

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	4.00	4.00	4.00	4.00	4.00	4.00	0.00	0.00 %
Personal Services	233,301	363,059	298,772	298,237	596,360	597,009	649	0.11 %
Operating Expenses	151,057	210,141	175,275	177,291	361,198	352,566	(8,632)	(2.39)%
Grants	2,420,936	2,923,426	2,886,516	2,886,519	5,344,362	5,773,035	428,673	8.02 %
Transfers	110,621	150,000	0	0	260,621	0	(260,621)	(100.00)%
Total Costs	\$2,915,915	\$3,646,626	\$3,360,563	\$3,362,047	\$6,562,541	\$6,722,610	\$160,069	2.44 %
General Fund	125,207	128,855	149,004	150,847	254,062	299,851	45,789	18.02 %
State/Other Special Rev. Funds	12,965	77,232	13,040	13,040	90,197	26,080	(64,117)	(71.09)%
Federal Spec. Rev. Funds	2,777,743	3,440,539	3,198,519	3,198,160	6,218,282	6,396,679	178,397	2.87 %
Total Funds	\$2,915,915	\$3,646,626	\$3,360,563	\$3,362,047	\$6,562,541	\$6,722,610	\$160,069	2.44 %

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"> • The legislature decreased the budget of the Office of Community Services by 6.5% between 2015 and 2017 biennia appropriations • Reductions in operating costs related to federal fund reductions provide for the majority of the decrease 	

Program Narrative*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 program budget comparison table and 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 as enacted by the 2013 Legislature. 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.

Legislative Budget

The program budget comparison table shows the impacts to the budget after the transfers of appropriation authority are taken into account. When compared to the 2015 legislative base budget, the legislature provided funding that was about \$240,000 lower than the 2015 base budget each year of the biennium. The majority of the reductions were grant reductions due to lower amounts of federal funding available for the program.

Personal services decreases for reduced federal fund support are partially offset by increases for a number of changes. In addition to increases that result from the implementation of pay raises and health insurance contributions included in HB 13 as enacted by the 2013 Legislature, other changes include:

- Proficiency agreement progression, and strategic pay increases granted throughout FY 2014 that are annualized for the 2017 biennium
- Employee attainment of longevity milestones in the 2017 biennium
- Changes in employer retirement contributions

Operating costs decrease from biennium to biennium mainly due to adjustments in federal fund support.

Funding

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

Department of Labor and 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	299,851	0	0	299,851	4.46 %
02190 OCS CBI Training	26,080	0	0	26,080	100.00 %
02252 DoLI Operations Acct	0	0	0	0	0.00 %
State Special Total	\$26,080	\$0	\$0	\$26,080	0.39 %
03322 MT Community Service FSR	6,396,679	0	0	6,396,679	100.00 %
03339 Office of Community Svcs SSR	0	0	0	0	0.00 %
03682 Wagner Peyser	0	0	0	0	0.00 %
Federal Special Total	\$6,396,679	\$0	\$0	\$6,396,679	95.15 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$6,722,610	\$0	\$0	\$6,722,610	

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	87.36 %	3,601,485	3,601,485	7,202,970	107.15 %
PL Adjustments	14,521	16,364	30,885	10.30 %	(248,488)	(247,004)	(495,492)	(7.37)%
New Proposals	3,504	3,504	7,008	2.34 %	7,566	7,566	15,132	0.23 %
Total Budget	\$149,004	\$150,847	\$299,851		\$3,360,563	\$3,362,047	\$6,722,610	

Present law adjustments for reductions in federal funds supporting operating expenses and grants make up the majority of the reductions. New proposals for implementing proprietary rates for information technology services are shown in the table above.

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 515 - State Share Health Insurance	0.00	603	0	1,341	1,944	0.00	603	0	1,341	1,944
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	0	40	0	40	0.00	0	40	0	40
DP 525 - Fixed Cost Adjustment	0.00	1,296	0	1,503	2,799	0.00	1,310	0	1,519	2,829
DP 527 - Inflation/Deflation Adjustment	0.00	(338)	0	(392)	(730)	0.00	(336)	0	(389)	(725)
DP 529 - Longevity and Other adjustments	0.00	(219)	0	(486)	(705)	0.00	(98)	0	(217)	(315)
DP 530 - Reorganization	0.00	(2,124)	0	(2,735)	(4,859)	0.00	(2,124)	0	(2,735)	(4,859)
DP 550 - Motor Pool Adjustment	0.00	0	0	(20)	(20)	0.00	0	0	(20)	(20)
DP 560 - Adjustments to operating costs	0.00	237	0	526	763	0.00	2,237	0	526	2,763
DP 600 - Additional reduction for reorg	0.00	2,774	0	0	2,774	0.00	2,774	0	0	2,774
DP 610 - Boilerplate allocation of 4% Reduction	0.00	2,704	75	9,146	11,925	0.00	2,704	75	9,146	11,925
DP 620 - Operating Cost Adjustments	0.00	10,910	(12,977)	(232,861)	(234,928)	0.00	10,725	(12,950)	(232,719)	(234,944)
DP 640 - Other Personal Services Changes	0.00	(1,322)	(1,330)	(24,839)	(27,491)	0.00	(1,431)	(1,357)	(25,628)	(28,416)
Grand Total All Present Law Adjustments	0.00	\$14,521	(\$14,192)	(\$248,817)	(\$248,488)	0.00	\$16,364	(\$14,192)	(\$249,176)	(\$247,004)

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

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 527 - Inflation/Deflation Adjustment -

The legislature adopted inflation/deflation factors for budgeted expenditures such as food or electricity. The legislature concurred with the executive on the factors with the exception of gasoline, aviation gasoline, diesel fuel, and jet fuel. For these factors the legislature further deflated costs to align the budget with more current information on declining prices of oil and gas projected to continue into the 2017 biennium.

DP 529 - Longevity and Other adjustments -

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

DP 530 - Reorganization -

The legislature adopted the reorganization of the information technology service from the Office of Community Services to the Technology Services Division within the department. This included transfers of \$2,124 in general fund and \$2,735 in federal revenue in each year of the biennium.

DP 550 - Motor Pool Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 560 - Adjustments to operating costs -

The legislature adjusted funding for operating expenses to mitigate the impact of the reorganization as it related to fixed costs.

DP 600 - Additional reduction for reorg -

The legislature aligned reductions for the reorganization of the Technology Services Division to the amounts projected by DOLI staff based on actual changes that occurred in FY 2014.

DP 610 - Boilerplate allocation of 4% Reduction -

As part of its compliance with the boilerplate language included in HB 2 enacted by the 2013 Legislature, DOLI eliminated a total of 30.02 FTE. While the 2013 Legislature adopted a 4% vacancy savings rate against all positions within the agency equally, the department eliminated FTE at a higher level within the Workforce Services Division as allowed through the boilerplate language. The legislature allocated the 2017 biennial changes in personal services funding based on the DOLI allocation of the reductions of FTE.

DP 620 - Operating Cost Adjustments -

The legislature adopted operating cost adjustments for the division.

DP 640 - Other Personal Services Changes -

The legislature adopted personal services changes for this division.

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	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
Total	0.00	\$3,504	\$0	\$4,062	\$7,566	0.00	\$3,504	\$0	\$4,062	\$7,566

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

DP 707002 - TSD Funding Switch -

The legislature provided 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.