

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
Grants	453,944	550,000	550,000	550,000	1,003,944	1,100,000	96,056	9.57 %
Total Costs	\$453,944	\$550,000	\$550,000	\$550,000	\$1,003,944	\$1,100,000	\$96,056	9.57 %
Federal Spec. Rev. Funds	453,944	550,000	550,000	550,000	1,003,944	1,100,000	96,056	9.57 %
Total Funds	\$453,944	\$550,000	\$550,000	\$550,000	\$1,003,944	\$1,100,000	\$96,056	9.57 %

Program Description

The Director’s Office (office) provides overall leadership, communication, and management support to the Department of Commerce staff, programs, bureaus, divisions and administratively attached boards. The office provides executive, administrative, legal, and policy direction. The office acts in a public relations and informational capacity to ensure the public is informed of the services provided by the department. The office works with economic and community development organizations, businesses, communities, governmental entities, elected officials, and the public to diversify and expand the state’s economic base. The office acts as the liaison with private business, local governments, administratively attached boards, public and private interest groups, the legislature, Indian tribes, individuals, other governmental agencies, and the Governor’s Office.

The Director’s Office also provides internal support to Department of Commerce staff, programs, bureaus, divisions and administratively attached boards in a positive customer service oriented manner. Services are provided by the Offices of Accounting and Budget, Legal Affairs, Human Resources, Information Technology, and Public Information.

The Montana Council on Developmental Disabilities, a citizen based advocacy group, is administratively attached to the Department of Commerce and funded within the Director's Office. Its members are appointed by the Governor to work to provide increased independence, integration, and productivity for persons with developmental disabilities.

Program Highlights

Director's Office
<ul style="list-style-type: none"> • 78.5% of the Director's Office, including 19.00 FTE, is funded with proprietary funds that are not included in HB 2 • The HB 2 budget is unchanged when compared to the 2015 biennium appropriations, and primarily supports the Montana Council on Developmental Disabilities

Program Narrative

The Program Budget Comparison table above only reflects the funding for the Developmental Disabilities Planning and Advisory Council (DDPAC), which is the only portion of this program included in the appropriation section of HB 2. The federal Developmental Disabilities Assistance and Bill of Rights Act of 2000 requires each state to designate a state agency to administer the federal funds as long as the designated state agency does not provide or pay for services for individuals with developmental disabilities.

Since FY 2005 the department has had a contract with the Montana Council on Developmental Disabilities, a nonprofit corporation that carries out the responsibilities of DDPAC. DDPAC still remains administratively attached to the

department, with the agency acting as a go-between for disbursing federal funds to the nonprofit under the terms and conditions of the contract.

The adopted budget remains unchanged from the FY 2015 legislative appropriation.

Funding

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

Department of Commerce, 81-Director's Office 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 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
03441 DDPAC - Dev Disabled Council	1,100,000	0	0	1,100,000	100.00 %	
Federal Special Total	\$1,100,000	\$0	\$0	\$1,100,000	21.49 %	
06542 Commerce Centralized Services	0	4,019,001	0	4,019,001	100.00 %	
Proprietary Total	\$0	\$4,019,001	\$0	\$4,019,001	78.51 %	
Total All Funds	\$1,100,000	\$4,019,001	\$0	\$5,119,001		

The Montana Council on Developmental Disabilities is entirely funded with federal special revenues that pay the contract for the nonprofit that carries out the responsibilities of DDPAC.

The Director's Office is funded by an internal service proprietary fund from indirect costs charged to all agency programs. For further discussion of the proprietary funded portion of this program refer to the "Proprietary Rates" section.

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	0	0	0	0.00 %	550,000	550,000	1,100,000	100.00 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$550,000	\$550,000	\$1,100,000	

The legislature maintained this program at the 2015 legislative base budget appropriation without adjustment.

Other Issues

Proprietary Program Description

Commerce Centralized Services - 06542

Program Description:

The Director's Office provides overall leadership, communication, and management support to the Department of Commerce staff, programs, bureaus, divisions, and administratively attached boards. Services are provided by the Office of Accounting and Budget, Legal Affairs, Human Resources, Information Technology, and Public Information.

Rate(s) and Rate Explanation:

The Director's Office calculates a federal indirect cost rate on an annual basis. This rate is a fixed rate for federally funded programs. This rate is then applied against actual federally funded personal services expenditures within the department.

The federally calculated rate requires that a carry-forward amount be built into the rate. This carry-forward represents the amount the Director's Office under-recovered or over-recovered in a given fiscal year. This computation compares what was originally calculated to what actually occurred. The difference is then carried forward into the following year's rate.

The indirect cost rate is determined based on guidelines prescribed by the federal government. Additionally, the Director's Office complies with 17-3-111, MCA, which requires agencies to calculate a rate that would recover indirect costs to the greatest extent possible. In order to comply with this statute, the Director's Office has requested a rate that may vary slightly from the annually calculated federal rate. The rate approved by the legislature is considered a cap; therefore, the department cannot impose a rate higher than what has been approved by the Legislature. However, the annually calculated federal rate may be slightly lower.

Requested Rates for Internal Service Funds				
Fee/Rate Information				
	Actual FY14	Budgeted FY15	Budgeted FY16	Budgeted FY17
Fee Description:				
State Programs				
Indirect Cost Rate	14.65%	14.65%	14.10%	14.10%
Federal Programs				
Indirect Cost Rate	14.65%	14.65%	14.10%	14.10%
Allocation Methodology: Indirect costs for the Director's Office are allocated to supported programs via a federally calculated indirect cost plan for federally funded programs, and a legislatively approved rate for state funded programs. Indirect cost rates are charged to supported programs based upon actual personal services expenditures.				
Authority: Federally calculated indirect cost plan for federally funded programs, and legislatively approved rate for state funded programs. FY 2016 and FY 2017 federally approved rate is an estimated rate.				

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge.