

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	11.76	11.76	11.76	11.76	11.76	11.76	0.00	0.00 %
Personal Services	809,971	986,222	956,356	953,854	1,796,193	1,910,210	114,017	6.35 %
Operating Expenses	96,834	120,419	124,878	104,439	217,253	229,317	12,064	5.55 %
Benefits & Claims	2,280	2,280	2,280	2,280	4,560	4,560	0	0.00 %
Total Costs	\$909,085	\$1,108,921	\$1,083,514	\$1,060,573	\$2,018,006	\$2,144,087	\$126,081	6.25 %
General Fund	598,208	764,861	721,535	701,277	1,363,069	1,422,812	59,743	4.38 %
Federal Spec. Rev. Funds	310,877	344,060	361,979	359,296	654,937	721,275	66,338	10.13 %
Total Funds	\$909,085	\$1,108,921	\$1,083,514	\$1,060,573	\$2,018,006	\$2,144,087	\$126,081	6.25 %

Program Description

The Director's Office provides departmental administration through the Office of the Adjutant General and department-wide support for accounting, fiscal management, personnel, labor relations, and purchasing and property management oversight. The program operates in accordance with Title 2, Chapter 15, part 12 and Title 10, MCA.

Program Highlights

Director's Office Major Budget Highlights
<ul style="list-style-type: none"> • The legislature approved 0.50 FTE Administrative Assistant to assist with state specific functions • Funding to implement the Montana award for valorous service was provided

Program Narrative

General fund support for the program increases due to approval of 0.50 FTE supported wholly by general fund in the 2017 biennium. The additional FTE is offset by the reduction of 0.50 FTE to comply with language contained in the boilerplate of HB 2 as enacted by the 2013 Legislature. Language indicated the legislature's intent that the 2017 budget for personal services would include reductions in FTE that equaled the funding reductions for 4% vacancy savings contained in the bill. The impact of the two decisions is no change to the FTE level for this program.

When compared to FY 2014 actual spending personal services increase by about \$135,000 each year of the biennium. Personal services changes, in addition to increases that result from the implementation of pay raises and health insurance contributions, include:

- Market adjustments throughout the 2015 biennium that are annualized for the 2017 biennium
- Vacancy savings that were 8.5% in FY 2014 compared to a budgeted rate of 6.0%; the budget provides full funding of positions that were unfilled during all or a portion of FY 2014 and eliminates the 2.0% vacancy savings
- Employee attainment of longevity milestones in FY 2015
- Changes in employer retirement contributions

Operating expenses increase when compared to the 2015 biennium due to funding to support:

- Montana medal of valorous service

- Records storage costs

Funding

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

Department of Military Affairs, 01-Director's Office Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	1,422,812	0	0	1,422,812	66.36 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
03132 National Guard	483,431	0	0	483,431	67.02 %	
03134 Disaster & Emergency Services	94,660	0	0	94,660	13.12 %	
03453 Air National Guard	143,184	0	0	143,184	19.85 %	
Federal Special Total	\$721,275	\$0	\$0	\$721,275	33.64 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$2,144,087	\$0	\$0	\$2,144,087		

General fund supports the majority of the program in accordance with state-federal agreements. Federal fund support is provided by federal-state agreements. Costs of positions and activities that provide support to federally funded operations are applicable for federal funding.

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	764,861	764,861	1,529,722	107.51 %	1,108,921	1,108,921	2,217,842	103.44 %
PL Adjustments	(91,081)	(111,288)	(202,369)	(14.22)%	(73,162)	(96,052)	(169,214)	(7.89)%
New Proposals	47,755	47,704	95,459	6.71 %	47,755	47,704	95,459	4.45 %
Total Budget	\$721,535	\$701,277	\$1,422,812		\$1,083,514	\$1,060,573	\$2,144,087	

Reductions approved for present law are mainly due to reductions in personal services for compliance with boilerplate language. This is offset by approved of 0.50 FTE as a new proposal.

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	9,781	0	0	9,781	0.00	0	0	0	0
DP 515 - State Share Health Insurance	0.00	4,093	0	1,379	5,472	0.00	4,093	0	1,379	5,472
DP 525 - Fixed Cost Adjustment	0.00	(9,238)	0	0	(9,238)	0.00	(9,430)	0	0	(9,430)
DP 526 - 2017 Biennium Legislative Audit (Restricted/Biennial)	0.00	274	0	0	274	0.00	0	0	0	0
DP 527 - Inflation Deflation Adjustment	0.00	164	0	0	164	0.00	164	0	0	164
DP 529 - Longevity and Other adjustments	0.00	(6,576)	0	0	(6,576)	0.00	(5,944)	0	0	(5,944)
DP 531 - SITSD Rate Adjustment	0.00	2,930	0	0	2,930	0.00	2,930	0	0	2,930
DP 532 - General Liability Insurance Rate Adjustment	0.00	(7,355)	0	0	(7,355)	0.00	(7,355)	0	0	(7,355)
DP 550 - Motor Pool Adjustment	0.00	(8)	0	0	(8)	0.00	(8)	0	0	(8)
DP 600 - Operating Cost Adjustments	0.00	(19,603)	0	7,514	(12,089)	0.00	(30,370)	0	8,089	(22,281)
DP 610 - Other Personal Services Changes	0.00	(65,543)	0	9,026	(56,517)	0.00	(65,368)	0	5,768	(59,600)
DP 100444 - 4% FTE Reduction	(0.50)	0	0	0	0	(0.50)	0	0	0	0
Grand Total All Present Law Adjustments	(0.50)	(\$91,081)	\$0	\$17,919	(\$73,162)	(0.50)	(\$111,288)	\$0	\$15,236	(\$96,052)

***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 515 - State Share Health Insurance -

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

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 (Restricted/Biennial) -

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

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 531 - SITSD Rate Adjustment -

The legislature approved an increase for fixed cost rates included in state agency budgets for information technology services provided by the State Information Technology Services Division (SITSD).

DP 532 - General Liability Insurance Rate Adjustment -

The legislature reduced the rate assessed to state agencies for general liability insurance provided by the Risk Management and Tort Defense Division.

DP 550 - Motor Pool Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 600 - Operating Cost Adjustments -

The legislature adopted all other operating cost adjustments.

DP 610 - Other Personal Services Changes -

The legislature adopted all other personal service cost adjustments, except the annualization of the 2015 biennium pay plan.

DP 100444 - 4% FTE Reduction -

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. This change package includes a reduction of 0.50 FTE each year.

New Proposals

The "New Proposals" 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 100101 - Admin Assistant FTE	0.50	27,755	0	0	27,755	0.50	27,704	0	0	27,704
DP 100110 - Montana award of valorous service	0.00	20,000	0	0	20,000	0.00	20,000	0	0	20,000
Total	0.50	\$47,755	\$0	\$0	\$47,755	0.50	\$47,704	\$0	\$0	\$47,704

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

DP 100101 - Admin Assistant FTE -

The legislature provided general fund to support an additional 0.50 FTE Administrative Assistant. This position will assist with various duties relating to state specific functions that are not reimbursable under federal guidelines. As a result, the position is completely funded with general fund.

DP 100110 - Montana award of valorous service -

The legislature provided \$20,000 in general fund each year of the biennium to implement the Montana award of valorous service to honor Montana's fallen heroes who were members of the United States armed forces and were killed or classified as missing in action while serving in combat or military operations.