



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

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Director
AMY CARLSON

DATE: September 28, 2011

TO: Legislative Finance Committee

FROM: Kris Wilkinson

RE: Budget Amendments

BUDGET AMENDMENT ACTIVITY

As of September 27, 2011, the Legislative Finance Division received notification of 40 budget amendments certified by the Governor since the June 2011 Legislative Finance Committee meeting. These amendments increase total funds by \$1.8 million in FY 2011 and \$16.9 million in FY 2012. An additional .01 FTE in FY 2011, 12.23 FTE in FY 2012, and 5.92 FTE in FY 2013 have also been added. Nine amendments transfer existing authority between expenditure categories or between organizational units and nine extend previously approved amendment authority. Figure 1 summarizes the budget amendments certified by the Governor from the June 2011 meeting through September 16, 2011.

Budget Amendment Summary (since last LFC meeting)			
Component	FY 2011	FY 2012	FY 2013
Number of Amendments	6	34	0
FTE Added	0.01	12.23	5.92
State Special	\$0	\$0	\$0
Federal Revenue	1,776,412	16,865,203	0
Proprietary	60,000	25,000	0
Total Revenue	<u>\$1,836,412</u>	<u>\$16,890,203</u>	<u>\$0</u>

Each amendment, along with a brief explanation, is summarized in the attached table. Staff has reviewed the amendments and has raised no concerns with any amendment meeting statutory criteria.

Figure 2 summarizes the budget amendments that have been certified so far for the 2013 biennium. The various approving authorities have

added a total of \$16.9 million in the 2013 biennium.

Budget Amendment Cumulative Summary 2013 Biennia				
LFC Meeting	Number of Amendments	FY 2012	FY 2013	Biennium Total
September 29, 2011	40	\$16,890,203	\$0	\$16,890,203
December 8, 2011	0	0	0	0
March 8, 2012	0	0	0	0
June 7, 2012	0	0	0	0
September 2012 (Date not specified)	0	0	0	0
November 2012 (Date not specified)	0	0	0	0
June 2013 (Date not specified)	0	0	0	0
Total	<u>40</u>	<u>\$16,890,203</u>	<u>\$0</u>	<u>\$16,890,203</u>

Detailed Budget Amendment Report

LFC Meeting: September 2011				Amount FY11	Amount FY12	Amount FY13	FTE FY11	FTE FY12	FTE FY13	
BA #:	716.2	Agency/Program:	Administration - Information Technology Services Division							
	Funding	Federal	Concerns:	<input type="checkbox"/>	Analyst:	Kris Wilkinson				
Purpose:	This budget amendment is an operational plan change for federal funding included in a previous amendment. The Enhanced 9-1-1 Act of 2004 grant included authority for \$500,000 in operation costs which has not been expended. This budget amendment increases authority for grants by \$400,000 and decreases operation costs by an equal amount.				0	0	0	0.00	0.00	0.00
BA #:	32B.03	Agency/Program:	Commerce - Business Resources Division							
	Funding	Federal	Concerns:	<input type="checkbox"/>	Analyst:	Kris Wilkinson				
Purpose:	No cost extension of the SBA FAST grant. The amendment extends the use of \$46,363 in federal funds including \$30,000 in personal services and associated personal servcies and \$16,363 in operating expenses. The funds provide for individualized technology business consulting services to firms throughout the state.				0	0	0	0.00	0.75	0.25
BA #:	15.03	Agency/Program:	Commerce - Energy Promotion & Development							
	Funding	Federal	Concerns:	<input type="checkbox"/>	Analyst:	Kris Wilkinson				
Purpose:	This budget amendment is an operational plan change for the Wind Powering America federal grant program approved in FY 2010. The budget amendment increases authority for operational costs by \$9,600 and decreases personal services by an equal amount.				0	0	0	0.00	0.00	0.00
BA #:	065	Agency/Program:	Commerce - Housing Division							
	Funding	Federal	Concerns:	<input type="checkbox"/>	Analyst:	Kris Wilkinson				
Purpose:	Increase federal appropriation authority for the Emergency Homeowners Loan Program, funding will be used to provide outreach and couesling services for homeowners qualifying for the program. The amendment increases operational costs by \$124,453 in FY 2012				0	124,453	0	0.00	0.00	0.00
BA #:	020.04	Agency/Program:	Commerce - Housing Division							
	Funding	Federal	Concerns:	<input type="checkbox"/>	Analyst:	Kris Wilkinson				
Purpose:	This budget amendment is another operational plan change for the federal Shelter Plus Care grant awarded in FY 2006. This amendment increases operational costs by \$1,800 and decreases benefits and claims by an equal amount.				0	0	0	0.00	0.00	0.00
BA #:	020.3	Agency/Program:	Commerce - Housing Division							
	Funding	Federal	Concerns:	<input type="checkbox"/>	Analyst:	Kris Wilkinson				
Purpose:	The budget amendment is an operational plan change for the Shelter Plus Care federal grant received in FY 2006. The amendment increases authority for benefits and claims by \$16,920 and decreases operational costs by an equal amount				0	0	0	0.00	0.00	0.00
BA #:	475	Agency/Program:	Corrections- Montana Correctional Enterprise							
	Funding	Proprietary	Concerns:	<input type="checkbox"/>	Analyst:	Greg DeWitt				
Purpose:	Increased authority in the vocational education program due to increasing costs for parts to repair vehicles.				60,000			0.00		

LFC Meeting: September 2011			Amount FY11	Amount FY12	Amount FY13	FTE FY11	FTE FY12	FTE FY13
BA #:	261.05	Agency/Program:	DPHHS - Child and Family Services Division					
	Funding	Federal	Concerns:	<input type="checkbox"/>	Analyst:	Marilyn Daumiller		
Purpose:	The division requests authority to continue budget amendment spending for a Caseworker Visitation Grant for 2012. Federal rules require each child in out-of-home foster care is to be visited each and every calendar month the child is in care. The state must visit 90% of the children in foster care by October 1, 2011 or receive an increase in the state required match to obtain Title IV-B Subpart I monies. The match is increased 1 to 5 % based upon the amount the state falls short of the target. Federal grants support the visits. The BCD renews 2 modified FTE. The division also requests permission to move \$96,000 of the grant from the grant sub-class of 66000 to the benefits sub-class of 67000 to provide direct services.				51,208		1.50	0.50
BA #:	642.01	Agency/Program:	DPHHS - Human and Community Services					
	Funding	Federal	Concerns:	<input type="checkbox"/>	Analyst:	Marilyn Daumiller		
Purpose:	The Human and Community Services Division requests authority to administer the second year of the Pregnant and Parenting Teens grant. The grant provides assistance and support for pregnant and parenting college students and teens and provides services for pregnant women who are victims of domestic violence, sexual violence, and stalking.				1,000,000		0.75	0.25
BA #:	011	Agency/Program:	Governor's Office - Executive Office					
	Funding	Federal	Concerns:	<input type="checkbox"/>	Analyst:	Cathy Duncan		
Purpose:	On July 18, 2011, the Governor's Office of Economic Development (GOED) received a funding allocation from the United States Dept of the Treasury, under the State Small Business Credit Initiative Act of 2010 (SSBCI), in the amount of \$13,168,350. The purpose of the allocation is to assist the state of Montana in increasing the amount of capital made available by private lenders to small business through the Montana SSBCI Loan Participation Program. The state will use the entirety of its Allocated Funds to support the new Montana SSBCI Loan Participation Program (MTSSBCI). GOED will administer the program but there will be substantial participation by the Dept. of Commerce. The Allocation Agreement commenced on July 18, 2011 and terminates on March 31, 2017. Disbursements of funds are to be made in one-third installments which flow through GOED to the Dept of Commerce; and then onto sub-awardees. The first disbursement will be made promptly after the execution of the Allocation Agreement and each successive one-third of the Allocation Funds after the State certifies to Treasury that it has expended, transferred, or obligated 80% of the last transferred one-third of federal contributions to the approved State program. The Allocation Agreement provides for the participating state to use up to 5% of the initial one-third disbursement for direct and indirect administrative costs; and 3% of each of the two remaining disbursements for these administrative costs.				13,168,350		0.00	
BA #:	55.04	Agency/Program:	Historical Society - Research Center					
	Funding	Federal	Concerns:	<input type="checkbox"/>	Analyst:	Kris Wilkinson		
Purpose:	Increase federal appropriation authority for a newspaper digitization project and to provide for a no cost extension for the cooperative agreement with the National Edowment for the Humanities "We the People" project. 1.75 FTE, \$175,000 in personal service costs and \$115,000 in operating costs are included in the amendment.				0	290,000	0.00	1.46 1.75
BA #:	076	Agency/Program:	Historical Society - Research Program					
	Funding	Federal	Concerns:	<input type="checkbox"/>	Analyst:	Pam Joehler		
Purpose:	Federal funds from the National Archives and Records Administration to make 164 historical collections from five state agencies accessible covering the environment, public health care, education, and infrastructure in Montana from 1902 to 2007				165,732		0.00	1.66 2.00

			Amount FY11	Amount FY12	Amount FY13	FTE FY11	FTE FY12	FTE FY13
BA #: 77	Agency/Program: Historical Society - Sites Preservation							
Funding Proprietary	Concerns: <input type="checkbox"/>	Analyst: Kris Wilkinson						
Purpose:	Increase proprietary authority from SHPO file search fees for .5 FTE, personal service costs of \$13,000 and operating costs of \$12,000 in FY 2012. The position will develop GIS capabilities and conduct file searches as part of work performed on the State Antiquities Database.		0	25,000	0	0.00	0.50	0.00
	LFD Comment - the source of the proprietary funding for this budget amendment are SHPO file search fees, a new proprietary fund developed in FY 2011. The 2011 Legislature approved general fund reductions for this program using the file search fees to offset the costs previously supported by general fund. It is unclear if the legislature intended for additional file search fees revenues to be used to offset general fund costs or to be used to support additional FTE and related costs.							
BA #: 58.03	Agency/Program: Historical Society - Sites Preservation							
Funding Federal	Concerns: <input type="checkbox"/>	Analyst: Pam Joehler						
Purpose:	Increased federal funding from the Bureau of Land Management to update, maintain, and edit two geographic information system databases -- the Cultural Resource Information System and the Cultural Resource Annotated Bibliography System.			54,000				
BA #: 75.01	Agency/Program: Historical Society - Sites Preservation							
Funding Federal	Concerns: <input type="checkbox"/>	Analyst: Kris Wilkinson						
Purpose:	Increased FTE by 0.5 modified position for duties associated with the National Park Service historic preservation grant. Activities under the federal grant program include preservation of Montana's cultural resource properties, historic property development acquisition, and review and compliance duties of the National Register program.		0	0	0	0.00	0.50	0.13
BA #: 075	Agency/Program: Historical Society/Historic Preservation							
Funding Federal	Concerns: <input type="checkbox"/>	Analyst: Pam Joehler						
Purpose:	This budget amendment will provide additional appropriation authority for the federal FY 2011 State Historic Preservation grant that was higher than anticipated during the state budget process.		56,000	49,305		0.00	0.00	
BA #: 111.2	Agency/Program: Judiciary - District Court Operations							
Funding Federal	Concerns: <input type="checkbox"/>	Analyst: Greg DeWitt						
Purpose:	No cost grant extension and operating plan change to an existing grant for the drug courts across the state to extend the grant through FY 2012 and move \$17,291 from personal services to operating expenses. Original authorization was to be used to provide funding for operating costs and treatment related services to ten drug courts across the state. No personal services will be used for the remaining portion of the grant term.		0	0		0.00	0.00	
BA #: 110.2	Agency/Program: Judiciary - District Court Operations							
Funding Federal	Concerns: <input type="checkbox"/>	Analyst: Greg DeWitt						
Purpose:	No cost grant extension and operating plan change to an existing grant for the 7th Judicial District adult drug court to extend the grant through FY 2012 and move \$24,432 from operating to personal services expenses (including extending the existing FTE into FY 2012). Original authorization was for startup costs to pay a full-time coordinator and operating costs.		0	0		0.00	1.00	
BA #: 053.9	Agency/Program: Judiciary - Supreme Court Operations							
Funding Federal	Concerns: <input type="checkbox"/>	Analyst: Greg DeWitt						
Purpose:	An operational plan change to an earlier approved budget amendment to provide the tools necessary to collect data for compliance and judicial analysis of cases within the court system that focus on families and children at risk. This change moves \$5,635 from operating expenses to the personal services expenditure category.		0			0.00		

				Amount FY11	Amount FY12	Amount FY13	FTE FY11	FTE FY12	FTE FY13
BA #: 052.10	Agency/Program: Judiciary - Supreme Court Operations								
Funding Federal	Concerns: <input type="checkbox"/>	Analyst: Greg DeWitt							
Purpose:	An operational plan change to an earlier approved budget amendment to provide training to various disciplines within the court system that focus on the courts' performance and role in the continuum of care provided for families and children at risk. This change moves \$19,000 from grants and \$3,000 from transfers to the operating expenses expenditure category (\$22,000).			0			0.00		
BA #: 052.9	Agency/Program: Judiciary - Supreme Court Operations								
Funding Federal	Concerns: <input type="checkbox"/>	Analyst: Greg DeWitt							
Purpose:	An operational plan change to an earlier approved budget amendment to provide training to various disciplines within the court system that focus on the courts' performance and role in the continuum of care provided for families and children at risk. This change moves \$2,100 from operating expenses to the personal services expenditure category. Additionally, a 0.01 FTE modified position is established to work on a special child abuse and neglect project.			0	0		0.01	0.02	
BA #: 189.2	Agency/Program: Justice - Division of Criminal Investigation								
Funding Federal	Concerns: <input type="checkbox"/>	Analyst: Greg DeWitt							
Purpose:	A no cost extension to August 31, 2012, for a previously approved Community Oriented Policing Services (COPS) grant to promote more expedient prosecution of non-compliant sex offenders.				0	0		2.49	0.51
BA #: 203	Agency/Program: Justice - Division of Criminal Investigation								
Funding Federal	Concerns: <input type="checkbox"/>	Analyst: Greg DeWitt							
Purpose:	U.S. Department of Justice grant to pay overtime for one named agent working on an Organized Crime Drug Enforcement Task Force (OCDETF) Investigation.				1,686			0.00	
BA #: 202	Agency/Program: Justice - Division of Criminal Investigation								
Funding Federal	Concerns: <input type="checkbox"/>	Analyst: Greg DeWitt							
Purpose:	U.S. Department of Justice grant to pay overtime for agents working on an Organized Crime Drug Enforcement Task Force (OCDETF) Investigation.				1,000			0.00	
BA #: 103.2	Agency/Program: Justice - Division of Criminal Investigation								
Funding Federal	Concerns: <input type="checkbox"/>	Analyst: Greg DeWitt							
Purpose:	Increase to an existing federal High Intensity Drug Trafficking Areas Program (HIDTA) grant to the Missouri River Drug Task Force to reimburse overtime expenses of the division.			11,866			0.00		
BA #: 104.2	Agency/Program: Justice - Highway Patrol Division								
Funding Federal	Concerns: <input type="checkbox"/>	Analyst: Greg DeWitt							
Purpose:	An increase for a grant from the Office of National Drug Control Policy for the Rocky Mountain High Intensity Drug Trafficking Areas Program. The grant will fund law enforcement officers travel, communication, and supplies with the purpose to encourage and facilitate collaboration between and among federal, state, and local law enforcement under a unified command structure to continue the response to drug trafficking and its harmful impacts.			8,546	0	0	0.00	0.00	0.00

				Amount FY11	Amount FY12	Amount FY13	FTE FY11	FTE FY12	FTE FY13
BA #: 101.01	Agency/Program: Justice - Legal Services Division								
Funding: Federal	Concerns: <input type="checkbox"/>	Analyst: Greg DeWitt							
Purpose:	A no cost amendment to a previously approved budget amendment that was approved in November 2010. This amendment adds 0.13 FTE for FY 2013. Funding is from a Community Defined Solutions Grant award from the US Department of Justice, Office of Justice Programs, Office for Civil Rights to enhance victim safety and offender accountability in cases of domestic violence, dating violence, sexual assault and stalking and is intended to encourage jurisdictions to implement pro-arrest policies as and effective intervention that is part of a coordinated community response. Through the grant, the Department of Justice is involved with training of law enforcement officers, collecting data for criminal investigation information systems, and assisting county prosecutors with domestic violence cases.					0			0.13
BA #: 208	Agency/Program: Justice - Motor Vehicle Division								
Funding: Federal	Concerns: <input type="checkbox"/>	Analyst: Greg DeWitt							
Purpose:	Federal commercial driver's license program improvement grant to enhance the electronic conviction process and citation forms. Funding is in operating expenses.					108,560		0.00	
BA #: 132.01	Agency/Program: Labor & Industry - Office of Community Services								
Funding: Federal	Concerns: <input type="checkbox"/>	Analyst: Kris Wilkinson							
Purpose:	No cost extension of the federal authority for the Colleege Access Challenge Grant. The amendment extends the use of \$242,741 in federal funds, \$2,708 in personal services, operating costs \$15,032, and \$220,000 in grants. The program assists the Workforce Services Division by assisting low-income students to obtain work experience during the college years.					0	0	0	0.00 0.00 0.00
BA #: 211	Agency/Program: Labor & Industry - Unemployment Insurance								
Funding: Federal	Concerns: <input type="checkbox"/>	Analyst: Kris Wilkinson							
Purpose:	Increase federal appropriation authority by \$776,265 in the Unemployment Insurance Program for UI Administration. The amendment increases personal services by \$715,265 and operating costs by \$61,000 in FY 2012. According to DOLI, a higher number of claims and greater complexity of claim extensions has increased the use of programmer support and resulted in a need for additional equipment and staff training on changes to administering the benefits program.					0	776,265	0	0.00 0.00 0.00
BA #: 217.01	Agency/Program: Labor & Industry - Unemployment Insurance								
Funding: Federal	Concerns: <input type="checkbox"/>	Analyst: Kris Wilkinson							
Purpose:	Further increases federal authority by \$366,919 for the FY 2011 annual funding agreement for emergency employment compensation in the Unemployment Insurance Program. The amendment increases personal services by \$337,919 to support 3.00 modified FTE and \$29,000 in operational costs. The 3.00 modified FTE were included in BA 217 in FY 2011.					0	366,919	0	0.00 0.00 0.00
BA #: 133.2	Agency/Program: Labor & Industry - Workforce Services Division								
Funding: Federal	Concerns: <input type="checkbox"/>	Analyst: Kris Wilkinson							
Purpose:	No cost extension of \$60,000 in federal authority for the Career Pathways Technical Assistance Initiative for FY 2011 and FY 2012. The funding provides funding for a career pathways team to attend two 3-day trainings to assist in the design of career pathways that meet the educational needs of the participants and local employers needing skilled workers. The program includes a partnership with community colleges, primary and secondary schools, workforce and economic development agencies, employers, labor groups, and social service providers.					0	0	0	0.00 0.00 0.00

				Amount FY11	Amount FY12	Amount FY13	FTE FY11	FTE FY12	FTE FY13
BA #:	132.01	Agency/Program:	Labor & Industry - Workforce Services Division						
	Funding	Federal	Concerns: <input type="checkbox"/> Analyst: Kris Wilkinson						
Purpose:	No cost extension for federal grant College Access Grant Program. This amendment extends the use of \$176,051 in federal funds and associated FTE including \$84,910 in personal services, \$23,401 in operating expenses, and \$67,740 in grants. The funds will assist in providing information to student and families on postsecondary education planning, benefits, opportunities, financing options and career preparation, assisting students in completing FAFSA, and engaging outreach activities for students at risk of not enrolling.			0	0	0	0.00	1.60	0.40
BA #:	102.05	Agency/Program:	Library - Statewide Library Resources						
	Funding	Federal	Concerns: <input type="checkbox"/> Analyst: Kris Wilkinson						
Purpose:	Increased federal appropriation authority for the Librarians for the 21st Century Grant and extending funding authority for remaining in 2011 biennium grants for the same purpose. Additional authority includes \$27,800 in operating costs and \$97,200 in grants to local libraries around the state.			0	125,000	0	0.00	0.00	0.00
BA #:	730	Agency/Program:	Military Affairs - DES						
	Funding	Federal	Concerns: <input type="checkbox"/> Analyst: Kris Wilkinson						
Purpose:	Increase federal appropriation authority by \$1.7 million for funding for the 2010 Emergency Operations Center Grant Program - Region 8. Funds will be used to facilitate statewide emergency management and preparedness capabilities by supporting flexible, sustainable, secure, strategically located, and fully operational emergency operation centers. This amendment increases authority for personal services by \$60,000, operational costs by \$25,000, and grants by \$1,615,000.			1,700,000	0	0	0.00	0.00	0.00
BA #:	001.12	Agency/Program:	Secretary of State - Business and Government Services						
	Funding	Federal	Concerns: <input type="checkbox"/> Analyst: Kris Wilkinson						
Purpose:	This budget amendment is an operational plan change for the Help America Vote federal grant received in FY 2003 with additional funds in FY 2004. The amendment increases authority for operational costs by \$128,530 and decreases equipment authority by an equal amount. The change is needed as capitalization thresholds were increased resulting in software costs recorded as operational costs rather than equipment costs.			0	0	0	0.00	0.00	0.00
BA #:	006	Agency/Program:	Transportation - Construction						
	Funding	Federal	Concerns: <input type="checkbox"/> Analyst: Cathy Duncan						
Purpose:	This request establishes federal budget amendment authority enabling MDT to serve as the lead state for the pooled fund study TPF-5(251) titled "Relative Operational Performance of Geosynthetics used as Subgrade Stabilization." This project is funded with 100% Federal funding through the State, Planning and Research (SP&R) program authorized by Title 23, USC and regulated under 23 CFR Part 420.				578,000			0.00	
	The main objective of this project is to determine material properties of geosynthetics that affect in-field performance of geosynthetics used for subgrade stabilization, so that DOT personnel can objectively and confidently select appropriate geosynthetics based on material properties and cost for a specific situation, while also allowing competition from different manufacturers. To accomplish this, test sections will be constructed at a controlled test site to investigate the relative benefit to an unpaved road of various geosynthetics available on the market. An artificial subgrade will be constructed to provide equivalent conditions for each test section; likewise the gravel surfacing along the entire test bed will be uniform to be able to make direct comparisons between geosynthetic products. Controlled traffic loading with frequent rut measurements will indicate performance benefits of each geosynthetic. Additionally, post-traffic examination will provide invaluable information regarding the performance and installation survivability of the geosynthetics. Further analysis will be conducted to illustrate cost savings by optimizing material properties that most influence the design and performance of these materials, thereby increasing the Department's knowledge base, confidence and efficiency as it seeks to update its specifications.								

LFC Meeting: September 2011

LFC Meeting: September 2011				Amount FY11	Amount FY12	Amount FY13	FTE FY11	FTE FY12	FTE FY13	
BA #:	013.01	Agency/Program:	Transportation - Construction							
	Funding	Federal	Concerns:	<input type="checkbox"/>	Analyst:	Cathy Duncan				
Purpose:	This budget amendment allocates existing federal budget amendment authority to include authority for personal services costs incurred for construction engineering associated with the Funds Transfer Project Agreement for Pipe Creek Road.					0		0.00		
BA #:	012.5	Agency/Program:	Transportation - General Operations							
	Funding	Federal	Concerns:	<input type="checkbox"/>	Analyst:	Cathy Duncan				
Purpose:	This BA extends authority through 9/15/2011 for sub-class 445B5.									
	Under the provisions of FHWA Order 4410.3A, the Montana Department of Transportation (MDT) has been allocated federal monies for its participation in the Clarus Regional Demonstration. The money is intended for the reimbursement of MDT personnel and travel costs associated with this project. Project developers will create and implement services that utilize weather and pavement observation data from the Clarus System. The services will be used by state departments of transportation to support system operations and management and to provide enhanced traveler information to the public.									
BA #:	11.5	Agency/Program:	Transportation - Maintenance							
	Funding	Federal	Concerns:	<input type="checkbox"/>	Analyst:	Cathy Duncan				
Purpose:	Under the provisions of FHWA Order 4410.3A, the Montana Department of Transportation (MDT) has been allocated federal monies for its participation in the Clarus Regional Demonstration. The money is intended for the reimbursement of MDT personnel and travel costs associated with this project. Project developers will create and implement services that utilize weather and pavement observation data from the Clarus System. The services will be used by State departments of transportation to support system operations and management and to provide enhanced traveler information to the public.					4,725	0	0.00	0.00	
Summary for 'LFC Meeting' = Sep 2011 (40 detail records)				Grand Total:	\$1,836,412	\$16,890,203	\$0	0.01	12.23	5.92