

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
Operating Expenses	272,751	750,000	786,741	750,000	1,022,751	1,536,741	513,990	50.26 %
Total Costs	\$272,751	\$750,000	\$786,741	\$750,000	\$1,022,751	\$1,536,741	\$513,990	50.26 %
State/Other Special Rev. Funds	272,751	750,000	786,741	750,000	1,022,751	1,536,741	513,990	50.26 %
Total Funds	\$272,751	\$750,000	\$786,741	\$750,000	\$1,022,751	\$1,536,741	\$513,990	50.26 %

Program Description

The Montana Promotion Division (division) strives to strengthen Montana’s economy through increased visitor travel, visitor expenditures, and film production in the state. The division is responsible for implementing and promoting a positive brand image for Montana as a vacation destination and works to ensure brand consistency amongst its marketing and promotional efforts. The division focuses on attracting high value, low impact geotraveler visitors who contribute to Montana’s economic and social prosperity while respecting and appreciating Montana’s authentic natural and cultural assets. This program goal is accomplished through various marketing efforts, networking with the state’s public and private sector tourism and recreation industry and agencies, along with education and development assistance. The division works to project a positive image of the state through consumer advertising, electronic marketing, public relations efforts, international and domestic group travel marketing, printing and distribution of literature, staffing support and training of professional travel counselors, assisting in the development of tourism infrastructure and marketing to motion picture and television production companies. The division provides training and assistance to the Montana tourism industry, administers, and distributes event marketing and infrastructure grants and oversees expenditures of six regional non-profit corporations and fifteen qualified convention and visitors bureaus.

Program Highlights

Montana Promotion Division Major Budget Highlights
<ul style="list-style-type: none"> • Over 97% of the Montana Promotion Division budget, including 29.50 FTE is supported by statutory appropriations not reflected in HB 2 • The legislature approved private funds at the FY 2015 level without adjustment

Program Narrative

The legislature approved the HB 2 budget for private funds (funds donated by private entities) at the FY 2015 level each year of the biennium. In addition an appropriation for audit expenses of \$36,741 was provided in FY 2016.

As almost 97% of the budget is supported by statutory funding, the expenditures by type of cost are not shown in the program budget comparison table above. The following table shows the adopted budget for the statutorily funded program by year, type of expenditure, and source of funding. Revenues supporting the program are broken into the accounts within the state special revenue fund and are shown using the HJR 2 estimated revenues adopted by the legislature.

As shown in the figure, currently the FY 2016 adopted budget is slightly above current legislative revenue projections while over the 2017 biennium revenues exceed the adopted budget by \$0.5 million.

Department of Commerce Montana Promotion Division Program Budget Comparison							
Budget Item	Base FY 2014	Appropriated FY 2015	Adopted FY 2016	Adopted FY 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium % Change
FTE	29.50	28.50	29.50	29.50	28.50	29.50	3.51%
Personal Services	\$1,995,929	\$1,945,376	\$1,945,376	\$1,945,376	\$3,941,305	\$3,890,752	-1.28%
Operating Expenses	12,389,338	14,829,673	14,828,673	14,828,673	27,219,011	29,657,346	8.96%
Equipment and Intangibles	33,346	48,508	48,508	48,508	81,854	97,016	18.52%
Local Assistance	5,476,316	6,246,437	6,246,437	6,246,437	11,722,753	12,492,874	6.57%
Grants	<u>1,756,029</u>	<u>1,099,320</u>	<u>1,099,320</u>	<u>1,099,320</u>	<u>2,855,349</u>	<u>2,198,640</u>	<u>-23.00%</u>
Total Costs	21,650,958	24,169,314	24,168,314	24,168,314	45,820,272	48,336,628	5.49%
State Special Accommodation Tax Account*	16,271,154	16,730,000	17,793,000	18,499,000	33,001,154	36,292,000	9.97%
Regional Accommodation Tax*	5,452,747	6,246,437	6,246,437	6,246,437	11,699,184	12,492,874	6.78%
L & C Bicentennial Plate Fund	32,865	55,000	32,865	32,865	87,865	65,730	-25.19%
Film Production Credit**	1,000	1,000	1,000	1,000	2,000	2,000	0.00%
State Special	<u>\$21,757,766</u>	<u>\$23,032,437</u>	<u>\$24,073,302</u>	<u>\$24,779,302</u>	<u>\$44,790,203</u>	<u>\$48,852,604</u>	<u>9.07%</u>
Over (under) expended	<u>\$106,808</u>	<u>(\$1,136,877)</u>	<u>(\$95,012)</u>	<u>\$610,988</u>	<u>(\$1,030,069)</u>	<u>\$515,976</u>	

* HJR 2 revenue estimates adopted by legislature in HJ 2 for FY 2015, FY 2016 and FY 2017

** Statutory authority for the film credit was not provided, as a result this appropriation will be adjusted by the agency

Funding

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

Department of Commerce, 52-Montana Promotion Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
02116 Accommodation Tax Account	954	0	(418,574)	(417,620)	(3.03)%
02154 MT Promotion-Private	1,535,787	0	0	1,535,787	11.13 %
02254 Regional Accommodation Tax	0	0	12,492,874	12,492,874	90.57 %
02271 L&C Bicentennial Plate Fund	0	0	180,000	180,000	1.30 %
02293 Film Production Credit	0	0	2,000	2,000	0.01 %
State Special Total	\$1,536,741	\$0	\$12,256,300	\$13,793,041	100.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$1,536,741	\$0	\$12,256,300	\$13,793,041	

The Montana Promotion Division is funded entirely with state special revenues. The primary funding source is a portion of the statutorily appropriated lodging facility use tax. The funding table denotes the funding provided in HB 2 and the statutorily appropriated funds.

HB 2

The portion of the division's budget that is considered by the legislature in HB 2 is less than 4% of the division's total budget for the 2017 biennium. \$750,000 each year is from private contributions to joint private/state targeted advertising campaigns. The remaining funding is appropriated from a portion of the 4% Montana lodging facility use tax for legislative audit costs.

Statutory Appropriations

The majority of the lodging facility use taxes are statutorily appropriated to the division. The legislature can affect change to these appropriations through amendments to the statutes listed in the funding tables.

Budget Summary by Category

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

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	0	0	0	0.00 %	750,000	750,000	1,500,000	97.61 %
PL Adjustments	0	0	0	0.00 %	36,741	0	36,741	2.39 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$786,741	\$750,000	\$1,536,741	

As discussed, the level of appropriation authority for private funding established by the 2013 Legislature for the 2015 legislative base budget was \$750,000. Commerce requests the same level of funding for each year of the 2017 biennium, thus there are no proposed changes to the budget for private funds. The only present law adjustment is a line-item appropriation of \$36,741 for legislative audit costs.

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.

	-----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 (Restricted/Biennia	0.00	0	36,229	0	36,229	0.00	0	0	0	0
DP 526 - 2017 Biennium Legislative Audit (Restricted /Biennial)	0.00	0	512	0	512	0.00	0	0	0	0
Grand Total All Present Law Adjustments	0.00	\$0	\$36,741	\$0	\$36,741	0.00	\$0	\$0	\$0	\$0

**"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 (Restricted/Biennia -

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

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