

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	31.75	31.75	30.75	30.75	31.75	30.75	(1.00)	(3.15)%
Personal Services	1,917,061	1,962,006	2,120,656	2,116,786	3,879,067	4,237,442	358,375	9.24 %
Operating Expenses	423,346	532,114	594,628	587,544	955,460	1,182,172	226,712	23.73 %
Equipment & Intangible Assets	190,214	30,554	30,554	30,554	220,768	61,108	(159,660)	(72.32)%
Transfers	0	0	0	0	0	0	0	0.00 %
Debt Service	36,177	31,925	31,925	31,925	68,102	63,850	(4,252)	(6.24)%
Total Costs	\$2,566,798	\$2,556,599	\$2,777,763	\$2,766,809	\$5,123,397	\$5,544,572	\$421,175	8.22 %
General Fund	0	0	0	0	0	0	0	0.00 %
Proprietary Funds	2,566,798	2,556,599	2,777,763	2,766,809	5,123,397	5,544,572	421,175	8.22 %
Total Funds	\$2,566,798	\$2,556,599	\$2,777,763	\$2,766,809	\$5,123,397	\$5,544,572	\$421,175	8.22 %

Program Description

The Liquor Control Division provides effective and efficient administration of the Montana alcoholic beverage code with an emphasis on customer service and public safety. This is accomplished by applying uniform and fair regulations while ensuring an orderly system for the convenient distribution and responsible consumption of alcoholic beverages. The division consists of the Liquor Distribution Bureau, which maintains a regulated channel of distribution to fulfill the public demand for distilled spirits and fortified wine through agency liquor stores; and the Liquor Licensing Bureau, which protects the welfare and safety of the public by regulating liquor licensing laws in a uniform and fair manner.

Program Highlights

Liquor Control Division Major Budget Highlights
<ul style="list-style-type: none"> • The 2017 Liquor Control Division budget would increase from the 2015 biennium budget primarily due to an increase in the following: <ul style="list-style-type: none"> ◦ Personal services increased due to statewide present law adjustments ◦ Increases in operating expenses were partially offset by decreases in the equipment and intangible assets budget. ◦ The legislature approved one-time only, restricted, biennial proprietary funds for overtime and termination payouts of \$210,000 over the biennium.

Funding

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

Department of Revenue, 03-Liquor Control Division Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
06005 General Fund	0	0	0	0	0.00 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
06005 Liquor Division	5,544,572	0	0	5,544,572	100.00 %	
Proprietary Total	\$5,544,572	\$0	\$0	\$5,544,572	100.00 %	
Total All Funds	\$5,544,572	\$0	\$0	\$5,544,572		

The division is funded with a direct appropriation of Liquor Control Division proprietary funds. Net revenues from liquor sales are transferred to the general fund after operating costs are deducted from gross revenues. Consequently, any proposals funded through this program are an indirect use of state general fund.

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	0	0	0	0.00 %	2,556,599	2,556,599	5,113,198	92.22 %
PL Adjustments	0	0	0	0.00 %	221,164	210,210	431,374	7.78 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$2,777,763	\$2,766,809	\$5,544,572	

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 515 - State Share Health Insurance										
0.00	0	0	0	14,945	0.00	0	0	0	14,945	
DP 520 - Fully Fund 2015 Legislatively Authorized FTE										
0.00	0	0	0	36,159	0.00	0	0	0	36,159	
DP 525 - Fixed Cost Adjustments										
0.00	0	0	0	7,366	0.00	0	0	0	(4,842)	
DP 527 - Inflation/Deflation Adjustments										
0.00	0	0	0	3,693	0.00	0	0	0	8,819	
DP 532 - General Liability Insurance Rate Adjustment										
0.00	0	0	0	1,356	0.00	0	0	0	1,356	
DP 550 - Motor Pool Rate Adjustment										
0.00	0	0	0	(202)	0.00	0	0	0	(204)	
DP 300304 - Longevity and Other Adjustments										
0.00	0	0	0	4,672	0.00	0	0	0	18,710	
DP 300305 - Operating Cost Adjustments/Equipment Life Cycle (OTO)										
0.00	0	0	0	50,301	0.00	0	0	0	50,301	
DP 300306 - Other PS Services Adjustments										
0.00	0	0	0	(2,126)	0.00	0	0	0	(20,034)	
DP 300307 - Overtime (OTO/RST/Biennial)										
0.00	0	0	0	75,000	0.00	0	0	0	75,000	
DP 300308 - Termination Payouts (OTO/RST/Biennial)										
0.00	0	0	0	30,000	0.00	0	0	0	30,000	
DP 300444 - Statewide 4% FTE Reduction-Program 3										
(1.00)	0	0	0	0	(1.00)	0	0	0	0	
Grand Total All Present Law Adjustments										
(1.00)	\$0	\$0	\$0	\$221,164	(1.00)	\$0	\$0	\$0	\$210,210	

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

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 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 300304 - Longevity and Other Adjustments -

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

DP 300305 - Operating Cost Adjustments/Equipment Life Cycle (OTO) -

The legislature adopted all other operating cost adjustments and equipment life cycle funding.

DP 300306 - Other PS Services Adjustments -

The legislature adopted the remaining personal services adjustments in the Liquor Control Division.

DP 300307 - Overtime (OTO/RST/Biennial) -

The legislature adopted \$150,000 in proprietary funds to meet the required statutory service levels for liquor.

DP 300308 - Termination Payouts (OTO/RST/Biennial) -

The legislature adopted additional funding of \$60,000 in proprietary funds for the 2017 biennium for accrued leave termination payouts. This request had been made and approved by several previous legislatures; however, due to budgetary rules, it must be requested each legislative session. The liquor enterprise fund accrues leave balances at the end of each fiscal year in the proprietary fund. This additional spending authority may only be used to pay the required payout of accrued leave balances upon a termination.

DP 300444 - Statewide 4% FTE Reduction-Program 3 -

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 1.00 FTE each year.