

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 | Legislative Budget 2016 | Legislative Budget 2017 | Biennium Fiscal 14-15 | Biennium Fiscal 16-17 | Biennium Change | Biennium % Change |
| FTE | 63.60 | 63.60 | 60.60 | 60.60 | 63.60 | 60.60 | (3.00) | (4.72)% |
| Personal Services | 5,080,391 | 5,048,093 | 4,991,317 | 4,990,010 | 10,128,484 | 9,981,327 | (147,157) | (1.45)% |
| Operating Expenses | 21,094,589 | 31,084,113 | 23,451,437 | 22,966,682 | 52,178,702 | 46,418,119 | (5,760,583) | (11.04)% |
| Equipment & Intangible Assets | 357,930 | 209,206 | 209,206 | 209,206 | 567,136 | 418,412 | (148,724) | (26.22)% |
| Debt Service | 0 | 91,266 | 91,266 | 91,266 | 91,266 | 182,532 | 91,266 | 100.00 % |
| Total Costs | \$26,532,910 | \$36,432,678 | \$28,743,226 | \$28,257,164 | \$62,965,588 | \$57,000,390 | (\$5,965,198) | (9.47)% |
| General Fund | 10,308,657 | 11,878,584 | 11,312,259 | 11,732,206 | 22,187,241 | 23,044,465 | 857,224 | 3.86 % |
| State/Other Special Rev. Funds | 1,560,864 | 1,349,887 | 1,629,621 | 1,386,761 | 2,910,751 | 3,016,382 | 105,631 | 3.63 % |
| Federal Spec. Rev. Funds | 14,663,389 | 23,204,207 | 15,801,346 | 15,138,197 | 37,867,596 | 30,939,543 | (6,928,053) | (18.30)% |
| Total Funds | \$26,532,910 | \$36,432,678 | \$28,743,226 | \$28,257,164 | \$62,965,588 | \$57,000,390 | (\$5,965,198) | (9.47)% |

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Funding

All HB 2 categories are funded through cost allocation using a formula that recognizes the multiple funding sources and required general fund matches for costs that benefit common purposes related to work done by TSD throughout the agency.

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 | 11,380,597 | 11,380,597 | 22,761,194 | 98.77 % | 32,204,149 | 32,204,149 | 64,408,298 | 113.00 % |
| PL Adjustments | (68,338) | 351,609 | 283,271 | 1.23 % | (3,460,923) | (3,946,985) | (7,407,908) | (13.00)% |
| New Proposals | 0 | 0 | 0 | 0.00 % | 0 | 0 | 0 | 0.00 % |
| Total Budget | \$11,312,259 | \$11,732,206 | \$23,044,465 | | \$28,743,226 | \$28,257,164 | \$57,000,390 | |

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed. 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 101 - Personal Services Adjustment to Executive | 0.00 | 448,354 | 13,805 | (213,873) | 248,286 | 0.00 | 323,568 | (13,132) | (63,457) | 246,979 |
| DP 102 - Other Adjustment to Executive | 0.00 | (1,681,051) | 301,338 | (4,945,123) | (6,324,836) | 0.00 | (2,581,878) | 121,511 | (6,420,927) | (8,881,294) |
| DP 515 - State Share Health Insurance | 0.00 | 11,983 | 2,001 | 15,468 | 29,452 | 0.00 | 11,983 | 2,001 | 15,468 | 29,452 |
| DP 520 - Fully Fund 2015 Legislatively Authorized FTE | 0.00 | 4,546 | 2,312 | 12,284 | 19,142 | 0.00 | 4,546 | 2,312 | 12,284 | 19,142 |
| DP 525 - Fixed Costs | 0.00 | 289,268 | 46,403 | 279,797 | 615,468 | 0.00 | 308,053 | 49,416 | 297,967 | 655,436 |
| DP 527 - Inflation/Deflation | 0.00 | (81,082) | (14,308) | (101,415) | (196,805) | 0.00 | (81,039) | (14,301) | (101,361) | (196,701) |
| DP 531 - SITSD Adjustment | 0.00 | 308,822 | 58,891 | 401,820 | 769,533 | 0.00 | 478,173 | 91,186 | 622,169 | 1,191,528 |
| DP 900444 - Statewide 4% FTE Reduction - Program 9 | (3.00) | 0 | 0 | 0 | 0 | (3.00) | 0 | 0 | 0 | 0 |
| DP 909004 - Contractual Adjustments | 0.00 | 224,509 | 23,899 | 327,772 | 576,180 | 0.00 | 1,623,147 | (43,311) | 1,158,973 | 2,738,809 |
| DP 909005 - CHIMES System Operations | 0.00 | 329,952 | 0 | 0 | 329,952 | 0.00 | 329,952 | 0 | 0 | 329,952 |
| DP 909010 - NCB Operations | 0.00 | 38,111 | 7,578 | 44,516 | 90,205 | 0.00 | 16,987 | 3,377 | 19,841 | 40,205 |
| DP 909011 - Federal Audit Security Compliance | 0.00 | 38,250 | 0 | 344,250 | 382,500 | 0.00 | 7,650 | 0 | 68,850 | 76,500 |
| DP 909012 - EBT Outsourcing | 0.00 | 0 | 0 | 0 | 0 | 0.00 | (89,533) | 0 | (107,460) | (196,993) |
| Grand Total All Present Law Adjustments | (3.00) | (\$68,338) | \$441,919 | (\$3,834,504) | (\$3,460,923) | (3.00) | \$351,609 | \$199,059 | (\$4,497,653) | (\$3,946,985) |

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

DP 101 - Personal Services Adjustment to Executive -

The legislature increased funds in each year of the biennium to fund personal services at the current usage level; this covers changes such as longevity, workers compensation rates, and various other adjustments.

DP 102 - Other Adjustment to Executive -

The legislature approved a reduction in funds in each year of the biennium to fund operations at the current usage level; operational expenses are currently lower than anticipated by the FY 2015 appropriation.

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 Costs -

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 -

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 531 - SITSD 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 900444 - Statewide 4% FTE Reduction - Program 9 -

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. Change package 900444 includes a reduction of 3.00 FTE each year.

DP 909004 - Contractual Adjustments -

The legislature appropriated \$3,314,989 total funds over the biennium, including general fund of \$226,309 in FY 2016 and \$1,075,735 in FY 2017 to maintain existing services for the Project Management bureau in the Technology Services Division.

DP 909005 - CHIMES System Operations -

This present law adjustment requests \$329,952 in general fund in each year of the biennium to maintain existing services for the Project Management Bureau in the Technology Services Division. The increase restores one-time-only funding that is necessary to provide ongoing maintenance and operations support of the agency's eligibility determination systems.

DP 909010 - NCB Operations -

The legislature appropriated \$130,410 in total funds over the biennium, including general fund of \$38,112 in FY 2016 and \$16,987 in FY 2017 to maintain existing services for the Network & Communication Services bureau. Funding supports the DPHHS strategic disaster and recovery plan and to provide for mobile device management, monitoring of security threats on mobile devices, and for enhanced software licensing monitoring.

DP 909011 - Federal Audit Security Compliance -

The legislature appropriated \$459,000 in total funds over the biennium, including general fund of \$38,250 in FY 2016 and \$7,650 in FY 2017 to maintain existing services for the Agencywide Services program. The funding supports the purchase and ongoing maintenance of security software to meet the federal security IT audit compliance for data systems encryption, multi-factor authentication, and review of security incident and event management data.

DP 909012 - EBT Outsourcing -

The legislature approved a reduction of \$196,993 in total funds in FY 2017, including a general fund reduction of \$89,533 to reduce base funding for the Montana Access EBT program in the Technology Services Division. This request was made during the 2013 legislative session; however, the vendor to whom the outsourcing was awarded terminated its EBT services prior to transfer of the process, resulting in the need to maintain the current Montana Access system for an additional two years.