

Agency Budget Comparison

The following table summarizes the total budget requested by the Governor for the agency by year, type of expenditure, and source of funding.

Agency Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	60.07	60.07	60.07	60.07	60.07	60.07	0.00	0.00%
Personal Services	4,324,180	4,443,693	4,478,927	4,484,145	8,767,873	8,963,072	195,199	2.23%
Operating Expenses	1,517,318	1,486,569	1,854,501	1,689,324	3,003,887	3,543,825	539,938	17.97%
Equipment & Intangible Assets	0	0	0	0	0	0	0	n/a
Total Costs	\$5,841,498	\$5,930,262	\$6,333,428	\$6,173,469	\$11,771,760	\$12,506,897	\$735,137	6.24%
General Fund	5,820,498	5,902,462	6,300,928	6,140,969	11,722,960	12,441,897	718,937	6.13%
State Special	21,000	27,800	32,500	32,500	48,800	65,000	16,200	33.20%
Federal Special	0	0	0	0	0	0	0	n/a
Other	0	0	0	0	0	0	0	n/a
Total Funds	\$5,841,498	\$5,930,262	\$6,333,428	\$6,173,469	\$11,771,760	\$12,506,897	\$735,137	6.24%

Agency Description

The Office of the Governor (office) exists under authority granted in Article VI of the Montana Constitution. The Governor has constitutional and statutory authority to administer the affairs of the State of Montana. The Governor appoints all military and civil officers of the state whose appointments are provided for by statute or the constitution, grants reprieves and pardons, and serves on various boards and commissions. The Governor approves or vetoes legislation, reports to the legislature on the condition of the state, and submits a biennial executive budget. The Governor also represents the state in relations with other governments and the public.

Agency Highlights

Governor's Office Major Budget Highlights
<ul style="list-style-type: none"> ◆ The total funding request increases \$0.7 million or 6 percent from the 2009 biennium ◆ The majority of the requested increase is for statewide present law adjustments ◆ The executive also requests: <ul style="list-style-type: none"> • An additional \$80,000 for aircraft maintenance • One-time-only appropriations for computer equipment and replacement and Governor's residence operations
Major LFD Issues
<ul style="list-style-type: none"> ◆ Goals and objectives were not presented for all programs ◆ Most program goals were presented without objectives ◆ The Executive Residence Program has requested the same one-time-only appropriations for the last three biennia ◆ Additional justification is needed for additional operating budget funds for Coordinator of Indian Affairs

Agency Discussion

Goals and Objectives:

State law requires agency and program goals and objectives to be specific and quantifiable to enable the legislature to establish appropriations policy. As part of its appropriations deliberations the Legislative Fiscal Division recommends that the legislature review the following:

- o Goals, objectives and year-to-date outcomes from the 2009 biennium
- o Goals and objectives and their correlation to the 2011 biennium budget request

Any issues related to goals and objectives raised by LFD staff are located in the program section.

Agency Personal Services Narrative

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited for brevity by the LFD.

- o **Agency Market** - The agency policy regarding the percentage of market that the agency hires for entry into a position is 80 percent. As of the beginning of FY 2007 the approximate agency market ratio was 88 percent relative to the 2006 market survey. At the end of FY 2008 the agency reports that their agency market ratio was approximately 100 percent relative to the 2006 market survey. After implementation of the HB13 pay adjustments, the agency estimates the market ratio to be 93 percent relative to the 2008 market survey.

Although the agency uses the target market ratio as a benchmark, employee pay increases in addition to the across-the-board pay plan are given, within available resources, based upon performance. The target market ratio is not used as a target for the agency as policy. The HB 13 adjustments were used strategically to increase employee retention.

- o **Obstacles** – The agency expresses that its primary obstacle in implementing its personal services plan is the amount of time that is required to manage the plan is not available or difficult to budget for.

LFD COMMENT

The agency does not report on statutorily exempt staff

The Governor's Office is currently authorized 60.07 FTE. 31.07 of these FTE are either personal staff of an elected official or are otherwise statutorily exempt. Because of the exempt status of the employees, the agency has not reported personal service information including target market ratios relative to market surveys, employee entry rates and progression to market rate plans, vacancy statistics, vacancy savings policy, position and pay changes, application of HB 13 increases, and program retirements.

**LFD
ISSUE**

No personal service information was provided on non-exempt employees

The Legislative Fiscal Division and the Governor's Office of Budget and Program Planning worked collaboratively to produce a number of basic, informational questions for all agencies to describe the personal services functions supported under HB 2. The information includes target market ratios relative to market surveys, employee entry rates and progression to market rate plans, vacancy statistics, vacancy savings policy, position and pay changes, application of HB 13 increases, and program retirements. The information provided is intended to give a more substantial understanding of the budgetary impacts due to personal service issues on statewide present law, vacancy savings, and program operations.

This information was requested for the non-exempt positions within the Governor's Office, but the agency declined to provide any of the information requested other than for the Office of Budget and Program Planning. The following is a list of those agency positions that are subject to classification and pay plans for which the Governor's Office did not provide personal service information:

- 4.0 FTE in the Centralized Services Division
- 0.50 FTE in the Executive Residence Program
- 1.50 FTE in the Air Transportation Program
- 1.0 FTE in the Coordinator of Indian Affairs Office
- 0.50 FTE in the Citizens' Advocate Office
- 4.0 FTE in the Mental Disabilities Board of Visitors//Mental Health Ombudsman program

The legislature may want to ask the Governor's Office to provide this information, so that the legislature can have a more complete understanding of the primary cost driver of the agency.

Funding

The following table summarizes funding for the agency, by program and source, as recommended by the Governor. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Agency Funding 2011 Biennium Budget				
Agency Program	General Fund	State Spec.	Grand Total	Total %
01 Executive Office Program	\$ 5,390,336	\$ -	\$ 5,390,336	43.10%
02 Executive Residence Operations	227,162	-	227,162	1.82%
03 Air Transportation Program	627,184	16,000	643,184	5.14%
04 Ofc Budget & Program Planning	3,383,806	-	3,383,806	27.06%
05 Coordinator Of Indian Affairs	365,032	-	365,032	2.92%
06 Centralized Services Division	795,280	-	795,280	6.36%
12 Lieutenant Governor'S Office	706,116	-	706,116	5.65%
16 Citizens' Advocate Office	151,621	49,000	200,621	1.60%
20 Mental Disabilities Bd Visitrs	795,360	-	795,360	6.36%
Grand Total	<u>\$ 12,441,897</u>	<u>\$ 65,000</u>	<u>\$ 12,506,897</u>	<u>100.00%</u>

Statutory Appropriations

The following table shows the total statutory appropriations associated with this agency. Because statutory appropriations do not require reauthorization each biennium, they do not appear in HB 2 and are not routinely examined by the legislature. The table is provided so that the legislature can get a more complete picture of agency operations and associated policy.

As appropriate, LFD staff has segregated the statutory appropriations into two general categories: 1) those where the agency primarily acts in an administrative capacity and the appropriations consequently do not relate directly to agency operations; and 2) those that have a more direct bearing on the mission and operations of the agency.

Statutory Appropriations Governor's Office					
Purpose	MCA #	Fund Source	Fiscal 2008	Fiscal 2010	Fiscal 2011
<i>No Direct Bearing on Agency Operations</i>					
Local incidence response by state	10-3-310	GF	\$0	\$0	\$0
Governor declared emergency/disaster	10-3-312	GF	0	0	0
Presidential declared major disaster in Montana	10-3-314	FSR	0	0	0

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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	5,820,498	5,820,498	11,640,996	93.56%	5,841,498	5,841,498	11,682,996	93.41%
Statewide PL Adjustments	277,762	230,784	508,546	4.09%	289,262	242,284	531,546	4.25%
Other PL Adjustments	175,515	62,820	238,335	1.92%	175,515	62,820	238,335	1.91%
New Proposals	27,153	26,867	54,020	0.43%	27,153	26,867	54,020	0.43%
Total Budget	\$6,300,928	\$6,140,969	\$12,441,897		\$6,333,428	\$6,173,469	\$12,506,897	

Program Budget Comparison

The following table summarizes the total budget requested by the Governor for the agency by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	21.63	21.63	21.63	21.63	21.63	21.63	0.00	0.00%
Personal Services	1,674,183	1,708,541	1,709,120	1,710,278	3,382,724	3,419,398	36,674	1.08%
Operating Expenses	950,901	867,682	984,916	986,022	1,818,583	1,970,938	152,355	8.38%
Total Costs	\$2,625,084	\$2,576,223	\$2,694,036	\$2,696,300	\$5,201,307	\$5,390,336	\$189,029	3.63%
General Fund	2,625,084	2,576,223	2,694,036	2,696,300	5,201,307	5,390,336	189,029	3.63%
State Special	0	0	0	0	0	0	0	n/a
Total Funds	\$2,625,084	\$2,576,223	\$2,694,036	\$2,696,300	\$5,201,307	\$5,390,336	\$189,029	3.63%

Program Description

The Executive Office Program aids the Governor in overseeing and coordinating the activities of the Executive Branch of Montana state government. The program provides administrative, legal, and press support for the Office of the Governor. The Executive Office Program also administers programs with special impact on the citizens and governmental concerns of Montana. Special programs include the Office of Economic Development, which was created to strengthen the foundations of the state's business environment and diversify and expand existing economic endeavors to achieve long-term economic stability.

Program Highlights

Executive Office Program Major Budget Highlights
◆ Biennium budget request increases 3.63 percent from the 2009 biennium, primarily due to statewide present law adjustments
Major LFD Issues
◆ The agency did not provide goals and objectives for the program

Program Narrative

Goals and Objectives:

State law requires agency and program goals and objectives to be specific and quantifiable to enable the legislature to establish appropriations policy. As part of its appropriations deliberations the Legislative Fiscal Division recommends that the legislature review the following:

- o Goals, objectives and year-to-date outcomes from the 2009 biennium
- o Goals and objectives and their correlation to the 2011 biennium budget request

2009 Biennium Monitored Goals

The program did not have goals that were monitored by the legislature during the 2009 biennium.

2011 Biennium Major Goals

LFD ISSUE Goals not provided by agency for the program

Program information provided in the budget did not include goals and objectives for the Office of the Governor, including the Office of Economic Development. The information that was provided included a listing of constitutional and statutory requirements of the Governor. This list of required responsibilities could not be construed as goals because they do not provide an over-arching desired outcome of the activities that they encompass. Without stated goals and objectives, there is no clear indication of what the executive is trying to do in the execution of its duties or how it plans to achieve the outcomes it desires. The legislature may want to discuss appropriate goals and objectives for the program, including the Office of Economic Development.

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as recommended by the Governor.

Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011
01000 Total General Fund	\$ 2,625,084	100.0%	\$ 2,694,036	100.0%	\$ 2,696,300	100.0%
01100 General Fund	2,625,084	100.0%	2,694,036	100.0%	2,696,300	100.0%
Grand Total	\$ 2,625,084	100.0%	\$ 2,694,036	100.0%	\$ 2,696,300	100.0%

The Executive office program is entirely funded with the 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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	2,625,084	2,625,084	5,250,168	97.40%	2,625,084	2,625,084	5,250,168	97.40%
Statewide PL Adjustments	68,952	71,216	140,168	2.60%	68,952	71,216	140,168	2.60%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$2,694,036	\$2,696,300	\$5,390,336		\$2,694,036	\$2,696,300	\$5,390,336	

Present Law Adjustments

The “Present Law Adjustments” table shows the primary changes to the adjusted base budget proposed by the Governor. “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 2010-----					-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					100,728					101,934
Vacancy Savings					(65,791)					(65,839)
Inflation/Deflation					4,026					4,437
Fixed Costs					29,989					30,684
Total Statewide Present Law Adjustments					\$68,952					\$71,216
Grand Total All Present Law Adjustments					\$68,952					\$71,216

Program Personal Services Narrative

LFD COMMENT	<p>No personal services narrative information provided on exempt employees</p> <p>All of the employees of the executive office program qualify as exempt employees under 2-18-103 and 104 MCA. Because of the exempt status of the employees, the agency has not reported personal service information including target market ratios relative to market surveys, employee entry rates and progression to market rate plans, vacancy statistics, vacancy savings policy, position and pay changes, application of HB 13 increases, and program retirements.</p>
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Program Budget Comparison

The following table summarizes the total budget requested by the Governor for the agency by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	1.50	1.50	1.50	1.50	1.50	1.50	0.00	0.00%
Personal Services	60,356	64,896	52,411	52,450	125,252	104,861	(20,391)	(16.28%)
Operating Expenses	32,445	34,702	61,010	61,291	67,147	122,301	55,154	82.14%
Total Costs	\$92,801	\$99,598	\$113,421	\$113,741	\$192,399	\$227,162	\$34,763	18.07%
General Fund	92,801	99,598	113,421	113,741	192,399	227,162	34,763	18.07%
Total Funds	\$92,801	\$99,598	\$113,421	\$113,741	\$192,399	\$227,162	\$34,763	18.07%

Program Description

The Governor's Residence Operations Program provides for the day-to-day operations of the official state Executive Residence.

Program Highlights

Executive Residence Operations Major Budget Highlights
<ul style="list-style-type: none"> ◆ The budget would increase 18.0 percent from the 2009 to the 2011 biennium ◆ Executive requests one-time-only operating budget increase of \$50,000 from the general fund
Major LFD Issues
<ul style="list-style-type: none"> ◆ The executive has requested the same \$50,000 expenditure as an OTO in each of the last three biennia

Program Narrative

Goals and Objectives:

State law requires agency and program goals and objectives to be specific and quantifiable to enable the legislature to establish appropriations policy. As part of its appropriations deliberations the Legislative Fiscal Division recommends that the legislature review the following:

- o Goals, objectives and year-to-date outcomes from the 2009 biennium
- o Goals and objectives and their correlation to the 2011 biennium budget request

2009 Biennium Major Goals Monitored

This program had no goals that were monitored by the legislature during the 2009 biennium

2011 Biennium Major Goals

Goal:

- o The Governor's residence will be properly managed, maintained, equipped, and stocked for the Governor, his

family, and the official public functions hosted there.

LFD ISSUE	Goals are Presented Without Objectives
	The identified goal was submitted by the program without objectives. Objectives are the specific steps that are used to achieve the over-arching outcome stated by the goal. Without these objectives, the program is without direction in its every day functions with relation to achieving the goal. This means that the program potentially risks expending resources in activities that do nothing to further the attainment of the goals.
The legislature may want to discuss with the agency how the goals it has provided for this program contribute to overall outcomes desired. The legislature may also wish to discuss what measurable objectives would help the agency achieve those goals and how they relate to the budget request.	

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as recommended by the Governor.

Program Funding Table						
Executive Residence Operations						
Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011
01000 Total General Fund	\$ 92,801	100.0%	\$ 113,421	100.0%	\$ 113,741	100.0%
01100 General Fund	<u>92,801</u>	<u>100.0%</u>	<u>113,421</u>	<u>100.0%</u>	<u>113,741</u>	<u>100.0%</u>
Grand Total	<u>\$ 92,801</u>	<u>100.0%</u>	<u>\$ 113,421</u>	<u>100.0%</u>	<u>\$ 113,741</u>	<u>100.0%</u>

The residence operations program is completely funded through the general fund. The 2011 biennium request is an increase of 18.1 percent over the 2009 biennium.

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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	92,801	92,801	185,602	81.70%	92,801	92,801	185,602	81.70%
Statewide PL Adjustments	(4,380)	(4,060)	(8,440)	(3.72%)	(4,380)	(4,060)	(8,440)	(3.72%)
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	25,000	25,000	50,000	22.01%	25,000	25,000	50,000	22.01%
Total Budget	\$113,421	\$113,741	\$227,162		\$113,421	\$113,741	\$227,162	

Present Law Adjustments

The “Present Law Adjustments” table shows the primary changes to the adjusted base budget proposed by the Governor. “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.

	-----Fiscal 2010-----					-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Present Law Adjustments										
Personal Services					(5,762)					(5,721)
Vacancy Savings					(2,183)					(2,185)
Inflation/Deflation					1,113					1,466
Fixed Costs					2,452					2,380
Total Statewide Present Law Adjustments					(\$4,380)					(\$4,060)
Grand Total All Present Law Adjustments					(\$4,380)					(\$4,060)

Program Personal Services Narrative

LFD ISSUE	No Personal Services Information was Provided by the Agency.
	Please refer to the agency summary section for the complete issue discussion.

New Proposals

Program	-----Fiscal 2010-----					-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 7 - Executive Residence - OTO										
02	0.00	25,000	0	0	25,000	0.00	25,000	0	0	25,000
Total	0.00	\$25,000	\$0	\$0	\$25,000	0.00	\$25,000	\$0	\$0	\$25,000

DP 7 - Executive Residence - OTO - The budget includes a request to authorize a one-time-only \$25,000 general fund appropriation each year of the 2011 biennium.

LFD ISSUE	OTO Requested Funds are for On-going Costs
	This is the third biennium that the executive has requested one-time-only funding for this purpose. The program has consistently spent all of this appropriation, predominantly for food and housekeeping. If these are on-going costs of the operating and maintaining the mansion, the costs should be reflected in on-going appropriations.

Program Budget Comparison

The following table summarizes the total budget requested by the Governor for the agency by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	1.50	1.50	1.50	1.50	1.50	1.50	0.00	0.00%
Personal Services	115,544	106,383	107,680	108,751	221,927	216,431	(5,496)	(2.48%)
Operating Expenses	156,508	196,993	252,640	174,113	353,501	426,753	73,252	20.72%
Equipment & Intangible Assets	0	0	0	0	0	0	0	n/a
Total Costs	\$272,052	\$303,376	\$360,320	\$282,864	\$575,428	\$643,184	\$67,756	11.77%
General Fund	272,052	296,576	352,320	274,864	568,628	627,184	58,556	10.30%
State Special	0	6,800	8,000	8,000	6,800	16,000	9,200	135.29%
Total Funds	\$272,052	\$303,376	\$360,320	\$282,864	\$575,428	\$643,184	\$67,756	11.77%

Program Description

The Air Transportation Program provides the Governor with air transportation.

Program Highlights

Air Transportation Program Major Budget Highlights
◆ The executive requests biennial appropriation of \$80,000 for aircraft maintenance

Program Narrative

Goals and Objectives:

State law requires agency and program goals and objectives to be specific and quantifiable to enable the legislature to establish appropriations policy. As part of its appropriations deliberations the Legislative Fiscal Division recommends that the legislature review the following:

- Goals, objectives and year-to-date outcomes from the 2009 biennium
- Goals and objectives and their correlation to the 2011 biennium budget request

2009 Biennium Major Goals Monitored

This program had no goals that were monitored by the legislature during the 2009 biennium.

2011 Biennium Major Goals

Goal:

- Provide the Governor with the necessary air transportation for the safe and efficient performance of his public duties.

**LFD
ISSUE**

Goals are Presented Without Objectives

The identified goal was submitted by the program without objectives. Objectives are the specific steps that are used to achieve the over-arching outcome stated by the goal. Without these objectives, the program is without direction in its every day functions with relation to achieving the goal. This means that the program potentially risks expending resources in activities that do nothing to further the attainment of the goals.

The legislature may want to discuss with the agency how the goals it has provided for this program contribute to overall outcomes desired. The legislature may also wish to discuss what measurable objectives would help the agency achieve those goals and how they relate to the budget request.

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as recommended by the Governor.

Program Funding	Base	% of Base	Budget	% of Budget	Budget	% of Budget
	FY 2008	FY 2008	FY 2010	FY 2010	FY 2011	FY 2011
01000 Total General Fund	\$ 272,052	100.0%	\$ 352,320	97.8%	\$ 274,864	97.2%
01100 General Fund	272,052	100.0%	352,320	97.8%	274,864	97.2%
02000 Total State Special Funds	-	-	8,000	2.2%	8,000	2.8%
02693 Air Transportation Special Rev	-	-	8,000	2.2%	8,000	2.8%
Grand Total	<u>\$ 272,052</u>	<u>100.0%</u>	<u>\$ 360,320</u>	<u>100.0%</u>	<u>\$ 282,864</u>	<u>100.0%</u>

The Air Transportation program is funded with both general fund and state special revenue funds. Revenue for the state special revenue account has historically come from other agencies' use of the Governor's plane when not occupied by the Governor. Although this use had been minimal in the last biennium, the residual fund balance of the state special revenue account has increased over the last four fiscal years. In the 2009 biennium the funding ratios between general fund and state special revenue funds compared to total funding were 98.8 percent and 1.2 percent, respectively. For the 2011 biennium the requested funding ratios between general fund and state special revenue funds compared to total funding are 97.5 percent and 2.5 percent respectively.

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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	272,052	272,052	544,104	86.75%	272,052	272,052	544,104	84.60%
Statewide PL Adjustments	268	2,812	3,080	0.49%	8,268	10,812	19,080	2.97%
Other PL Adjustments	80,000	0	80,000	12.76%	80,000	0	80,000	12.44%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$352,320	\$274,864	\$627,184		\$360,320	\$282,864	\$643,184	

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the Governor. "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.

	-----Fiscal 2010-----					-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Present Law Adjustments										
Personal Services					(3,377)					(2,262)
Vacancy Savings					(4,487)					(4,531)
Inflation/Deflation					14,582					16,736
Fixed Costs					1,550					869
Total Statewide Present Law Adjustments					\$8,268					\$10,812
DP 3 - Aircraft Maintenance - Biennial										
	0.00	80,000	0	0	80,000	0.00	0	0	0	0
Total Other Present Law Adjustments	0.00	\$80,000	\$0	\$0	\$80,000	0.00	\$0	\$0	\$0	\$0
Grand Total All Present Law Adjustments					\$88,268					\$10,812

Program Personal Services Narrative

LFD ISSUE	No Personal Services Information Provided by the Agency
	Please refer to the agency summary section for the complete issue discussion.

DP 3 - Aircraft Maintenance - Biennial - Certain major maintenance on the state-owned aircraft will not fall in the base year and must therefore be included in a decision package. This request is for propeller overhaul and wing inspections and possible wing repair. The budget request includes \$80,000 general fund, requested as a biennial appropriation.

Program Budget Comparison

The following table summarizes the total budget requested by the Governor for the agency by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	19.00	19.00	19.00	19.00	19.00	19.00	0.00	0.00%
Personal Services	1,400,868	1,455,394	1,484,391	1,485,999	2,856,262	2,970,390	114,128	4.00%
Operating Expenses	178,299	200,302	207,631	205,785	378,601	413,416	34,815	9.20%
Total Costs	\$1,579,167	\$1,655,696	\$1,692,022	\$1,691,784	\$3,234,863	\$3,383,806	\$148,943	4.60%
General Fund	1,579,167	1,655,696	1,692,022	1,691,784	3,234,863	3,383,806	148,943	4.60%
State Special	0	0	0	0	0	0	0	n/a
Federal Special	0	0	0	0	0	0	0	n/a
Other	0	0	0	0	0	0	0	n/a
Total Funds	\$1,579,167	\$1,655,696	\$1,692,022	\$1,691,784	\$3,234,863	\$3,383,806	\$148,943	4.60%

Program Description

The Office of Budget and Program Planning (OBPP) assists the Governor in preparing the Governor's executive budget and administering the state government budget. In addition, the OBPP prepares and monitors revenue estimates and collections, prepares and publishes fiscal notes on proposed legislation and initiatives, and acts as approving authority for operational plan changes, program transfers, and budget amendments in the Executive Branch, in accordance with Title 17, Chapter 7, MCA. The OBPP acts as the lead Executive Branch agency for compliance with the federal Single Audit Act.

Program Highlights

Office of Budget and Program Planning Major Budget Highlights
<ul style="list-style-type: none"> ◆ The executive requests a \$15,000 appropriation for costs associated with legislative session preparation ◆ The remainder of the increases of 4.6 over the biennium are due to statewide present law adjustments

Program Narrative

Goals and Objectives:

State law requires agency and program goals and objectives to be specific and quantifiable to enable the legislature to establish appropriations policy. As part of its appropriations deliberations the Legislative Fiscal Division recommends that the legislature review the following:

- o Goals, objectives and year-to-date outcomes from the 2009 biennium
- o Goals and objectives and their correlation to the 2011 biennium budget request

2009 Biennium Major Goals Monitored

This program had no goals that were monitored by the legislature during the 2009 biennium.

2011 Biennium Major Goals:

Goal:

- o The Office of Budget and Program Planning will plan a sustainable budget for the 2013 biennium in detail and the 2015 biennium at a high level.

Objectives:

- o Track and manage general fund cash and fund balance through the 2011 biennium
- o Evaluate expenditures and revenues for sustainability into the future
- o Evaluate all policy issues and concerns for fiscal implication

LFD ISSUE	<p>Objectives are Not Time-Bound</p> <p>The objectives presented by the program have no time-bound component that provides information as to when or how often the objective is completed. Without the time-bound component is it difficult to relate the objective directly to the goal. For example, to track and manage general fund cash and fund balance through the 2011 biennium gives no information as to how and when that information is useful to achieve the goal. An alternative objective would be: To track and manage general fund cash and fund balance monthly through the 2011 biennium in order to project flows into the next biennium. The time-bound component quantifies the objective and the additional reasoning gives it specificity. The legislature may want to discuss with the agency how objectives that will lead to the attainment of goals demonstrate the purpose of the program funding as requested.</p>
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Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as recommended by the Governor.

Program Funding Table							
Ofc Budget & Program Planning							
Program Funding	Base	% of Base	Budget	% of Budget	Budget	% of Budget	
	FY 2008	FY 2008	FY 2010	FY 2010	FY 2011	FY 2011	
01000 Total General Fund	\$ 1,579,167	100.0%	\$ 1,692,022	100.0%	\$ 1,691,784	100.0%	
01100 General Fund	<u>1,579,167</u>	<u>100.0%</u>	<u>1,692,022</u>	<u>100.0%</u>	<u>1,691,784</u>	<u>100.0%</u>	
Grand Total	<u>\$ 1,579,167</u>	<u>100.0%</u>	<u>\$ 1,692,022</u>	<u>100.0%</u>	<u>\$ 1,691,784</u>	<u>100.0%</u>	

This program is funded entirely from the 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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	1,579,167	1,579,167	3,158,334	93.34%	1,579,167	1,579,167	3,158,334	93.34%
Statewide PL Adjustments	112,855	97,617	210,472	6.22%	112,855	97,617	210,472	6.22%
Other PL Adjustments	0	15,000	15,000	0.44%	0	15,000	15,000	0.44%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$1,692,022	\$1,691,784	\$3,383,806		\$1,692,022	\$1,691,784	\$3,383,806	

Present Law Adjustments

The “Present Law Adjustments” table shows the primary changes to the adjusted base budget proposed by the Governor. “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 2010-----					-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					145,376					147,047
Vacancy Savings					(61,853)					(61,916)
Inflation/Deflation					521					725
Fixed Costs					28,811					11,761
Total Statewide Present Law Adjustments					\$112,855					\$97,617
DP 1 - OBPP Session Costs	0.00	0	0	0	0	0.00	15,000	0	0	15,000
Total Other Present Law Adjustments	0.00	\$0	\$0	\$0	\$0	0.00	\$15,000	\$0	\$0	\$15,000
Grand Total All Present Law Adjustments					\$112,855					\$112,617

Program Personal Services Narrative

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited for brevity by the LFD.

- o **Market Rate** - By the beginning of the 2007 fiscal year, the program had an approximate target market ratio of 93 percent of the 2006 market survey. By the end of FY 2008, the program had an approximate target market ratio of 102 percent of the 2006 market survey. The agency expects the market ratio to be 93 percent of the 2008 market survey by FY 2009 after the implementation of the HB 13 pay increases. There are no specific occupations that the program varies from agency policy, but it does make exceptions on a person by person basis.
- o **Vacancy** - The program has identified both the revenue and budget analyst positions as having significant turnover. The program states that the primary contributing factors of the turnover rate are work stress, having to deal with the legislature, and pay level. To reduce the factors driving these vacancies, the program has developed a career ladder for budget and revenue analysts to more clearly demonstrate the opportunities for advancement. Entry pay levels have also been increased when successful applicants exceed the minimum job qualifications. When these vacancies occur, work load for other employees is significantly increased and optional tasks are not completed.
- o **Legislatively applied vacancy savings** – In order to achieve the legislatively applied vacancy savings rate, the program held positions open as they came up. Additional savings generated beyond the 4 percent were used to provide increases for staff.
- o **Pay Changes** – Position and pay changes were provided by the program to employees in order to increase retention, acknowledge job performance, and maintain market competitive compensation rates. These pay changes were funded through HB 13 and vacancy savings generated beyond the legislatively applied percentage.
- o **Retirements** – In the 2009 biennium there were three employees who retired and one is currently eligible to retire. If the eligible employee does not retire in the current biennium, the eligibility will carry over to the 2011 biennium. In order to counteract future retirements, the agency is developing succession plans that include double-filling of positions to mentor employees as well as reassigning duties.

DP 1 - OBPP Session Costs - Because the legislative session does not occur in the base year, costs incurred in preparing for every legislative session are not captured in the base budget for the program. The executive budget includes \$15,000 general fund request in FY 2011 to cover the cost of printing the Governor's executive budget and other session-related costs.

Program Budget Comparison

The following table summarizes the total budget requested by the Governor for the agency by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	2.00	2.00	2.00	2.00	2.00	2.00	0.00	0.00%
Personal Services	138,294	144,258	145,842	146,111	282,552	291,953	9,401	3.33%
Operating Expenses	22,214	18,012	36,404	36,675	40,226	73,079	32,853	81.67%
Total Costs	\$160,508	\$162,270	\$182,246	\$182,786	\$322,778	\$365,032	\$42,254	13.09%
General Fund	160,508	162,270	182,246	182,786	322,778	365,032	42,254	13.09%
Total Funds	\$160,508	\$162,270	\$182,246	\$182,786	\$322,778	\$365,032	\$42,254	13.09%

Program Description

The Coordinator of Indian Affairs Program serves as the Governor's liaison with state Indian tribes, provides information and policy support on issues confronting the Indians of Montana, and advises and makes recommendations on these issues to the Legislative and Executive Branches. The coordinator also serves the Montana congressional delegation as an advisor and intermediary in the field of Indian affairs and acts as spokesperson for representative Native American organizations and groups, both public and private, whenever that support is requested. The program is mandated by 2-15-217 and 90-11-101, MCA.

Program Highlights

Coordinator of Indian Affairs Major Budget Highlights	
◆	The executive requests \$5,000 additional authority for operating expenses
Major LFD Issues	
◆	The executive did not provide a specific justification for the requested increase

Program Narrative

Goals and Objectives:

State law requires agency and program goals and objectives to be specific and quantifiable to enable the legislature to establish appropriations policy. As part of its appropriations deliberations the Legislative Fiscal Division recommends that the legislature review the following:

- Goals, objectives and year-to-date outcomes from the 2009 biennium
- Goals and objectives and their correlation to the 2011 biennium budget request

2009 Biennium Major Goals Monitored:

This program had no goals that were monitored by the legislature during the 2009 biennium.

2011 Biennium Major Goals:

- To assist the Governor in developing and implementing the policies of the executive branch in its relationships with the Tribal Nations and to advise the Governor and the members of Montana’s congressional delegation, if requested, on matters relating to Tribal Nations and act as spokesperson for Montana’s Indian people when requested.

LFD
ISSUE

Goals are Presented Without Objectives

The identified goal was submitted by the program without objectives. Objectives are the specific steps that are used to achieve the over-arching outcome stated by the goal. Without these objectives, the program is without direction in its every day functions with relation to achieving the goal. This means that the program potentially risks expending resources in activities that do nothing to further the attainment of the goals.

The legislature may want to discuss with the agency how the goals it has provided for this program contribute to overall outcomes desired. The legislature may also wish to discuss what measurable objectives would help the agency achieve those goals and how they relate to the budget request

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as recommended by the Governor.

Program Funding Table							
Coordinator Of Indian Affairs							
Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011	
01000 Total General Fund	\$ 160,508	100.0%	\$ 182,246	100.0%	\$ 182,786	100.0%	
01100 General Fund	<u>160,508</u>	<u>100.0%</u>	<u>182,246</u>	<u>100.0%</u>	<u>182,786</u>	<u>100.0%</u>	
Grand Total	<u>\$ 160,508</u>	<u>100.0%</u>	<u>\$ 182,246</u>	<u>100.0%</u>	<u>\$ 182,786</u>	<u>100.0%</u>	

This program is funded entirely from the 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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	160,508	160,508	321,016	87.94%	160,508	160,508	321,016	87.94%
Statewide PL Adjustments	16,738	17,278	34,016	9.32%	16,738	17,278	34,016	9.32%
Other PL Adjustments	5,000	5,000	10,000	2.74%	5,000	5,000	10,000	2.74%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$182,246	\$182,786	\$365,032		\$182,246	\$182,786	\$365,032	

Present Law Adjustments

The “Present Law Adjustments” table shows the primary changes to the adjusted base budget proposed by the Governor. “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 2010-----					-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					13,625					13,905
Vacancy Savings					(6,077)					(6,088)
Inflation/Deflation					144					156
Fixed Costs					9,046					9,305
Total Statewide Present Law Adjustments					\$16,738					\$17,278
DP 2 - Coordinator of Indian Affairs Operating Budget	0.00	5,000	0	0	5,000	0.00	5,000	0	0	5,000
Total Other Present Law Adjustments	0.00	\$5,000	\$0	\$0	\$5,000	0.00	\$5,000	\$0	\$0	\$5,000
Grand Total All Present Law Adjustments					\$21,738					\$22,278

Program Personal Services Narrative

LFD ISSUE No Personal Services Information Provided by the Agency
 Please refer to the agency summary section for the complete issue discussion.

DP 2 - Coordinator of Indian Affairs Operating Budget - The executive recommends \$5,000 general fund each year of the biennium for the Office of the Coordinator of Indian Affairs to increase operating expenses for the program.

LFD ISSUE No Apparent Basis for Operating Budget Increase
 In this decision package the executive states that FY 2008 did not reflect an adequate base. This program overspent the legislatively approve operating expense budget in FY 2008 by \$4,686 or 26.7 percent. In addition, the personal services expenditures in FY 2008 exceeded the legislatively approved budget for FY 2008 by \$30,173 or 21.8 percent. Additional spending authority for the budget shortfalls were funded by transfers from other programs in the agency--totaling \$36,297. The adjusted actual operating expenses for FY 2008 were carried in to the base year for the current biennium budget, including the amounts that were expended from the transferred authority. Since this additional authority is already incorporated in the base budget, it is unclear why the executive is requesting additional funding other than the unquantifiable statement of "to maintain a realistic level of operations." Before taking action on this request, the legislature may want the program to specifically outline what a realistic level of operations means in terms of funding for the requested budget.

Program Budget Comparison

The following table summarizes the total budget requested by the Governor for the agency by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	4.00	4.00	4.00	4.00	4.00	4.00	0.00	0.00%
Personal Services	255,652	263,488	273,870	274,195	519,140	548,065	28,925	5.57%
Operating Expenses	45,953	33,641	166,840	80,375	79,594	247,215	167,621	210.60%
Total Costs	\$301,605	\$297,129	\$440,710	\$354,570	\$598,734	\$795,280	\$196,546	32.83%
General Fund	301,605	297,129	440,710	354,570	598,734	795,280	196,546	32.83%
Total Funds	\$301,605	\$297,129	\$440,710	\$354,570	\$598,734	\$795,280	\$196,546	32.83%

Program Description

The Centralized Services Program provides business services to all programs within the Governor's Office. Services include payroll and personnel, accounting, central asset management and computer replacement, data processing, and budget preparation and monitoring for the entire office.

Program Highlights

Central Services Division Major Budget Highlights
<ul style="list-style-type: none"> ◆ The executive requests one-time-only appropriation of \$123,335 for replacement of computer equipment ◆ The remainder of the requested increase of 33 percent from the 2009 to the 2011 biennium is due to statewide present law adjustments
Major LFD Issues
<ul style="list-style-type: none"> ◆ The agency did not provide goals or objectives for the program

Program Narrative

Goals and Objectives:

State law requires agency and program goals and objectives to be specific and quantifiable to enable the legislature to establish appropriations policy. As part of its appropriations deliberations the Legislative Fiscal Division recommends that the legislature review the following:

- Goals, objectives and year-to-date outcomes from the 2009 biennium
- Goals and objectives and their correlation to the 2011 biennium budget request

2009 Biennium Major Goals Monitored

This program had no goals that were monitored by the legislature during the 2009 biennium

2011 Biennium Major Goals

LFD ISSUE Goals Not Provided by Agency for the Program

Program information provided in the budget did not include goals and objectives for the Centralized Services Division. Without stated goals and objectives, there is no clear indication of what the program is trying to do in the execution of its duties or how it plans to achieve the outcomes it desires. The legislature may want to discuss appropriate goals and objectives for the program.

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as recommended by the Governor.

Program Funding Table						
Centralized Services Division						
Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011
01000 Total General Fund	\$ 301,605	100.0%	\$ 440,710	100.0%	\$ 354,570	100.0%
01100 General Fund	<u>301,605</u>	<u>100.0%</u>	<u>440,710</u>	<u>100.0%</u>	<u>354,570</u>	<u>100.0%</u>
Grand Total	<u>\$ 301,605</u>	<u>100.0%</u>	<u>\$ 440,710</u>	<u>100.0%</u>	<u>\$ 354,570</u>	<u>100.0%</u>

This program is funded entirely with the 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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	301,605	301,605	603,210	75.85%	301,605	301,605	603,210	75.85%
Statewide PL Adjustments	51,437	13,278	64,715	8.14%	51,437	13,278	64,715	8.14%
Other PL Adjustments	85,515	37,820	123,335	15.51%	85,515	37,820	123,335	15.51%
New Proposals	2,153	1,867	4,020	0.51%	2,153	1,867	4,020	0.51%
Total Budget	\$440,710	\$354,570	\$795,280		\$440,710	\$354,570	\$795,280	

Present Law Adjustments

The “Present Law Adjustments” table shows the primary changes to the adjusted base budget proposed by the Governor. “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 2010-----					-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					29,629					29,968
Vacancy Savings					(11,411)					(11,425)
Inflation/Deflation					17					18
Fixed Costs					33,202					(5,283)
Total Statewide Present Law Adjustments					\$51,437					\$13,278
DP 6 - Maintain Computer Replacement Schedule - OTO	0.00	85,515	0	0	85,515	0.00	37,820	0	0	37,820
Total Other Present Law Adjustments	0.00	\$85,515	\$0	\$0	\$85,515	0.00	\$37,820	\$0	\$0	\$37,820
Grand Total All Present Law Adjustments					\$136,952					\$51,098

Program Personal Services Narrative

LFD ISSUE	No Personal Services Information Provided by the Agency
	Please refer to the agency summary section for the complete issue discussion.

DP 6 - Maintain Computer Replacement Schedule - OTO - The Governor's Office operates on the state standard 4-year replacement cycle for computer equipment. This request includes \$85,515 in FY 2010 and \$37,820 in FY 2011 to replace the computer equipment that will come due on the 4-year replacement schedule during the 2011 biennium. Funding is one-time-only general fund.

LFD ISSUE	Appropriation Request Should be Restricted
	The above proposal requests funding for a specific purpose so, as such the legislature may wish to restrict the appropriation to ensure that the funding is specifically directed to those expenses for which it has been approved.

New Proposals

New Proposals	-----Fiscal 2010-----					-----Fiscal 2011-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 5 - Workers Compensation Management Program	06	0.00	2,153	0	0	2,153	0.00	1,867	0	0	1,867
Total	0.00	\$2,153	\$0	\$0	\$2,153	0.00	\$1,867	\$0	\$0	\$1,867	

DP 5 - Workers Compensation Management Program - The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the executive proposes the program be funded via a fixed cost allocation. The allocation is based upon the average number of payroll warrants issued per pay period. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. Therefore, the allocation cannot be included as part of the standard present law fixed cost process.

Program Budget Comparison

The following table summarizes the total budget requested by the Governor for the agency by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	3.94	3.94	3.94	3.94	3.94	3.94	0.00	0.00%
Personal Services	290,179	303,934	298,680	298,868	594,113	597,548	3,435	0.58%
Operating Expenses	49,173	49,274	54,236	54,332	98,447	108,568	10,121	10.28%
Total Costs	\$339,352	\$353,208	\$352,916	\$353,200	\$692,560	\$706,116	\$13,556	1.96%
General Fund	339,352	353,208	352,916	353,200	692,560	706,116	13,556	1.96%
Total Funds	\$339,352	\$353,208	\$352,916	\$353,200	\$692,560	\$706,116	\$13,556	1.96%

Program Description

The Office of the Lieutenant Governor is responsible for carrying out duties prescribed by statute established by Article VI, Section 4 of the Montana Constitution, as well as those delegated by the Governor. Statutory authority is Title 2, Chapter 15, part 3, MCA.

Program Highlights

Lieutenant Governor's Office Major Budget Highlights
◆ The budget increase of 1.96 percent from the 2009 to the 2011 biennium are entirely for statewide present law adjustments

Program Narrative

Goals and Objectives:

State law requires agency and program goals and objectives to be specific and quantifiable to enable the legislature to establish appropriations policy. As part of its appropriations deliberations the Legislative Fiscal Division recommends that the legislature review the following:

- o Goals, objectives and year-to-date outcomes from the 2009 biennium
- o Goals and objectives and their correlation to the 2011 biennium budget request

2009 Biennium Major Goals Monitored:

This program had no goals that were monitored by the legislature during the 2009 biennium.

2011 Biennium Major Goals:

Goal:

- o To carry out the duties prescribed in Montana's constitution and statutes and to represent and assist the Governor

LFD ISSUE	Goals are Presented Without Objective
	The identified goal was submitted by the program without objectives. Objectives are the specific steps that are used to achieve the over-arching outcome stated by the goal. Without these objectives, the program is without direction in its every day functions with relation to achieving the goal. This means that the program potentially risks expending resources in activities that do nothing to further the attainment of the goals.
The legislature may want to discuss with the agency how the goals it has provided for this program contribute to overall outcomes desired. The legislature may also wish to discuss what measurable objectives would help the agency achieve those goals and how they relate to the budget request	

The following table shows program funding, by source, for the base year and for the 2011 biennium as recommended by the Governor.

Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011
01000 Total General Fund	\$ 339,352	100.0%	\$ 352,916	100.0%	\$ 353,200	100.0%
01100 General Fund	<u>339,352</u>	<u>100.0%</u>	<u>352,916</u>	<u>100.0%</u>	<u>353,200</u>	<u>100.0%</u>
Grand Total	<u>\$ 339,352</u>	<u>100.0%</u>	<u>\$ 352,916</u>	<u>100.0%</u>	<u>\$ 353,200</u>	<u>100.0%</u>

This program is funded entirely by the 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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	339,352	339,352	678,704	96.12%	339,352	339,352	678,704	96.12%
Statewide PL Adjustments	13,564	13,848	27,412	3.88%	13,564	13,848	27,412	3.88%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$352,916	\$353,200	\$706,116		\$352,916	\$353,200	\$706,116	

Present Law Adjustments

The “Present Law Adjustments” table shows the primary changes to the adjusted base budget proposed by the Governor. “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.

	-----Fiscal 2010-----					-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					16,537					16,730
Vacancy Savings					(8,036)					(8,041)
Inflation/Deflation					1,213					1,324
Fixed Costs					3,850					3,835
Total Statewide Present Law Adjustments					\$13,564					\$13,848
Grand Total All Present Law Adjustments					\$13,564					\$13,848

Program Personal Services Narrative

LFD COMMENT	<p>No Personal Services Narrative Information Provided on Exempt Employees</p> <p>All of the employees of the Lieutenant Governor’s office program qualify as exempt employees under 2-18-103 and 104 MCA. Because of the exempt status of the employees, the agency has not reported personal service information including target market ratios relative to market surveys, employee entry rates and progression to market rate plans, vacancy statistics, vacancy savings policy, position and pay changes, application of HB 13 increases, and program retirements.</p>
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Program Budget Comparison

The following table summarizes the total budget requested by the Governor for the agency by year, type of expenditure, and source of funding.

Program Budget Comparison Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	1.50	1.50	1.50	1.50	1.50	1.50	0.00	0.00%
Personal Services	88,892	82,640	88,068	88,172	171,532	176,240	4,708	2.74%
Operating Expenses	10,991	12,979	12,193	12,188	23,970	24,381	411	1.71%
Total Costs	\$99,883	\$95,619	\$100,261	\$100,360	\$195,502	\$200,621	\$5,119	2.62%
General Fund	78,883	74,619	75,761	75,860	153,502	151,621	(1,881)	(1.23%)
State Special	21,000	21,000	24,500	24,500	42,000	49,000	7,000	16.67%
Total Funds	\$99,883	\$95,619	\$100,261	\$100,360	\$195,502	\$200,621	\$5,119	2.62%

Program Description

The Citizens' Advocate Office exists to provide access to state government for Montana citizens. The office provides information to citizens and functions as a referral service for public comments, suggestions, and requests for information. The office provides a toll-free number to the public.

Program Highlights

Citizens' Advocate Office Major Budget Highlights
◆ The budget increase of 2.62 percent from the 2009 to the 2011 biennium are entirely statewide present law adjustments

Program Narrative

Goals and Objectives

State law requires agency and program goals and objectives to be specific and quantifiable to enable the legislature to establish appropriations policy. As part of its appropriations deliberations the Legislative Fiscal Division recommends that the legislature review the following:

- Goals, objectives and year-to-date outcomes from the 2009 biennium
- Goals and objectives and their correlation to the 2011 biennium budget request

2009 Biennium Major Goals Monitored

This program had no goals that were monitored by the legislature during the 2009 biennium.

2011 Major Goals

Goal

To provide Montanans access to their government, its programs, its administrators and its documents in person, by toll-free telephone, and by internet access through a website. The staff of the office will timely respond to Montanans and as appropriate, advocate on behalf of citizens experiencing difficulty in their dealings with agencies or departments of state government.

**LFD
ISSUE****Goals are Presented Without Objectives**

The identified goal was submitted by the program without objectives. Objectives are the specific steps that are used to achieve the over-arching outcome stated by the goal. Without these objectives, the program is without direction in its every day functions with relation to achieving the goal. This means that the program potentially risks expending resources in activities that do nothing to further the attainment of the goals. Alternate goals for this program might include the hours and times that the help will be provided in person and on the phone, how many customers they plan to help within a given month or year, and how and when the web site will be updated..

The legislature may want to discuss with the agency how the goals it has provided for this program contribute to overall outcomes desired. The legislature may also wish to discuss what measurable objectives would help the agency achieve those goals and how they relate to the budget request

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as recommended by the Governor.

Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011
01000 Total General Fund	\$ 78,883	79.0%	\$ 75,761	75.6%	\$ 75,860	75.6%
01100 General Fund	78,883	79.0%	75,761	75.6%	75,860	75.6%
02000 Total State Special Funds	21,000	21.0%	24,500	24.4%	24,500	24.4%
02253 Citizen'S Advocate State Special Re	21,000	21.0%	24,500	24.4%	24,500	24.4%
Grand Total	\$ 99,883	100.0%	\$ 100,261	100.0%	\$ 100,360	100.0%

This program is funded with general fund and state special revenue. The total funding request increases by 2.62 percent in the 2011 biennium from the 2009 biennium, however general fund is reduced by 1 percent relative to total funding for the 2009 biennium. The additional funding for the 2011 biennium is from state special revenue funds from the Department of Public Health and Human Services (DPHHS). The office is the first point of contact for several DPHHS calls. The office tracks the calls and bills the department accordingly.

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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	78,883	78,883	157,766	104.05%	99,883	99,883	199,766	99.57%
Statewide PL Adjustments	(3,122)	(3,023)	(6,145)	(4.05%)	378	477	855	0.43%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$75,761	\$75,860	\$151,621		\$100,261	\$100,360	\$200,621	

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the Governor. "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 2010-----					-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					2,846					2,954
Vacancy Savings					(3,670)					(3,674)
Fixed Costs					1,202					1,197
Total Statewide Present Law Adjustments					\$378					\$477
Grand Total All Present Law Adjustments					\$378					\$477

Program Personal Services Narrative

LFD ISSUE	No Personal Services Information was Provided by the Agency.
	Please refer to the agency summary section for the complete issue discussion.

Program Budget Comparison

The following table summarizes the total budget requested by the Governor for the agency by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	5.00	5.00	5.00	5.00	5.00	5.00	0.00	0.00%
Personal Services	300,212	314,159	318,865	319,321	614,371	638,186	23,815	3.88%
Operating Expenses	70,834	72,984	78,631	78,543	143,818	157,174	13,356	9.29%
Total Costs	\$371,046	\$387,143	\$397,496	\$397,864	\$758,189	\$795,360	\$37,171	4.90%
General Fund	371,046	387,143	397,496	397,864	758,189	795,360	37,171	4.90%
Total Funds	\$371,046	\$387,143	\$397,496	\$397,864	\$758,189	\$795,360	\$37,171	4.90%

Program Description

The Mental Disabilities Board of Visitors is charged with formally reviewing patient care and assisting people who have complaints about services at Montana's licensed mental health centers, community hospital psychiatric units, children's residential treatment programs, and at the state facilities that serve people with mental illnesses and developmental disabilities. The board provides legal services to patients at Montana State Hospital. The Governor appoints six board members who represent recipients of services and their families, and the mental health and developmental disability professions. The board employs administrative and legal staff and contracts with mental health and developmental disability professionals to carry out its responsibilities for patient representation and facility review. The Mental Disabilities Board of Visitors Program was created by the Developmental Disabilities Act of 1975 and the Mental Commitment and Treatment Act of 1975 and exists as a state mandate.

The Mental Health Ombudsman is statutorily directed to "represent the interests of individuals with regard to need for public mental health services". The office functions with 1.5 FTE responding to statewide requests for service. The Office of the Ombudsman was created by the legislature in 1999 and is appointed by the Governor for a four year term.

Program Highlights

Mental Disabilities Board of Visitors	
Major Budget Highlights	
◆	The executive requests an additional \$10,000 general fund appropriation for operating expenses
◆	The remainder of the 4.9 percent increase from the 2009 to the 2011 biennium is due to statewide present law adjustments

Program Narrative

Goals and Objectives:

State law requires agency and program goals and objectives to be specific and quantifiable to enable the legislature to establish appropriations policy. As part of its appropriations deliberations the Legislative Fiscal Division recommends that the legislature review the following:

- Goals, objectives and year-to-date outcomes from the 2009 biennium
- Goals and objectives and their correlation to the 2011 biennium budget request

2009 Biennium Major Goals Monitored

This program had no goals that were monitored by the legislature during the 2009 biennium.

2011 Biennium Major Goals

Goal:

To meet the statutory requirements assigned to the Board of Visitors

Objectives:

- o Actively engage with Montana’s mental health facilities and with the Montana Developmental Center through site reviews and ongoing dialogue regarding treatment improvement
- o Actively support consumers and family members in their requests for assistance
- o Participate in activities that promote mental health system transformation

LFD ISSUE	Objectives are Neither Time-Bound nor Specific
<p>The stated objectives do not tell when these activities will take place in order to achieve the goal. Without this time-bound component it is unclear if these activities are ever completed. Words like “engage, support, and participate” do not provide a specific “how” regarding the implementation of the objectives and therefore do not provide guidance in achieving the goal as stated. As an example, the second objective could be restated to say: resolve at least 85 percent of consumer and family member requests for assistance each year. This objective provides a specific directive that can be measured in relation to the time frame set out. The legislature may want to discuss with the agency what objectives could be adopted that would lead to the attainment of goals that demonstrate the purpose of the program funding as requested.</p>	

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as recommended by the Governor.

Program Funding Table Mental Disabilities Bd Visitrs							
Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011	
01000 Total General Fund	\$ 371,046	100.0%	\$ 397,496	100.0%	\$ 397,864	100.0%	
01100 General Fund	371,046	100.0%	397,496	100.0%	397,864	100.0%	
Grand Total	\$ 371,046	100.0%	\$ 397,496	100.0%	\$ 397,864	100.0%	

This program is funded entirely through the 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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	371,046	371,046	742,092	93.30%	371,046	371,046	742,092	93.30%
Statewide PL Adjustments	21,450	21,818	43,268	5.44%	21,450	21,818	43,268	5.44%
Other PL Adjustments	5,000	5,000	10,000	1.26%	5,000	5,000	10,000	1.26%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$397,496	\$397,864	\$795,360		\$397,496	\$397,864	\$795,360	

Present Law Adjustments

The “Present Law Adjustments” table shows the primary changes to the adjusted base budget proposed by the Governor. “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 2010-----					-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					31,939					32,414
Vacancy Savings					(13,286)					(13,305)
Inflation/Deflation					335					402
Fixed Costs					2,462					2,307
Total Statewide Present Law Adjustments					\$21,450					\$21,818
DP 4 - Mental Health Ombudsman Operating	0.00	5,000	0	0	5,000	0.00	5,000	0	0	5,000
Total Other Present Law Adjustments	0.00	\$5,000	\$0	\$0	\$5,000	0.00	\$5,000	\$0	\$0	\$5,000
Grand Total All Present Law Adjustments					\$26,450					\$26,818

Program Personal Services Narrative

LFD ISSUE	No Personal Services Information was Provided by the Agency.
	Please refer to the agency summary section for the complete issue discussion.

DP 4 - Mental Health Ombudsman Operating - The budget includes \$5,000 general fund each year of the 2011 biennium for the Mental Health Ombudsman. FY 2008 expenditures for the Mental Health Ombudsman Program were low due to a transition in the Ombudsman position. Twenty percent of the operating budget was reverted due to the transition.