

**Program Budget Comparison**

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

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Budget Fiscal 2016	Budget Fiscal 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	4.00	4.00	4.00	4.00	4.00	4.00	0.00	0.00 %
Personal Services	233,301	363,059	289,705	289,169	596,360	578,874	(17,486)	(2.93)%
Operating Expenses	151,057	210,141	169,048	169,067	361,198	338,115	(23,083)	(6.39)%
Grants	2,420,936	2,923,426	2,660,000	2,660,000	5,344,362	5,320,000	(24,362)	(0.46)%
Transfers	110,621	150,000	232,000	232,000	260,621	464,000	203,379	78.04 %
<b>Total Costs</b>	<b>\$2,915,915</b>	<b>\$3,646,626</b>	<b>\$3,350,753</b>	<b>\$3,350,236</b>	<b>\$6,562,541</b>	<b>\$6,700,989</b>	<b>\$138,448</b>	<b>2.11 %</b>
General Fund	125,207	128,855	148,245	148,088	254,062	296,333	42,271	16.64 %
State/Other Special Rev. Funds	12,965	77,232	12,965	12,965	90,197	25,930	(64,267)	(71.25)%
Federal Spec. Rev. Funds	2,777,743	3,440,539	3,189,543	3,189,183	6,218,282	6,378,726	160,444	2.58 %
<b>Total Funds</b>	<b>\$2,915,915</b>	<b>\$3,646,626</b>	<b>\$3,350,753</b>	<b>\$3,350,236</b>	<b>\$6,562,541</b>	<b>\$6,700,989</b>	<b>\$138,448</b>	<b>2.11 %</b>

**Program Description**

The Governor's Office of Community Service (OCS) was created by the 1993 Legislature, at the request of the Governor, with the mission to renew the ethic of civic responsibility in the state, to engage citizens in service, and support volunteer opportunities focused on critical community needs. The OCS provides administration for the Corporation for National and Community Service' AmeriCorps state programs and creates opportunities for individuals to engage in their community. OCS also administers the ReadyMontana initiative, a statewide effort to encourage individual disaster preparedness.

**Program Highlights**

Office of Community Services Major Budget Highlights	
<ul style="list-style-type: none"> <li>Executive proposes to increase Office of Community Services by 2.1% between 2015 and 2017 biennia</li> <li>Federal funds for special projects provide for the majority of the increase</li> </ul>	

**Program Discussion -***Comparison of FY 2015 Legislative Base to FY 2015 Adjusted Base*

The following highlights the differences between the FY 2015 appropriations as shown in the main table to the FY 2015 legislative appropriations used for purposes of the budget base.

Department of Labor and Industry Office of Community Services FY 2015 Appropriation Transactions				
Category	Legislative Appropriation	Category Adjustments	Reorganization	Total Executive Implementation
Personal Services	\$313,059	\$0	\$0	\$313,059
Operating Expenses	215,000	0	(4,859)	210,141
Grants	3,073,426	(150,000)	0	2,923,426
Transfers	0	150,000	0	150,000
Total Costs	<u>\$3,601,485</u>	<u>\$0</u>	<u>(\$4,859)</u>	<u>\$3,596,626</u>

The total executive implementation shown in the figure above does not tie to the FY 2015 appropriation shown on the program budget comparison table because the executive included \$50,000 of general fund provided in SB 410. The main change in the FY 2015 legislative appropriations was a category adjustment that moved \$150,000 of grants authority to transfers. The remaining change was due to the reorganization.

#### *Comparison of the FY 2014 Actual Expenditures to FY 2015 Legislative Appropriations*

Actual FY 2014 expenditures are \$0.7 million below the FY 2015 legislative appropriation. Primary reasons for the difference are:

- Personal services were below anticipated levels due to a 6.2% vacancy savings rate
- Operating expenses were about \$60,000 less than anticipated in several categories including:
  - \$17,000 in other services mainly in temporary services and printing
  - \$11,000 in communications for television advertising
  - \$36,000 in other expenses mainly in scholarships and fellowships, and educational grants
- Grants for special projects were \$0.5 million below anticipated levels due to not receiving \$750,000 of federal funding to support the Montana Campus Corps, Program Training, and Disability Inclusion Efforts.

#### *Executive Request*

The program budget comparison table shows the impacts to the budget after the transfers of appropriation authority are taken into account. Overall, the executive's request is \$0.5 million higher than FY 2014 actual spending. Personal services increase about \$56,000 each year of the biennium when compared to FY 2014 actual spending. In addition to increases that result from the implementation of pay raises and health insurance contributions included in HB 13, other changes include:

- Proficiency agreement progression, and strategic pay increases granted throughout FY 2014 that are annualized for the 2017 biennium
- Vacancy savings that were 6.2% in FY 2014 compared to a budgeted rate of 6.0%; the budget proposes full funding of positions that were unfilled during all or a portion of FY 2014
- Employee attainment of longevity milestones in the 2017 biennium
- Changes in employer retirement contributions

When compared to FY 2014 actual spending, operating costs increase by about \$68,000 each year of the biennium. About \$7,500 is due to the proposal to implement proprietary rates for the Technology Service Division. As shown in the table above, the division transferred \$4,859 in operating expenses to TSD in FY 2015. The remaining increases are due to fixed costs paid to other state agencies and the Commissioner's Office/CSD.

Grants for special projects related to AmeriCorps grants to local communities increases \$239,000 when compared to FY 2014 actual spending.

### Funding

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

Department of Labor & Industry, 07-Office of Community Services Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	296,333	0	0	296,333	4.42 %
02190 OCS CBI Training	25,930	0	0	25,930	100.00 %
02252 DoLI Operations Acct	0	0	0	0	0.00 %
<b>State Special Total</b>	<b>\$25,930</b>	<b>\$0</b>	<b>\$0</b>	<b>\$25,930</b>	<b>0.39 %</b>
03322 MT Community Service FSR	6,378,726	0	0	6,378,726	100.00 %
03339 Office of Community Svcs SSR	0	0	0	0	0.00 %
<b>Federal Special Total</b>	<b>\$6,378,726</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,378,726</b>	<b>95.19 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$6,700,989</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,700,989</b>	

The majority of the funding for the program is provided through federal AmeriCorp grants. General fund and state special revenue fund most of the administrative expenses for the program, with federal revenue providing the remainder, including the funding for grants and special projects administered by the program.

### Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	130,979	130,979	261,958	88.40 %	3,601,485	3,601,485	7,202,970	107.49 %
PL Adjustments	13,762	13,605	27,367	9.24 %	(258,298)	(258,815)	(517,113)	(7.72)%
New Proposals	3,504	3,504	7,008	2.36 %	7,566	7,566	15,132	0.23 %
<b>Total Budget</b>	<b>\$148,245</b>	<b>\$148,088</b>	<b>\$296,333</b>		<b>\$3,350,753</b>	<b>\$3,350,236</b>	<b>\$6,700,989</b>	

### Present Law Adjustments -

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

Present Law Adjustments										
-----Fiscal 2016-----						-----Fiscal 2017-----				
FTE	General Fund	State Special	Federal Special	Total Funds		FTE	General Fund	State Special	Federal Special	Total Funds
DP 98 - LEG. Personal Services Present Law	0.00	1,244	(1,290)	(23,308)	(23,354)	0.00	1,256	(1,317)	(23,829)	(23,890)
DP 99 - LEG. Present Law	0.00	12,518	(12,977)	(234,485)	(234,944)	0.00	12,349	(12,950)	(234,324)	(234,925)
Grand Total All Present Law Adjustments										
	0.00	\$13,762	(\$14,267)	(\$257,793)	(\$258,298)	0.00	\$13,605	(\$14,267)	(\$258,153)	(\$258,815)

DP 98 - LEG. Personal Services Present Law -

The Personal Services Present Law Adjustments (PSPL) in the table below includes all present law adjustments related to personal services, including statewide present law personal services adjustments. This adjustment has been broken out by some of its component parts for a more detailed understanding of the adjustments. FY 2016 and FY 2017 contain the reductions in FTE made by the executive to implement the boilerplate language in HB 2.

Personal Services Present Law Adjustments					
FY 2016					
CP 98 PSPL Item	FTE	General Fund	State Special	Federal Special	Total Funds
State Share Health Insurance	4.00	\$603	\$0	\$1,341	\$1,944
Executive Implementation of 2015 Pay Increase		1,532	-	3,410	4,943
Fully Fund 2015 Legislatively Authorized FTE		-	40	-	40
Other		(891)	(1,330)	(28,060)	(30,281)
<b>Personal Services Present Law Adjustments</b>	<b>4.00</b>	<b>\$1,244</b>	<b>(\$1,290)</b>	<b>(\$23,308)</b>	<b>(\$23,354)</b>
FY 2017					
CP 98 PSPL Item	FTE	General Fund	State Special	Federal Special	Total Funds
State Share Health Insurance	4.00	\$603	\$0	\$1,341	\$1,944
Executive Implementation of 2015 Pay Increase		1,532	-	3,410	4,943
Fully Fund 2015 Legislatively Authorized FTE		-	40	-	40
Other		(879)	(1,357)	(28,580)	(30,817)
<b>Personal Services Present Law Adjustments</b>	<b>4.00</b>	<b>\$1,256</b>	<b>(\$1,317)</b>	<b>(\$23,829)</b>	<b>(\$23,890)</b>

DP 99 - LEG. Present Law -

As shown in the present law table, the executive is proposing a reduction in federal funding from the 2015 legislative base budget. As previously discussed, these reductions are mainly due to changes in federal support for grant programs.

**New Proposals -**

Total funds in the New Proposals table do not include proprietary funds budgeted in House Bill 2.

New Proposals											
-----Fiscal 2016-----						-----Fiscal 2017-----					
	FTE	General Fund	State Special	Federal Special	Total Funds		FTE	General Fund	State Special	Federal Special	Total Funds
DP 707002 - TSD Funding Switch	0.00	3,504	0	4,062	7,566		0.00	3,504	0	4,062	7,566
<b>Total</b>	<b>0.00</b>	<b>\$3,504</b>	<b>\$0</b>	<b>\$4,062</b>	<b>\$7,566</b>		<b>0.00</b>	<b>\$3,504</b>	<b>\$0</b>	<b>\$4,062</b>	<b>\$7,566</b>

DP 707002 - TSD Funding Switch -

The Office of Community Services requests \$7,566 in FY 2016 and \$7,566 in FY 2017 for operating expenses related the reorganization of the Technology Services Division. These costs are the estimated amount the Office of Community Services will be assessed through Technology Services Division rates. This decision package is related to DP6001 of Technology Services Division.