

Agency Budget Comparison

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Agency Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	756.58	756.58	751.58	751.58	756.58	751.58	(5.00)	(0.66%)
Personal Services	40,122,529	42,222,224	42,306,580	42,356,264	82,344,753	84,662,844	2,318,091	2.82%
Operating Expenses	21,438,114	23,569,354	22,930,214	23,042,390	45,007,468	45,972,604	965,136	2.14%
Equipment & Intangible Assets	122,027	274,234	436,602	398,986	396,261	835,588	439,327	110.87%
Grants	11,535,458	11,779,098	12,113,930	12,114,002	23,314,556	24,227,932	913,376	3.92%
Benefits & Claims	91,464	74,840	91,464	91,464	166,304	182,928	16,624	10.00%
Transfers	484,630	357,757	454,199	454,199	842,387	908,398	66,011	7.84%
Debt Service	3,889	3,775	13,103	13,103	7,664	26,206	18,542	241.94%
Total Costs	\$73,798,111	\$78,281,282	\$78,346,092	\$78,470,408	\$152,079,393	\$156,816,500	\$4,737,107	3.11%
General Fund	1,474,826	1,483,665	1,285,371	1,311,124	2,958,491	2,596,495	(361,996)	(12.24%)
State Special	38,439,794	41,914,681	40,527,311	40,514,534	80,354,475	81,041,845	687,370	0.86%
Federal Special	33,823,455	34,794,419	36,533,410	36,644,750	68,617,874	73,178,160	4,560,286	6.65%
Other	60,036	88,517	0	0	148,553	0	(148,553)	(100.00%)
Total Funds	\$73,798,111	\$78,281,282	\$78,346,092	\$78,470,408	\$152,079,393	\$156,816,500	\$4,737,107	3.11%

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Legislative Budget Analysis, A-223

Executive Budget Comparison

The following table compares the legislative budget in the 2015 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2012	Executive Budget Fiscal 2014	Legislative Budget Fiscal 2014	Leg - Exec. Difference Fiscal 2014	Executive Budget Fiscal 2015	Legislative Budget Fiscal 2015	Leg - Exec. Difference Fiscal 2015	Biennium Difference Fiscal 14-15
FTE	756.58	752.58	751.58	(1.00)	752.58	751.58	(1.00)	
Personal Services	40,122,529	43,265,007	42,306,580	(958,427)	43,309,143	42,356,264	(952,879)	(1,911,306)
Operating Expenses	21,438,114	22,921,975	22,930,214	8,239	23,040,631	23,042,390	1,759	9,998
Equipment & Intangible Assets	122,027	436,602	436,602	0	398,986	398,986	0	0
Grants	11,535,458	12,228,606	12,113,930	(114,676)	12,228,678	12,114,002	(114,676)	(229,352)
Benefits & Claims	91,464	91,464	91,464	0	91,464	91,464	0	0
Transfers	484,630	454,199	454,199	0	454,199	454,199	0	0
Debt Service	3,889	13,103	13,103	0	13,103	13,103	0	0
Total Costs	\$73,798,111	\$79,410,956	\$78,346,092	(\$1,064,864)	\$79,536,204	\$78,470,408	(\$1,065,796)	(\$2,130,660)
General Fund	1,474,826	2,646,492	1,285,371	(1,361,121)	2,647,416	1,311,124	(1,336,292)	(2,697,413)
State/Other Special	38,439,794	40,097,044	40,527,311	430,267	40,056,805	40,514,534	457,729	887,996
Federal Special	33,823,455	36,667,420	36,533,410	(134,010)	36,831,983	36,644,750	(187,233)	(321,243)
Proprietary	60,036	0	0	0	0	0	0	0
Total Funds	\$73,798,111	\$79,410,956	\$78,346,092	(\$1,064,864)	\$79,536,204	\$78,470,408	(\$1,065,796)	(\$2,130,660)

The legislature did not approve a request to switch funding \$1.6 million from the Employment Security Account to the general fund for the Jobs for Montana Graduates Program and career guidance and academic counseling programs, which are functions within the Research and Analysis Bureau. Instead, the Joint Appropriation Subcommittee on General Government requested that provisions be added to a bill to implement provisions of HB 2 to clarify that the Employment Security Account may be used for these purposes.

The legislature approved an executive request to provide for the purchase of equipment and update the metrology laboratory within the Business Services Division. However, the subcommittee requested that provisions be added to a bill to implement provisions of HB 2 to increase the fees paid for licensing of weighing devices and appropriated the additional state special revenue funds for the request rather than use general fund.

The legislature approved a funding switch within the state special revenue fund for incumbent worker training, eliminating support from the Employment Security Account and providing support from the Worker Training and Economic Development Account. The legislature also approved a one-time-only funding switch for the Human Rights Bureau, using \$500,000 of available funding from federal reimbursements for investigations conducted by the office instead of general fund.

The legislature did not approve a request to add \$100,000 in general fund for personal services funding for 1.0 FTE for a grants coordinator to provide oversight for the AmeriCorps Grants.

The legislature approved additional vacancy savings of 2% for positions funded in HB 2 reducing personal service costs by \$1.8 million over the biennium including \$0.9 million in state special revenue and \$0.9 million of federal revenue.

Agency Highlights

Department of Labor and Industry Major Budget Highlights
<ul style="list-style-type: none"> ◆ 2015 biennium budget increases mainly due to increased personal services costs for vacant positions and broadband pay increases ◆ Changes adopted by the legislature included: <ul style="list-style-type: none"> • Refunding of vacancy savings, minus 6% • Annualization of broadband pay plan increases • Funding statutorily required increases for longevity ◆ The legislature moved the Office of Legal Services within the Commissioner's Office from HB 2 to a proprietary fund. This reduced the FTE in HB 2 by 8.00 ◆ The legislature approved personal service costs to support an additional 3.00 FTE within the Business Standards Division ◆

Agency Discussion

The Department of Labor and Industry budget increases about 3.1 % when compared to the 2013 biennium budget. FTE are reduced by 5.00 FTE. The legislature moved the Office of Legal Services within the Commissioner's Office from HB 2 to a proprietary fund. This reduced the FTE in HB 2 by 8.00. The legislature approved personal service costs to support an additional 3.00 FTE within the Business Standards Division to eliminate contracts for the Medical Impairment Program and providing the services within the division. As a result, state special revenue appropriation authority for the division was reduced by \$151,800.

The majority of the increases in the budget are included as personal services. Changes adopted by the legislature included:

- Refunding of vacancy savings, minus 6%
- Annualization of broadband pay plan increases
- Funding statutorily required increases for longevity

Requests for a Bill to Implement Provisions of HB 2

The Joint Appropriation Subcommittee on General Government requested that provisions be added to a bill to implement provisions of HB 2 for three purposes:

- 1) Expand the uses of the Employment Security Account to include the Jobs for Montana Graduates Program and to add career guidance and academic counseling programs to help student make decisions relating to career preparation as part of the research and analysis functions of the department
- 2) Create a Worker Training and Economic Development Account in the state special revenue fund. The purpose of the request is to provide a source of revenue to fund the costs that the state incurs in programs for incumbent worker training.
- 3) Increase fees for licenses of weighing devices. The purpose of the request is to provide the Weights and Measures Bureau with additional state special revenues so that the bureaus is able to replace outdated equipment and update the metrology laboratory.

Funding

The following table shows agency funding by source of authority. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Department Of Labor & Industry Funding by Source of Authority 2015 Biennium Budget					
Funds	HB 2	Non- Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	\$2,596,495	\$0	\$0	\$2,596,495	0.6%
State Special Total	81,041,845	-	1,528,454	82,570,299	17.5%
Federal Special Total	73,178,160	-	-	73,178,160	15.5%
Proprietary Total	-	312,976,127	-	312,976,127	66.4%
Current Unrestricted	-	-	-	-	0.0%
Other Total	-	-	-	-	0.0%
Total All Funds	\$156,816,500	\$312,976,127	\$1,528,454	\$471,321,081	
Percent - Total All Sources	33.3%	66.4%	0.3%		

The majority of the funding for the department is non-budgeted proprietary funding for unemployment benefits. State special revenue funds include the employment security account, individual accounts for each professional licensing board or program, and the uninsured employers fund. General fund supports activities within the Workforce Services Division and the Employment Relations Division.

The Employment Security Account provides support to four of the agency's divisions. The figure on the following page shows the amount of funding provided to each division, the impacts of the additional vacancy savings of 2% and the maximum potential impacts of HB 13.

Department of Labor and Industry Economic Security Account With HB 13 and Senate HB 2 Version				
Revenues, Expenditures, Fund Balance	Actual FY 2012	Budgeted FY 2013	Budgeted FY 2014	Budgeted FY 2015
Beginning Fund Balance	\$9,428,160	\$9,508,080	\$5,357,018	\$99,630
Revenues				
Contributions/Premiums	14,994,621	15,427,000	15,942,000	16,475,000
BOI Investment Earnings	<u>34,701</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Total Revenues	15,029,323	15,432,000	15,947,000	16,480,000
Expenditures				
Department of Labor and Industry				
Workforce Services Division	9,886,884	10,619,281	9,058,064	9,058,117
Unemployment Insurance Division	3,389,198	3,667,627	3,777,656	3,777,656
Commissioner's Office	247,219	1,314,120	179,072	179,069
Employment Relations Division	1,435,729	1,482,034	1,507,401	1,507,433
House Bill 13 Impacts	0	0	218,131	471,522
House Bill 2 Additional Vacancy Savings*	0	0	(135,936)	(136,124)
Department of Commerce				
Business Resources Division	<u>0</u>	<u>0</u>	<u>800,000</u>	<u>800,000</u>
Total Expenditures	14,959,031	17,083,062	15,404,388	15,657,673
Adjustments	9,628			
Ending Fund Balance	<u>\$9,508,080</u>	<u>\$7,857,018</u>	<u>\$5,899,630</u>	<u>\$921,957</u>
Unemployment Insurance Tax Modernization	0	2,500,000	5,800,000	700,000
Ending Fund Balance with IT project	<u>\$9,508,080</u>	<u>\$5,357,018</u>	<u>\$99,630</u>	<u>\$221,957</u>

* Calculated using MBARS pay plan percentages

The 2009 Legislature approved the unemployment tax modernization information technology project in HB 10 using \$16.7 million in employment security revenue bonding authority and \$3.0 million in federal revenues. The funding was approved as a long range IT project. As a long range IT project, the appropriation authority for the employment security revenue bonds does not revert at the end of the biennium but is continued until the bonds are issued and the project is completed or the legislature removes the authority through legislation. The agency recently issued a request for proposal on the project and is in the process of finalizing an agreement. The effects of issuing revenue bonds are also shown on the table. In addition, the legislature provided \$1.6 million of funding from this account for primary business sector training which is provided by the Department of Commerce.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	1,474,826	1,474,826	2,949,652	113.60%	73,798,111	73,798,111	147,596,222	94.12%
Statewide PL Adjustments	54,997	55,880	110,877	4.27%	3,953,858	4,150,267	8,104,125	5.17%
Other PL Adjustments	4,056	4,079	8,135	0.31%	1,443,616	1,490,841	2,934,457	1.87%
New Proposals	(248,508)	(223,661)	(472,169)	(18.18%)	(849,493)	(968,811)	(1,818,304)	(1.16%)
Total Budget	\$1,285,371	\$1,311,124	\$2,596,495		\$78,346,092	\$78,470,408	\$156,816,500	

The statewide present law adjustments provide for personal service adjustments including:

- Refunding vacancy savings, minus 4%
- Annualization of broadband pay plan increases
- Funding statutorily required increases for longevity

The adjustments also include increases for both fixed costs such as State Information Technology Services Division and rent adjustments, and decreases for gasoline.

Language and Statutory Authority

The legislature proposes the following language for inclusion in HB 2.

"Weights and Measures Equipment (Restricted/Biennial) is contingent upon the passage and approval of House Bill No. 591. "

"Employment Relations Division includes a reduction in state special revenue of \$520,391 in fiscal year 2014 and \$493,141 in fiscal year 2015 and federal special revenue of \$388,035 in fiscal year 2014 and \$416,258 in fiscal year 2015. The reduction is the equivalent of an additional 2% vacancy savings. The agency may allocate this reduction in funding among programs when developing 2015 biennium operating plans."

Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	293.95	293.95	293.95	293.95	293.95	293.95	0.00	0.00%
Personal Services	14,375,781	15,812,593	15,890,688	15,917,632	30,188,374	31,808,320	1,619,946	5.37%
Operating Expenses	6,255,553	6,520,131	6,915,509	6,905,370	12,775,684	13,820,879	1,045,195	8.18%
Equipment & Intangible Assets	9,209	50,261	9,209	9,209	59,470	18,418	(41,052)	(69.03%)
Grants	9,031,994	9,319,862	9,031,994	9,031,994	18,351,856	18,063,988	(287,868)	(1.57%)
Transfers	333,399	171,867	333,399	333,399	505,266	666,798	161,532	31.97%
Debt Service	3,889	0	13,103	13,103	3,889	26,206	22,317	573.85%
Total Costs	\$30,009,825	\$31,874,714	\$32,193,902	\$32,210,707	\$61,884,539	\$64,404,609	\$2,520,070	4.07%
General Fund	0	0	3,246	3,246	0	6,492	6,492	n/a
State Special	9,558,551	10,684,411	9,782,823	9,783,534	20,242,962	19,566,357	(676,605)	(3.34%)
Federal Special	20,451,274	21,190,303	22,407,833	22,423,927	41,641,577	44,831,760	3,190,183	7.66%
Total Funds	\$30,009,825	\$31,874,714	\$32,193,902	\$32,210,707	\$61,884,539	\$64,404,609	\$2,520,070	4.07%

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Legislative Budget Analysis, A-228

Funding

HB 2 Funding

The majority of the state special revenue funding is from the employment security account. The revenue for this account is generated from an administrative assessment against the payrolls of Montana employers. Statute enumerates the uses of the fund, including the operating expenses of the Job Service offices.

Approximately 70% of the total funding for the Workforce Services Division is from federal special revenue. Nearly 90% of this funding is from three federal programs: Wagner-Peyser Act, Workforce Investment Act, and Trade Adjustment Assistance Program (Trade Act of 1974). The uses and requirements for these funds are determined by the federal agencies granting the funding.

Proprietary Funds

The proprietary funding is considered and approved as rates charged to entities participating in the Montana Career Information System and are discussed in the "Proprietary Rates" section of the narrative.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	0	0	0	0.00%	30,009,825	30,009,825	60,019,650	93.19%
Statewide PL Adjustments	0	0	0	0.00%	1,891,414	1,908,178	3,799,592	5.90%
Other PL Adjustments	3,246	3,246	6,492	100.00%	276,220	276,261	552,481	0.86%
New Proposals	0	0	0	0.00%	16,443	16,443	32,886	0.05%
Total Budget	\$3,246	\$3,246	\$6,492		\$32,193,902	\$32,210,707	\$64,404,609	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					2,176,931					2,198,181
Vacancy Savings					(662,024)					(662,851)
Inflation/Deflation					(11,269)					(5,172)
Fixed Costs					387,776					378,020
Total Statewide Present Law Adjustments		\$0	(\$51,282)	\$1,942,696	\$1,891,414		\$0	(\$50,612)	\$1,958,790	\$1,908,178
DP 50 - Initial Motion to FY 2012 Base	0.00	0	51,282	(1,942,696)	(1,891,414)	0.00	0	50,612	(1,958,790)	(1,908,178)
DP 51 - Adjustment for Statewide Personal Services	0.00	0	511,632	1,003,275	1,514,907	0.00	0	518,920	1,016,410	1,535,330
DP 52 - Adjustment for Statewide Operations	0.00	0	137,586	241,785	379,371	0.00	0	136,452	239,301	375,753
DP 53 - Base Funding Switch	0.00	0	(697,636)	697,636	0	0.00	0	(703,079)	703,079	0
DP 104 - WSD Rent Adjustment	0.00	3,246	11,633	13,863	28,742	0.00	3,246	11,633	13,863	28,742
DP 105 - Reinstatement for Appropriation Transfer	0.00	0	244,614	0	244,614	0.00	0	244,614	0	244,614
Total Other Present Law Adjustments	0.00	\$3,246	\$259,111	\$13,863	\$276,220	0.00	\$3,246	\$259,152	\$13,863	\$276,261
Grand Total All Present Law Adjustments	0.00	\$3,246	\$207,829	\$1,956,559	\$2,167,634	0.00	\$3,246	\$208,540	\$1,972,653	\$2,184,439

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 53 - Base Funding Switch - This adjustment establishes a fund switch between fund types to fund base operations.

DP 104 - WSD Rent Adjustment - The legislature approved \$28,742 in each year of the biennium for an increase in off campus rent related to Job Service Offices around the state.

DP 105 - Reinstatement for Appropriation Transfer - The legislature approved an appropriation transfer to the Architecture and Engineering Division in the Department of Administration for building maintenance.

New Proposals

New Proposals	-----Fiscal 2014-----					-----Fiscal 2015-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 101 - Legal Funding Switch											
01	0.00	0	16,443	0	16,443	0.00	0	16,443	0	16,443	
DP 107 - Worker Training and Economic Development											
01	0.00	0	0	0	0	0.00	0	0	0	0	
Total	0.00	\$0	\$16,443	\$0	\$16,443	0.00	\$0	\$16,443	\$0	\$16,443	

DP 101 - Legal Funding Switch - The legislature approved a funding switch to formalize a reorganization of the department's legal structure. The Legal Unit was operating under two different methodologies and now operates under one, sharing resources and expertise to provide legal services to the department. This affects five programs within the department, reducing HB 2 authority in the Centralized Services Division and increasing HB 2 authority in the other divisions in order to pay for estimated legal services.

DP 107 - Worker Training and Economic Development - The General Government subcommittee proposes creating a Worker Training and Economic Development Account in the state special revenue fund for the purpose of providing a source of revenue to fund the costs that the state incurs in programs for incumbent worker training. The funding is derived from transferring funding in excess of \$0.8 million at the end of each biennium in the Uninsured Employers' Fund to the Worker Training and Economic Development Account. This change reduces support for the Incumbent Worker Training Program from the Employment Security Account and changes the funding to the Worker Training and Economic Development Account.

Proprietary Rates*Program Description*

The purpose of Montana Career Information System (MCIS) is to deliver current career and labor market information to Montanans in an easy-to-use and easy-to-understand format. MCIS is currently being funded by a College Access Challenge Grant for a wide variety of users: job service offices, vocational rehabilitation offices, high schools, community colleges, universities, tribal colleges, educational and training agencies, home use, and adult education programs. When the grant ends, MCIS will need to seek other funding or resort back to license fees for the basic system. There are currently optional components of MCIS not funded by the grant that requires the program to collect fees associated with each optional component.

*Program Narrative*Expenses

The expenses of the proprietary program are limited to the operational expenses of the optional features. These are typically site specific licensing fees.

Revenues

Revenue is generated through fees for purchase of a one year optional component license.

Proprietary Rates

For the 2015 biennium the following rates were approved by the legislature. The rates have not changed from those charged in the base year IDEAS Assessment:

- \$100 per site license per year
- Dependable Strengths: \$200 per site license per year
- Peterson's Academic Practice Tests: (per site, per practice test package)
- Enrollment up to 200 - \$225

- Enrollment 201-500 - \$275
- Enrollment over 500 - \$325
- Peterson's Civil Service Practice Test Package: (per site)
- Schools - \$200
- Agencies - \$225

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.

Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	153.00	153.00	153.00	153.00	153.00	153.00	0.00	0.00%
Personal Services	7,971,387	7,927,029	8,286,216	8,287,792	15,898,416	16,574,008	675,592	4.25%
Operating Expenses	4,790,355	5,146,089	5,163,252	5,309,934	9,936,444	10,473,186	536,742	5.40%
Transfers	87,345	75,000	87,345	87,345	162,345	174,690	12,345	7.60%
Debt Service	0	3,775	0	0	3,775	0	(3,775)	(100.00%)
Total Costs	\$12,849,087	\$13,151,893	\$13,536,813	\$13,685,071	\$26,000,980	\$27,221,884	\$1,220,904	4.70%
State Special	3,502,688	3,718,627	3,847,656	3,847,656	7,221,315	7,695,312	473,997	6.56%
Federal Special	9,346,399	9,433,266	9,689,157	9,837,415	18,779,665	19,526,572	746,907	3.98%
Total Funds	\$12,849,087	\$13,151,893	\$13,536,813	\$13,685,071	\$26,000,980	\$27,221,884	\$1,220,904	4.70%

Page Reference

Legislative Budget Analysis, A-235

Funding

HB 2 Funding

The HB 2 funded functions of the division support the administrative and operational portions of unemployment insurance. The majority of the state special revenues are derived from an assessment charged to employers as a percentage of their payroll and deposited into the employment security account. Unemployment insurance (UI) administrative grants are federal funds that Montana receives for the administration of the unemployment insurance program. Montana businesses pay a federal unemployment tax that is partially used to fund these grants.

Proprietary Funding

State unemployment taxes (SUTA) are paid into a proprietary account to fund unemployment benefits for claimants. The amount of the tax depends on the ratio of unemployment insurance trust fund balance to the total covered wages in Montana and the employer's experience. Montana uses 11 schedules with 9 contribution rates in each schedule to assess the SUTA. In calendar year 2012 Montana used schedule VII, in calendar year 2013 the rate will be calculated using schedule VI, a reduction in costs to Montana employers.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	0	0	0	0.00%	12,849,087	12,849,087	25,698,174	94.40%
Statewide PL Adjustments	0	0	0	0.00%	499,805	648,063	1,147,868	4.22%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	187,921	187,921	375,842	1.38%
Total Budget	\$0	\$0	\$0		\$13,536,813	\$13,685,071	\$27,221,884	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					659,650					661,304
Vacancy Savings					(344,821)					(344,899)
Inflation/Deflation					16,840					32,654
Fixed Costs					168,136					299,004
Total Statewide Present Law Adjustments		\$0	\$344,968	\$154,837	\$499,805		\$0	\$344,968	\$303,095	\$648,063
DP 50 - Initial Motion to FY 2012 Base	0.00	0	(344,968)	(154,837)	(499,805)	0.00	0	(344,968)	(303,095)	(648,063)
DP 51 - Adjustment for Statewide Personal Services	0.00	0	85,823	229,006	314,829	0.00	0	86,253	230,152	316,405
DP 52 - Adjustment for Statewide Operations	0.00	0	50,425	134,551	184,976	0.00	0	90,411	241,247	331,658
DP 53 - Base Funding Switch	0.00	0	208,720	(208,720)	0	0.00	0	168,304	(168,304)	0
Total Other Present Law Adjustments	0.00	\$0	\$0	\$0	\$0	0.00	\$0	\$0	\$0	\$0
Grand Total All Present Law Adjustments	0.00	\$0	\$344,968	\$154,837	\$499,805	0.00	\$0	\$344,968	\$303,095	\$648,063

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 53 - Base Funding Switch - This adjustment establishes a fund switch between fund types to fund base operations.

New Proposals

New Proposals	-----Fiscal 2014-----					-----Fiscal 2015-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 201 - Legal Funding Switch	02	0.00	0	0	187,921	187,921	0.00	0	0	187,921	187,921
Total		0.00	\$0	\$0	\$187,921	\$187,921	0.00	\$0	\$0	\$187,921	\$187,921

DP 201 - Legal Funding Switch - The legislature approved a funding switch to formalize a reorganization of the department's legal structure. The Legal Unit was operating under two different methodologies and now operates under one, sharing resources and expertise to provide legal services to the department. This affects five programs within the department, reducing HB 2 authority in the Centralized Services Division and increasing HB 2 authority in the other divisions in order to pay for estimated legal services.

Proprietary Rates*Program Description*

The Department of Labor and Industry (DLI) collects the contributions paid by employers, based on their industry or individual experience rate, to pay for their unemployment insurance. DLI expends the funds by paying unemployment insurance benefit claims.

*Program Narrative*Expenses

Significant costs for the program are for unemployment insurance benefits paid to claimants while unemployed, including federal withholding tax and child support payments the claimants have elected to be taken out of the benefit check.

Revenues

The revenues received in the proprietary fund are from unemployment insurance tax collections, federal reimbursement for claims on federal employees, military personnel, claimants in other states, and interest earnings to the Unemployment Insurance Trust Fund.

Proprietary Rates

The Unemployment Insurance Division administers the state unemployment insurance law. The proprietary rate is set in statute under 39-5-1217, MCA.

Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	17.00	17.00	9.00	9.00	17.00	9.00	(8.00)	(47.06%)
Personal Services	1,138,658	1,227,796	613,997	613,775	2,366,454	1,227,772	(1,138,682)	(48.12%)
Operating Expenses	324,338	405,654	175,441	174,834	729,992	350,275	(379,717)	(52.02%)
Total Costs	\$1,462,996	\$1,633,450	\$789,438	\$788,609	\$3,096,446	\$1,578,047	(\$1,518,399)	(49.04%)
General Fund	277,929	279,307	183,517	183,242	557,236	366,759	(190,477)	(34.18%)
State Special	583,520	685,338	221,626	221,581	1,268,858	443,207	(825,651)	(65.07%)
Federal Special	541,511	580,288	384,295	383,786	1,121,799	768,081	(353,718)	(31.53%)
Other	60,036	88,517	0	0	148,553	0	(148,553)	(100.00%)
Total Funds	\$1,462,996	\$1,633,450	\$789,438	\$788,609	\$3,096,446	\$1,578,047	(\$1,518,399)	(49.04%)

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Funding

HB 2 Funding

The majority of the funding for HB 2 supports the Hearings Unit. The state special revenue is mainly derived from the assessments on employers and deposited into the Employment Security Account. Unemployment insurance administrative grants make up the majority of the federal funding.

Proprietary rates

The Commissioner's Office has three different proprietary funding sources for the operations of the various functions within the office. A discussion of the proposed uses and funding for each of the functions is included under the Proprietary Rates section of the narrative. These funds are considered and approved as rates charged to other divisions within the agency.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	277,929	277,929	555,858	151.56%	1,462,996	1,462,996	2,925,992	185.42%
Statewide PL Adjustments	8,731	8,609	17,340	4.73%	162,529	163,379	325,908	20.65%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	(103,143)	(103,296)	(206,439)	(56.29%)	(836,087)	(837,766)	(1,673,853)	(106.07%)
Total Budget	\$183,517	\$183,242	\$366,759		\$789,438	\$788,609	\$1,578,047	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					223,858					226,197
Vacancy Savings					(54,501)					(54,594)
Inflation/Deflation					119					356
Fixed Costs					(6,947)					(8,580)
Total Statewide Present Law Adjustments		\$8,731	\$79,410	\$65,381	\$162,529*		\$8,609	\$79,983	\$65,203	\$163,379*
DP 50 - Initial Motion to FY 2012 Base	0.00	(8,731)	(79,410)	(65,381)	(162,529)*	0.00	(8,609)	(79,983)	(65,203)	(163,379)*
DP 51 - Adjustment for Statewide Personal Services	0.00	26,462	86,440	43,347	169,357*	0.00	26,769	87,730	43,779	171,603*
DP 52 - Adjustment for Statewide Operations	0.00	(1,843)	(928)	(4,289)	(6,828)*	0.00	(2,100)	(1,510)	(4,777)	(8,224)*
DP 53 - Base Funding Switch	0.00	(15,888)	(6,102)	26,323	0*	0.00	(16,060)	(6,237)	26,201	0*
Total Other Present Law Adjustments	0.00	\$0	\$0	\$0	\$0*	0.00	\$0	\$0	\$0	\$0*
Grand Total All Present Law Adjustments	0.00	\$8,731	\$79,410	\$65,381	\$162,529*	0.00	\$8,609	\$79,983	\$65,203	\$163,379*

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

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 53 - Base Funding Switch - This adjustment establishes a fund switch between fund types to fund base operations.

New Proposals

New Proposals	-----Fiscal 2014-----					-----Fiscal 2015-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 301 - Legal Funding Switch	03	(8.00)	(103,143)	(441,304)	(222,597)	(836,087)*	(8.00)	(103,296)	(441,922)	(222,928)	(837,766)*
Total		(8.00)	(\$103,143)	(\$441,304)	(\$222,597)	(\$836,087)*	(8.00)	(\$103,296)	(\$441,922)	(\$222,928)	(\$837,766)*

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

DP 301 - Legal Funding Switch - The legislature approved a funding switch to formalize a reorganization of the department's legal structure. The Legal Unit was operating under two different methodologies and now operates under one, sharing resources and expertise to provide legal services to the department. This affects five programs within the department, reducing HB 2 authority in the Centralized Services Division and increasing HB 2 authority in the other divisions in order to pay for estimated legal services.

Proprietary Rates

Program Description

The proprietary programs included in the Commissioner's Office include:

- Centralized Services Division
- Legal Unit
- Office of Information Technology

Supportive services provided by the Commissioner's Office and Centralized Services Division are funded through a cost allocation plan whereby the department programs are assessed a percentage of their personal service costs. Services provided by the cost allocation plan include: budgeting, accounting and fiscal management, internal controls, contracting, purchasing, asset management, human resources, payroll, and benefits.

The Office of Information Technology provides network support to the department's five programs and two administratively attached entities. The office is funded by revenues generated through the collection of a cost recovery rate, based on full time equivalent positions in each division.

The Office of Legal Services provides legal assistance to the department's five programs and two administratively attached entities. Previously, support for 8.00 FTE and related operating costs were budgeted and funded within HB 2. These staff provided legal services to the programs within DOLI with the exception of the Business Standards Division. Services of the remaining 11.75 FTE within the office were charged to the Business Standards Division at an hourly rate. The legislature approved moving the 8.00 FTE from HB 2 into the proprietary fund. The legal services provided to the divisions other than Business Services will be charged on an hourly rate in the 2015 biennium.

Expenses

Significant costs for the programs are:

- Personal services of \$10.58 million over the biennium for 75.75 FTE
- Operating costs of \$4.48 million over the biennium including:
 - \$0.8 million in statewide indirect costs
 - \$0.3 million in rent
 - \$0.2 million in SITSD costs

Revenues

The Commissioner's Office/Centralized Services Division is funded by revenues from charges allocated to all divisions, bureaus, and programs supported by the division's indirect cost plan. Indirect costs are allocated to supported programs based on federally calculated and legislatively approved indirect cost rates applied to actual personal service expenditures as well as rates charged based on time distribution and full time equivalent positions.

The funds used to pay for the services are comprised of approximately 2% general fund, 64% state special revenue funds, 29% federal special revenue funds, and 5% proprietary funds.

Proprietary Rates

The cost allocation rate (CAP) must be approved by the U.S. Department of Labor, which has requirements including a working capital of no more than 60 days. The rate, which is assessed to personal service expenditures, is determined by calculating the total costs of providing the services divided by the projected department personal services expenditures. The rate for the 2015 biennium is 8.00%, compared to a FY 2012 rate of 8.24%.

The Office of Information Technology rate (OIT) must be approved by the U.S. Department of Labor which has requirements including a working capital of no more than 60 days. The monthly rate is calculated based on the projected cost of services for the 2015 biennium divided by the total number of active directory accounts in the department divided by 12 months. The rate is \$192 per month per full time equivalent position for the 2015 biennium.

The Office of Legal Services rate must be approved by the U.S. Department of Labor which has requirements including a working capital of no more than 60 days. The rate per hour is calculated on projected costs of services for the 2015 biennium divided by the projected direct hours of service to be provided in the 2015 biennium. The rate for the 2015 biennium is \$95 per hour.

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.

Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	130.60	130.60	130.60	130.60	130.60	130.60	0.00	0.00%
Personal Services	7,338,563	7,884,282	7,404,678	7,413,111	15,222,845	14,817,789	(405,056)	(2.66%)
Operating Expenses	3,918,106	4,816,985	4,439,893	4,444,799	8,735,091	8,884,692	149,601	1.71%
Equipment & Intangible Assets	90,810	0	90,810	90,810	90,810	181,620	90,810	100.00%
Benefits & Claims	91,464	74,840	91,464	91,464	166,304	182,928	16,624	10.00%
Transfers	0	0	0	0	0	0	0	n/a
Total Costs	\$11,438,943	\$12,776,107	\$12,026,845	\$12,040,184	\$24,215,050	\$24,067,029	(\$148,021)	(0.61%)
General Fund	1,073,320	1,080,436	974,437	1,000,441	2,153,756	1,974,878	(178,878)	(8.31%)
State Special	9,744,309	10,978,490	10,422,986	10,463,446	20,722,799	20,886,432	163,633	0.79%
Federal Special	621,314	717,181	629,422	576,297	1,338,495	1,205,719	(132,776)	(9.92%)
Total Funds	\$11,438,943	\$12,776,107	\$12,026,845	\$12,040,184	\$24,215,050	\$24,067,029	(\$148,021)	(0.61%)

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Funding

HB 2 Funding

General fund supports the personal services and general operating costs of the Human Rights Bureau. The level of support was reduced and federal funds increased. The federal Equal Employment Opportunity Commission contracts with the Human Rights Bureau to conduct investigations. The bureau has received federal reimbursements and accumulated a fund balance that the division did not have federal appropriation authority to use in previous biennia. The funding switch reduced general fund by \$475,000 one-time-only over the biennia.

State special revenue funds include:

- Employment security funds generated through an assessment charged to employers as a percentage of their payroll
- An annual administrative assessment of 3% of all compensation and medical benefits (excluding costs above \$200,000 per claim) paid during the previous calendar year that funds workers' compensation regulation
- Contractor registration funding supporting the Workers' Compensation Regulation Bureau and a portion of the Management Services Bureau. Registration fees for independent contractor exemptions and construction contractor application fees are deposited into the fund
- Uninsured employer fund assessments statutorily set at the premium uninsured employers would have paid had they been carrying workers' compensation insurance, with a minimum penalty of \$200. The funds are used to provide benefits to employees injured on the job while working for an employer that does not carry workers' compensation insurance as required by law

Proprietary Funds

The division oversees the subsequent injury fund, a proprietary account that assists disabled persons in becoming employed by offering a financial incentive to the employers who hire them. The fund rate is based on the total amount of paid losses reimbursed by the fund in the preceding calendar year.

Statutory Appropriations

Payments for indemnity and medical benefits for workers injured while working for a business that does not carry workers' compensation insurance are statutorily appropriated to the division. The costs of administering the program are included as part of HB 2 appropriations.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	1,073,320	1,073,320	2,146,640	108.70%	11,438,943	11,438,943	22,877,886	95.06%
Statewide PL Adjustments	45,672	46,653	92,325	4.67%	899,741	911,737	1,811,478	7.53%
Other PL Adjustments	810	833	1,643	0.08%	33,631	35,947	69,578	0.29%
New Proposals	(145,365)	(120,365)	(265,730)	(13.46%)	(345,470)	(346,443)	(691,913)	(2.87%)
Total Budget	\$974,437	\$1,000,441	\$1,974,878		\$12,026,845	\$12,040,184	\$24,067,029	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					1,320,609					1,330,411
Vacancy Savings					(346,067)					(346,466)
Inflation/Deflation					(4,835)					(89)
Fixed Costs					(69,966)					(72,119)
Total Statewide Present Law Adjustments		\$45,672	\$757,333	\$96,736	\$899,741		\$46,653	\$768,263	\$96,821	\$911,737
DP 50 - Initial Motion to FY 2012 Base	0.00	(45,672)	(757,333)	(96,736)	(899,741)	0.00	(46,653)	(768,263)	(96,821)	(911,737)
DP 51 - Adjustment for Statewide Personal Services	0.00	119,800	789,317	65,423	974,540	0.00	120,663	797,245	66,036	983,944
DP 52 - Adjustment for Statewide Operations	0.00	(3,284)	(72,006)	490	(74,800)	0.00	(3,056)	(69,865)	714	(72,207)
DP 53 - Base Funding Switch	0.00	(70,845)	40,022	30,823	0	0.00	(70,954)	40,883	30,071	0
DP 402 - ERD Rent Adjustment	0.00	811	32,329	492	33,632	0.00	833	34,609	505	35,947
Total Other Present Law Adjustments	0.00	\$810	\$32,329	\$492	\$33,631	0.00	\$833	\$34,609	\$505	\$35,947
Grand Total All Present Law Adjustments	0.00	\$46,482	\$789,662	\$97,228	\$933,372	0.00	\$47,486	\$802,872	\$97,326	\$947,684

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government and Natural Resource and Transportation subcommittees.

DP 53 - Base Funding Switch - This adjustment establishes a fund switch between fund types to fund base operations.

DP 402 - ERD Rent Adjustment - The legislature approved funds each year of the biennium for an increase in off campus rent.

New Proposals

New Proposals										
Program	FTE	-----Fiscal 2014-----				-----Fiscal 2015-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 54 - Additional Vacancy Savings										
04	0.00	0	(520,391)	(388,035)	(908,426)	0.00	0	(493,141)	(416,258)	(909,399)
DP 401 - Legal Funding Switch										
04	0.00	104,635	409,406	48,915	562,956	0.00	104,635	409,406	48,915	562,956
DP 403 - Funding Switch for the Human Rights Bureau (OTO)										
04	0.00	(250,000)	0	250,000	0	0.00	(225,000)	0	225,000	0
Total	0.00	(\$145,365)	(\$110,985)	(\$89,120)	(\$345,470)	0.00	(\$120,365)	(\$83,735)	(\$142,343)	(\$346,443)

DP 54 - Additional Vacancy Savings - The legislature applied an additional 2% vacancy savings to all positions except those exempt in statute or that must be filled 24/7. Language was included in HB 2 that allows the agency to allocate the reduction among programs.

DP 401 - Legal Funding Switch - The legislature approved a funding switch to formalize a reorganization of the legal structure. The legal fund switch includes an increase of \$562,956 in both years of the biennium of general fund, state special and federal special revenue. The Legal Unit was operating under two different methodologies and now operates under one, sharing resources and expertise. This affects five programs within the department, reducing HB 2 authority in the Centralized Services Division and increasing HB 2 authority in the divisions in order to pay for legal services provided.

DP 403 - Funding Switch for the Human Rights Bureau (OTO) - The legislature reduced general fund by \$250,000 each year of the biennium and replaced the funding with available federal funds. The federal Equal Employment Opportunity Commission contracts with the Human Rights Bureau to conduct investigations. The bureau has received federal reimbursements and accumulated a fund balance. The available federal funds are used to support the program in the 2015 biennium, reducing the federal fund balance.

Proprietary Program Description

Subsequent Injury Fund (06040)

Program Description

The Subsequent Injury Fund was established in 1973 to assist disabled persons in becoming employed by offering a financial incentive to the employers who hire them. The incentive has a limit of 104 weeks of benefits paid by their Workers' Compensation carrier in the event of an on-the-job injury to the certified employee, thus minimizing workers' compensation expenses. Beginning July 1, 1999, the fund is maintained by annual assessment of all Montana Workers' Compensation insurers, including self-insured employers, private insurers, and the State Fund. The asset balance is maintained at approximately \$700,000 to provide an operating balance for payment of benefits and administrative costs. (39-71-901-920, MCA)

This program is funded with an enterprise type proprietary fund. As such, the legislature does not appropriate funds or approve rates for the program. Instead, the legislature reviews the report for the enterprise fund and identifies any concerns with the financial position of the fund.

Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	151.03	151.03	154.03	154.03	151.03	154.03	3.00	1.99%
Personal Services	8,523,619	8,602,808	9,321,848	9,332,952	17,126,427	18,654,800	1,528,373	8.92%
Operating Expenses	5,803,038	6,276,039	5,874,721	5,846,468	12,079,077	11,721,189	(357,888)	(2.96%)
Equipment & Intangible Assets	22,008	223,973	336,583	298,967	245,981	635,550	389,569	158.37%
Grants	8,582	15,136	8,582	8,582	23,718	17,164	(6,554)	(27.63%)
Transfers	33,455	30,850	33,455	33,455	64,305	66,910	2,605	4.05%
Total Costs	\$14,390,702	\$15,148,806	\$15,575,189	\$15,520,424	\$29,539,508	\$31,095,613	\$1,556,105	5.27%
General Fund	0	0	0	0	0	0	0	n/a
State Special	14,388,649	15,136,137	15,575,189	15,520,424	29,524,786	31,095,613	1,570,827	5.32%
Federal Special	2,053	12,669	0	0	14,722	0	(14,722)	(100.00%)
Other	0	0	0	0	0	0	0	n/a
Total Funds	\$14,390,702	\$15,148,806	\$15,575,189	\$15,520,424	\$29,539,508	\$31,095,613	\$1,556,105	5.27%

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Funding

State special revenues included in this division are generated through licenses and fees charged to the various boards and professional licensing organizations included in the division.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	0	0	0	0.00%	14,390,702	14,390,702	28,781,404	92.56%
Statewide PL Adjustments	0	0	0	0.00%	481,063	498,168	979,231	3.15%
Other PL Adjustments	0	0	0	0.00%	575,724	620,520	1,196,244	3.85%
New Proposals	0	0	0	0.00%	127,700	11,034	138,734	0.45%
Total Budget	\$0	\$0	\$0		\$15,575,189	\$15,520,424	\$31,095,613	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					999,911					1,011,744
Vacancy Savings					(376,567)					(377,037)
Inflation/Deflation					(15,937)					(5,746)
Fixed Costs					(126,344)					(130,793)
Total Statewide Present Law Adjustments		\$0	\$483,116	(\$2,053)	\$481,063		\$0	\$500,221	(\$2,053)	\$498,168
DP 50 - Initial Motion for FY 2012 Base	0.00	0	(483,116)	2,053	(481,063)	0.00	0	(500,221)	2,053	(498,168)
DP 51 - Adjustment for Statewide Personal Services	0.00	0	623,368	(23)	623,345	0.00	0	634,726	(20)	634,706
DP 52 - Adjustment for Statewide Operations	0.00	0	(140,252)	(2,030)	(142,282)	0.00	0	(134,505)	(2,033)	(136,538)
DP 502 - BSD General Operating Adjustment	0.00	0	382,957	0	382,957	0.00	0	372,113	0	372,113
DP 503 - BSD - Other General	0.00	0	65,850	0	65,850	0.00	0	65,850	0	65,850
DP 504 - BSD - Online Processing	0.00	0	126,917	0	126,917	0.00	0	182,557	0	182,557
Total Other Present Law Adjustments	0.00	\$0	\$575,724	\$0	\$575,724	0.00	\$0	\$620,520	\$0	\$620,520
Grand Total All Present Law Adjustments	0.00	\$0	\$1,058,840	(\$2,053)	\$1,056,787	0.00	\$0	\$1,120,741	(\$2,053)	\$1,118,688

DP 50 - Initial Motion for FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government and Natural Resource and Transportation subcommittees.

DP 502 - BSD General Operating Adjustment - The legislature approved increased support for off campus rent, and in state travel, repair and maintenance, and other operational costs in the FY 2015 biennium.

DP 503 - BSD - Other General - The legislature approved additional state special revenue funding for the Board of Real Estate Appraisers to provide for the anticipated costs of certified appraiser reviews, the Board of Veterinarians to cover consultant's exam costs, and the Board of Realty Regulations to support education programs.

DP 504 - BSD - Online Processing - The legislature approved increased support for the Montana Interactive e-check and credit card processing fees to accept and process online applications for license and permit applicants.

New Proposals

New Proposals											
Program	FTE	Fiscal 2014				Fiscal 2015					
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 501 - Legal Funding Switch											
05	0.00	0	39,106	0	39,106	0.00	0	39,106	0	39,106	
DP 505 - BSD Weights & Measures (Biennial/ Restricted)											
05	0.00	0	100,000	0	100,000	0.00	0	100,000	0	100,000	
DP 506 - POL Motor Pool Lease											
05	0.00	0	6,331	0	6,331	0.00	0	6,634	0	6,634	
DP 508 - BSD Medical Impairment Program											
05	3.00	0	(17,737)	0	(17,737)	3.00	0	(134,706)	0	(134,706)	
Total	3.00	\$0	\$127,700	\$0	\$127,700	3.00	\$0	\$11,034	\$0	\$11,034	

DP 501 - Legal Funding Switch - The legislature approved a funding switch to formalize a reorganization of the department's legal structure. The Legal Unit was operating under two different methodologies and now operates under one, sharing resources and expertise to provide legal services to the department. This affects five programs within the department, reducing HB 2 authority in the Centralized Services Division and increasing HB 2 authority in the other divisions in order to pay for estimated legal services.

DP 505 - BSD Weights & Measures (Biennial/ Restricted) - The legislature approved \$100,000 in state special revenue for FY 2014 and FY 2015. The Weights and Measures Bureau would replace outdated equipment and update the metrology laboratory in order to fulfill its statutory requirement to inspect and test all commercial devices statewide. Current equipment is in excess of 15 years old and can no longer be maintained with routine repair.

DP 506 - POL Motor Pool Lease - The legislature approved \$6,331 in FY 2014 and \$6,634 in FY 2015 for one motor pool leased vehicle. This is funded by state special revenue.

DP 508 - BSD Medical Impairment Program - The legislature approved a decrease in appropriation authority for the Business Standards Division Medical Impairment Program authorized in 7-3-203, MCA. This comes as a result of eliminating contracts for the medical impairment program and providing the service in house. Currently the Business Standards Division spends \$401,318 annually on this service with an expected increase of \$70,000 in each year of the 2015 biennium.

Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	4.00	4.00	4.00	4.00	4.00	4.00	0.00	0.00%
Personal Services	280,230	266,554	285,244	286,366	546,784	571,610	24,826	4.54%
Operating Expenses	206,074	233,329	215,542	215,000	439,403	430,542	(8,861)	(2.02%)
Grants	2,494,882	2,444,100	3,073,354	3,073,426	4,938,982	6,146,780	1,207,798	24.45%
Transfers	30,431	80,040	0	0	110,471	0	(110,471)	(100.00%)
Total Costs	\$3,011,617	\$3,024,023	\$3,574,140	\$3,574,792	\$6,035,640	\$7,148,932	\$1,113,292	18.45%
General Fund	123,577	123,922	124,171	124,195	247,499	248,366	867	0.35%
State Special	27,136	39,389	27,266	27,272	66,525	54,538	(11,987)	(18.02%)
Federal Special	2,860,904	2,860,712	3,422,703	3,423,325	5,721,616	6,846,028	1,124,412	19.65%
Total Funds	\$3,011,617	\$3,024,023	\$3,574,140	\$3,574,792	\$6,035,640	\$7,148,932	\$1,113,292	18.45%

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Funding

The majority of the funding for the program is provided through federal AmeriCorp grants. General fund and state special revenue fund most of the administrative expenses for the program, with federal revenue providing the remainder, including the funding for grants and special projects administered by the program.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	123,577	123,577	247,154	99.51%	3,011,617	3,011,617	6,023,234	84.25%
Statewide PL Adjustments	594	618	1,212	0.49%	14,482	15,062	29,544	0.41%
Other PL Adjustments	0	0	0	0.00%	548,041	548,113	1,096,154	15.33%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$124,171	\$124,195	\$248,366		\$3,574,140	\$3,574,792	\$7,148,932	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted by the legislature.

Present Law Adjustments	Fiscal 2014				Fiscal 2015					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					16,890					18,061
Vacancy Savings					(11,876)					(11,925)
Inflation/Deflation					(41)					(12)
Fixed Costs					9,509					8,938
Total Statewide Present Law Adjustments		\$594	\$130	\$13,758	\$14,482		\$618	\$136	\$14,308	\$15,062
DP 50 - Initial Motion to FY 2012 Base	0.00	(594)	(130)	(13,758)	(14,482)	0.00	(618)	(136)	(14,308)	(15,062)
DP 51 - Adjustment for Statewide Personal Services	0.00	205	45	4,764	5,014	0.00	252	56	5,828	6,136
DP 52 - Adjustment for Statewide Operations	0.00	389	85	8,994	9,468	0.00	366	80	8,480	8,926
DP 702 - AmeriCorps Grants	0.00	0	0	548,041	548,041	0.00	0	0	548,113	548,113
Total Other Present Law Adjustments	0.00	\$0	\$0	\$548,041	\$548,041	0.00	\$0	\$0	\$548,113	\$548,113
Grand Total All Present Law Adjustments	0.00	\$594	\$130	\$561,799	\$562,523	0.00	\$618	\$136	\$562,421	\$563,175

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittees.

DP 702 - AmeriCorps Grants - The legislature approved \$548,041 additional federal grant authority for the AmeriCorps grant. The adjustment supports AmeriCorps program grants for local communities.

Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	7.00	7.00	7.00	7.00	7.00	7.00	0.00	0.00%
Personal Services	494,291	501,162	503,909	504,636	995,453	1,008,545	13,092	1.32%
Operating Expenses	140,650	171,127	145,856	145,985	311,777	291,841	(19,936)	(6.39%)
Total Costs	\$634,941	\$672,289	\$649,765	\$650,621	\$1,307,230	\$1,300,386	(\$6,844)	(0.52%)
State Special	634,941	672,289	649,765	650,621	1,307,230	1,300,386	(6,844)	(0.52%)
Total Funds	\$634,941	\$672,289	\$649,765	\$650,621	\$1,307,230	\$1,300,386	(\$6,844)	(0.52%)

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Funding

The court is entirely funded with state special revenue derived from a fee charged to workers compensation carriers in Montana. The fee is passed on to Montana business when their workers' compensation premiums are determined by the carriers.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	0	0	0	0.00%	634,941	634,941	1,269,882	97.65%
Statewide PL Adjustments	0	0	0	0.00%	4,824	5,680	10,504	0.81%
Other PL Adjustments	0	0	0	0.00%	10,000	10,000	20,000	1.54%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$0	\$0	\$0		\$649,765	\$650,621	\$1,300,386	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					30,614					31,372
Vacancy Savings					(20,996)					(21,027)
Inflation/Deflation					58					207
Fixed Costs					(4,852)					(4,872)
Total Statewide Present Law Adjustments		\$0	\$4,824	\$0	\$4,824		\$0	\$5,680	\$0	\$5,680
DP 50 - Initial Motion to Fy 2012 Base	0.00	0	(4,824)	0	(4,824)	0.00	0	(5,680)	0	(5,680)
DP 51 - Adjustment for Statewide Personal Services	0.00	0	9,618	0	9,618	0.00	0	10,345	0	10,345
DP 52 - Adjustment for Statewide Operations	0.00	0	(4,794)	0	(4,794)	0.00	0	(4,665)	0	(4,665)
DP 901 - WCC General Operating Adjustment	0.00	0	10,000	0	10,000	0.00	0	10,000	0	10,000
Total Other Present Law Adjustments	0.00	\$0	\$10,000	\$0	\$10,000	0.00	\$0	\$10,000	\$0	\$10,000
Grand Total All Present Law Adjustments	0.00	\$0	\$14,824	\$0	\$14,824	0.00	\$0	\$15,680	\$0	\$15,680

DP 50 - Initial Motion to Fy 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 901 - WCC General Operating Adjustment - The legislature approved \$10,000 in each year of the biennium for an increase in off-campus rent and operational costs.