

Program Budget Comparison

The following table summarizes the total executive 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
Operating Expenses	173,344	770,192	786,229	750,000	943,536	1,536,229	592,693	62.82%
Total Costs	\$173,344	\$770,192	\$786,229	\$750,000	\$943,536	\$1,536,229	\$592,693	62.82%
State Special	173,344	770,192	786,229	750,000	943,536	1,536,229	592,693	62.82%
Total Funds	\$173,344	\$770,192	\$786,229	\$750,000	\$943,536	\$1,536,229	\$592,693	62.82%

Program Description

The Montana Promotion Division strives to strengthen Montana's economy through increased visitor travel, visitor expenditures, and film production, in the state. The division is responsible for implementing and promoting a positive brand image for Montana as a vacation destination and works to ensure brand consistency amongst its marketing and promotional efforts. The division focuses on attracting high value, low impact geotraveler visitors who contribute to Montana's economic and social prosperity while respecting and appreciating Montana's authentic natural and cultural assets. This program goal is accomplished through various marketing efforts, networking with the state's public and private sector tourism and recreation industry and agencies, along with education and development assistance. The division works to project a positive image of the state through consumer advertising, electronic marketing, public relations efforts, international and domestic group travel marketing, printing and distribution of literature, staffing support and training of professional travel counselors, assisting in the development of tourism infrastructure and marketing to motion picture and television production companies. The division provides training and assistance to the Montana tourism industry, administers, and distributes event marketing and infrastructure grants and oversees expenditures of six regional non-profit corporations and the twelve qualified convention and visitors bureaus.

Program Highlights

Montana Promotion Division Major Budget Highlights	
◆	Over 96% of the Montana Promotion Division budget, including 28.50 FTE, is supported by statutory appropriations not reflected in HB 2
◆	The increase of 62.8% from the 2013 biennium is due to statewide present law adjustments and an increase in private funds authority

Funding

The following table shows program funding, by source for the 2015 biennium as recommended by the Governor.

Total Department Of Commerce Funding by Source of Authority 2015 Biennium Budget - Montana Promotion Division							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
State Special Total	\$1,536,229	\$0	\$46,266,071	\$47,802,300	100.0%		
02116 Accommodation Tax Account	\$36,229	\$0	\$34,185,716	\$34,221,945	71.6%	15-65-121	Direct
02154 Mt Promotion-private	\$1,500,000	\$0	\$0	\$1,500,000	3.1%		
02254 Regional Accommodation Tax	\$0	\$0	\$11,968,355	\$11,968,355	25.0%	15-65-121	Direct
02271 L&c Bicentennial Plate Fund	\$0	\$0	\$110,000	\$110,000	0.2%		
02293 Film Production Credit	\$0	\$0	\$2,000	\$2,000	0.0%		
Total All Funds	\$1,536,229	\$0	\$46,266,071	\$47,802,300	100.0%		
Percent - Total All Sources	3.2%	0.0%	96.8%				

The Montana Promotion Division is funded entirely with state special revenues. The primary funding source is a portion of the statutorily appropriated 4% accommodations tax. The funding table denotes the funding provided in HB 2 and the statutorily appropriated funds.

HB 2

The portion of the division’s budget that is considered by the legislature in HB 2 is less than 4% of the division’s total budget for the 2015 biennium. \$750,000 each year is from private contributions to joint private/state targeted advertising campaigns. The remaining funding is appropriated from a portion of the 4% Montana lodging facility use tax for legislative audit costs.

Statutory Appropriations

The majority of the lodging facility use taxes are statutorily appropriated to the division. The legislature can affect change to these appropriations through amendments to the statutes listed in the funding tables. For additional information on the history, distribution, and division’s uses of the funds see the appendix for 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	0	0	0	0.00%	173,344	173,344	346,688	22.57%
Statewide PL Adjustments	0	0	0	0.00%	27,143	(9,062)	18,081	1.18%
Other PL Adjustments	0	0	0	0.00%	585,742	585,718	1,171,460	76.26%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$0	\$0	\$0		\$786,229	\$750,000	\$1,536,229	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

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
Inflation/Deflation					30					54
Fixed Costs					27,113					(9,116)
Total Statewide Present Law Adjustments		\$0	\$27,143	\$0	\$27,143		\$0	(\$9,062)	\$0	(\$9,062)
DP 5201 - MPD Private funds & Audit Adjustments - HB 2	0.00	0	585,742	0	585,742	0.00	0	585,718	0	585,718
Total Other Present Law Adjustments	0.00	\$0	\$585,742	\$0	\$585,742	0.00	\$0	\$585,718	\$0	\$585,718
Grand Total All Present Law Adjustments	0.00	\$0	\$612,885	\$0	\$612,885	0.00	\$0	\$576,656	\$0	\$576,656

DP 5201 - MPD Private funds & Audit Adjustments - HB 2 - The executive recommends increasing the HB 2 private funds appropriation to \$750,000 each year.

LFD COMMENT	Private funds from cooperative marketing agreements deposited to the Montana Promotion Division private state special revenue fund totaled \$164,200 in FY 2012. The private revenue has not exceeded \$600,000 since FY 2010 and has averaged \$468,000 for the last five years. If the legislature approves the executive budget request, it may wish to establish a restricted appropriation for these private funds so unused authority, if any, reverts at the end of the year.
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