



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

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Director
AMY CARLSON

DATE: March 8, 2012

TO: Legislative Finance Committee

FROM: Rob Miller, Fiscal Analyst

RE: Agency Appropriations Transfer Requests (Supplemental) for the Board of Public Education

In accordance with 17-7-301 MCA, the Governor has submitted a potential transfer of appropriations (supplemental appropriations) from FY 2013 to FY 2012 to the Legislative Fiscal Division (LFD) regarding the Board of Public Education (BPE). It is the role of the LFD to analyze the proposal and forward to the Legislative Finance Committee (LFC) for comment. It is the obligation of the LFC to report to the Governor whether, in the committee's view, the requests meet the statutory criteria and to raise any necessary compliance issues. If the LFC does not provide a report, the Governor (or other approving authority) can authorize the transfer 90 days after the date the request was forwarded to the committee. The LFC does not approve or deny the requests.

Statute requires two things before a request to move authority from the second year of the biennium to the first year can be made:

- 1) Expenditures must be for an "unforeseen and unanticipated emergency" that causes the appropriation for the year to be insufficient for the operation and maintenance of the agency in that year; and
- 2) The requesting agency must present a plan for reducing expenditures in the second year of the biennium that "allows the agency to contain expenditures within appropriations." Several exceptions to this requirement exist, including an unforeseen and unanticipated emergency for fire suppression.

PROPOSAL FORWARDED TO THE LFC

The Governor's Office has submitted the following proposed appropriations transfer to be forwarded to the LFC for review and comment:

The BPE is requesting a transfer of up to \$20,000 of authority from FY 2013 to FY 2012. In September of 2011 three employees unexpectedly retired. The retirement payout (\$129,000) for

these employees represented one third of the FY 2012 authorization (\$404,000). To offset this unexpected expense BPE has taken the following measures:

- Left two positions open
- Replaced some board meetings with conference calls
- Eliminated one phone line and one computer
- Eliminated out-of-state travel and has limited in-state travel

These cost saving initiatives have saved, primarily through personal services, about \$10,000 per month compared to the original budget for FY 2012. To offset the transfer in FY 2013 BPE plans to continue its operations with two open positions using the vacancy savings to offset the transfer.

LFD PRELIMINARY ISSUES

Pursuant to 17-7-311 MCA the LFD has completed a review of the proposed supplemental and has found no issues.