

**Agency Budget Comparison**

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

Agency 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	40.00	40.00	38.44	38.44	40.00	38.44	(1.56)	(3.90)%
Personal Services	3,011,152	3,211,070	3,370,015	3,270,015	6,222,222	6,640,030	417,808	6.71 %
Operating Expenses	593,146	652,041	717,470	696,123	1,245,187	1,413,593	168,406	13.52 %
Equipment & Intangible Assets	0	0	0	0	0	0	0	0.00 %
Debt Service	6,075	6,080	6,080	6,080	12,155	12,160	5	0.04 %
<b>Total Costs</b>	<b>\$3,610,373</b>	<b>\$3,869,191</b>	<b>\$4,093,565</b>	<b>\$3,972,218</b>	<b>\$7,479,564</b>	<b>\$8,065,783</b>	<b>\$586,219</b>	<b>7.84 %</b>
State/Other Special Rev. Funds	3,537,037	3,786,168	4,020,229	3,898,882	7,323,205	7,919,111	595,906	8.14 %
Federal Spec. Rev. Funds	73,336	83,023	73,336	73,336	156,359	146,672	(9,687)	(6.20)%
<b>Total Funds</b>	<b>\$3,610,373</b>	<b>\$3,869,191</b>	<b>\$4,093,565</b>	<b>\$3,972,218</b>	<b>\$7,479,564</b>	<b>\$8,065,783</b>	<b>\$586,219</b>	<b>7.84 %</b>

**Page Reference**

Legislative Budget Analysis, D-97

**Executive Budget Comparison**

The following table compares the legislative budget for the 2017 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2014	Executive Budget Fiscal 2016	Legislative Budget Fiscal 2016	Leg — Exec. Difference Fiscal 2016	Executive Budget Fiscal 2017	Legislative Budget Fiscal 2017	Leg — Exec. Difference Fiscal 2017	Biennium Difference Fiscal 16-17
FTE	40.00	38.44	38.44	0.00	38.44	38.44	0.00	0.00
Personal Services	3,011,152	3,529,678	3,370,015	(159,663)	3,328,639	3,270,015	(58,624)	(218,287)
Operating Expenses	593,146	761,214	717,470	(43,744)	757,975	696,123	(61,852)	(105,596)
Equipment & Intangible Assets	0	0	0	0	0	0	0	0
Debt Service	6,075	6,075	6,080	5	6,075	6,080	5	10
<b>Total Costs</b>	<b>\$3,610,373</b>	<b>\$4,296,967</b>	<b>\$4,093,565</b>	<b>(\$203,402)</b>	<b>\$4,092,689</b>	<b>\$3,972,218</b>	<b>(\$120,471)</b>	<b>(\$323,873)</b>
State/other Special Rev. Funds	3,537,037	4,223,631	4,020,229	(203,402)	4,019,353	3,898,882	(120,471)	(323,873)
Federal Spec. Rev. Funds	73,336	73,336	73,336	0	73,336	73,336	0	0
<b>Total Funds</b>	<b>\$3,610,373</b>	<b>\$4,296,967</b>	<b>\$4,093,565</b>	<b>(\$203,402)</b>	<b>\$4,092,689</b>	<b>\$3,972,218</b>	<b>(\$120,471)</b>	<b>(\$323,873)</b>

The legislative budget is \$323,873 lower in total funds and state special revenue than the executive budget. The main differences are:

- The legislature funded anticipated retirement payouts at a level \$100,000 lower than requested
- Funding was not approved for the executive implementation of the 2013 legislative pay plan
- Funding was not approved for additional consulting services
- Funding for fixed costs and inflation were approved at levels lower than requested

Agency Highlights

<b>Public Service Regulation Major Budget Highlights</b>
<ul style="list-style-type: none"><li>• In total funds, FY 2016 is \$224,374, or 5.8%, and in FY 2017 is \$103,027, or 2.7%, higher than the FY 2015 legislative budget due to:<ul style="list-style-type: none"><li>◦ Funding for costs associated with anticipated retirement payouts at a level \$100,000 lower than was requested</li><li>◦ Funding to annualize pay increases given at the discretion of the agency during the 2015 biennium</li><li>◦ Funding for computer equipment and software licenses</li></ul></li></ul>

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Legislative Budget Analysis, D-99

**Funding**

Public Service Regulation (PSR) is funded primarily by a fee that is levied on regulated companies, based on funding appropriated by the legislature for a specific fiscal year. Fees are deposited directly into a state special revenue account and are based upon a percentage of the gross operating revenue from all activities regulated by the commission for the calendar quarter of operation (69-1-402, MCA). The department also administers a small amount of federal pipeline safety grant funds.

**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 %	3,869,191	3,869,191	7,738,382	0.00 %
PL Adjustments	0	0	0	0.00 %	224,374	103,027	327,401	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
<b>Total Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$4,093,565</b>	<b>\$3,972,218</b>	<b>\$8,065,783</b>	

**Present Law Adjustments -**

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed. 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 510 - Legislative Audit - HB 2 2014 Fixed Costs (Restr/Biennial)	0.00	0	20,960	0	20,960	0.00	0	0	0	0
DP 515 - State Share Health Insurance	0.00	0	18,682	0	18,682	0.00	0	18,682	0	18,682
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	0	49,950	0	49,950	0.00	0	49,950	0	49,950
DP 525 - Fixed Cost Adjustment	0.00	0	(1,824)	0	(1,824)	0.00	0	(2,094)	0	(2,094)
DP 526 - 2017 Biennium Legislative Audit	0.00	0	586	0	586	0.00	0	0	0	0
DP 527 - Inflation/Deflation Adjustment	0.00	0	(1,935)	0	(1,935)	0.00	0	(1,724)	0	(1,724)
DP 531 - SITSD Rate Adjustment	0.00	0	3,134	0	3,134	0.00	0	3,134	0	3,134
DP 532 - General Liability Insurance Rate Adjustment	0.00	0	(952)	0	(952)	0.00	0	(952)	0	(952)
DP 550 - Motor Pool Rate Adjustment	0.00	0	(2,202)	0	(2,202)	0.00	0	(1,944)	0	(1,944)
DP 100001 - Retirement Payouts (Restricted/Biennial/OTO)	0.00	0	100,000	0	100,000	0.00	0	0	0	0
DP 100002 - Computer/Equipment Replacement (Restricted)	0.00	0	47,662	0	47,662	0.00	0	47,662	0	47,662
DP 100444 - Statewide 4% FTE Reduction - Program 01	(1.56)	0	0	0	0	(1.56)	0	0	0	0
DP 100500 - Present Law Adjustment to Move to the 2015 Base	0.00	0	0	(9,687)	(9,687)	0.00	0	0	(9,687)	(9,687)
<b>Grand Total All Present Law Adjustments</b>	<b>(1.56)</b>	<b>\$0</b>	<b>\$234,061</b>	<b>(\$9,687)</b>	<b>\$224,374</b>	<b>(1.56)</b>	<b>\$0</b>	<b>\$112,714</b>	<b>(\$9,687)</b>	<b>\$103,027</b>

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

DP 510 - Legislative Audit - HB 2 2014 Fixed Costs (Restr/Biennial) -

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 Cost Adjustment -

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 -

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 531 - SITSD Rate Adjustment -

The legislature approved an increase for fixed cost rates included in state agency budgets for information technology services provided by the State Information Technology Services Division (SITSD).

DP 532 - General Liability Insurance Rate Adjustment -

The legislature reduced the rate assessed to state agencies for general liability insurance provided by the Risk Management and Tort Defense Division.

DP 550 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 100001 - Retirement Payouts (Restricted/Biennial/OTO) -

The legislature approved funding to provide retirement payouts for retiring staff. The legislature designated the funding as biennial and one-time-only and restricted it only for funding costs of retirement payouts.

DP 100002 - Computer/Equipment Replacement (Restricted) -

The legislature funded computer equipment replacement and software licenses. This funding was restricted only for information technology costs to replace computer equipment, purchase software licenses, and purchase information technology services from the Department of Administration as a result of moving information technology services delivery to the Department of Administration.

DP 100444 - Statewide 4% FTE Reduction - Program 01 -

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 100444 includes a reduction of 1.56 FTE.

DP 100500 - Present Law Adjustment to Move to the 2015 Base -

The legislature approved an adjustment to lower federal funds as a result of movement to the base of FY 2015 in anticipation of lower federal funding for the natural gas safety program.