



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 30, 2007

To: Legislative Finance Committee

From: Jon Moe
Fiscal Specialist

Subject: Required Reports for December 2007 LFC Meeting

The legislature (through statute, language in bills, or committee action) requires certain reports to be submitted to the Legislative Finance Committee (LFC) and the Legislative Fiscal Division (LFD). State agencies and other entities have been requested to provide information on various subjects of interest to facilitate the decision-making process.

The reports fit into two categories: 1) reports required to be submitted to the LFC are generally to monitor compliance or progress with legislative policy/initiatives; and 2) reports required to be submitted to the LFD are primarily to provide data relevant for staff analysis of budget issues for the next legislative session. The attached report lists the required reports identified and the occurrences of the reports received or expected to be received during the 2009 biennium. Five reports have been received since the last LFC meeting (October 2007). Two of those reports are attached under this cover for your review. The other reports are not attached, but have been provided to the committee in another way. The annual report of the Montana Comprehensive Health Association (item #15) is mailed direct to all legislators by Blue Cross/Blue Shield, the lead carrier. The IT policy exception list (item #2) is part of another LFC staff report. The Medicaid cost report (item #18) is not copied for the committee because of its size but rather is reviewed by division staff on behalf of the committee, and comments or concerns will be brought to the committee for its consideration.

Generally, this summary report on "required reports" is provided to the committee simply for information purposes. Although it is on the LFC meeting agenda, there are typically no oral reports provided unless there is an issue identified by the staff that needs to be brought to the committee's attention. If a committee member has a question, he or she can contact the indicated staff member directly or raise the question in the meeting.

If you have questions, please feel free to contact Jon Moe by e-mail at jonmoe@mt.gov or by telephone at 406-444-2986.

Required Reports List for 2008-09 Biennium

Prepared by the Legislative Fiscal Division

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2																		
1 House Bill 2	DPHHS	Semiannual	LFC	Daumiller																			
Short Description: Report summarizing direct care wage rates (Section B of HB 2, page B-11 of HB 2 version in fiscal report)																							
<table border="1"> <thead> <tr> <th>Reports Scheduled / Rec'd:</th> <th><u>During Fiscal Year</u></th> <th><u>Submitted by</u></th> <th><u>Due Date</u></th> <th><u>Recd Date</u></th> <th><u>Comment</u></th> </tr> </thead> <tbody> <tr> <td></td> <td>2008</td> <td></td> <td>2/15/2008</td> <td></td> <td>Not due yet</td> </tr> </tbody> </table>						Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>		2008		2/15/2008		Not due yet						
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	2008		2/15/2008		Not due yet																		
Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2																		
2 2-17-515	Administration	Upon Occur.	LFC	DeWitt																			
Short Description: Exceptions to information technology policy, standard, or other requirement.																							
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	2008	Administration	10/9/2007	10/9/2007	Provided at Oct 2007 LFC meeting																		
	2008	Administration	12/11/2007	11/26/2007	Provided for Dec 2007 LFC meeting in CIO report																		
Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2																		
3 2-17-522	Administration	March, Even Yr	LFC	DeWitt																			
Short Description: Updates to state strategic information technology plan. It is to be provided to the LFC at its first meeting following March 1st of even year.																							
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Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>																		
	2008		3/1/2008		Not due yet																		

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
4 17-1-505(2)	Agencies	Upon Occur.	LFD	Moe	
Short Description: Report on the identification of the use of a dedicated revenue provision that does not satisfy the criteria established in statute. The Legislative Fiscal Analyst will report these to the LFC no later than Oct. 31 of the year preceding a regular session.					
Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2008				None reported

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
5 17-1-102(4)	Administration	FY End	LFC	DeWitt	
Short Description: Reports on general fund/non-general fund encumbrances remaining at fiscal year-end. After 3 years, approved extensions must be reported.					
Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2008	Administration	9/15/2007	9/4/2007	On file - Non-GF encumbrance extensions
	2008	Administration	9/15/2007	9/4/2007	On file - GF encumbrance extensions

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
6 17-2-107(5)	CHE/Administration	Annual	LFC	Peura	DeWitt
Short Description: Loans or loan extensions authorized for two consecutive fiscal years to same accounting entity - due 9/1 of the next year.					
Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2008	CHE	9/1/2007	9/4/2007	On file
	2008	Administration	9/1/2007	9/17/2007	On file

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
7 17-2-107(6)	Commissioner Higher Ed	Annual	LFC	Peura	
Short Description: Negative cash balances for any two consecutive fiscal years - due 9/1 of the next year.					

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2008	CHE	9/1/2007	11/30/2007	None to report except MSU-N item
	2008	CHE	11/30/2007	11/20/2007	Related report - MSU-N specific

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
8 17-2-111	Administration	Feb. 1, 2008	LFC	Moe	
Short Description: Information of state special revenue accounts if requested by the LFC.					

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2008		2/1/2008		Due only if requested by LFC

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
9 17-2-304(1)	Approving Authority	Sept 15	LFC	Purdy	
Short Description: Information concerning accounts with cash balances in excess of statutory limits; certification of statutory exceptions.					

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2008	OBPP	9/15/2007	10/5/2007	On file

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
10 17-7-140(1)(b)	Agencies	Upon Occur.	LFD	Purdy	
Short Description: Analyze if GF program is mandatory and analyze the impact of the proposed reduction in spending in instances in which the Governor is proposing reductions in spending of up to 10 percent. The "trigger" for this to occur is in statute.					

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	0				No reported occurrences

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
11 17-7-140(1)(b)	Budget Director	Upon Occur.	LFD	Purdy	
Short Description: Copy of the recommendations for reductions in spending. The "trigger" for this to occur is in statute.					

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2008				No reported occurrences

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
12 17-7-304(2)	USystem (Bd of Regents)	If Requested	LFC	Peura	Duncan
Short Description: Long-term plan for major and deferred maintenance expenditures and equipment or fixed assets.					

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2008				Not requested at this time

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
13 17-8-101 (5)	OBPP	Semi-Annual	LFC	Purdy	
Short Description: Appropriations transferred from one state agency to another if original purpose is maintained.					

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2008	OBPP	9/15/2007	7/20/2007	On file
	2008		2/15/2008		Not due yet

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
14 17-8-101 (7)	Administration	Annually	LFC	DeWitt	
Short Description: Nature, status, and justification for all new accounts in the enterprise fund and the internal service fund.					

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2008	Administration	9/30/2007	9/18/2007	On file

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
15 33-22-1514(4)	Lead Carrier (BC/BS)	Semi-Annual	LFC	Wilkinson	

Short Description: Report on the operation of the Montana Comprehensive Health Association plan by selected lead carrier, which is Blue Cross/Blue Shield. (Copies are sent direct to all legislators.)

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2008	Blue Cross/Blue Shield	10/15/2007	10/9/2007	On file - FY07 annual report
	2008		4/15/2008		Not due yet - FY08 semi-annual report

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
16 39-71-2363(2c)	State Fund	October 1	LFC	Wilkinson	

Short Description: Submit for review the approved annual budget for State Fund for the succeeding fiscal year.

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2008		10/1/2007	10/1/2007	On file - copy of 2008 budget request
	2009		10/1/2008		Not due yet

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
17 50-4-805(5)(a)	DPHHS	TBD	LFC	Steinbeck	

Short Description: Interim reports on the status of the creation or expansion of community health centers and program expenditures as provided in HB 406 (2007 session)

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2008				Due dates TBD

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
18 53-6-110(4)	DPHHS	Monthly	LFC	Steinbeck	
Short Description: Monthly (11/15 - 6/15) reports containing estimates of the cost for Medicaid services and a budget status report for all department programs, and a fiscal year-end summary of Medicaid costs and department budget status report.					
Reports Scheduled / Rec'd: <u>During Fiscal Year</u> <u>Submitted by</u> <u>Due Date</u> <u>Recd Date</u> <u>Comment</u>					
2008 DPHHS 9/15/2007 9/15/2007 FYE report - provided to LFA analyst					
2008 DPHHS 11/15/2007 11/29/2007 Provided to LFA analyst					

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
19 53-6-116(5)	DPHHS	Upon Occur.	LFC	Steinbeck	
Short Description: Managed-care and capitated health care systems for medicaid recipients if developed.					
Reports Scheduled / Rec'd: <u>During Fiscal Year</u> <u>Submitted by</u> <u>Due Date</u> <u>Recd Date</u> <u>Comment</u>					
2008 No reported occurrences - none expected					

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
20 53-1-611(1)	DPHHS	Upon Occur.	LFC	Steinbeck	
Short Description: Report on proposed Medicaid block grants with respect to statutory criteria for evaluating such grants					
Reports Scheduled / Rec'd: <u>During Fiscal Year</u> <u>Submitted by</u> <u>Due Date</u> <u>Recd Date</u> <u>Comment</u>					
2008 No reported occurrences					

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
21 53-21-702(4)(d)	DPHHS	Upon Occur.	LFC	Steinbeck	
Short Description: Mental Health Oversight Advisory Council summary of each meeting and copy of any recommendations made to the department					
Reports Scheduled / Rec'd: <u>During Fiscal Year</u> <u>Submitted by</u> <u>Due Date</u> <u>Recd Date</u> <u>Comment</u>					
2008 No reported occurrence					

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
22 75-1-1101(5)	Governor	Annually by Sept 15	LFC	Smith	

Short Description: Annual financial report on the environmental contingency account, including a description of all expenditures made since the previous report (HB 116 of 2007 session effective July 1, 2007). First report would be for FY ending June 30, 2008.

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2009		9/15/2008		Report for FY 2008 not due yet

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
23 85-1-605(4)	Nat Resources & Cons	Upon Occur.	LFC	Duncan	

Short Description: Allocation of renewable resource grants and loans for emergencies.

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2008	DNRC		9/1/2007	On file

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
24 90-6-703	Commerce	Upon Occur.	LFC	Duncan	

Short Description: Report on emergency grants awarded from an appropriation from the treasure state endowment special revenue account for emergency grants.

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2008	Commerce		9/19/2007	On file
	2008	Commerce		11/29/2007	On file



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Legislative Fiscal Analyst
CLAYTON SCHENCK

DATE: November 20, 2007

TO: Legislative Finance Committee

FROM: Alan Peura, Fiscal Analyst II

RE: Negative Fund Balance Report for MSU-Northern Campus

At the October meeting the Legislative Finance Committee (LFC) was made aware of a negative fund balance in the general fund at MSU – Northern in Havre. At that time, the committee learned that the Board of Regents had requested that MSU – Northern submit a detailed operational plan to address this negative fund balance as well as other fiscal difficulties that the campus is confronting. The following is a brief review of the key components of that operational plan:

Student Enrollment Data Trends:

- Original FY 2008 campus budget projected a student enrollment decrease of 55.0 FTE
- Actual fall enrollment showed an even steeper decline of 65 FTE for a total student enrollment decrease of 120 FTE in FY 2008
- In preliminary planning for FY 2009 the campus budget is projecting an additional student enrollment decline of 10 percent, or approximately 90 FTE

Expenditure Reductions to Address Tuition Revenue Reduction from Enrollment Decline:

- Original FY 2008 budget included \$697,272 in expenditure reductions
- The adjusted FY 2008 budget included an additional \$316,929 in expenditure reductions (for a total of \$1.01 million)
- Preliminary planning for the FY 2009 budget includes \$400,000 in expenditure reductions

Faculty/Staff FTE Reductions:

- Original FY 2008 budget eliminated 14.0 FTE positions on campus
- The adjusted FY 2008 budget eliminated an additional 3.0 FTE positions on campus
- FY 2009 budget projections include elimination of five faculty positions and one professional position

Negative Fund Balance Going Forward:

- FY 2008 budget retains the payback of the negative fund balance so that there will be no ongoing general fund negative balance at the close of the fiscal year

EMERGENCY GRANT STATUS REPORT
MONTANA DEPARTMENT OF COMMERCE
TREASURE STATE ENDOWMENT PROGRAM

Date: November 29, 2007

Contact: Jim Edgcomb
TSEP Manager
841-2785
jedgcomb@.mt.gov

Amount appropriated for emergency grants for the 2009 biennium - \$100,000

Emergency grants awarded during the 2009 biennium include:

- Brady - \$10,600 was awarded on July 11, 2007, to resolve a water system emergency. The funds will be used to replace a backwash pump and two turbidimeter pumps at the water treatment plant. A little over \$8,700 has been reimbursed to date.
- Brockton - \$30,000 was awarded on June 19, 2007, to resolve a water system emergency. The funds will be used to install a properly encased water line that runs underneath a set of mainline railroad tracks. The water line under the tracks failed in February of 2007 and was replaced by a temporary, uncased line shortly thereafter. There have been no reimbursements to date.
- Powell County - \$11,200 was awarded on November 16, 2007, to temporarily fix a bridge that crosses the Little Blackfoot River on Beck Hill Road, which is approximately 12 miles north of Deer Lodge. The bridge was closed due to imminent failure after being advised by MDT. The bridge is scheduled to be replaced by MDT in 2010, but the bridge needs to be kept open until then in order to provide access to residences. The funds will be used to install steel planking. There have been no reimbursements to date.

Total amount awarded to date during the 2009 biennium: \$51,800