

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
FTE	1.50	1.50	1.50	1.50	1.50	1.50	0.00	0.00%
Personal Services	93,971	119,417	117,762	117,593	213,388	235,355	21,967	10.29%
Operating Expenses	128,768	202,156	216,614	128,056	330,924	344,670	13,746	4.15%
Total Costs	\$222,739	\$321,573	\$334,376	\$245,649	\$544,312	\$580,025	\$35,713	6.56%
General Fund	222,739	321,554	334,376	245,649	544,293	580,025	35,732	6.56%
State Special	0	19	0	0	19	0	(19)	(100.00%)
Total Funds	\$222,739	\$321,573	\$334,376	\$245,649	\$544,312	\$580,025	\$35,713	6.56%

Program Description

The Air Transportation Program provides the Governor with air transportation.

Program Highlights

Air Transportation Program Major Budget Highlights
<ul style="list-style-type: none"> ◆ The Air Transportation Program budget request is a total increase of 6.6% from the 2013 biennium <ul style="list-style-type: none"> • Operating expenses would increase by 4.2% primarily due to a new proposal for aircraft maintenance costs • Personal services would increase by 10.3% from the base due to a vacancy in the base year and pay rate increases
Major LFD Issues
<ul style="list-style-type: none"> ◆ Initially, the budget request for this program was constructed from historically low aircraft maintenance expenses, but the December 15 executive recommendation provided additional funding to address aircraft maintenance costs

Program Discussion

The executive requests 2015 biennium budget increases of 6.6% in the Air Transportation Program when compared to the 2013 biennium budget. In FY 2012 maintenance of the executive aircraft was 55% lower than the historic levels of expenditure. The executive budget request includes a present law proposal that would increase the maintenance to an amount closer to average maintenance expenditures. Personal service costs would increase by 10.3%, which primarily results from a strategic pay adjustment for one staff of 13.8%, which is annualized to \$8,151 not including the increased costs of the associated taxes and insurance.

LFD ISSUE	<p><u>Aircraft Maintenance</u></p> <p>Aircraft maintenance expenditures of about \$61,000 in FY 2012 were about 80% of the nine year average. In addition, a portion of these expenditures were from a language appropriation that was removed from the base for budgeting purposes and does not continue in the 2015 biennium. Consequently, the maintenance expenses requested in the budget are about 55% of the historic average expenditures. The agency notes that aircraft maintenance is highly variable and costs are directly related to use. In the base year FY 2012, the Governor relied more heavily on commercial travel and less on the use of the agency plane. If operating expenses for this program remain at the requested level, there could be a need for program transfers in the 2015 biennium to address maintenance costs. The legislature may want to ask the program representatives if adjustments are needed in operational expenses.</p> <p>Note: this issue was addressed in the December 15 executive recommendation.</p>
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Funding

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

Total Governor's Office Funding by Source of Authority 2015 Biennium Budget - Air Transportation Program							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$580,025	\$0	\$0	\$580,025	100.0%		
Total All Funds	\$580,025	\$0	\$0	\$580,025	100.0%		
Percent - Total All Sources	100.0%	0.0%	0.0%				

The Air Transportation Program is entirely funded with general fund.

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	222,739	222,739	445,478	76.80%	222,739	222,739	445,478	76.80%
Statewide PL Adjustments	21,637	22,910	44,547	7.68%	21,637	22,910	44,547	7.68%
Other PL Adjustments	90,000	0	90,000	15.52%	90,000	0	90,000	15.52%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$334,376	\$245,649	\$580,025		\$334,376	\$245,649	\$580,025	

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
Personal Services					28,698					28,522
Vacancy Savings					(4,907)					(4,900)
Inflation/Deflation					(5,711)					(3,860)
Fixed Costs					3,557					3,148
Total Statewide Present Law Adjustments		\$21,637	\$0	\$0	\$21,637		\$22,910	\$0	\$0	\$22,910
DP 1 - Airplane Maintenance Expenses - OTO	0.00	90,000	0	0	90,000	0.00	0	0	0	0
Total Other Present Law Adjustments	0.00	\$90,000	\$0	\$0	\$90,000	0.00	\$0	\$0	\$0	\$0
Grand Total All Present Law Adjustments	0.00	\$111,637	\$0	\$0	\$111,637	0.00	\$22,910	\$0	\$0	\$22,910

DP 1 – Airplane Maintenance Expenses - OTO - The executive requests one-time-only funding to address anticipated expenses in accordance with FAA requirements for the executive airplane.