



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

Legislative Fiscal Analyst
CLAYTON SCHENCK

DATE: November 28, 2007

TO: Legislative Finance Committee

FROM: Taryn Purdy 

RE: Operating Plan Changes and Program Transfers

Sections 17-7-138 and 17-7-139, MCA, require that cumulative operating budget changes (in any budget category) and program transfers of \$25,000 and 25 percent or \$1,000,000 must be brought before the LFC prior to implementation, unless of a time sensitive nature. The Office of Budget and Program Planning (OBPP) has submitted 3 operating plan changes for review. The attached memorandum from OBPP explains the changes.

LFD staff has reviewed the proposed changes and does not raise any issues with either the Department of Commerce or the Department of Public Health and Human Services submissions. However, staff has significant concerns with the proposed operating plan change for the Department of Environmental Sciences as outlined in the attached memorandum.

The committee cannot approve or disapprove the proposed changes. However, before the executive can approve the transfer, the committee has the opportunity to provide feedback to the executive in whatever form it chooses, to alert the executive to any issues or other concerns.

OFFICE OF THE GOVERNOR
BUDGET AND PROGRAM PLANNING
STATE OF MONTANA



BRIAN SCHWEITZER
GOVERNOR

CAPITOL BUILDING - P.O. BOX 200802
HELENA, MONTANA 59620-0802

[Handwritten signature]
To: Clayton Schenck, Legislative Fiscal Analyst
Legislative Fiscal Division

From: David Ewer, Budget Director
Office of Budget & Program Planning

Date: November 27, 2007

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

RECEIVED

NOV 26 2007

LEGISLATIVE
FISCAL ANALYST

In accordance with 17-7-138 and -139, MCA, the Governor's Office of Budget and Program Planning is submitting three FY 2008 operating plan changes that will exceed \$25,000 and 25% of a budget category for review and comment at the December Legislative Finance Committee meeting.

- The **Department of Environmental Quality**, Remediation Division, requests to move \$500,000, in FY 2008, from Operating to Capital Outlay. This transfer facilitates the purchase of land. The defunct historic Anaconda coal mine discharges acid mine water that flows into Belt Creek. Rain & snowmelt contact sulfur from the mine and form sulfuric acid killing aquatic life. Acquiring land above the mine is key to clean up. The former McLaren mill site has metal tailings in an old creek bed. Metals leach from the tailings and contaminate the creek which flows into Yellowstone National Park. DEQ will acquire the land and dispose of tailings properly. This request moves existing authority from 62000 to 64000 so these expenditures can be coded correctly (BCD 53010 430 OP149).
- The **Department of Commerce**, Housing Division, requests to move \$164,625, in FY 2008, from Grants to Operating. The change from grant expenditures to contracted services is requested so that the accounting records properly reflect the legal commitments in place covering the HUD Counseling funds. (BCD 65010 760 OP0006).
- The **Department of Public Health and Human Services**, Senior and Long-Term Care, is requesting that \$1,500,000, in FY 2008, be transferred from Benefits and Claims to Grants. The appropriation is one-time-only in Aging Services to "be used only to expand community-based aging service." These are a 66000 Grants level expenditure. The appropriation was established under account 67000 during the turnaround process. This BCD corrects the previous allocation. (BCD 69010 895 OP046).

We have reviewed the requests and find them to be in compliance with state and federal laws and policies. The transaction documents are available for you and your staff in our guest directory. In the event additional BCDs are requested that would require review and comment at the December meeting, we will advise you immediately.

Please let us know if you have questions or wish additional information.

CC: Taryn Purdy
Bill Hoffman
Scott Sim
Dean Rude