Total State Auditor's Office Funding by Source of Authority
2015 Biennium Budget

Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	**$0**	**$0**	**$58,177,683**	**$58,177,683**	70.0%
State Special Total	**$24,390,134**	**$0**	**$582,500**	**$24,972,634**	30.0%
02091 Security Restitution Fund	-	-	582,500	582,500	0.7%
02235 Insurance Fee Account	14,384,812	-	-	14,384,812	17.3%
02283 Securities Fee Account	2,761,388	-	-	2,761,388	3.3%
02528 Captive Account	233,310	-	-	233,310	0.3%
02769 Health Insurance Premium Assistanc	3,558,246	-	-	3,558,246	4.3%
02770 Health Insurance Tax Credits	1,562,227	-	-	1,562,227	1.9%
02789 6901-chip/mcha Tobacco Sett Fd	1,890,151	-	-	1,890,151	2.3%
Total All Funds	**$24,390,134**	**$0**	**$58,760,183**	**$83,150,317**	100.0%
Percent - Total All Sources	**29.3%**	**0.0%**	**70.7%**		

	General Fund	State Special Revenue Fund
TARGETED REDUCTION TO EQUAL 5% OF CURRENT BASE BUDGET		$ 51,735

Priority	SERVICE(S) TO BE ELIMINATED OR REDUCED	General Fund Annual Savings	State Special Revenue Annual Savings
1	Travel- Central Management		$ 11,579
2	Travel- Insurance- Captives		$ 1,303
3	Travel- Securities		$ 2,000
4	Supplies- Securities		$ 3,000
5	Communications- Securities		$ 10,000
6	Contracted Services- Securities		$ 23,853
7			
8			
9			
10			
11			
	TOTAL SAVINGS	$ -	$ 51,735
	DIFFERENCE	0	0

5% Base Budget Reduction Form

AGENCY CODE & NAME: 34010 State Auditor's Office

#1 **BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR *ELIMINATION* OR *REDUCTION*:**

The agency proposes to reduce the travel budget in Central Management.

#2 **THE SAVINGS THAT ARE EXPECTED:**

11,579

#3 **THE CONSEQUENCES OR IMPACTS OF THE PROPOSED *ELIMINATION* OR *REDUCTION*:**

Fixed costs would be reduced.

#4 **HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

The highest impact will be on the Commissioner's ability to travel to meet the demands of the position. The Commissioner is Montana's representative in the National Association of Insurance Commissioners (NAIC) and the North American Securities Administrators Association (NASAA). Both organizations require regular travel to national meetings and conferences.

#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

5% Base Budget Reduction Form

AGENCY CODE & NAME: 34010 State Auditor's Office

#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR *ELIMINATION* OR *REDUCTION*:

Travel within the captive insurance program within the Insurance Division is proposed for elimination. Travel is being proposed for eliminations since there are no other alternatives within the program.

#2 THE SAVINGS THAT ARE EXPECTED:

$1,303

#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED *ELIMINATION* OR *REDUCTION*:

The impact of this reduction will be the loss of education for one staff member or the possible loss of promotion activities of the program.

#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:

The possible mitigation of the impact to staff would be in-house education for staff who were unable to attend training. There would be no mitigation for constituents. If the promotional activity is lost, constituents will lose an opportunity to become aware of the captive insurance program.

#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

5% Base Budget Reduction Form

AGENCY CODE & NAME: 34010 State Auditor's Office

#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR *ELIMINATION* OR *REDUCTION*:

An amount of travel is proposed to be eliminated in the Securities Division.

#2 THE SAVINGS THAT ARE EXPECTED:

$2,000

#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED *ELIMINATION* OR *REDUCTION*:

The reduction of travel could result in undetected securities fraud. Securities fraud is widespread in difficult economic times. If travel is reduced, CSI investigations and educational outreach could be hampered, and consumers may lose substantial amounts of money to undedected securities fraud.

#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:

The impact on staff and constituents will not be mitigated if travel is reduced.

#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

5% Base Budget Reduction Form

AGENCY CODE & NAME: 34010 State Auditor's Office

#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR *ELIMINATION* OR *REDUCTION*:

An amount of supplies is proposed to be eliminated in the Securities Division.

#2 THE SAVINGS THAT ARE EXPECTED:

$3,000

#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED *ELIMINATION* OR *REDUCTION*:

The reduction of supplies could result in a reduction in the support these supplies provided the Securities Division. Securities fraud is widespread in difficult economic times. If supplies are reduced, CSI investigations and educational outreach could be hampered, and consumers may lose substantial amounts of money to undedected securities fraud.

#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:

The impact on staff and constituents will not be mitigated if supplies are reduced.

#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

5% Base Budget Reduction Form

AGENCY CODE & NAME: 34010 State Auditor's Office

#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR *ELIMINATION* OR *REDUCTION*:

This reduction would eliminate of a portion of the Securities Division's communication budget.

#2 THE SAVINGS THAT ARE EXPECTED:
$10,000

#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED *ELIMINATION* OR *REDUCTION*:

If the Securities Division's communications are reduced, CSI educational outreach could be hampered, and consumers may lose substantial amounts of money to undedected securities fraud.

#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:
This reduction could be mitigated marginally with the use of email instead of other forms of paper communication.

#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

5% Base Budget Reduction Form

AGENCY CODE & NAME: 34010 State Auditor's Office

#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR *ELIMINATION* OR *REDUCTION*:

This proposed reduction would cut the contracted services budget in the Securities Division.

#2 THE SAVINGS THAT ARE EXPECTED:
$23,853

#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED *ELIMINATION* OR *REDUCTION*:
This proposal will reduce the securities examinations contract funding, resulting in fewer examinations of companies. With fewer examiniations, the chances of detecting fraud are reduced, and consumers may lose substantial amounts of money to undedected securities fraud.

#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:
The impact on staff can't be mitigated. There will be increased staff comp time and overtime to perform possible examinations. If there is no funding or time to support examinations, examinations will be hampered, and consumers will lose the benefit of early fraud detection.

#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

Monica J. Lindeen
Commissioner of Securities & Insurance
Montana State Auditor
840 Helena Ave. ▪ Helena, MT 59601
Phone: 406.444.2040 or 800.332.6148
Fax: 406.444.3497 ▪ Web: www.csi.mt.gov

Agency Goals and Objectives

Insurance Department

1. Review and approve forms within 60 days as required by 33-1-502, MCA.
2. Financially examine traditional domestic insurers as often as the Commissioner considers advisable, but not less than one every 5 years and examine each captive insurer at least once in 3 years.
3. Respond to and resolve policyholder complaints in a timely fashion.
4. Complete market conduct examinations for domestic insurance carriers once every five years as required by 33-1-401, MCA.
5. Review and approve licenses and renewals as required by 33-17-201, MCA.
6. Implement and comply with new federal health insurance laws.

Securities Department

1. Make investor education available to all Montanans through investor outreach, publications, public service announcements, and formal classroom teaching.
2. Protect investors and persons involved in securities transactions by conducting for cause and routine broker-dealer and investment advisor examinations.
3. Assist Montana businesses in accessing capital through capital formation presentations.

Central Management

1. Expand and improve the features offered by the Commissioner of Securities and Insurance, Montana State Auditor (CSI) website, as a way to increase government efficiency and consumer assistance.
2. Provide efficient and effective administration, including management, human resources and financial services for the agency.