



# MONTANA LEGISLATIVE BRANCH

## Legislative Fiscal Division

Room 110 Capitol Building \* P.O. Box 201711 \* Helena, MT 59620-1711 \* (406) 444-2986 \* FAX (406) 444-3036

**Director**  
AMY CARLSON

DATE: December 5, 2013  
TO: Legislative Finance Committee  
FROM: Taryn Purdy  
RE: Required Reports

The purpose of this memo is to provide a quick overview of some of the information in the required reports, including:

- o Issues identified by staff
- o Concerns identified by staff (such as a significant change in the use of an appropriation)
- o Other highlights, such as an area of legislative discussion, particular concern of one or more Legislative Finance Committee (LFC) members during the session, etc.)

Several required reports are separate LFC agenda items, including:

- o Exceptions to information technology (IT) policy (December 9)
- o The annual budget of the Montana State Fund (December 10)
- o The Medicaid cost estimate and budget status report (December 9)
- o The annual actuarial evaluation reports for both PERS and TRS (December 10)

Because these items are separate agenda items with accompanying reports, they are not addressed in this report.

## **OPERATING PLANS AND PROGRAM TRANSFERS**

The Governor's Office submitted two program transfers and three operating plan changes for committee review prior to approval. The executive already approved one house adjustment. Staff didn't note any legal issues. A listing is attached.

## **BUDGET AMENDMENTS**

As of December 5, 2013 the Legislative Finance Division (LFD) received notification of 56 budget amendments certified by the Governor since the September 2013 LFC meeting totaling \$19.8 million. The report by Christina Butler with the full listing is included in this section.

**OFFICE OF THE GOVERNOR  
BUDGET AND PROGRAM PLANNING  
STATE OF MONTANA**

STEVE BULLOCK  
GOVERNOR



PO Box 200802  
HELENA, MONTANA 59620-0802

**To:** Amy Carlson, Legislative Fiscal Analyst  
Legislative Fiscal Division

**From:** Dan Villa, Budget Director *D Villa*  
Office of Budget & Program Planning

**Date:** December 4<sup>th</sup>, 2013

**Subject:** **LFC Review & Comment on Operating Budget Changes and Program Transfers**

In accordance with 17-7-138 and -139, MCA, the Governor's Office of Budget and Program Planning is submitting two program transfers and three operational plan changes that exceed \$75,000 and 25% of a budget category or \$1 million for review and comment at the December Legislative Finance Committee meeting. In addition, this office has processed one house adjustment that also exceeded \$75,000 and 25% of a budget category or \$1 million as time sensitive.

We have reviewed the requests and find them to be in compliance with state and federal laws and policies. Your staff has also reviewed these documents and has no issues with these transactions. Please let us know if you have questions or wish additional information.

CC: Taryn Purdy  
Scott Sim  
Staci Litschauer  
Frieda Houser  
Rhonda Schaffer

<b>Budget Change Documents that Trigger</b>				
<b>Information submitted for the December 2013 LFC meeting</b>				
<b>Agency #</b>	<b>Agency Name</b>	<b>Doc #</b>	<b>Brief Explanation</b>	<b>Fiscal Year</b>
<b>Documents Being Held for Comment</b>				
34010	State Auditor's Office	130 OP005	Move OTO budget from 62000 to 63000 to mach where expenses will be recorded due to asset management. (\$150,000)	2014
51020	Commissioner of Higher Education	OP023	move account code to correct code for campus distributions (68XXX for MUS, 65XXX for Community Colleges). Taking \$1mil from Grants and move to Transfers (\$955,000) and Local Assistance (\$45,000).	2014
69010	Public Health & Human Services	PT221	This is a program transfer of personal services authority to program 04, the Director's Office, to fund the agency's termination payouts. Under federal regulations, DPHHS must charge termination payouts through the agency-wide cost allocation plan. This is accomplished by charging the expenditures to the Human Resources Office, which is located in the Director's Office. Personal services costs are originally budgeted in the division that the position is assigned to. Part of the personal service budget is now being moved to Human Resource Office, where the termination payout expenditures will be charged. (\$1,926,127)	2014
34010	State Auditor's Office	PT003	Move FTE and related budget between programs 1,3 and 4. Function of budget programs are not changing. For budgeting this biennium and future biennia, the agency is moving authority around in the programs to better match the functions of the programs. Since this was not completed in FY12 (base year), they want to ensure that it is done in this biennium's base year for better alignment of the budget. (\$397,118/yr1 and \$391,128/yr2)	2014/2015
64010	Dept of Corrections	700 OP496	In order to transfer canteen profits to the inmate welfare fund, a transfer account needs to be established. This is not a change in scope but a change in accounting procedure. (\$200,000/year)	2014/2015
<b>Documents Processed as Time-Sensitive</b>				
69010	Public Health & Human Services	875 HA228	Operating plan change in PHSD to establish the account level for transfers between state agencies in order to conform with Department of Administration's Policies 320 and 345. (\$290,000/yr1 and \$300,000/yr2)	2014/2015