



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

Room 494 Federal Building • P.O. Box 201711 • Helena, MT 59620-1711 • (406) 444-2986 • FAX (406) 444-3971

Legislative Fiscal Analyst
CLAYTON SCHENCK

May 26, 2000

To: Legislative Finance Committee

From: Taryn Purdy
Principal Fiscal Analyst

RE: Operating Plan Changes and Program Transfers

Section 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 Legislative Finance Committee (LFC) prior to implementation (unless of a time sensitive nature). The Office of Budget and Program Planning has under review 5 changes that meet these criteria, including 3 program transfers and 2 operating plan changes. The correspondence from OBPP explaining the changes is attached.

Staff has reviewed the changes and does not raise any concerns. Please note that:

- The Department of Corrections changes are discussed in more detail in the report entitled "Department of Corrections: Fiscal 2000 Budget Issues" by Lorene Thorson.
- The Montana Department of Transportation has a request to replace highways special revenue account funds in the Maintenance Program with federal funds from the Construction Program, and vice versa. This adjustment is authorized in HB 2, which also requires that any changes be reported to this committee.
- The transfer for fiscal 2001 in the Department of Public Health and Human Services of \$1.9 million of federal TANF funds from the Human and Community Services Division (HCSD) to the Child and Family Services Division (CFSD) is for the same purpose as the adjustment discussed at the last LFC meeting for fiscal 2000. This request also consists of three adjustments:
 - 1) \$2.0 million general fund is transferred from CFSD to HCSD;
 - 2) HCSD transfers the same amount of federal TANF funds to CFSD; and
 - 3) CFSD receives a further \$1.9 million federal TANF funds from HCSD.

As a result, HCSD's net appropriation is reduced by \$1.9 million and CFSD's net appropriation is increased by a like amount.