

Executive Budget Comparison

The following table compares the legislative budget in the 2013 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2010	Executive Budget Fiscal 2012	Legislative Budget Fiscal 2012	Leg - Exec. Difference Fiscal 2012	Executive Budget Fiscal 2013	Legislative Budget Fiscal 2013	Leg - Exec. Difference Fiscal 2013	Biennium Difference Fiscal 12-13
FTE	657.53	672.53	661.28	(11.25)	672.53	661.28	(11.25)	
Personal Services	34,802,579	37,170,919	36,650,641	(520,278)	37,248,919	36,729,916	(519,003)	(1,039,281)
Operating Expenses	17,778,349	16,190,987	15,402,496	(788,491)	16,077,989	14,753,871	(1,324,118)	(2,112,609)
Equipment & Intangible Assets	383,777	330,978	330,978	0	330,978	330,978	0	0
Transfers	0	0	0	0	0	0	0	0
Total Costs	\$52,964,705	\$53,692,884	\$52,384,115	(\$1,308,769)	\$53,657,886	\$51,814,765	(\$1,843,121)	(\$3,151,890)
General Fund	49,569,692	49,609,233	48,279,546	(1,329,687)	49,570,431	47,709,977	(1,860,454)	(3,190,141)
State/Other Special	761,721	1,182,824	1,144,738	(38,086)	1,179,757	1,141,671	(38,086)	(76,172)
Federal Special	204,942	270,210	270,210	0	271,218	271,218	0	0
Proprietary	2,428,350	2,630,617	2,689,621	59,004	2,636,480	2,691,899	55,419	114,423
Total Funds	\$52,964,705	\$53,692,884	\$52,384,115	(\$1,308,769)	\$53,657,886	\$51,814,765	(\$1,843,121)	(\$3,151,890)

The legislative budget is \$3.2 million in total funds lower than the executive budget with the decrease primarily in general fund. Staffing in the legislative budget is 11.25 FTE lower than in the executive budget at the end of the 2013 biennium. The most significant revisions from the executive budget are summarized below:

- Agency proposed 5% plan reductions that were not included in the executive budget were approved and then partially restored, which resulted in \$2.3 million general fund reductions for purposes the agency was not able to specify
- One-time funding of \$0.5 million general fund was approved to fund programming changes to the department's tax administration system to implement reallocation of oil and natural gas production taxes following passage of SB 329
- Funding requested to address rent increases for space rented from non-public entities to the Information Technology and Processing Division and the Property Assessment Division was not approved
- Funding to add 8.00 FTE to increase tax compliance activities mostly directed at out-of-state entities was not approved, which resulted in a reduction of \$1.0 million
- Requests to add 4.00 FTE for tobacco compliance and hail and per capita fee administration were not approved, although the funding was provided

Language and Statutory Authority

The legislature included the following language in HB2:

"Information Technology and Processing and Property Assessment Division do not include present law adjustments for non-department of administration rent increases for the department of revenue for the 2013 biennium. It is the intent of the legislature that its rejection of the governor's proposed present law adjustments for rent is a reduction in the funds available for the purpose of the department of revenue's leases for office space and that the department of revenue either renegotiate the leases due to the reduction in funds or cancel the leases as provided in 2-17-101(6).

Business and Income Taxes Division includes a reduction in general fund money of \$76,818 in FY 2012 and \$76,495 in FY 2013. The agency may allocate this reduction in funding among programs when developing 2013 biennium operating plans."

Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	51.48	51.48	51.48	51.48	51.48	51.48	0.00	0.00%
Personal Services	3,774,894	3,826,115	3,891,429	3,962,503	7,601,009	7,853,932	252,923	3.33%
Operating Expenses	1,956,810	1,858,138	1,872,614	1,689,784	3,814,948	3,562,398	(252,550)	(6.62%)
Total Costs	\$5,731,704	\$5,684,253	\$5,764,043	\$5,652,287	\$11,415,957	\$11,416,330	\$373	0.00%
General Fund	5,534,250	5,486,470	5,542,797	5,428,965	11,020,720	10,971,762	(48,958)	(0.44%)
State Special	107,326	107,995	106,445	107,607	215,321	214,052	(1,269)	(0.59%)
Federal Special	1,000	0	1,000	1,000	1,000	2,000	1,000	100.00%
Other	89,128	89,788	113,801	114,715	178,916	228,516	49,600	27.72%
Total Funds	\$5,731,704	\$5,684,253	\$5,764,043	\$5,652,287	\$11,415,957	\$11,416,330	\$373	0.00%

Program Description

The Director's Office supports the agency's director and provides the following functions:

- General management of the agency, including assisting the director with administrative functions and communications to the public, agencies, and elected officials; the program also includes the Office of Taxpayer Assistance
- Legal service support for the Office of Dispute Resolution and the overall legal efforts of the department, including legal representation before various courts, legislative development and review, filing bankruptcy claims, and developing policy and administrative rules
- Tax policy, research, and analysis of state revenue legislation and legislative proposals affecting the department, preparation of fiscal notes that affect revenue, and analysis of department, economic, and compliance data
- Human resources, payroll, benefits, education, organizational development, and training of the department

Program Highlights

Director's Office Major Budget Highlights	
◆	General fund is \$49,000, or 0.4%, lower than the 2011 biennium due primarily to the net of: <ul style="list-style-type: none"> ● Increases from statewide present law adjustments ● Funding for session-related overtime to prepare fiscal notes, which must be requested each biennium ● An unspecified 2.0% reduction
◆	Proprietary funds increase by \$49,600, or 27.7%, from the 2011 biennium due to statewide present law adjustments

Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000 Total General Fund	\$ 5,534,250	96.6%	\$ 5,542,797	96.2%	\$ 5,428,965	96.0%
01100 General Fund	5,534,250	96.6%	5,542,797	96.2%	5,428,965	96.0%
02000 Total State Special Funds	107,326	1.9%	106,445	1.8%	107,607	1.9%
02790 6901-Statewide Tobacco Sttlmnt	107,326	1.9%	106,445	1.8%	107,607	1.9%
03000 Total Federal Special Funds	1,000	0.0%	1,000	0.0%	1,000	0.0%
03928 Royalty Audit - Nrcet	1,000	0.0%	1,000	0.0%	1,000	0.0%
06000 Total Proprietary Funds	89,128	1.6%	113,801	2.0%	114,715	2.0%
06005 Liquor Division	<u>89,128</u>	<u>1.6%</u>	<u>113,801</u>	<u>2.0%</u>	<u>114,715</u>	<u>2.0%</u>
Grand Total	<u>\$ 5,731,704</u>	<u>100.0%</u>	<u>\$ 5,764,043</u>	<u>100.0%</u>	<u>\$ 5,652,287</u>	<u>100.0%</u>

Funding for the program comes primarily from the general fund. State special revenue from tobacco settlement funds supports the dedicated attorney that supports tobacco tax compliance activities. Federal mineral royalty audit special revenue funds a portion of the legislative audit fixed cost allocation for the agency. The proprietary funding is from a direct appropriation of Liquor Control Division proprietary fund and is for the Liquor Control Division share of Director's Office support costs. The allocation is a percentage of the program's budget. Liquor Control Division proprietary funds are an indirect use of general fund since net liquor revenues are deposited in the general fund after operating costs are deducted.

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 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	5,534,250	5,534,250	11,068,500	100.88%	5,731,704	5,731,704	11,463,408	100.41%
Statewide PL Adjustments	115,990	(67,842)	48,148	0.44%	145,114	(36,642)	108,472	0.95%
Other PL Adjustments	0	70,000	70,000	0.64%	0	70,000	70,000	0.61%
New Proposals	(107,443)	(107,443)	(214,886)	(1.96%)	(112,775)	(112,775)	(225,550)	(1.98%)
Total Budget	\$5,542,797	\$5,428,965	\$10,971,762		\$5,764,043	\$5,652,287	\$11,416,330	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted by the legislature. "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 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					278,680					279,797
Vacancy Savings					(162,145)					(162,188)
Inflation/Deflation					(146)					(142)
Fixed Costs					28,725					(154,109)
Total Statewide Present Law Adjustments		\$115,990	\$4,451	\$0	\$145,114*		(\$67,842)	\$5,613	\$0	(\$36,642)*
DP 101 - Overtime Pay for Timely Legislative Fiscal Notes	0.00	0	0	0	0	0.00	70,000	0	0	70,000
Total Other Present Law Adjustments	0.00	\$0	\$0	\$0	\$0	0.00	\$70,000	\$0	\$0	\$70,000
Grand Total All Present Law Adjustments	0.00	\$115,990	\$4,451	\$0	\$145,114*	0.00	\$2,158	\$5,613	\$0	\$33,358*

* "Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 101 - Overtime Pay for Timely Legislative Fiscal Notes - The legislature approved a general fund increase for overtime in the Tax Policy and Research Office to prepare fiscal notes for the 2013 Legislature. Funding was designated restricted for this purpose.

New Proposals

New Proposals	-----Fiscal 2012-----					-----Fiscal 2013-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 111 - Unspecified Budget Restoration											
01	0.00	159,404	0	0	159,404	0.00	159,404	0	0	159,404	
DP 55140 - Sustainable Reductions from 17-7-140, MCA											
01	0.00	(1,310)	0	0	(1,310)	0.00	(1,310)	0	0	(1,310)	
DP 95101 - 5% Plan - Prorated Reduction											
01	0.00	(265,537)	(5,332)	0	(270,869)	0.00	(265,537)	(5,332)	0	(270,869)	
Total	0.00	(\$107,443)	(\$5,332)	\$0	(\$112,775)	0.00	(\$107,443)	(\$5,332)	\$0	(\$112,775)	

DP 111 - Unspecified Budget Restoration - The legislature restored a portion of the reduction in general fund in DP 95101 below for unspecified purposes.

DP 55140 - Sustainable Reductions from 17-7-140, MCA - The legislature reduced funding for items included in the Governor's 17-7-140, MCA, reductions that were of an on-going nature, but which were not implemented until FY 2011.

DP 95101 - 5% Plan - Prorated Reduction - The legislature approved an unspecified reduction for the program. The agency included this unspecified reduction in the statutorily required plan to reduce base expenditures of general fund and certain state special revenue funds by 5%. A portion of these funds were restored in DP 111, resulting in an overall reduction of 2.0%.

Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	85.75	85.75	85.75	85.75	85.75	85.75	0.00	0.00%
Personal Services	4,043,708	4,267,806	4,314,035	4,316,410	8,311,514	8,630,445	318,931	3.84%
Operating Expenses	8,401,719	7,981,098	7,218,513	6,722,512	16,382,817	13,941,025	(2,441,792)	(14.90%)
Equipment & Intangible Assets	238,120	31,250	238,120	238,120	269,370	476,240	206,870	76.80%
Total Costs	\$12,683,547	\$12,280,154	\$11,770,668	\$11,277,042	\$24,963,701	\$23,047,710	(\$1,915,991)	(7.68%)
General Fund	12,476,399	12,071,923	11,508,929	11,015,185	24,548,322	22,524,114	(2,024,208)	(8.25%)
State Special	131,279	131,882	124,804	124,804	263,161	249,608	(13,553)	(5.15%)
Other	75,869	76,349	136,935	137,053	152,218	273,988	121,770	80.00%
Total Funds	\$12,683,547	\$12,280,154	\$11,770,668	\$11,277,042	\$24,963,701	\$23,047,710	(\$1,915,991)	(7.68%)

Program Description

The Information Technology and Processing Division provides technology support for the department and processes all tax returns, payments, and other documents received, whether in paper or electronic form. Technology support includes both application development and support services, such as network services and data, desktop, and information security. The division operates a help desk and a mailroom, processes tax returns and payments, maintains taxpayer accounts, and manages department records.

Program Highlights

Information Technology and Processing Division Major Budget Highlights	
◆	General fund is \$2.0 million, or 8.3%, lower than the 2011 biennium due primarily to the following factors: <ul style="list-style-type: none"> • Statewide present law adjustments reduce general fund largely because of a \$3.0 million reduction in the ITSD fixed cost allocation to the agency • An unspecified 2.5% reduction • Maintenance costs for new imaging and scanning equipment and software partially offset the reduction from statewide present law adjustments • One-time funding for computer programming was approved to address impacts on the tax administration computer system from various enacted legislation
◆	Personal services components of statewide present law adjustments cause proprietary funds to increase by nearly \$122,000, or 80%, in the 2013 biennium compared to the 2011 biennium

Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding Table						
Information Technology & Processing						
Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000 Total General Fund	\$ 12,476,399	98.4%	\$ 11,508,929	97.8%	\$ 11,015,185	97.7%
01100 General Fund	12,476,399	98.4%	11,508,929	97.8%	11,015,185	97.7%
02000 Total State Special Funds	131,279	1.0%	124,804	1.1%	124,804	1.1%
02088 Ssr Administrative Funds	131,279	1.0%	124,804	1.1%	124,804	1.1%
06000 Total Proprietary Funds	75,869	0.6%	136,935	1.2%	137,053	1.2%
06005 Liquor Division	75,869	0.6%	136,935	1.2%	137,053	1.2%
Grand Total	\$ 12,683,547	100.0%	\$ 11,770,668	100.0%	\$ 11,277,042	100.0%

The Information Technology and Processing Division is primarily funded with general fund. State special revenue funds the division’s administration of hail insurance premiums, the livestock per capita fee, and lodging facilities tax. The proprietary funding is from a direct appropriation of Liquor Control Division proprietary fund and is for the Liquor Control Division share of division support costs. The allocation is a percentage of the program’s budget. Liquor Control Division proprietary funds are an indirect use of general fund since net liquor revenues are deposited in the general fund after operating costs are deducted.

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 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	12,476,399	12,476,399	24,952,798	110.78%	12,683,547	12,683,547	25,367,094	110.06%
Statewide PL Adjustments	(1,307,580)	(1,301,324)	(2,608,904)	(11.58%)	(1,246,514)	(1,240,140)	(2,486,654)	(10.79%)
Other PL Adjustments	144,940	144,940	289,880	1.29%	144,940	144,940	289,880	1.26%
New Proposals	195,170	(304,830)	(109,660)	(0.49%)	188,695	(311,305)	(122,610)	(0.53%)
Total Budget	\$11,508,929	\$11,015,185	\$22,524,114		\$11,770,668	\$11,277,042	\$23,047,710	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the adjusted base budget adopted by the legislature. “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 2012-----				-----Fiscal 2013-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					450,080					452,551
Vacancy Savings					(179,753)					(179,849)
Inflation/Deflation					29,792					29,828
Fixed Costs					(1,546,633)					(1,542,670)
Total Statewide Present Law Adjustments										
		(\$1,307,580)	\$0	\$0	(\$1,246,514)*		(\$1,301,324)	\$0	\$0	(\$1,240,140)*
DP 203 - Vehicle Reduction	0.00	(5,060)	0	0	(5,060)	0.00	(5,060)	0	0	(5,060)
DP 205 - Ongoing Maintenance of Imaging and Scanning	0.00	150,000	0	0	150,000	0.00	150,000	0	0	150,000
Total Other Present Law Adjustments	0.00	\$144,940	\$0	\$0	\$144,940	0.00	\$144,940	\$0	\$0	\$144,940
Grand Total All Present Law Adjustments	0.00	(\$1,162,640)	\$0	\$0	(\$1,101,574)*	0.00	(\$1,156,384)	\$0	\$0	(\$1,095,200)*

* "Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 203 - Vehicle Reduction - The legislature reduced funding associated with the agency leasing one fewer vehicle from the State Motor Pool.

DP 205 - Ongoing Maintenance of Imaging and Scanning - The legislature approved a general fund increase to fund ongoing vendor maintenance and support for the hardware and software used for imaging and scanning of tax returns, payments, and other documents. Funding was designated restricted only for this purpose.

New Proposals

New Proposals											
	-----Fiscal 2012-----					-----Fiscal 2013-----					
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 206 - Unspecified Budget Restoration											
02	0.00	304,985	0	0	304,985	0.00	304,985	0	0	304,985	
DP 207 - Computer Programming (Rst/Bien/OTO)											
02	0.00	500,000	0	0	500,000	0.00	0	0	0	0	
DP 55140 - Sustainable Reductions from 17-7-140, MCA											
02	0.00	(6,321)	0	0	(6,321)	0.00	(6,321)	0	0	(6,321)	
DP 95102 - 5% Plan - Prorated Reduction											
02	0.00	(603,494)	(6,475)	0	(609,969)	0.00	(603,494)	(6,475)	0	(609,969)	
Total	0.00	\$195,170	(\$6,475)	\$0	\$188,695	0.00	(\$304,830)	(\$6,475)	\$0	(\$311,305)	

DP 206 - Unspecified Budget Restoration - The legislature restored a portion of the general fund reduction in DP 95102 for unspecified purposes.

DP 207 - Computer Programming (Rst/Bien/OTO) - The legislature approved general fund to modify the tax administration computer systems to implements various legislation passed by the 2011 Legislature. The funding was restricted for this purpose and designated as biennial and one time only.

DP 55140 - Sustainable Reductions from 17-7-140, MCA - The legislature reduced funding for items included in the Governor's 17-7-140, MCA, reductions that were of an on-going nature, but which were not implemented until FY 2011.

DP 95102 - 5% Plan - Prorated Reduction - The legislature approved an unspecified reduction for the program. The agency included this unspecified reduction in the statutorily required plan to reduce base expenditures of general fund and certain state special revenue funds by 5%. The reduction was partially restored in DP 206, which results in an overall reduction of 2.5%.

Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	29.00	29.00	29.75	29.75	29.00	29.75	0.75	2.59%
Personal Services	1,573,175	1,744,659	1,804,113	1,805,120	3,317,834	3,609,233	291,399	8.78%
Operating Expenses	612,911	568,213	564,887	565,096	1,181,124	1,129,983	(51,141)	(4.33%)
Equipment & Intangible Assets	26,700	30,125	26,700	26,700	56,825	53,400	(3,425)	(6.03%)
Transfers	0	0	0	0	0	0	0	n/a
Total Costs	\$2,212,786	\$2,342,997	\$2,395,700	\$2,396,916	\$4,555,783	\$4,792,616	\$236,833	5.20%
Other	2,212,786	2,342,997	2,395,700	2,396,916	4,555,783	4,792,616	236,833	5.20%
Total Funds	\$2,212,786	\$2,342,997	\$2,395,700	\$2,396,916	\$4,555,783	\$4,792,616	\$236,833	5.20%

Program Description

The Liquor Control Division administers the alcoholic beverage code. The division oversees warehousing, inventory, and shipping of distilled spirits and fortified wines and the state agency liquor stores. The division also oversees licensing of on-premise and off-premise businesses, manufacturers, wholesalers, warehouses, importers, and liquor representatives.

Program Highlights

Liquor Control Division Major Budget Highlights	
◆	Liquor enterprise funds increase \$236,833, or 5.2% from the 2011 biennium due primarily to: <ul style="list-style-type: none"> • Statewide present law adjustments • Funding for costs to certify training programs for liquor sellers and servers that result from passage and approval of SB 29

Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding Table						
Liquor Control Division						
Program Funding	Base	% of Base	Budget	% of Budget	Budget	% of Budget
	FY 2010	FY 2010	FY 2012	FY 2012	FY 2013	FY 2013
06000 Total Proprietary Funds	\$ 2,212,786	100.0%	\$ 2,395,700	100.0%	\$ 2,396,916	100.0%
06005 Liquor Division	<u>2,212,786</u>	<u>100.0%</u>	<u>2,395,700</u>	<u>100.0%</u>	<u>2,396,916</u>	<u>100.0%</u>
Grand Total	<u>\$ 2,212,786</u>	<u>100.0%</u>	<u>\$ 2,395,700</u>	<u>100.0%</u>	<u>\$ 2,396,916</u>	<u>100.0%</u>

The division is funded with a direct appropriation of Liquor Control Division proprietary funds. Net revenues from liquor sales are transferred to the general fund after operating costs are deducted from gross revenues.

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 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	0	0	0	0.00%	2,212,786	2,212,786	4,425,572	92.34%
Statewide PL Adjustments	0	0	0	0.00%	78,910	83,711	162,621	3.39%
Other PL Adjustments	0	0	0	0.00%	15,000	15,000	30,000	0.63%
New Proposals	0	0	0	0.00%	89,004	85,419	174,423	3.64%
Total Budget	\$0	\$0	\$0		\$2,395,700	\$2,396,916	\$4,792,616	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted by the legislature. "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 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					179,969					181,106
Vacancy Savings					(70,128)					(70,170)
Inflation/Deflation					(16,914)					(16,246)
Fixed Costs					(14,017)					(10,979)
Total Statewide Present Law Adjustments		\$0	\$0	\$0	\$78,910*		\$0	\$0	\$0	\$83,711*
DP 303 - Personal Services for Termination Payouts	0.00	0	0	0	25,000*	0.00	0	0	0	25,000*
DP 304 - Personal Services for Overtime and Temporary Staff	0.00	0	0	0	50,000*	0.00	0	0	0	50,000*
DP 305 - Reduce Base Budget	0.00	0	0	0	(60,000)*	0.00	0	0	0	(60,000)*
Total Other Present Law Adjustments	0.00	\$0	\$0	\$0	\$15,000*	0.00	\$0	\$0	\$0	\$15,000*
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$0	\$93,910*	0.00	\$0	\$0	\$0	\$98,711*

* "Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 303 - Personal Services for Termination Payouts - The legislature approved funding for payouts of accrued leave balances in the event of staff terminations. Funding was designated restricted to be used only for this purpose.

DP 304 - Personal Services for Overtime and Temporary Staff - The legislature approved funding for overtime pay and costs to hire additional temporary employees to maintain statutory service levels to agency liquor stores in the event that demand increases. Funding was designated restricted to be used only for this purpose.

DP 305 - Reduce Base Budget - The legislature reduced funding for costs associated with the 2011 biennium liquor warehouse renovation project, as these costs are not on-going in nature.

New Proposals

New Proposals	-----Fiscal 2012-----					-----Fiscal 2013-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 306 - Alcohol Server and Sales Training											
03	0.75	0	0	0	89,004*	0.75	0	0	0	85,419*	
Total	0.75	\$0	\$0	\$0	\$89,004*	0.75	\$0	\$0	\$0	\$85,419*	

* "Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 306 - Alcohol Server and Sales Training - The legislature approved proprietary funds to add 0.75 FTE and operating costs to certify training programs of liquor servers and sellers mandated by SB 29. SB 29 mandates that those receiving liquor licenses provide specific training to employees who sell or serve liquor and that the department certify the training programs.

Language and Statutory Authority

The legislature included the following language in HB 2.

“Liquor Control Division is appropriated from the liquor enterprise funds not to exceed \$124,000,000 in fiscal year 2012 and \$130,000,000 in fiscal year 2013 to maintain adequate inventories necessary to meet statutory requirements, to pay freight costs, and to transfer profits and taxes to appropriate accounts.”

Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	28.00	28.00	28.00	28.00	28.00	28.00	0.00	0.00%
Personal Services	1,475,880	1,500,960	1,527,478	1,527,083	2,976,840	3,054,561	77,721	2.61%
Operating Expenses	642,166	627,860	579,443	581,355	1,270,026	1,160,798	(109,228)	(8.60%)
Transfers	0	0	0	0	0	0	0	n/a
Total Costs	\$2,118,046	\$2,128,820	\$2,106,921	\$2,108,438	\$4,246,866	\$4,215,359	(\$31,507)	(0.74%)
General Fund	1,919,257	1,928,568	1,876,058	1,877,962	3,847,825	3,754,020	(93,805)	(2.44%)
State Special	148,222	149,268	187,678	187,261	297,490	374,939	77,449	26.03%
Other	50,567	50,984	43,185	43,215	101,551	86,400	(15,151)	(14.92%)
Total Funds	\$2,118,046	\$2,128,820	\$2,106,921	\$2,108,438	\$4,246,866	\$4,215,359	(\$31,507)	(0.74%)

Program Description

The Citizens Services and Resource Management Division provides agency accounting, purchasing, and statewide facilities safety and security functions. The division also provides customer service and support services to the other divisions of the department including operations of the call center, forms design, one-stop business licensing coordination, and abandoned property distribution.

Program Highlights

Citizens Services and Resource Management Division Major Budget Highlights	
◆	General fund is \$93,800, or 2.4% lower than the 2011 biennium due almost entirely to an unspecified 2.3% reduction
◆	State special revenue increases \$77,500, or 26.0% from the 2011 biennium primarily due to increased reliance on state special revenue administration fees to fund statewide present law adjustments

Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding Table						
Citizen Services & Resource Mgmt						
Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000 Total General Fund	\$ 1,919,257	90.6%	\$ 1,876,058	89.0%	\$ 1,877,962	89.1%
01100 General Fund	1,919,257	90.6%	1,876,058	89.0%	1,877,962	89.1%
02000 Total State Special Funds	148,222	7.0%	187,678	8.9%	187,261	8.9%
02025 Unclaimed Property	114,222	5.4%	133,332	6.3%	133,224	6.3%
02088 Ssr Administrative Funds	34,000	1.6%	54,346	2.6%	54,037	2.6%
02989 69010-Hospital Utilization Fee	-	-	-	-	-	-
06000 Total Proprietary Funds	50,567	2.4%	43,185	2.0%	43,215	2.0%
06005 Liquor Division	50,567	2.4%	43,185	2.0%	43,215	2.0%
Grand Total	<u>\$ 2,118,046</u>	<u>100.0%</u>	<u>\$ 2,106,921</u>	<u>100.0%</u>	<u>\$ 2,108,438</u>	<u>100.0%</u>

The Citizens Services and Resource Management Division is funded primarily by the general fund, with small amounts of state special revenue and proprietary funds. The proprietary funding is from a direct appropriation of Liquor Control Division proprietary funds and is for the Liquor Division share of this program’s support costs. The allocation is a percentage of the program’s budget. Liquor Control Division proprietary funds are an indirect use of general fund since net liquor revenues are deposited in the general fund after operating costs are deducted. State special revenue funds the division’s administration of the one-stop business licensing program, and for support of the unclaimed property program.

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 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	1,919,257	1,919,257	3,838,514	102.25%	2,118,046	2,118,046	4,236,092	100.49%
Statewide PL Adjustments	1,861	3,765	5,626	0.15%	41,171	42,688	83,859	1.99%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	(45,060)	(45,060)	(90,120)	(2.40%)	(52,296)	(52,296)	(104,592)	(2.48%)
Total Budget	\$1,876,058	\$1,877,962	\$3,754,020		\$2,106,921	\$2,108,438	\$4,215,359	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the adjusted base budget adopted by the legislature. “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 2012-----				-----Fiscal 2013-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					115,241					114,830
Vacancy Savings					(63,643)					(63,627)
Fixed Costs					(10,427)					(8,515)
Total Statewide Present Law Adjustments		\$1,861	\$46,692	\$0	\$41,171*		\$3,765	\$46,275	\$0	\$42,688*
Grand Total All Present Law Adjustments	0.00	\$1,861	\$46,692	\$0	\$41,171*	0.00	\$3,765	\$46,275	\$0	\$42,688*

* "Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

New Proposals

New Proposals	Program	FTE	-----Fiscal 2012-----			-----Fiscal 2013-----					
			General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 595 - Unspecified Budget Restoration	05	0.00	51,897	0	0	51,897	0.00	51,897	0	0	51,897
DP 55140 - Sustainable Reductions from 17-7-140, MCA	05	0.00	(398)	0	0	(398)	0.00	(398)	0	0	(398)
DP 95105 - 5% Plan - Prorated Reduction	05	0.00	(96,559)	(7,236)	0	(103,795)	0.00	(96,559)	(7,236)	0	(103,795)
Total		0.00	(\$45,060)	(\$7,236)	\$0	(\$52,296)	0.00	(\$45,060)	(\$7,236)	\$0	(\$52,296)

DP 595 - Unspecified Budget Restoration - The legislature partially restored the general fund reduction in DP 95105 for unspecified purposes.

DP 55140 - Sustainable Reductions from 17-7-140, MCA - The legislature reduced funding for items included in the Governor's 17-7-140, MCA, reductions that were of an on-going nature, but which were not implemented until FY 2011.

DP 95105 - 5% Plan - Prorated Reduction - The legislature approved an unspecified reduction for the program. The agency included this unspecified reduction in the statutorily required plan to reduce base expenditures of general fund and certain state special revenue funds by 5%. The reduction was partially restored in DP 595 and results in an overall reduction of 2.3%.

Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	156.95	156.95	158.95	158.95	156.95	158.95	2.00	1.27%
Personal Services	8,593,301	9,311,179	9,220,381	9,221,514	17,904,480	18,441,895	537,415	3.00%
Operating Expenses	1,944,528	1,946,482	1,731,325	1,743,495	3,891,010	3,474,820	(416,190)	(10.70%)
Equipment & Intangible Assets	52,799	0	0	0	52,799	0	(52,799)	(100.00%)
Total Costs	\$10,590,628	\$11,257,661	\$10,951,706	\$10,965,009	\$21,848,289	\$21,916,715	\$68,426	0.31%
General Fund	10,028,704	10,688,922	10,025,706	10,036,820	20,717,626	20,062,526	(655,100)	(3.16%)
State Special	357,982	362,292	656,790	657,971	720,274	1,314,761	594,487	82.54%
Federal Special	203,942	206,447	269,210	270,218	410,389	539,428	129,039	31.44%
Total Funds	\$10,590,628	\$11,257,661	\$10,951,706	\$10,965,009	\$21,848,289	\$21,916,715	\$68,426	0.31%

Program Description

The Business and Income Taxes Division administers and collects 38 Montana taxes and fees including but not limited to corporation license, natural resource, withholding, individual income, lodging facilities, cigarette and tobacco products, contractor's gross receipts, and telecommunications taxes. The division values all industrial and centrally assessed property in the state. The division also operates the Collection Services Program, which is funded with proprietary funds.

Program Highlights

Business and Income Taxes Division Major Budget Highlights	
<ul style="list-style-type: none"> ◆ General fund is \$655,000, or 3.2%, lower than the 2011 biennium due primarily to the following offsetting adjustments: <ul style="list-style-type: none"> • An increase for statewide present law adjustments • A reduction in the number of vehicles leased from the State Motor Pool • A reduction associated with installing video conferencing equipment in the base, the costs for which are not ongoing • A reduction to continue into the 2013 biennium ongoing Governor's reductions of 17-7-140, MCA, that were implement in FY 2011 • An unspecified 2.4% reduction ◆ State special revenue is \$595,000, or 82.5% higher than the 2011 biennium due primarily to: <ul style="list-style-type: none"> • Funding to add 2.00 FTE with abandoned property state special revenue to address workload impacts • Funding to provide tobacco tax compliance work with tobacco settlement state special revenue ◆ Federal special revenue is \$129,000, or 31.4% higher than the 2011 biennium due to funding to increase federal mineral royalty audit activities to the level of the most current federal mineral royalty audit agreement ◆ FTE increases by 2.00 FTE for the reason highlighted above 	

Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000 Total General Fund	\$ 10,028,704	94.7%	\$ 10,025,706	91.5%	\$ 10,036,820	91.5%
01100 General Fund	10,028,704	94.7%	10,025,706	91.5%	10,036,820	91.5%
02000 Total State Special Funds	357,982	3.4%	656,790	6.0%	657,971	6.0%
02025 Unclaimed Property	201,911	1.9%	325,010	3.0%	325,816	3.0%
02110 Accommodation Tax Admin	131,094	1.2%	135,694	1.2%	136,491	1.2%
02790 6901-Statewide Tobacco Sttlmnt	24,977	0.2%	196,086	1.8%	195,664	1.8%
03000 Total Federal Special Funds	203,942	1.9%	269,210	2.5%	270,218	2.5%
03928 Royalty Audit - Nrct	203,942	1.9%	269,210	2.5%	270,218	2.5%
Grand Total	<u>\$ 10,590,628</u>	<u>100.0%</u>	<u>\$ 10,951,706</u>	<u>100.0%</u>	<u>\$ 10,965,009</u>	<u>100.0%</u>

The Business and Income Taxes Division is primarily funded with general fund and some state special revenue, federal special revenue, and proprietary funds. State special revenue comes from the accommodations tax and funds expenses for administering the tax. Federal special revenue comes from reimbursements for performing mineral royalty audits. The finances of the Collections Services Program are not shown in the HB 2 tables because it is funded with proprietary funds. The Collections Services Program is discussed in the Proprietary Rates section that follows the HB 2 discussion.

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 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	10,028,704	10,028,704	20,057,408	99.97%	10,590,628	10,590,628	21,181,256	96.64%
Statewide PL Adjustments	366,537	377,328	743,865	3.71%	399,318	412,015	811,333	3.70%
Other PL Adjustments	(57,859)	(57,859)	(115,718)	(0.58%)	8,161	8,161	16,322	0.07%
New Proposals	(311,676)	(311,353)	(623,029)	(3.11%)	(46,401)	(45,795)	(92,196)	(0.42%)
Total Budget	\$10,025,706	\$10,036,820	\$20,062,526		\$10,951,706	\$10,965,009	\$21,916,715	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted by the legislature. "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 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					807,687					809,231
Vacancy Savings					(376,035)					(376,103)
Inflation/Deflation					(13,524)					(13,330)
Fixed Costs					(18,810)					(7,783)
Total Statewide Present Law Adjustments		\$366,537	\$33,533	(\$752)	\$399,318		\$377,328	\$34,431	\$256	\$412,015
DP 703 - Vehicle Reduction	0.00	(5,060)	0	0	(5,060)	0.00	(5,060)	0	0	(5,060)
DP 704 - Additional Federal Royalty Audit Authority	0.00	0	0	66,020	66,020	0.00	0	0	66,020	66,020
DP 709 - Reduce Base Budget	0.00	(52,799)	0	0	(52,799)	0.00	(52,799)	0	0	(52,799)
Total Other Present Law Adjustments	0.00	(\$57,859)	\$0	\$66,020	\$8,161	0.00	(\$57,859)	\$0	\$66,020	\$8,161
Grand Total All Present Law Adjustments	0.00	\$308,678	\$33,533	\$65,268	\$407,479	0.00	\$319,469	\$34,431	\$66,276	\$420,176

DP 703 - Vehicle Reduction - The legislature reduced funding associated with the agency leasing one fewer vehicle from the State Motor Pool.

DP 704 - Additional Federal Royalty Audit Authority - The legislature approved an increase in federal funding to adjust funding to the level authorized in an agreement with the federal government for state participation in the federal mineral royalty auditing program. The current agreement amount is \$353,253 per year.

DP 709 - Reduce Base Budget - The legislature reduced funding for costs associated with the 2011 biennium installation of video conferencing equipment, as these costs are not on-going in nature.

New Proposals

New Proposals	-----Fiscal 2012-----					-----Fiscal 2013-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 706 - Modified FTE into Permanent - Abandoned Property	07	2.00	0	112,066	0	112,066	2.00	0	112,771	0	112,771
DP 707 - Modified FTE into Permanent-Tobacco Tax Revenues	07	0.00	0	171,109	0	171,109	0.00	0	170,687	0	170,687
DP 750 - Unspecified Budget Restoration	07	0.00	250,348	0	0	250,348	0.00	250,348	0	0	250,348
DP 55140 - Sustainable Reductions from 17-7-140, MCA	07	0.00	(2,411)	0	0	(2,411)	0.00	(2,411)	0	0	(2,411)
DP 95107 - 5% Plan - Prorated Reduction	07	0.00	(482,795)	(17,900)	0	(500,695)	0.00	(482,795)	(17,900)	0	(500,695)
DP 97100 - Reduction in Worker's Compensation Costs	07	0.00	(76,818)	0	0	(76,818)	0.00	(76,495)	0	0	(76,495)
Total		2.00	(\$311,676)	\$265,275	\$0	(\$46,401)	2.00	(\$311,353)	\$265,558	\$0	(\$45,795)

DP 706 - Modified FTE into Permanent - Abandoned Property - The legislature approved state special revenue funding for 2.00 FTE to address workload issues in the abandoned property program. The funding was designated as one time only.

DP 707 - Modified FTE into Permanent-Tobacco Tax Revenues - The legislature approved state special revenue funds from the state tobacco settlement to fund tobacco tax compliance activities.

DP 750 - Unspecified Budget Restoration - The legislature partially restored general fund reduced in DP 95107 for unspecified purposes.

DP 55140 - Sustainable Reductions from 17-7-140, MCA - The legislature reduced funding for items included in the Governor's 17-7-140, MCA, reductions that were of an on-going nature, but which were not implemented until FY 2011.

DP 95107 - 5% Plan - Prorated Reduction - The legislature approved an unspecified reduction for the program. The agency included this unspecified reduction in the statutorily required plan to reduce base expenditures of general fund and certain state special revenue funds by 5%. A portion of this reduction was restored in DP 750 above, resulting in an overall reduction of 2.4%.

DP 97100 - Reduction in Worker's Compensation Costs - The legislature reduced general fund support for worker's compensation costs based upon the anticipated impact of HB 334. The agency may allocate this reduction in funding among programs.

Proprietary Rates

Proprietary Program Description

The Collection Services Program collects, on behalf of state agencies, debt associated with delinquent accounts. The program serves all state agencies and is funded through a service charge for collecting on delinquent accounts.

Proprietary Revenues and Expenses

The major expenses of the program for the two years of the 2013 biennium are budgeted to be for:

- Personal services for 3.50 FTE, \$298,100 or 83.5% of total biennium funding
- Operating costs, \$58,890 with 81.5% of these costs due to:
 - Fixed cost items (rent, insurance, SABHRS fees, etc.), \$33,668
 - Postage and mailing costs, \$14,354

The program revenues are generated from a fixed percentage collection commission based on the amount of bad debt funds the program is able to recover. The exception is that general fund pays the collection charge for child support payment collections.

Proprietary Rate Explanation

For the 2013 biennium the legislature approved a maximum delinquent account collection fee of 5% of amounts collected, with an exemption from the rate for collections of overpaid child support payments made to custodial parents or collection of delinquent child support payments from noncustodial parents.

The rates approved by the legislature are the maximum the program may charge during the biennium, they are not the rates the program must charge.

Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	306.35	306.35	307.35	307.35	306.35	307.35	1.00	0.33%
Personal Services	15,341,621	15,647,483	15,893,205	15,897,286	30,989,104	31,790,491	801,387	2.59%
Operating Expenses	4,220,215	4,404,054	3,435,714	3,451,629	8,624,269	6,887,343	(1,736,926)	(20.14%)
Equipment & Intangible Assets	66,158	8,720	66,158	66,158	74,878	132,316	57,438	76.71%
Total Costs	\$19,627,994	\$20,060,257	\$19,395,077	\$19,415,073	\$39,688,251	\$38,810,150	(\$878,101)	(2.21%)
General Fund	19,611,082	19,995,787	19,326,056	19,351,045	39,606,869	38,677,101	(929,768)	(2.35%)
State Special	16,912	64,470	69,021	64,028	81,382	133,049	51,667	63.49%
Total Funds	\$19,627,994	\$20,060,257	\$19,395,077	\$19,415,073	\$39,688,251	\$38,810,150	(\$878,101)	(2.21%)

Program Description

The Property Assessment Division values all residential, commercial, agricultural, forestland, and business equipment property in Montana for property tax purposes. The division is comprised of a central office located in Helena and six regions. There is a local Department of Revenue office in each of the county seats within the regional areas.

Program Highlights

Property Assessment Division	
Major Budget Highlights	
◆	General fund is \$930,000, or 2.4%, lower than the 2011 biennium
◆	General fund increases are for: <ul style="list-style-type: none"> • Statewide present law adjustments • Funding to add 1.00 FTE for a county assessor in Granite County
◆	General fund reductions are to: <ul style="list-style-type: none"> • Extend the ongoing portion of Governor's 17-7-140 FY 2011 reductions into the 2013 biennium • Lease four fewer vehicles from the State Motor Pool • Implement an unspecified 2.5% reduction
◆	State special revenue is nearly \$52,000, or 63.5%, higher than the 2011 biennium due largely to funding administration of hail insurance premiums and livestock per capita fees out of these fees instead of general fund

Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding	Base	% of Base	Budget	% of Budget	Budget	% of Budget
	FY 2010	FY 2010	FY 2012	FY 2012	FY 2013	FY 2013
01000 Total General Fund	\$ 19,611,082	99.9%	\$ 19,326,056	99.6%	\$ 19,351,045	99.7%
01100 General Fund	19,611,082	99.9%	19,326,056	99.6%	19,351,045	99.7%
02000 Total State Special Funds	16,912	0.1%	69,021	0.4%	64,028	0.3%
02088 Ssr Administrative Funds	-	-	53,252	0.3%	48,259	0.2%
02320 Property Value. Improv. Fund	16,912	0.1%	15,769	0.1%	15,769	0.1%
Grand Total	<u>\$ 19,627,994</u>	<u>100.0%</u>	<u>\$ 19,395,077</u>	<u>100.0%</u>	<u>\$ 19,415,073</u>	<u>100.0%</u>

Funding for the Property Assessment Division is from general fund and state special revenue in the percentages shown in the above figure. State special revenue is from the property valuation improvement fund and is used for increasing the efficiency of the property appraisal, assessment, and taxation process through improvements in technology and administration. Revenue deposited to the fund is from a fee received as reimbursement for the cost of developing and maintaining the property valuation and assessment system database. The fee is charged to persons, federal agencies, state agencies, and other entities requesting the database or any part of the database from any department property valuation and assessment system. The fee may not be charged to the Office of Budget and Program Planning, the State Tax Appeal Board, or any legislative agency or committee. Beginning in the 2013 biennium state special revenue also funds administration of hail insurance premiums and livestock per capita fees from an administrative allocation of these two fees.

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 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	19,611,082	19,611,082	39,222,164	101.41%	19,627,994	19,627,994	39,255,988	101.15%
Statewide PL Adjustments	218,156	243,256	461,412	1.19%	218,156	243,256	461,412	1.19%
Other PL Adjustments	(21,685)	(21,685)	(43,370)	(0.11%)	31,567	26,574	58,141	0.15%
New Proposals	(481,497)	(481,608)	(963,105)	(2.49%)	(482,640)	(482,751)	(965,391)	(2.49%)
Total Budget	\$19,326,056	\$19,351,045	\$38,677,101		\$19,395,077	\$19,415,073	\$38,810,150	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted by the legislature. "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 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					1,120,956					1,125,418
Vacancy Savings					(658,505)					(658,682)
Inflation/Deflation					(166,035)					(163,624)
Fixed Costs					(78,260)					(59,856)
Total Statewide Present Law Adjustments		\$218,156	\$0	\$0	\$218,156		\$243,256	\$0	\$0	\$243,256
DP 803 - Vehicle Reduction	0.00	(21,685)	0	0	(21,685)	0.00	(21,685)	0	0	(21,685)
DP 804 - Increase in Spending Authority - Hail & Livestock	0.00	0	53,252	0	53,252	0.00	0	48,259	0	48,259
Total Other Present Law Adjustments	0.00	(\$21,685)	\$53,252	\$0	\$31,567	0.00	(\$21,685)	\$48,259	\$0	\$26,574
Grand Total All Present Law Adjustments	0.00	\$196,471	\$53,252	\$0	\$249,723	0.00	\$221,571	\$48,259	\$0	\$269,830

DP 803 - Vehicle Reduction - The legislature reduced funding associated with the agency leasing four fewer vehicles from the State Motor Pool.

DP 804 - Increase in Spending Authority - Hail & Livestock - The legislature approved an increase of state special revenue to fund the agency's collection and distribution activities in support of hail insurance premiums and livestock per capita fees.

New Proposals

New Proposals	-----Fiscal 2012-----					-----Fiscal 2013-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 805 - Modified FTE into Permanent - Co. Assessor	08	1.00	48,477	0	0	48,477	1.00	48,366	0	0	48,366
DP 850 - Unspecified Budget Restoration	08	0.00	483,366	0	0	483,366	0.00	483,366	0	0	483,366
DP 55140 - Sustainable Reductions from 17-7-140, MCA	08	0.00	(47,750)	0	0	(47,750)	0.00	(47,750)	0	0	(47,750)
DP 95108 - 5% Plan - Prorated Reduction	08	0.00	(965,590)	(1,143)	0	(966,733)	0.00	(965,590)	(1,143)	0	(966,733)
Total		1.00	(\$481,497)	(\$1,143)	\$0	(\$482,640)	1.00	(\$481,608)	(\$1,143)	\$0	(\$482,751)

DP 805 - Modified FTE into Permanent - Co. Assessor - The legislature approved a general fund increase to fund the addition of 1.00 FTE to serve as the county assessor in Granite County.

DP 850 - Unspecified Budget Restoration - The legislature partially restored general fund reductions in DP 95108 for unspecified purposes.

DP 55140 - Sustainable Reductions from 17-7-140, MCA - The legislature reduced funding for items included in the Governor's 17-7-140, MCA, reductions that were of an on-going nature, but which were not implemented until FY 2011.

DP 95108 - 5% Plan - Prorated Reduction - The legislature approved an unspecified reduction for the program. The agency included this unspecified reduction in the statutorily required plan to reduce base expenditures of general fund and certain state special revenue funds by 5%. These funds were partially restored in DP 850, resulting in an overall reduction of 2.5%.