

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	11.25	11.25	12.25	12.25	11.25	12.25	1.00	8.89 %
Personal Services	697,985	725,163	816,730	818,844	1,423,148	1,635,574	212,426	14.93 %
Operating Expenses	157,316	1,364,116	1,853,943	1,857,051	1,521,432	3,710,994	2,189,562	143.91 %
Capital Outlay	0	0	0	0	0	0	0	0.00 %
Total Costs	\$855,301	\$2,089,279	\$2,670,673	\$2,675,895	\$2,944,580	\$5,346,568	\$2,401,988	81.57 %
General Fund	795,969	2,023,411	2,510,042	2,515,874	2,819,380	5,025,916	2,206,536	78.26 %
State/Other Special Rev. Funds	59,332	65,868	160,631	160,021	125,200	320,652	195,452	156.11 %
Proprietary Funds	0	0	0	0	0	0	0	0.00 %
Total Funds	\$855,301	\$2,089,279	\$2,670,673	\$2,675,895	\$2,944,580	\$5,346,568	\$2,401,988	81.57 %

Program Description

The General Services Division is composed of three bureaus responsible for providing certain internal services to government agencies and the public.

The Facilities Management Bureau manages the following services for state agencies in the capitol complex and several state-owned buildings in the Helena area either directly or through the administration of service contracts: repair, maintenance, construction, energy consumption, disaster response and recovery, space allocation, lease negotiation, security, janitorial, recycling, pest control, grounds maintenance, and garbage collection.

The State Procurement Bureau procures or supervises the procurement of all supplies and services, and provides technical assistance to government agencies and the public to ensure compliance with the Montana Procurement Act. The bureau also manages the state's energy procurement, vehicle fueling and procurement card programs, and the central stores program.

The Print and Mail Services Bureau provides print and mail services to state agencies. Services include internal and external (contracted) printing, photocopy pool services, mail preparation, central mail operations, and inter-agency (deadhead) mail. The bureau also operates the United States Post Office in the Capitol and provides one quick copy location on the Capitol Complex.

In addition to the three bureaus, the division manages the state and federal surplus property program.

Program Highlights

General Services Division Major Budget Highlights
<ul style="list-style-type: none"> • The 2017 biennium budget included in HB 2 is 29.1% higher than the 2015 biennium legislative appropriation • Non-budgeted proprietary funds provide over 86.9% of the support for the program • The legislature moved the Central Stores Program from a proprietary rate to a state special revenue account due to changes in the program's operations • The legislature provided \$1.6 million of general fund each year of the biennium for rent of the common spaces within the capitol complex

Program Narrative

Personal services increase due to the implementation of pay raises and health insurance contributions included in HB 13 as enacted by the 2013 Legislature. Other changes approved for personal services include:

- Employee attainment of longevity milestones in the 2017 biennium
- Changes in employer retirement
- Reductions in costs related to the implementation of the boilerplate language in HB 2 enacted by the 2013 Legislature
- Inclusion of FTE to administer the central stores function

The legislature moved the Central Stores Program from proprietary rates to a state special revenue fund appropriated in HB 2. The 2013 Legislature eliminated the warehouse function of the Central Stores Program that was supported by a proprietary rate through agencies paying for goods and services. Instead General Services Division operates the Montana eMarketCenter. This is an online purchasing portal allowing state agencies to purchase goods directly from Montana vendors. The vendors pay a 2% fee each quarter. The legislature established a state special revenue account for the eMarketCenter for deposit of the 2% fee.

Operating expense increases for the various divisions include the following:

- Procurement Bureau increases are mainly due to additional costs for State Information Technology Services Division computer services, indirect cost charges to support the Director's Office, and higher building rent
- Fueling and Procard Division changes relate to increased costs for rent and grounds maintenance charged by the proprietarily funded Facilities Maintenance Bureau
- Facilities Management includes reinstatement of a one-time-only general fund appropriation for the rent of the common areas within the State Capitol Building, the Montana Historical Society, and the Governor's Mansion.

Funding

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

Department of Administration, 06-General Services Program Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	5,025,916	0	266,028	5,291,944	10.87 %
02211 Procurement Special Revenue	320,652	0	0	320,652	100.00 %
02299 Capitol Complex Major Maint	0	0	0	0	0.00 %
State Special Total	\$320,652	\$0	\$0	\$320,652	0.66 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
06066 Surplus Property	0	1,123,463	0	1,123,463	2.61 %
06528 Rent And Maintenance	0	20,148,724	0	20,148,724	46.78 %
06530 Print & Mail Services	0	21,798,243	0	21,798,243	50.61 %
06531 Central Stores	0	0	0	0	0.00 %
Proprietary Total	\$0	\$43,070,430	\$0	\$43,070,430	88.47 %
Total All Funds	\$5,346,568	\$43,070,430	\$266,028	\$48,683,026	

HB 2 Funding

General fund provides support for the State Procurement Bureau and for transfers to the capitol complex major maintenance account in the state special revenue fund.

State special revenues from procurement rebates fund a portion of the procurement functions that provide for the fueling and procurement card operations. The legislature moved central stores from the proprietary fund to an account within the state special revenue fund.

Proprietary Funds

The majority of the office is supported through proprietary funds. These funds are considered and approved as rates charged to other divisions in the agency and are discussed in the "Proprietary Rates" section of the narrative.

Statutory Appropriations

General Services Division issues federal fund rebates for procard and fuel card rebates under 17-3-106, MCA. Rebates that are for costs provided by federal funds are returned to the federal government.

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	823,215	823,215	1,646,430	32.76 %	889,083	889,083	1,778,166	33.26 %
PL Adjustments	1,686,827	1,692,659	3,379,486	67.24 %	1,695,903	1,701,300	3,397,203	63.54 %
New Proposals	0	0	0	0.00 %	85,687	85,512	171,199	3.20 %
Total Budget	\$2,510,042	\$2,515,874	\$5,025,916		\$2,670,673	\$2,675,895	\$5,346,568	

Present law adjustments provide general fund for rent charges for the common areas which make up the majority of the present law adjustments. The legislature provided a funding switch for the Central Stores Program from proprietary rates to a state special revenue account and appropriated it in HB 2.

Present Law Adjustments

The "Present Law Adjustments" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

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 510 - Legislative Audit- HB 2 2014 Fixed Costs (Biennial/Restricted)										
0.00	0	37	0	37	0.00	0	0	0	0	0
DP 515 - State Share Health Insurance										
0.00	5,093	374	0	5,467	0.00	5,093	374	0	5,467	
DP 520 - Fully Fund 2015 Legislatively Authorized FTE										
0.00	12,945	0	0	12,945	0.00	12,945	0	0	12,945	
DP 525 - Fixed Cost Adjustment										
0.00	2,105,197	5,642	0	2,110,839	0.00	2,109,288	5,647	0	2,114,935	
DP 526 - 2017 Biennium Legislative Audit (Biennial/Restricted)										
0.00	0	255	0	255	0.00	0	0	0	0	0
DP 529 - Longevity and Other adjustments										
0.00	3,012	0	0	3,012	0.00	5,301	0	0	5,301	
DP 550 - Motor Pool Rate Adjustment										
0.00	(28)	0	0	(28)	0.00	(28)	0	0	(28)	
DP 620 - Additional Operating										
0.00	0	0	0	0	0.00	0	0	0	0	0
DP 600106 - Directors Office Costs										
0.00	6,608	2,768	0	9,376	0.00	6,060	2,620	0	8,680	
DP 600200 - Original Governor's Mansion (Restricted)										
0.00	27,000	0	0	27,000	0.00	27,000	0	0	27,000	
DP 600220 - Rent for the Common Areas (Restricted/OTO)										
0.00	1,627,438	0	0	1,627,438	0.00	1,632,185	0	0	1,632,185	
DP 600230 - Rent for the common areas - base adjustments										
0.00	(2,100,438)	0	0	(2,100,438)	0.00	(2,105,185)	0	0	(2,105,185)	
Grand Total All Present Law Adjustments										
0.00	\$1,686,827	\$9,076	\$0	\$1,695,903	0.00	\$1,692,659	\$8,641	\$0	\$1,701,300	

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 510 - Legislative Audit- HB 2 2014 Fixed Costs (Biennial/Restricted -

The legislature provided a restricted biennial appropriation for the legislative audit costs. The funding is established at the level of the 2015 biennial appropriation contained in HB 2 as enacted by the 2013 Legislature.

DP 515 - State Share Health Insurance -

The legislature provided appropriation authority for the state share of health insurance, as adopted by the 2013 Legislature.

DP 520 - Fully Fund 2015 Legislatively Authorized FTE -

The legislature provided appropriation authority to restore personal services funding to create a vacancy savings rate of zero.

DP 525 - Fixed Cost Adjustment -

The legislature adopted proprietary rates for fixed costs charged to state agencies for services such as information technology or rent and grounds maintenance within the capitol complex. Rates for messenger services, legislative audit, grounds maintenance, records management, agency legal costs, and the statewide cost allocation plan were adopted as proposed by the executive. The legislature lowered proprietary rates for warrant writer, payroll services, SABHRS, SITSD fees, and rent. The legislature increased insurance premiums to provide for increased costs of claims and to establish a reserve for the insurance fund.

DP 526 - 2017 Biennium Legislative Audit (Biennial/Restricted) -

The legislature adjusted legislative audit costs and funding based on the current estimate of the Legislative Auditor.

DP 529 - Longevity and Other adjustments -

The legislature adopted personal service adjustments for unemployment insurance, workers compensation rates, longevity, retirement, and health benefits.

DP 550 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 620 - Additional Operating -

The legislature provided funding to support additional operating costs within the General Services Division.

DP 600106 - Directors Office Costs -

The legislature appropriated the program's share of department indirect/administrative costs for services provided by proprietary funded centralized service functions within the Director's Office.

DP 600200 - Original Governor's Mansion (Restricted) -

The legislature approved a direct transfer of general fund from the Montana Historical Society to the General Services Program which occurred in the 2015 biennium. To ensure the increased funding provided in the 2017 biennium continued to be used for this purpose, the funding is restricted to maintenance for the Original Governor's Mansion.

DP 600220 - Rent for the Common Areas (Restricted/OTO) -

The legislature approved \$1.6 million each fiscal year in general fund for the rent of the common areas as a restricted, one-time-only appropriation. The funding was adjusted for reductions in the rental rate for office space approved by the legislature as part of its action on fixed costs.

DP 600230 - Rent for the common areas - base adjustments -

The legislature funded rent for the common areas as one-time-only, removing about \$2.1 million from the base budget.

New Proposals

The "New Proposals" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

New Proposals										
Fiscal 2016						Fiscal 2017				
	FTE	General Fund	State Special	Federal Special	Total Funds		FTE	General Fund	State Special	Total Funds
DP 600601 - Funding Switch for Central Stores Program	1.00	0	0	0	85,687	1.00	0	0	0	85,512
Total	1.00	\$0	\$0	\$0	\$85,687	1.00	\$0	\$0	\$0	\$85,512

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 600601 - Funding Switch for Central Stores Program -

The legislature approved the General Services Division fund switch for the Central Stores Program from proprietary funds to state special revenues. The state special revenues will be generated through a 2% fee assessed businesses participating in the eMarketCenter.

Other Issues**Proprietary Rates**

The General Services Division provides the following functions supported by proprietary rates charged to state agencies:

- Facilities management (Rent and Grounds Maintenance)
- Print services
- Mail services
- Surplus property
- Central stores

Facilities Management Bureau - 06528*Program Description*

Rent and maintenance are managed by the Facilities Management Bureau (FMB), which is the custodian of all state property and grounds in the state capitol area. The state capitol area is the geographic area within a 10-mile radius of the State Capitol. Services include providing facilities management assistance, including repair, maintenance, and construction services to state agencies in the Helena area; and providing statewide leasing assistance to agencies to negotiate colocation of agencies when procuring leased space for field offices. The bureau also manages the office waste paper products recycling program in the Helena area. The program serves all agencies and units within state government.

Rate and Rate Explanation

Rent is based on square feet occupied and is assessed each agency in the buildings controlled by the Department of Administration. The rates are established to cover the cost of personal services and operating expenses including maintenance and equipment. Grounds maintenance charges are also based on square feet of office space occupied in buildings controlled by the Department of Administration. Again, the rates are established to cover the cost of personal services and operating expenses including maintenance and equipment replacement.

The legislature adopted the following rates:

Requested Rates for Internal Service Funds Fee/Rate Information				
	Actual FY14	Budgeted FY15	Budgeted FY16	Budgeted FY17
Fee Description:				
Office Rent (per sq. ft.)	8.434	8.217	9.780	9.800
Warehouse Rent (per sq. ft.)	4.625	4.637	4.625	4.637
Grounds Maintenance (per sq. ft.)	0.491	0.493	0.615	0.615
Project Mgmt. (In-house)	15%	15%	15%	15%
Project Mgmt. (Contracted)	5%	5%	5%	5%

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge.

Print and Mail Services Bureau - 06530

Program Description

The Print and Mail Services Bureau (PMSB) provides printing and mail services to all agencies within State Government. The bureau has seven components: 1) internal printing; 2) external (contracted) printing; 3) photocopy pool; 4) mail preparation; 5) central mail operations; 6) inter-agency (deadhead mail); and 7) postal station in the Capitol. All printing or purchasing of printing is requested through Print and Mail Services, which determines the most cost effective method of project completion. Approximately 64.4% of printing expenditures were procured through commercial vendors in FY 2014.

Rates and Rate Explanations

For the 2017 biennium the following rates were adopted by the legislature as shown on the following page. The rates charged in the previous two biennia are shown for comparison purposes.

Requested Rates for Internal Service Funds Fee/Rate Information						
	Actual FY12	Actual FY13	Actual FY14	Budgeted FY15	Budgeted FY16	Budgeted FY17
Fee Description:						
Internal Printing						
Impression Cost						
1-20	0.0762	0.0762	0.0800	0.0800	0.0930	0.0930
21-100	0.0336	0.0336	0.0360	0.0360	0.0420	0.0420
101-1000	0.0193	0.0193	0.0200	0.0200	0.0230	0.0230
1001-5000	0.0078	0.0078	0.0080	0.0080	0.0090	0.0090
5000 +	0.0039	0.0039	0.0040	0.0040	0.0050	0.0050
Color Copy						
8 1/2 x 11	0.25	0.20	0.22	0.25	0.25	0.25
11 x 17	0.50	0.40	0.44	0.50	0.50	0.50
Ink						
Black per Sheet	0.0002	0.0002	0.0002	0.0002	0.00024	0.00024
Color	15.00	15.00	15.00	15.00	15.00	15.00
Special Mix	25.00	25.00	25.00	25.00	25.00	25.00
Collating Machine	0.0072	0.0072	0.0080	0.0080	0.0085	0.0085
Collating Hand	0.60	0.60	0.60	0.60	0.64	0.64
Stapling Hand	0.018	0.018	0.018	0.018	0.018	0.018
Stapling In-line	0.012	0.012	0.012	0.012	0.012	0.012
Saddle Stitch	0.036	0.036	0.036	0.036	0.036	0.036
Folding	12.00 + .006	12.00 + .006	12.00 + .006	12.00 + .006	12.00 + .006	12.00 + .006
Folding Rt Angle	12.00 + .006	12.00 + .006	12.00 + .006	12.00 + .006	12.00 + .006	12.00 + .006
Folding In-line	0.036	0.036	0.036	0.036	0.036	0.036
Punching St 3 hole	0.0012	0.0012	0.0012	0.0012	0.0012	0.0012
Punching Non St	3.60 + .0012	3.60 + .0012	3.60 + .0012	3.60 + .0012	3.60 + .0012	3.60 + .0012
Cutting	0.66	0.66	0.66	0.66	0.66	0.66
Padding	0.0024	0.0024	0.0024	0.0024	0.0024	0.0024

Scoring, perf, num	6.00 + Dup Rate	6.00 + Dup Rate	6.00 + Dup Rate	6.00 + Dup Rate	6.00 + Dup Rate	6.00 + Dup Rate
Perfect Binding	18.00 + 0.66	18.00 + 0.66	18.00 + 0.66	18.00 + 0.66	18.00 + 0.66	18.00 + 0.66
Spirial Binding	0.69	0.69	0.69	0.69	0.79	0.79
Laminating						
8 1/2 x 11	0.57	0.57	0.57	0.57	0.57	0.57
11 x 17	0.85	0.85	0.85	0.85	0.85	0.85
Tape Binding	0.60	0.60	0.60	0.60	0.60	0.60
Shrink Wrapping	0.30	0.30	0.30	0.30	0.30	0.30
Hand Work Production	0.60	0.60	0.60	0.60	0.64	0.64
Overtime	22.15	22.15	24.00	24.00	24.00	24.00
Desktop	46.36	46.36	50.00	50.00	65.00	65.00
Scan	9.52	9.52	9.52	9.52	9.52	9.52
Large Format Color per ft.	12.70	12.70	12.70	12.70	12.70	12.70
Proof	0.25	0.25	0.25	0.25	0.25	0.25
Programming	45.46	45.46	50.00	50.00	65.00	65.00
File Transfer	22.00	22.73	25.00	25.00	25.00	25.00
Variable Data	0.009	0.009	0.015	0.02	0.02	0.02
CD Duplicating	1.75	1.75	1.75	1.75	1.75	1.75
DVD Duplicating	3.50	3.50	3.50	3.50	3.50	3.50
Mainframe Print	0.069	0.069	0.069	0.069	0.069	0.069
Silver Plates						
8.5x11	9.20	9.20	9.20	9.20	9.20	9.20
11x17	10.35	10.35	10.35	10.35	10.35	10.35
CTP Plates						
8.5x11	9.20	9.20	9.20	9.20	9.20	9.20
11x17	10.35	10.35	10.35	10.35	10.35	10.35
Inventory Mark Up	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%

Fee Group						
External Printing						
Percent of Invoice	6.73%	6.73%	6.73%	6.73%	7.30%	7.30%
Mark-up						
Fee Group						
Photocopy Pool						
Percent of Invoice	15.0%	15.0%	15.9%	15.9%	15.9%	15.9%
Mark-up						
Fee Group						
Mail Preparation						
Tabbing	0.021	0.021	0.021	0.021	0.021	0.021
Labeling	0.021	0.021	0.021	0.021	0.021	0.021
Ink Jet	0.034	0.034	0.034	0.034	0.034	0.034
Inserting	0.030	0.030	0.030	0.030	0.030	0.030
Waymark	0.062	0.062	0.069	0.069	0.069	0.069
Permit mailings	0.062	0.062	0.069	0.069	0.069	0.069
Fee Group						
Mail Operations						
Service Type (each)						
Machinable	0.043	0.043	0.043	0.043	0.043	0.043
Non-Machinable	0.080	0.080	0.100	0.100	0.100	0.100
Seal Only	0.020	0.020	0.020	0.020	0.020	0.020
Post cards	0.049	0.049	0.060	0.060	0.060	0.060
Certified Mail	0.614	0.614	0.614	0.614	0.614	0.614
Registered Mail	0.614	0.614	0.614	0.614	0.614	0.614
Internatl Mail	0.400	0.400	0.500	0.500	0.500	0.500
Flats	0.110	0.110	0.140	0.140	0.140	0.140
Priority	0.614	0.614	0.614	0.614	0.614	0.614
Express Mail	0.614	0.614	0.614	0.614	0.614	0.614
USPS Parcels	0.400	0.400	0.500	0.500	0.500	0.500
Insured mail	0.614	0.614	0.614	0.614	0.614	0.614
Media Mail	0.307	0.307	0.307	0.307	0.307	0.307
Standard Mail	0.200	0.200	0.200	0.200	0.200	0.200
Postage Due	0.061	0.061	0.061	0.061	0.061	0.061
Fee Due	0.061	0.061	0.061	0.061	0.061	0.061
Tapes	0.245	0.245	0.245	0.245	0.245	0.245
Express Services	0.500	0.500	0.500	0.500	0.500	0.500
Mail tracking					0.250	0.250
Cass letters/postcards					0.043	0.043
Cass flats					0.100	0.100
Flat sorter					0.250	0.250
Fee Group						
Inter-agency Mail						
Dollars-yearly	297,657	297,657	314,750	314,750	355,570	355,570

Fee Group						
Postal Contract						
(Capitol)						
Dollars-yearly	38,976	38,976	38,976	38,976	38,976	38,976

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge.

06066 Surplus Property Program

Program Description

The Property and Supply Bureau operates the surplus property program to administer the sale of surplus property no longer needed by agencies. This property is distributed to state agencies or other eligible organizations. The program sells property through on-line auction, fixed price warehouse sales, public auction, and garage sales. The surplus property program services include extending the life of state property by providing a mechanism to transfer surplus property between agencies, providing accountability in the disposal of surplus state property, providing agencies with a surplus equipment pick up service, and providing a screening service to locate federal surplus property for state and local agencies.

Rate and Rate Explanation:

This program is funded with an enterprise fund type proprietary fund. As such, the legislature does not appropriate funds or approve rates for the program. Instead, the legislature reviews the report for the enterprise fund and identifies any concerns with the financial position of the fund.

Requested Rates for Internal Service Funds Fee/Rate Information					
Actual FY12	Actual FY13	Actual FY14	Budgeted FY15	Budgeted FY16	Budgeted FY17
Fee Description: The State Surplus handling fees are: If property is sold for less than \$500, the program retains the proceeds. The program retains \$500 plus 5% and unusual expenses for property sold for more than \$500. The Federal Surplus Property program fees are an allocation of freight expense and 14% of acquisition cost. This is included in the Federal Plan of Operation, which has been approved by the Federal General Services Administration.					

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge.