennia, there are no fire costs in the 2015 biennium total, as these costs were entirely funded with the fire suppression fund<sup>1</sup>.

General Fund Supplementals 2001 to 2015	
Biennium	Millions
2001	\$68.2
2003	12.5
2005	12.7
2007	76.4
2009	3.5
2011	2.9
2013	123.6
2015	31.6

The following details the FY 2015 executive request. The figure is followed by a brief description of each. A further discussion of each supplemental request is included in the individual agency narratives in the 2017 Biennium Legislative Fiscal Division Budget Analysis.

HB 3 Supplemental Appropriations Request Executive Budget - 2015 Biennium				
Agency/Purpose	General Fund	State		
		Special Funds	Federal Funds	Proprietary Funds
Commissioner of Political Practices				
Litigation and Investigation	\$94,000	-	-	-
Office of Public Instruction				
Base Aid	9,000,000			
Block Grants	400,000			
Department of Administration				
Risk Management and Tort Defense	13,400,000			
Office of the Public Defender				
Public Defender	100,000			
Conflict Coordinator Program	1,600,000			
Department of Corrections				
Secure Facilities	<u>7,000,000</u>			
<b>Total</b>	<b><u>\$31,594,000</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

- Commissioner of Political Practices – The executive requests funds to hire additional consultants to provide forensic accountant services and legal consultation
- Office of Public Instruction – The executive request consists of two parts:
  - The 2015 biennium budgeted appropriation was underestimated for BASE-Aid and the executive requests \$9.0 million for the shortfall
  - \$400,000 for block grants shortages that occurred in the 2015 biennium
- Department of Administration – The State of Montana has a self-funded property and casualty insurance program administered by the Department of Administration. The executive is requesting funds to help replenish the fund, which was depleted owing to a large payout to settle the Libby asbestos lawsuit

<sup>1</sup>The 2013 legislature created a [fire suppression fund](#) to provide for wildfire costs.

- Office of the Public Defender – The executive is requesting funding for statewide caseload growth for two functions in the office: Public Defender and Conflict Coordinator
- Department of Corrections – The executive is requesting funding to offset anticipated shortages associated with county jail holds that are nearly double the budgeted amount