



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: February 23, 2006

To: Legislative Finance Committee

From: Jon Moe
Fiscal Specialist

Subject: Required Reports for March 2006 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 2007 biennium. In addition, two reports, received since the last LFC meeting (December 2005), are also included under this cover. The monthly Medicaid cost reports (received in December, January and February) are not attached as the reports are too large to include, but are being reviewed by the assigned LFD analyst. The revised report by the Governor's Marketing and Business Recruitment Program (item #1), which was requested by the committee, is expected before the LFC meeting.

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 2006-07 Biennium

Prepared by the Legislative Fiscal Division

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
1 House Bill 2	Governor's Office	Per HB2	LFC	Wilkinson	
Short Description: Interim reports by the Marketing and Business Recruitment program as required in HB 2, by July 31, 2005, July 1, 2006, and November 15, 2006.					

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2006	Governor's Office	7/31/2005	9/22/2005	On file - revision received 12/1/05
	2006		2/24/2006		2nd revision of 7/31 report requested
	2007		7/1/2006		Not due yet
	2007		11/15/2006		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.					

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2006	Administration-ITSD		10/7/2005	Part of CIO report at LFC meeting

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.					

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2006		3/10/2006		Expected at Mar 10th LFC meeting

Required Reports List for 2006-07 Biennium

Prepared by the Legislative Fiscal Division

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>
	2006				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>
	2006	Administration	9/15/2005	9/21/2005	On file - NonGF Encumbr extensions
	2006	Administration	9/15/2005	9/21/2005	On file - GF Encumbr 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>
	2006	Administration	9/1/2005	9/21/2005	On file
	2006	CHE	9/1/2005	2/21/2006	On file

Required Reports List for 2006-07 Biennium Prepared by the Legislative Fiscal Division

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>
	2006	CHE	9/1/2005	9/7/2005	On file

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
8 17-2-111	Administration	Feb. 1, 2006	LFC	Moe	
Short Description: Information of state special revenue accounts as 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>
	2006				Not requested at this time

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>
	2006	OBPP	9/15/2005	9/13/2005	On file

Required Reports List for 2006-07 Biennium Prepared by the Legislative Fiscal Division

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>
	2006				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>
	2006				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>
	2006				Not requested at this time

Required Reports List for 2006-07 Biennium Prepared by the Legislative Fiscal Division

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>
	2006	OBPP	9/15/2005	9/7/2005	On file
	2006	OBPP	2/15/2006	2/21/2006	On file

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>
	2006	Administration	9/30/2005	9/21/2005	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.					

Reports Scheduled / Rec'd:	<u>During Fiscal Year</u>	<u>Submitted by</u>	<u>Due Date</u>	<u>Recd Date</u>	<u>Comment</u>
	2006	BlueCross/BlueShield	10/15/2005	11/16/2005	FY05 annual report-sent direct to legislators
	2006		3/15/2006		Not due yet

Required Reports List for 2006-07 Biennium Prepared by the Legislative Fiscal Division

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>
	2006	State Fund	10/1/2005	9/21/2005	On file - Sent direct to legislators

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
17 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>
	2006	DPHHS	11/15/2005	11/15/2005	Provided to LFA analyst
	2006	DPHHS	12/15/2005	12/15/2005	Provided to LFA analyst
	2006	DPHHS	1/15/2006	1/15/2006	Provided to LFA analyst
	2006	DPHHS	2/15/2006	2/17/2006	Provided to LFA analyst

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
18 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>
	2006				No reported occurrences

Required Reports List for 2006-07 Biennium Prepared by the Legislative Fiscal Division

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
19 61-5-121(1)(a)	Justice	October, even year	LFC	Gervais	
Short Description: Report on deposit and transfer of amounts from drivers licence fees to the highway patrol officers' retirement pension trust 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>
	2007	Justice	10/31/2006		Not due yet

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
20 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>
	2006	DNRC		9/21/2005	On file - report as of 6/30/05

Authority	Reporting Entity	Frequency	To	Staff Review 1	Staff Review 2
21 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>
	2006	Commerce		9/21/2005	On file

#6



MONTANA UNIVERSITY SYSTEM
Office of the Commissioner of Higher Education

2500 Broadway ♦ PO Box 203101 ♦ Helena, Montana 59620-3101 ♦ (406)444-6570 ♦ FAX (406)444-1469

RECEIVED
FEB 21 2006
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FISCAL ANALYST

TO: Clayton Schenck, Legislative Fiscal Analyst
FROM: Pam Joehler, Director of Budget and Accounting
Office of the Commissioner of Higher Education
DATE: February 17, 2006
RE: Negative Cash and Inter-Entity Loans Exceeding Two Years
FY04 and FY05 Report to Legislative Finance Committee

This memo complies with the statutory requirements contained in Section 17-7-107, MCA, for reporting negative cash balances and inter-entity loans that have exceeded two years.

Negative Cash

There were no negative cash balances in any SABHRS level fund in the Montana University System at fiscal year end for 2004 and 2005.

Inter-Entity Loans Exceeding Two Years

Loans to the Restricted Fund -- Four campuses, including the University of Montana, Montana State University, Montana Tech of the University of Montana, and University of Montana-Western, have inter-entity loans in the Restricted Fund. This fund accounts for sponsored activity, such as research or specific federal grants and contracts. Sponsored grants and contracts expenditures are generally made in advance of the cost reimbursement. As a consequence, an inter-entity loan must be renewed annually to bridge the timing of the expenditures and subsequent receipt of cash from the sponsoring agency to help maintain a positive cash balance. When the sponsoring reimburses the campuses, the loan is paid down. The outstanding loans to the Restricted Fund at fiscal year end for each of these campuses are shown on the attached worksheet, items 1 through 4.

Loans to Other Funds – Two campuses, Montana State University and Montana State University – Northern, each have two outstanding loans that have exceeded the statutory time limit. Each of these loans was originally, but inappropriately, structured as a multi-year inter-entity loan. During the review to prepare this report, the Chief Financial Officer at both campuses assured the Office of the Commissioner of Higher Education that these outstanding loans would either be retired or refinanced by the end of fiscal 2006 in order to comply with the statutory requirements. These loans are noted as items 5 through 8 on the attached worksheet.

I apologize for my tardiness in submitting these reports. Future reports will be submitted annually by the statutory deadline.

Attachment

MONTANA UNIVERSITY SYSTEM INTER-ENTITY LOANS THAT EXTEND BEYOND TWO FISCAL YEARS
 FYE 2004 and 2005

Item	Unit	Fund	Fund Type	Purpose of Loan	FYE 04		FYE 05	
					Payable	Receivable	Payable	Receivable
1	University of Montana	32100 33100	Restricted Designated		\$ 4,000,000.00	\$ 4,000,000.00	\$ 4,000,000.00	\$ 4,000,000.00
2	Montana State University	32200 33200	Restricted Designated	Grants & Contracts Reimbursement Bridge	\$ 11,500,000.00	\$ 11,500,000.00	\$ 7,000,000.00	\$ 7,000,000.00
3	Montana Tech	32500 31500 33500	Restricted General Operating Designated		\$ 670,000.00	\$ 150,000.00	\$ 670,000.00	\$ 150,000.00
4	University of Montana - Western	32600 33600	Restricted Designated		\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
5	Montana State University	31200 34200	General Operating Auxiliary	Graduate Fine Arts Facility Renovation	\$ 166,666.67	\$ 166,666.67	\$ 133,333.67	\$ 133,333.67
6	Montana State University	32200 34200	Restricted Auxiliary	Museum of Rockies Visitor Parking Lot Repaving			\$ 125,000.00	\$ 125,000.00
7	Montana State University - Northern	34401	Auxiliary	Auxiliary Operating Loss- The campus has implemented steps to improve operating performance of its Auxiliary operations (housing)		\$ 300,000.00	\$ 300,000.00	\$ 300,000.00
8	Montana State University - Northern	71401 33401 40401	Unexpended Plant Designated Loan Funds	To cover campus share of central computing infrastructure. To be repaid from student fees.			\$ 157,000.00	\$ 57,000.00

Note: The dollar amounts reported are the amounts exceeding the two-year statutory limit.

OFFICE OF THE GOVERNOR
BUDGET AND PROGRAM PLANNING
STATE OF MONTANA



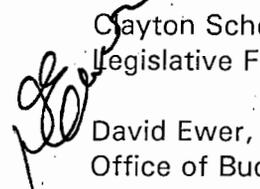
BRIAN SCHWEITZER
GOVERNOR

PO Box 200802
HELENA, MONTANA 59620-0802

#13
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FEB 21 2006
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FISCAL ANALYST

MEMORANDUM

TO: Clayton Schenck, Legislative Fiscal Analyst
Legislative Fiscal Division

FROM:  David Ewer, Director
Office of Budget and Program Planning

DATE: February 9, 2006

SUBJECT: **Appropriations Transferred from One State Agency to Another:
FY2006**

In accordance with 17-8-101(4), MCA, the report from the Office of Budget and Program Planning to the Legislative Finance Committee on appropriations transferred from one state agency to another state agency is enclosed for the first half of FY2006. These transfers have been made under the authority of various sections of statute.

17-8-101 allowing that money may be transferred from one state agency to another, provided that the original purpose of the appropriation is maintained.

18-2-102 allowing the governor to authorize the emergency repair or alteration of a building and to transfer funds and authority as necessary to accomplish the project.

18-2-105 allowing the Department of Administration in carrying out powers relating to the construction of buildings to transfer funds and authority to agencies and accept funds and authority from agencies

90-4-607 allowing the department of Environmental Quality to transfer funds and authority to the department of administration to procure design and construction of cost-effective energy improvements

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

C: Affected Agency Centralized Services Administrators

Interagency Transfer Report

Transaction Description	Amount	Fund	From: Agency	Program	To: Agency	Program
			Long-Range Building Program Transfers			
Transfer Auth for Chiller Tower Replacement & Bldg	\$ 312,646	02422	Department of Transportation	Maintenance Program	Long-Range Building	Departments & Agencies
Transfer Auth to Construct Simulated Meth Lab at MLEA	\$ 28,325	03801	Department of Justice	Div of Criminal Investigation	Long-Range Building	Departments & Agencies
Transfer Auth for project at Lone Pine State Park	\$ 800,000	02411/03406	Department of Fish, Wildlife & Parks	Capital Outlay	Long-Range Building	Departments & Agencies
Transfer Auth to resurface school parking lot	\$ 13,916	01100	School for the Deaf & Blind	General Services	Long-Range Building	Departments & Agencies
Transfer Auth for Cogswell Environmental Lab Rehab	\$ 18,200	06528	Department of Administration	General Services	Long-Range Building	DPHHS
Transfer Auth to replace boiler at UI Claims Center in Billings	\$ 10,000	03967	Department of Labor & Industry	Unemployment Ins Div	Long-Range Building	Departments & Agencies
Transfer Auth for well & irrigation system at MVH	\$ 40,000	02260	Department of Public Health & Human	Sr & Long-Term Care Div	Long-Range Building	DPHHS
			Other Transfers			
Transfer budget for Extradition & Transportation of Prisoners	\$ 243,724	01100	Governor's Office	Executive Office Pgm	Dept of Corrections	Secure Custody Facilities
Transfer Appropriation for HB769 Rail Services Study	\$ 50,000	02422	Department of Transportation	Transportation Planning	Governor's Office	Executive Office Pgm