

**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	21.00	21.00	21.00	21.00	21.00	21.00	0.00	0.00 %
Personal Services	1,738,769	1,798,819	1,967,757	1,962,481	3,537,588	3,930,238	392,650	11.10 %
Operating Expenses	755,698	754,441	675,613	676,637	1,510,139	1,352,250	(157,889)	(10.46)%
Transfers	0	0	0	0	0	0	0	0.00 %
<b>Total Costs</b>	<b>\$2,494,467</b>	<b>\$2,553,260</b>	<b>\$2,643,370</b>	<b>\$2,639,118</b>	<b>\$5,047,727</b>	<b>\$5,282,488</b>	<b>\$234,761</b>	<b>4.65 %</b>
General Fund	2,494,467	2,553,260	2,643,370	2,639,118	5,047,727	5,282,488	234,761	4.65 %
State/Other Special Rev. Funds	0	0	0	0	0	0	0	0.00 %
Federal Spec. Rev. Funds	0	0	0	0	0	0	0	0.00 %
Proprietary Funds	0	0	0	0	0	0	0	0.00 %
<b>Total Funds</b>	<b>\$2,494,467</b>	<b>\$2,553,260</b>	<b>\$2,643,370</b>	<b>\$2,639,118</b>	<b>\$5,047,727</b>	<b>\$5,282,488</b>	<b>\$234,761</b>	<b>4.65 %</b>

**Program Description**

The Executive Office Program aids the Governor in overseeing and coordinating the activities of the Executive Branch of Montana state government. The program provides administrative, legal, and press support for the Office of the Governor. The Executive Office Program also administers programs with special impact on the citizens and governmental concerns of Montana. Special programs include the Office of Economic Development, which was created to strengthen the foundations of the state's business environment and diversify and expand existing economic endeavors to achieve long-term economic stability.

**Program Highlights**

<b>Executive Office Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• Changes to the budget from the previous biennium are due to:                             <ul style="list-style-type: none"> <li>◦ Personal services increases for broadband pay adjustments, exempt employee pay raises, annualization of the state share contribution, and fully funding FTE within the program</li> <li>◦ Operating expenses decrease due to adjustments for information technology services</li> </ul> </li> </ul>

**Program Narrative**

The legislature provided the Executive Office Program appropriations that are 4.6% higher than the 2015 biennium. Personal services increased 11.1% due to broadband adjustments for market and competency, longevity increases, adjustments for exempt staff, and reclassification of a position. In addition, the cost of annualizing the state

share of employee insurance was provided in the 2017 biennium and the 4% vacancy saving adjustment for legislatively authorized FTE was fully funded. Finally the legislature approved transferring 0.37 FTE from the Lieutenant Governor's Office to the Executive Office Program.

It should be noted that the transfer is already reflected in the Program Budget Comparison table as the executive implemented the transfer in FY 2014 and it is thus reflected in the table. The 2015 legislative base budget as shown in the Budget Summary By Category does not include the personal services costs for the 0.37 FTE.

These increases were partially offset by a decrease in operating costs mainly related to reduced costs for information technology services.

**Funding**

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

Governor's Office, 01-Executive Office Program Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	5,282,488	0	0	5,282,488	100.00 %	
02038 Governor's Office Ssr	0	0	0	0	0.00 %	
02432 Oil & Gas ERA	0	0	0	0	0.00 %	
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
03001 Governors Office Federal Grnts	0	0	0	0	0.00 %	
03286 SSBCI Treasury Grant	0	0	0	0	0.00 %	
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
06510 PERSONAL SERVICES CONTINGENCY	0	0	0	0	0.00 %	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$5,282,488</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,282,488</b>		

The Executive Office Program is entirely funded with 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	2,731,022	2,731,022	5,462,044	103.40 %	2,731,022	2,731,022	5,462,044	103.40 %
PL Adjustments	(87,652)	(91,904)	(179,556)	(3.40)%	(87,652)	(91,904)	(179,556)	(3.40)%
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
<b>Total Budget</b>	<b>\$2,643,370</b>	<b>\$2,639,118</b>	<b>\$5,282,488</b>		<b>\$2,643,370</b>	<b>\$2,639,118</b>	<b>\$5,282,488</b>	

**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.

	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 400 - .37 FTE Transfer from Lt. Governor Program	0.00	15,578	0	0	15,578	0.00	15,578	0	0	15,578
DP 401 - Energy Promotion moved to Commerce	0.00	(195,212)	0	0	(195,212)	0.00	(195,212)	0	0	(195,212)
DP 402 - Operating Cost Adjustments	0.00	(40,765)	0	0	(40,765)	0.00	(39,741)	0	0	(39,741)
DP 403 - Elected official pay adjustment - Governor	0.00	3,999	0	0	3,999	0.00	3,999	0	0	3,999
DP 515 - State Share Health Insurance	0.00	10,206	0	0	10,206	0.00	10,206	0	0	10,206
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	34,222	0	0	34,222	0.00	34,222	0	0	34,222
DP 525 - Fixed Costs	0.00	(76,685)	0	0	(76,685)	0.00	(75,582)	0	0	(75,582)
DP 527 - Inflation/Deflation Adjustment	0.00	(169)	0	0	(169)	0.00	89	0	0	89
DP 529 - Longevity and Other Adjustments	0.00	(16,622)	0	0	(16,622)	0.00	(16,622)	0	0	(16,622)
DP 550 - Motor Pool Rate Adjustment	0.00	(1,064)	0	0	(1,064)	0.00	(1,079)	0	0	(1,079)
DP 560 - Restore Governor's Office Funding	0.00	178,860	0	0	178,860	0.00	172,238	0	0	172,238
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$87,652)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$87,652)</b>	<b>0.00</b>	<b>(\$91,904)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$91,904)</b>

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

DP 400 - .37 FTE Transfer from Lt. Governor Program -

The legislature approved \$15,578 general fund in each year of the biennium for the transfer of .37 FTE and the associated funding from the Lieutenant Governor's office. The increase in funding provides for a part-time position to be full-time.

DP 401 - Energy Promotion moved to Commerce -

The legislature approved the reduction of \$195,212 general fund in each year of the biennium to reflect the direct transfer of 2.00 FTE and related personal services and operating expenses to the Department of Commerce. In the previous biennium the staff were provided to the Office of Economic Development to consolidate energy promotion economic development in Montana within the Governor's Office.

DP 402 - Operating Cost Adjustments -

The legislature adopted a reduction of \$40,765 general fund in FY 2016 and a reduction of \$39,741 general fund in FY 2017 for operating cost adjustments related to using the 2015 legislative appropriation as the starting point.

DP 403 - Elected official pay adjustment - Governor -

The legislature adopted an increase of \$3,999 general fund for each year of the biennium to fund the elected official pay adjustment for the Governor.

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 Adjustment -

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 529 - Longevity and Other Adjustments -

The legislature adopted personal service adjustments for unemployment insurance, workers compensation rates, longevity, retirement, and health benefits.

DP 550 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 560 - Restore Governor's Office Funding -

The legislature provided additional funding for the Governor's Office to provide funding to the level requested in the Governor's proposed budget. This adjustment does not include funding the executive implementation of the 2015 pay increase.