

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
Operating Expenses	173,344	770,192	786,229	750,000	943,536	1,536,229	592,693	62.82%
Total Costs	\$173,344	\$770,192	\$786,229	\$750,000	\$943,536	\$1,536,229	\$592,693	62.82%
State Special	173,344	770,192	786,229	750,000	943,536	1,536,229	592,693	62.82%
Total Funds	\$173,344	\$770,192	\$786,229	\$750,000	\$943,536	\$1,536,229	\$592,693	62.82%

Program Description

The Montana Promotion 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 the twelve qualified convention and visitors bureaus.

Program Highlights

Montana Promotion Division Major Budget Highlights
<ul style="list-style-type: none"> ◆ Over 96% of the Montana Promotion Division budget, including 28.50 FTE, is supported by statutory appropriations not reflected in HB 2 ◆ The increase of 62.8% from the 2013 biennium is due to statewide present law adjustments and an increase in private funds authority

Program Narrative

The legislature approved increasing the HB 2 budget for private funds for the Montana Promotion Division to the historical level of \$750,000 each year of the biennium, resulting in the increase of 63% compared to that of the 2013 biennium.

The vast majority of the support for this program is provided through statutory appropriations of lodging use facility taxes, commonly referred to as accommodations taxes. The table below shows the accommodations tax allocations and estimated distributions including those to the Department of Commerce.

Department of Commerce Lodging Facilities Use Taxes						
	Distribution Basis	Actual FY 2012	Forecast FY 2013	Forecast FY 2014	Forecast FY 2015	Biennial Change
Accommodations Tax Receipts		\$37,724,000	\$40,389,000	\$42,831,000	\$45,424,000	12.98%
Distributions						
General Fund	3% tax	15,606,000	17,309,000	18,356,000	19,467,000	14.91%
Department of Revenue - Administration	Reimburse	136,000	136,000	141,000	141,000	3.68%
Montana Heritage Preservation & Development	Fixed	400,000	400,000	400,000	400,000	0.00%
Montana University System	2.5% of net	539,550	563,600	598,350	635,400	11.84%
Montana Historical Society						
Sites and Signs	1.0% of net	215,820	225,440	239,340	254,160	11.84%
Historical Interpretation	2.6% of net	561,132	586,144	622,284	660,816	11.84%
Fish Wildlife & Parks	6.5% of net	1,402,830	1,465,360	1,555,710	1,652,040	11.84%
Department of Commerce						
Department Use	64.9% of net	14,006,718	14,631,056	15,533,166	16,494,984	11.84%
Distribution to Regions and Cities	22.5% of net	4,855,950	5,072,400	5,385,150	5,718,600	11.84%
Total Distributions		\$37,724,000	\$40,389,000	\$42,831,000	\$45,424,000	12.98%

As shown, the vast majority of the funding is allocated to the agency for promotion of tourism and allocation to the various tourism regions throughout Montana. The funding for the Montana Promotion Division increases by 11.84% when compared to the 2013 biennium. The division statutory budget for these resources includes:

- o \$3.9 million in personal services supporting 28.50 FTE
- o \$28.1 million in operating costs
- o \$12.0 million in local assistance
- o \$2.2 million in grants

Funding

The following table shows program funding by source of authority for the 2015 biennium as adopted by the legislature.

Total Department Of Commerce Funding by Source of Authority 2015 Biennium Budget - Montana Promotion Division							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
State Special Total	\$1,536,229	\$0	\$46,264,823	\$47,801,052	100.0%		
02116 Accommodation Tax Account	\$35,279	\$0	\$34,184,468	\$34,219,747	71.6%		
02154 Mt Promotion-private	\$1,500,950	\$0	\$0	\$1,500,950	3.1%		
02254 Regional Accommodation Tax	\$0	\$0	\$11,968,355	\$11,968,355	25.0%		
02271 L&c Bicentennial Plate Fund	\$0	\$0	\$110,000	\$110,000	0.2%		
02293 Film Production Credit	\$0	\$0	\$2,000	\$2,000	0.0%		
Total All Funds	\$1,536,229	\$0	\$46,264,823	\$47,801,052	100.0%		
Percent - Total All Sources	3.2%	0.0%	96.8%				

The Montana Promotion Division is funded entirely with state special revenues. The primary funding source is a portion of the statutorily appropriated 4% accommodations tax.

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 2015 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.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	0	0	0	0.00%	173,344	173,344	346,688	22.57%
Statewide PL Adjustments	0	0	0	0.00%	27,143	(9,062)	18,081	1.18%
Other PL Adjustments	0	0	0	0.00%	585,742	585,718	1,171,460	76.26%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$0	\$0	\$0		\$786,229	\$750,000	\$1,536,229	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Inflation/Deflation					30					54
Fixed Costs					27,113					(9,116)
Total Statewide Present Law Adjustments		\$0	\$27,143	\$0	\$27,143		\$0	(\$9,062)	\$0	(\$9,062)
DP 50 - Initial Motion to FY 2012 Base	0.00	0	(27,143)	0	(27,143)	0.00	0	9,062	0	9,062
DP 52 - Adjustment for Statewide Operations	0.00	0	27,143	0	27,143	0.00	0	(9,062)	0	(9,062)
DP 5201 - MPD Private funds & Audit Adjustments (Restricted)	0.00	0	585,742	0	585,742	0.00	0	585,718	0	585,718
Total Other Present Law Adjustments	0.00	\$0	\$585,742	\$0	\$585,742	0.00	\$0	\$585,718	\$0	\$585,718
Grand Total All Present Law Adjustments	0.00	\$0	\$612,885	\$0	\$612,885	0.00	\$0	\$576,656	\$0	\$576,656

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government and Natural Resources and Transportations subcommittees.

DP 5201 - MPD Private funds & Audit Adjustments (Restricted) - The legislature approved increasing the HB 2 private funds appropriation to \$750,000 each year.