

## Glossary

A number of terms are used extensively in budgeting and appropriations. The most common terms, which are used throughout the budget analysis and in other fiscal materials, are listed and defined below.

**Adjusted Base** – The base budget, the level of funding authorized by the previous legislature, modified by annualization of personal services costs, inflationary or deflationary factors, changes in fixed costs, etc.

**Appropriations** – An authorization by law for the expenditure of funds or to acquire obligations. Types of appropriations are listed below.

*Biennial* – A biennial appropriation is an appropriation made in the first year of the biennium, where the appropriated amount can be spent in either year of the biennium. In HB 2, it can be split between years, but still be biennial if so indicated.

*Budget Amendment* – See “Budget Amendment” below.

*Continuing* – An appropriation that continues beyond one biennium.

*Language* – An appropriation made in the language of the general appropriations act for a non-specific or limited dollar amount. Language appropriations are generally used when an agency knows that it will be receiving federal or state special revenue funds but is uncertain as to the amount.

*Line Item* – An appropriation made for a specific purpose. A line item appropriation highlights certain appropriation and ensures that it can be separately tracked on the state accounting system.

*One-time* – Appropriations for a one-time purpose that are excluded from the base budget in the next biennium.

*Restricted* – An appropriation designated for a specific purpose or function.

*Statutory* – Funds appropriated in permanent law rather than a temporary bill. All statutory appropriations references are listed in 17-7-502, MCA.

*Temporary* – An appropriation authorized by the legislature in the general appropriations act or in a “cat and dog” bill that is valid only for the biennium.

**Appropriation Transfers** (also see “Supplemental Appropriation”) – The transfer of funds appropriated for the second year of the biennium to the first year if the Governor or other approving authority determines that due to an unforeseen or unanticipated emergency there are insufficient funds in the first year for the operation of an agency.

**Approving Authority** – The entity designated in law as having the authority to approve certain budgetary changes during the interim. The approving authorities are:

- The Governor or his/her designated representative for executive branch agencies
- The Chief Justice of the Supreme Court or his/her designated representative for the judicial branch agencies
- The Speaker of the House of Representatives for the House
- The President of the Senate for the Senate
- The appropriate standing legislative committees or designated representative for the legislative branch divisions
- The Board of Regents of Higher Education or their designated representative for the university system

**Average Daily Population (ADP)** – The population measure used to calculate population in a state facility. ADP is equivalent to one person served for one year.

**Average Number Belonging (ANB)** – The enrollment measure used for K-12 BASE aid calculations. ANB is the equivalent of one full-time student enrolled in school for the full school year.

**Base** – The level of funding authorized by the previous legislature for on-going spending, such as one-time appropriations and supplementals.

**Base Budget** – The resources needed for the operation of state government that provide for expenses of an ongoing and non-extraordinary nature in the current biennium.

**Benefits** – An expenditure category used to account for the provision of payments or services by the government to individuals who qualify for receipt of those payments or services, such as Medicaid benefits. Personal services benefits for state employees are included in the personal services expenditure category.

**Benefits and Claims** – A category of expenditure that accounts for provision of direct financial assistance or provision of services to specific individuals. Persons must meet eligibility criteria such as income limits and end of disability to receive services.

**Biennial Appropriation** – An appropriation that can be expended in either or both years of the biennium.

**Biennium** – A two-year period. For the state, this period begins July 1 of the odd-numbered years and ends June 30 of the following odd-numbered year.

**Budget Amendments** – Temporary authority to spend unanticipated non-general fund revenue received after the legislature adjourns. The funds must be used to provide additional services and cannot make a commitment of general fund support for the present or future.

**Cat and Dog Appropriations** – One-time appropriations made in bills other than the general appropriations act.

**Debt Service** – The payment on outstanding bonds.

**Decision Package** – Separate, specific adjustments to the base budget. Decision packages can be either present law adjustments or new proposals.

**Earmarked Revenue** – Funds from a specific source that can be spent only for designated activities.

**Enterprise Funds** – A fund used to account for operations financed and operated similar to private business enterprises, where the intent of the legislature is to finance or recover costs, primarily through user charges.

**Federal Special Revenue** – Accounts deposited in the state treasury from federal sources, to be used for the operation of state government.

**Fiduciary Funds** – Funds used to account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

**Fiscal Note** - An estimate, prepared by the Governor's Office of Budget and Program Planning, of the probable revenues and costs that will be incurred as the result of a bill or joint resolution.

**Fiscal Year (FY) aka State Fiscal Year (SFY)** – A 12-month accounting period beginning July 1 and ending June 30. FY 2003 refers to the fiscal year ending June 30, 2003. (Note: The federal fiscal year (FFY) is October 1 through September 30.)

**Fixed Costs** – Fees (fixed costs) charged to agencies for a variety of services provided by other state agencies (e.g., payroll service fees, rent, warrant writing services, and data network services).

**FTE** – Full-time equivalent position, or the equivalent of one person working full-time for the entire year. Also used to denote full-time equivalent students in the Montana University System for purposes of calculating state support.

**Fund** – A fiscal entity with revenues and expenses which are segregated for the purpose of carrying out a specific purpose or activity.

**General Fund** – Accounts for all governmental financial resources except those that must be accounted for in another fund.

**General Fund Reversions** – Unspent appropriated funds that are returned to the general fund at the close of the budget period (fiscal year).

**Grants** – An expenditure category used to account for the payment by a government entity to an entity who will perform a service.

**HB 2** –The General Appropriations Act in which the legislature authorizes the funding for state government for the upcoming biennium. Each session, House Bill 2 is reserved for this purpose.

**Indirect Cost** – A cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned to a specific division or agency.

**Interim** – The time between regular legislative sessions.

**Internal Service Funds** – Funds use to account for the financing of goods and services provided by one department or agency to other departments, agencies, or governmental entities on a cost-reimbursement basis.

**IRIS** - The Integrated Revenue Information System (IRIS) is an automated system to administer taxes that are the responsibility of the Department of Revenue to collect.

**Local Assistance** – An expenditure classification primarily used to account for expenditures made for K-12 funding provided by the state to school districts.

**MBARS** – The Montana Budget Analysis and Reporting System, which provides all state agencies with one computerized system for budget development, maintenance and tracking, and is integrated with the State Accounting, Budget, and Human Resource System (SABHRS).

**Mill** – The property tax rate based on the valuation of property. A tax rate of one mill produces one dollar of taxes on each \$1,000 of assessed property value.

**New Proposals** – Requests (decision packages) to provide new non-mandated services, to change program services, to eliminate existing services, or to change the source of funds.

**Non-budgeted Expenditures** – Accounting entries for depreciation, amortization, and other financial transactions that appear as expenditures, but don't actually result in direct dispersal of funds from the state treasury.

**Non-budgeted Transfer** – Funds moved from one account to another in the state accounting system based upon statutory authority but not by appropriation in the General Appropriations Act (HB 2).

**Off base** – The accounting term “off base” refers to one-time-only spending and non-budgeted items like inventory adjustments.

**Operating Expenses** – All expenditures that do not meet the personal services and capital outlay classification criteria. These expenditures include, but are not limited to, professional services, supplies, rent, travel, and repair and maintenance.

**Other Funds** – Capital projects and fiduciary funds.

- Capital projects fund – Accounts for financial resources used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds or trust funds.
- Fiduciary funds – Trust and agency fund types used to account for assets held by state government in a trustee capacity or as an agency for individuals, private organizations, other governmental entities, or other funds.

**Pay Plan** – Provision by the legislature of a general adjustment to salaries and/or benefits paid to state employees. Also refers to the pay schedule listing the state salary rate for each classified position according to that position’s grade and the market rate.

**Personal Services** – Expenditures for salaries, benefits, per diem, and other additions, such as overtime.

**Personal Services Snapshot** – The point in time at which personal services attributes are captured and from which the personal services budget is determined. The executive budget personal services costs are based on a “snapshot” of actual salaries for authorized FTE as they existed in a pre-determined pay period in the base year.

**Present Law** – The additional level of funding needed under present law to maintain operations and services at the level authorized by the previous legislature.

**Present Law Adjustments** – Requests (decision packages) for an adjustment in funding sufficient to allow maintenance of operations and services at the level authorized by the previous legislature (e.g., caseload, enrollment changes, and legally mandated workload).

**Program** – A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the government is responsible. Also, a grouping of functions or objectives that provides the basis for legislative review of agency activities for appropriations and accountability purposes.

**Proprietary Funds** – Enterprise or internal service funds. Statute does not require that most proprietary funds be appropriated.

- Enterprise funds – Funds that account for operations financed and operated in a manner similar to private business enterprises, and through which the intent is to provide goods or services to the public.
- Internal service funds - Funds that account for the financing of goods or services provided by one department or agency to other departments or agencies of state government.

**Reporting Levels** – Budget units dividing agency and program budgets into smaller units for the purpose of constructing, analyzing, and approving budgets.

**SABHRS** – The State Accounting, Budget, and Human Resource System that combines the state’s accounting, budgeting, personnel, payroll, and asset management systems into one single system.

**State Special Revenue** – Accounts for money from state and other nonfederal sources that is earmarked for a particular purpose, as well as money from other non-state or nonfederal sources that is restricted by law or by the terms of an agreement.

**Supplemental Appropriation** – An additional appropriation made by the governing body after the budget year or biennium has started. There are two types of supplemental appropriations that can be used to increase spending authority for a fiscal year: 1) a transaction in an even-numbered year that moves spending authority from the second year of the biennium to the first year; or 2) an appropriation passed and approved by the legislature to provide authority for the odd-numbered fiscal year ending the current biennium.

**Vacancy Savings** – The difference between what agencies actually spend for personal services and the cost of fully funding all funded positions for the entire year.

## Acronyms

|          |   |       |  |
|----------|---|-------|--|
| AES      | Agricultural Experiment Station                             | HSRA  | Highways Special Revenue Account   |
| ACA      | Affordable Care Act   | I&I   | Interest and Income  |
| ADP      | Average Daily Population                                    | IT    | Information Technology   |
| AMDD     | Addictive & Mental Disorders Division                       | ITSD  | Information Technology Services Division                                     |
| ANB      | Average Number Belonging (K-12 education)                   | LAD   | Legislative Audit Division   |
| ARM      | Administrative Rules of Montana                             | LEPO  | Legislative Environmental Policy Office                                      |
| ARRA     | American Recovery and Reinvestment Act                      | LFA   | Legislative Fiscal Analyst   |
| BASE Aid | Base Amount for School Equity Aid                           | LFC   | Legislative Finance Committee  |
| BPE      | Board of Public Education                                   | LFD   | Legislative Fiscal Division  |
| C&A      | Cultural and Aesthetic (Trust)                              | LRBP  | Long-Range Building Program  |
| CC       | Community Colleges  | LRITP | Long-Range Information Technology Program                                    |
| CES      | Cooperative Extension Service                               | LRP   | Long-Range Planning  |
| CHE      | Commissioner of Higher Education                            | LSD   | Legislative Services Division  |
| CHIP     | Children's Health Insurance Program (also SCHIP)            | MAC   | Montana Arts Council   |
| CIO      | Chief Information Officer                                   | MBARS | Montana Budgeting, Analysis, and Reporting System                            |
| COPP     | Commissioner of Political Practices                         | MBCC  | Montana Board of Crime Control   |
| COT      | College of Technology, followed by campus designation       | MBMG  | Montana Bureau of Mines and Geology  |
| CPI      | Consumer Price Index  | MCA   | Montana Code Annotated   |
| DEQ      | Department of Environmental Quality                         | MCHA  | Montana Comprehensive Health Association                                     |
| MA       | Department of Military Affairs                              | MDC   | Montana Developmental Center   |
| DNRC     | Department of Natural Resources and Conservation            | MDT   | Montana Department of Transportation   |
| DOA      | Department of Administration                                | MHP   | Montana Highway Patrol   |
| DOAg     | Department of Agriculture                                   | MHS   | Montana Historical Society   |
| DOC      | Department of Commerce                                      | MSDB  | Montana School for the Deaf and Blind  |
| DOC      | Department of Corrections                                   | MSF   | Montana State Fund   |
| DOJ      | Department of Justice                                       | MSL   | Montana State Library  |
| DOLI     | Department of Labor and Industry                            | MSP   | Montana State Prison   |
| DOR      | Department of Revenue                                       | MSU   | Montana State University, followed by campus designation, i.e. MSU – Bozeman |
| DOT      | Department of Transportation                                | MUS   | Montana University System  |
| DP       | Decision Package  | MWP   | Montana Women's Prison   |
| DPHHS    | Department of Public Health and Human Services              | NP    | New Proposal   |
| ES       | Extension Service   | OBPP  | Office of Budget and Program Planning (Governor's Office)                    |
| FCES     | Forestry and Conservation Experiment Station                | OCHE  | Office of the Commissioner of Higher Education                               |
| FMAP     | Federal Medical Assistance Percentage (Medicaid match rate) | OPI   | Office of Public Instruction   |
| FSR      | Federal Special Revenue                                     | OTO   | One-Time-Only  |
| FSTS     | Fire Services Training School                               | PERS  | Public Employees Retirement System   |
| FTE      | Full-Time Equivalent  | PL    | Present Law  |
| FWP      | Department of Fish, Wildlife, and Parks                     | PPACA | Patient Protection and Affordable Care Act (Federal Health Care Reform)      |
| FFY      | Federal Fiscal Year   | PSC   | Public Service Commission  |
| FY       | Fiscal Year   | PSR   | Public Service Regulation  |
| FYE      | Fiscal Year End   | QSFP  | Quality School Facilities Program  |
| GAAP     | Generally Accepted Accounting Principles                    | RDGP  | Reclamation and Development Grant Program                                    |
| GF       | General Fund  | RIGWA | Resource Indemnity and Groundwater Assessment Tax                            |
| GSL      | Guaranteed Student Loan                                     | RIT   | Resource Indemnity Trust   |
| GTB      | Guaranteed Tax Base   | RRGL  | Renewable Resource Grant & Loan Program                                      |
| HB       | House Bill  |       |  |
| HAC      | House Appropriations Committee                              |       |  |
| HMK      | Healthy Montana Kids  |       |  |
| HRD      | Health Resources Division                                   |       |  |

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| RTIC       | Revenue & Transportation Interim Committee   |
| SA         | Statutory Appropriation  |
| SABHRS     | Statewide Accounting, Budgeting, and Human Resources System                          |
| SAFETEA-LU | Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users |
| SAO        | State Auditor's Office   |
| SAVA       | State Administration & Veterans' Affairs Interim Committee                           |
| SB         | Senate Bill  |
| SBCEP      | State Building Energy Conservation Program   |
| SF&C       | Senate Finance and Claims Committee  |
| SLTC       | Senior & Long-Term Care Division   |
| SOS        | Secretary of State   |
| SSR        | State Special Revenue  |
| SWPLA      | Statewide Present Law Adjustment   |
| TANF       | Temporary Assistance for Needy Families  |
| TRS        | Teachers' Retirement System  |
| TSEP       | Treasure State Endowment Program   |
| TESPRW     | Treasure State Endowment Program Regional Water Systems                              |
| UM         | University of Montana, followed by campus designation, i.e. UM – Missoula            |