

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	83.48	83.48	83.75	83.75	83.48	83.75	0.27	0.32 %
Personal Services	6,552,504	6,784,010	7,035,228	7,131,288	13,336,514	14,166,516	830,002	6.22 %
Operating Expenses	7,119,951	6,860,705	7,227,531	7,122,616	13,980,656	14,350,147	369,491	2.64 %
Equipment & Intangible Assets	277,639	25,050	0	0	302,689	0	(302,689)	(100.00)%
Total Costs	\$13,950,094	\$13,669,765	\$14,262,759	\$14,253,904	\$27,619,859	\$28,516,663	\$896,804	3.25 %
General Fund	13,451,734	13,185,675	13,775,345	13,767,115	26,637,409	27,542,460	905,051	3.40 %
State/Other Special Rev. Funds	112,614	114,097	117,111	117,111	226,711	234,222	7,511	3.31 %
Federal Spec. Rev. Funds	1,000	0	1,000	0	1,000	1,000	0	0.00 %
Proprietary Funds	384,746	369,993	369,303	369,678	754,739	738,981	(15,758)	(2.09)%
Total Funds	\$13,950,094	\$13,669,765	\$14,262,759	\$14,253,904	\$27,619,859	\$28,516,663	\$896,804	3.25 %

Program Description

The Director's Office is responsible for overall management of the department to support and ensure success of the revenue collections and property valuation responsibilities of the operating divisions. To achieve this, the Director's Office is composed of five primary sections that provide services across the department to the four primary operating divisions.

The Executive Office is responsible for the general guidance and management of the agency on a department wide basis. The Executive Office assists the director with administrative functions and communication to the public, other agencies and elected officials and includes the Office of Taxpayer Assistance. In addition, Fiscal Administration, Public Information, Human Resources, and Enterprise Planning & Analysis functions reside here.

The Legal Services Office is responsible for the overall legal efforts of the department including legal representation before various courts, legislation development and review, filing bankruptcy claims, and developing policy and administrative rules. The legal office also oversees the Office of Dispute Resolution that reviews, facilitates, and resolves taxpayer disputes internally through a variety of means including hearings and mediation.

The Security Office provides security and disclosure guidance to the department staff and citizens served by the department. The Security Office is responsible for ensuring compliance with confidentiality requirements including Internal Revenue Service (IRS) security requirements and federal/state information exchanges and ensuring the department appropriately safeguards the integrity of confidential taxpayer information in all forms.

Tax Policy and Research provides accurate and timely information for the Governor, the Legislature, and Montana citizens including the compilation of basic tax data and the publication of the statutory Biennial Report.

The Information Technology Office is responsible to provide effective and efficient IT hardware and software to all department staff so that they can complete the work of tax administration. IT systems are the critical background in the administration of all tax types in Montana.

Program Highlights

Director's Office Major Budget Highlights
<ul style="list-style-type: none"> • Personal services increased due to statewide present law adjustments. • Operating expenses increased due to a transfer of equipment and intangible assets authority to the operating budget. • The Director's Office replaced contracted IT workers with three new FTE. • The legislature approved the reorganization of the Information and Technology Division into the Director's Office and Citizen Services and Resource Management Division.

Funding

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

Department of Revenue, 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	27,542,460	0	265,086,579	292,629,039	99.67 %
02088 SSR ADMINISTRATIVE FUNDS	0	0	0	0	0.00 %
02790 6901-Statewide Tobacco Sttlmnt	234,222	0	0	234,222	100.00 %
State Special Total	\$234,222	\$0	\$0	\$234,222	0.08 %
03928 Royalty Audit - NRCT	1,000	0	0	1,000	100.00 %
Federal Special Total	\$1,000	\$0	\$0	\$1,000	0.00 %
06005 Liquor Division	738,981	0	0	738,981	100.00 %
Proprietary Total	\$738,981	\$0	\$0	\$738,981	0.25 %
Total All Funds	\$28,516,663	\$0	\$265,086,579	\$293,603,242	

Funding for the Director's Office HB 2 budget comes primarily from the general fund. State special revenue from tobacco settlement funds supports the dedicated attorney that supports tobacco tax compliance activities. Federal mineral royalty audit special revenue funds a portion of the Legislative Audit fixed cost allocation for the agency. The proprietary funding is from a direct appropriation of Liquor Control Division proprietary fund and is for the Liquor Control Division share of Director's Office support costs. The allocation is calculated as a percentage of the program's budget. Liquor Control Division proprietary funds are an indirect use of general fund since net liquor revenues are deposited in the general fund after operating costs are deducted.

Total funding for the Directors Office also includes two general fund statutory appropriations. The largest of the statutory appropriations is a pass-through general fund appropriation for the state entitlement shares, as provided in 15-1-121, MCA. This distribution resulted from HB 124 in the 2001 Legislative Session, which reallocated revenue received by local governments, school districts, and some state special revenue accounts to the general fund and replaced foregone revenue with permanent state entitlement grants to counties and cities. A second general fund statutory appropriation included in the Directors Office is a direct use by the department for out of state travel costs for the purpose of tax audits and is provided for in 15-1-218, MCA.

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	5,590,362	5,590,362	11,180,724	40.59 %	5,823,010	5,823,010	11,646,020	40.84 %
PL Adjustments	8,184,983	8,176,753	16,361,736	59.41 %	8,439,749	8,430,894	16,870,643	59.16 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$13,775,345	\$13,767,115	\$27,542,460		\$14,262,759	\$14,253,904	\$28,516,663	

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 510 - Legislative Audit - HB 2 2014 Fixed Costs (Restricted/Biennia	0.00	173,663	0	1,000	174,663	0.00	0	0	0	0
DP 515 - State Share Health Insurance	0.00	39,245	0	0	39,245	0.00	39,245	0	0	39,245
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	127,270	3,014	0	131,091	0.00	127,270	3,014	0	131,091
DP 525 - Fixed Cost Adjustments	0.00	(115,307)	0	0	(115,307)	0.00	(33,159)	0	0	(33,159)
DP 527 - Inflation/Deflation Adjustments	0.00	(7,073)	0	0	(7,073)	0.00	(7,031)	0	0	(7,031)
DP 531 - SITSD Rate Adjustment	0.00	60,133	0	0	53,395	0.00	60,236	0	0	53,486
DP 532 - General Liability Insurance Rate Adjustment	0.00	(1,655)	0	0	(1,655)	0.00	(1,655)	0	0	(1,655)
DP 550 - Motor Pool Rate Adjustment	0.00	(592)	0	0	(592)	0.00	(600)	0	0	(600)
DP 100103 - Fiscal Note Overtime (OTO/RST)	0.00	0	0	0	0	0.00	70,000	0	0	70,000
DP 100106 - Longevity and Other Adjustments	0.00	(68,178)	0	0	(68,178)	0.00	(50,087)	0	0	(50,087)
DP 100107 - Operating Cost Adjustments	0.00	(157,718)	0	0	98,965	0.00	(158,105)	0	0	98,965
DP 100108 - Reorganization-Personal Services	0.00	2,558,705	0	0	2,558,705	0.00	2,558,705	0	0	2,558,705
DP 100109 - Reorganization-Operating Expenses	0.00	5,218,050	0	0	5,218,050	0.00	5,218,050	0	0	5,218,050
DP 100110 - Server Replacements (OTO/RST)	0.00	376,855	0	0	376,855	0.00	376,855	0	0	376,855
DP 100111 - IT FTE	3.00	(18,415)	0	0	(18,415)	3.00	(22,971)	0	0	(22,971)
DP 100444 - Statewide 4% FTE Reduction-Program 1	(2.73)	0	0	0	0	(2.73)	0	0	0	0
Grand Total All Present Law Adjustments	0.27	\$8,184,983	\$3,014	\$1,000	\$8,439,749	0.27	\$8,176,753	\$3,014	\$0	\$8,430,894

***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 legislative audit. 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 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 Adjustments -

The legislature adopted fixed cost adjustments.

DP 527 - Inflation/Deflation Adjustments -

The legislature adopted inflation/deflation adjustments.

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 Rate Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 100103 - Fiscal Note Overtime (OTO/RST) -

The legislature approved \$70,000 in general fund in the 2017 biennium to cover necessary overtime expenditures in the Tax Policy and Research Office created by the staff time for fiscal note preparation in the 2017 Legislative Session.

DP 100106 - Longevity and Other Adjustments -

The legislature adopted personal services adjustments for longevity, retirement, unemployment insurance, and workers compensation.

DP 100107 - Operating Cost Adjustments -

The legislature adopted all other operating cost adjustments.

DP 100108 - Reorganization-Personal Services -

The legislature adopted the personal services and operating reorganization of the Information Management and Technology Division into the Director's Office and Citizen Services and Resource Management Division.

DP 100109 - Reorganization-Operating Expenses -

The legislature adopted the personal services and operating reorganization of the Information Management and Technology Division into the Director's Office and Citizen Services and Resource Management Division.

DP 100110 - Server Replacements (OTO/RST) -

The legislature adopted restricted one-time-only server replacements for the Director's Office.

DP 100111 - IT FTE -

The legislature replaced contracted IT workers with 3 new FTE in the Director's Office.

DP 100444 - Statewide 4% FTE Reduction-Program 1 -

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 300444 includes a reduction of 2.73 FTE each year.