

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	18.00	18.00	18.00	18.00	18.00	18.00	0.00	0.00 %
Personal Services	1,397,755	1,543,087	21,953,132	46,487,310	2,940,842	68,440,442	65,499,600	2,227.24 %
Operating Expenses	185,496	209,091	8,340,407	10,857,440	394,587	19,197,847	18,803,260	4,765.30 %
Transfers	0	0	0	0	0	0	0	0.00 %
Total Costs	\$1,583,251	\$1,752,178	\$30,293,539	\$57,344,750	\$3,335,429	\$87,638,289	\$84,302,860	2,527.50 %
General Fund	1,583,251	1,752,178	13,902,955	24,094,440	3,335,429	37,997,395	34,661,966	1,039.21 %
State/Other Special Rev. Funds	0	0	10,242,102	19,097,418	0	29,339,520	29,339,520	0.00 %
Federal Spec. Rev. Funds	0	0	5,983,720	13,817,655	0	19,801,375	19,801,375	0.00 %
Proprietary Funds	0	0	164,762	335,237	0	499,999	499,999	0.00 %
Total Funds	\$1,583,251	\$1,752,178	\$30,293,539	\$57,344,750	\$3,335,429	\$87,638,289	\$84,302,860	2,527.50 %

Program Description

The Office of Budget and Program Planning (OBPP) assists the Governor in preparing the Governor's Executive Budget and administering the state government budget. In addition, OBPP prepares and monitors revenue estimates and collections, prepares and publishes fiscal notes on proposed legislation and initiatives, and acts as approving authority for operational plan changes, program transfers, and budget amendments in the Executive Branch, in accordance with Title 17, Chapter 7, MCA. OBPP acts as the lead Executive Branch agency for compliance with the federal Single Audit Act.

Program Highlights

Office of Budget and Program Planning Major Budget Highlights
<ul style="list-style-type: none"> • The legislature provided a number of contingencies for state agencies within the budget of the Office of Budget and Program Planning including: <ul style="list-style-type: none"> ◦ Personal services contingency base - \$11.5 million ◦ Contingency base funding - \$18.8 million ◦ Personal services contingency - \$1.7 million • Funding for state agency employee pay plan was provided at \$51.8 million over the 2017 biennium

Program Narrative

The legislature designated the Office of Budget and Program Planning as the program to administer a number of appropriations for state agencies within the executive branch. The following table shows the budget for contingencies, pay plan, and remaining appropriations for OBPP by expenditure category.

Governor's Office Office of Budget and Program Planning					
	FY 2016	%	FY 2017	%	Biennial
Personal Services					
Personal Services Contingency Base	\$5,722,635	26.07%	\$5,744,175	12.36%	\$11,466,810
Personal Services Contingency	1,750,000	7.97%	0	0.00%	1,750,000
State Employee Pay Plan	12,769,898	58.17%	39,032,776	83.96%	51,802,674
Office of Budget and Program Planning	<u>1,710,599</u>	<u>7.79%</u>	<u>1,710,359</u>	<u>3.68%</u>	<u>3,420,958</u>
Total Personal Services	21,953,132	100.00%	46,487,310	100.00%	68,440,442
Operating Expenses					
Contingency Base Funding	8,136,724	97.56%	10,662,415	98.20%	18,799,139
Office of Budget and Program Planning	<u>203,683</u>	<u>2.44%</u>	<u>195,025</u>	<u>1.80%</u>	<u>398,708</u>
Total Operating Expenses	8,340,407	100.00%	10,857,440	100.00%	19,197,847
Total Program Budget	<u>\$30,293,539</u>		<u>\$57,344,750</u>		<u>\$87,638,289</u>

As reflected in the table above, only 5.00% of personal services appropriated to OBPP in the 2017 biennium and 2.08% of the operating expenses were provided for the program. Without the additional appropriations OBPP budget increased by 14.5% when compared to the 2015 biennium. Personal services increased by 16.3% due to the:

- Annualization of the state share of employee insurance
- Elimination of the 4% vacancy savings for legislatively authorized FTE
- Pay increases for competency, market, and reclassification of positions
- Attainment of longevity milestones

Funding

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

Governor's Office, 04-Office of Budget & Program Planning Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	37,997,395	0	0	37,997,395	43.36 %	
02038 Governor's Office Ssr	25,432,211	0	0	25,432,211	86.68 %	
02249 Governor's Office Operations Fund	3,907,309	0	0	3,907,309	13.32 %	
02432 Oil & Gas ERA	0	0	0	0	0.00 %	
State Special Total	\$29,339,520	\$0	\$0	\$29,339,520	33.48 %	
03001 Governors Office Federal Grnts	19,801,375	0	0	19,801,375	100.00 %	
Federal Special Total	\$19,801,375	\$0	\$0	\$19,801,375	22.59 %	
06510 PERSONAL SERVICES CONTINGENCY	499,999	0	0	499,999	100.00 %	
Proprietary Total	\$499,999	\$0	\$0	\$499,999	0.57 %	
Total All Funds	\$87,638,289	\$0	\$0	\$87,638,289		

The Office of Budget and Program Planning is funded completely with general fund. Funding for the executive branch employee pay plan and the various contingencies is appropriated from general fund, state special revenue, federal revenue, and proprietary funds as outlined in the program narrative.

State special revenue, federal revenue, and proprietary funds in the table are primarily the result of lump sum appropriations for pay plan and contingencies.

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	1,752,178	1,752,178	3,504,356	9.22 %	1,752,178	1,752,178	3,504,356	4.00 %
PL Adjustments	5,680,981	5,573,206	11,254,187	29.62 %	14,021,463	16,559,796	30,581,259	34.89 %
New Proposals	6,469,796	16,769,056	23,238,852	61.16 %	14,519,898	39,032,776	53,552,674	61.11 %
Total Budget	\$13,902,955	\$24,094,440	\$37,997,395		\$30,293,539	\$57,344,750	\$87,638,289	

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
Present Law Adjustments										
DP 402 - Operating Cost Adjustments	0.00	(15,235)	0	0	(15,235)	0.00	(18,560)	0	0	(18,560)
DP 406 - Econometric Data Subscription	0.00	3,215	0	0	3,215	0.00	4,409	0	0	4,409
DP 510 - Legislative Audit - HB 2 2014 Fixed Costs (Restricted/Biennia	0.00	17,446	0	0	17,446	0.00	0	0	0	0
DP 515 - State Share Health Insurance	0.00	8,748	0	0	8,748	0.00	8,748	0	0	8,748
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	29,102	0	0	29,102	0.00	29,102	0	0	29,102
DP 525 - Fixed Costs	0.00	5,743	0	0	5,743	0.00	6,520	0	0	6,520
DP 526 - 2017 Biennium Legislative Audit (Restricted/Biennial)	0.00	489	0	0	489	0.00	0	0	0	0
DP 527 - Inflation/Deflation Adjustment	0.00	(504)	0	0	(504)	0.00	(499)	0	0	(499)
DP 529 - Longevity and Other Adjustments	0.00	816	0	0	816	0.00	4,431	0	0	4,431
DP 550 - Motor Pool Rate Adjustment	0.00	(21)	0	0	(21)	0.00	(22)	0	0	(22)
DP 560 - Restore Governor's Office Funding	0.00	112,305	0	0	112,305	0.00	119,077	0	0	119,077
DP 570 - Personal Services Contingency Base Funding (Restricted)	0.00	2,444,921	1,948,157	1,285,790	5,722,635	0.00	2,450,922	1,959,152	1,290,514	5,744,175
DP 580 - Contingency Base Funding	0.00	3,073,956	3,346,751	1,716,017	8,136,724	0.00	2,969,078	3,875,028	3,818,309	10,662,415
Grand Total All Present Law Adjustments	0.00	\$5,680,981	\$5,294,908	\$3,001,807	\$14,021,463	0.00	\$5,573,206	\$5,834,180	\$5,108,823	\$16,559,796

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

DP 402 - Operating Cost Adjustments -

The legislature adopted general fund operating cost reductions of \$26,663 in FY 2016 and \$18,560 in FY 2017.

DP 406 - Econometric Data Subscription -

The legislature adopted increases of \$3,215 general fund in FY 2016 and \$4,409 general fund in FY 2017 for contractual rate increases associated with the annual subscription for econometric data with IHS Economics. The subscription provides economic data used to develop revenue estimates and other economic analysis for the state, and is used by the Office of Budget and Program Planning, the Legislative Fiscal Division within the Legislative Branch, the Departments of Revenue, Labor and Industry, and Transportation.

DP 510 - Legislative Audit - HB 2 2014 Fixed Costs (Restricted/Biennia -

The legislature provided a restricted biennial appropriation for the legislative audit costs. 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 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 526 - 2017 Biennium Legislative Audit (Restricted/Biennial) -

The legislature adjusted legislative audit costs and funding based on the current estimate of the Legislative Auditor.

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.

DP 570 - Personal Services Contingency Base Funding (Restricted) -

The legislature provided a personal services contingency fund for the Governor's Office. The funds may be transferred to other state agencies at the discretion of the Governor. In addition, the Governor may add up to 10.00 FTE into state agency base budgets.

DP 580 - Contingency Base Funding -

The legislature provided contingency base funding to the Office of Budget and Program Planning. The funds are to allocated and transferred at the discretion of the budget director.

New Proposals

The "New Proposals" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

New Proposals	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 590 - Employee Pay and State Share	0.00	5,469,796	4,347,194	2,856,913	12,769,898	0.00	16,769,056	13,263,238	8,708,832	39,032,776
DP 600 - Personal Services Contingency (Restricted/Biennial/OTO)	0.00	1,000,000	600,000	125,000	1,750,000	0.00	0	0	0	0
Total	0.00	\$6,469,796	\$4,947,194	\$2,981,913	\$14,519,898	0.00	\$16,769,056	\$13,263,238	\$8,708,832	\$39,032,776

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

DP 590 - Employee Pay and State Share -

The legislature approved a pay plan for state employees that provides a \$0.50 an hour raise for employees effective on the first day of the first complete pay period that includes January 15, 2016 and 2017. In addition, the legislature increased the state share contribution towards employee insurance by 10% the first year of the biennium and 8% the second.

DP 600 - Personal Services Contingency (Restricted/Biennial/OTO) -

The legislature provided funding for personal services contingencies. The funding may be distributed if personnel vacancies do not occur, retirement costs exceed agency resources, or for other personal services contingencies that arise.