



MONTANA LEGISLATIVE BRANCH

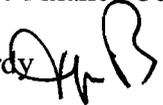
Legislative Fiscal Division

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Legislative Fiscal Analyst
CLAYTON SCHENCK

DATE: October 4, 2006

TO: Legislative Finance Committee

FROM: Taryn Purdy 

RE: Operating Plan Changes of a Time Sensitive Nature

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 Legislative Finance Committee (LFC) prior to implementation, unless of a time sensitive nature. Since the last meeting of the LFC, the Office of Budget and Program Planning approved as time sensitive 8 operating plan changes and 5 program transfers. All are summarized in the attached memorandum from budget director David Ewer.

Staff has reviewed the BCDs and do not raise any issues.

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OFFICE OF THE GOVERNOR
BUDGET AND PROGRAM PLANNING
STATE OF MONTANA



BRIAN SCHWEITZER
GOVERNOR

PO Box 200802
HELENA, MONTANA 59620-0802

Dew
To: Clayton Schenck, Legislative Fiscal Analyst
Legislative Fiscal Division
From: David Ewer, Budget Director
Office of Budget & Program Planning
Date: September 27, 2006
Subject: **OBPP Report on Time Sensitive Transactions Approved**

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SEP 28 2006

LEGISLATIVE
FISCAL ANALYST

In accordance with 17-7-138 and -139, MCA, the Governor's Office of Budget and Program Planning is reporting that eight operating budget changes and five program transfers that exceeded \$25,000 and 25% or \$1 million of a budget category have been approved since the last meeting of the Legislative Finance Committee. The transactions described below were all processed for FY 2006 and the documents are available for your staff to review on our guest directory.

Under 17-7-138, MCA.

- The **Office of the Commissioner of Higher Education** had a request to move budget authority from personal services (\$12,162) to operating expenses within the Student Assistance Program. The budget estimate established at the beginning of the fiscal year, did not properly reflect the personal services/operating expenses split for the Family Savings Program. The transaction can be found at 51020 250 OP008.xls.
- The **Office of the Commissioner of Higher Education** had a request to move budget authority from grants (\$175,000) and transfers (\$105,000) to personal services (\$29,600) and operating expenses (\$250,400). The transfer of federal funds was necessary due to a change in the way GEAR UP grants are recorded on the accounting system. The transaction can be found at 51020 270 OP011.xls
- The **Department of Public Health & Human Services**, Public Health and Safety Division, requested to move funds from operating expenses (\$19,495), grants (\$2,467), and benefits (\$149,300) to equipment (\$141,850) and personal services (\$29,412). The primary driver for the change is due to the failure of a large piece of equipment at the public health lab that had to be replaced. The transaction can be found at 69010 875 OP147.xls.
- The **Department of Transportation**, Maintenance Division, requested to move \$350,000 from operating expenses to equipment. The transfer was necessary because the budget for the equipment purchase costs were higher than anticipated in the original budget and also because of the way in which the department records expenses related to indirect cost reimbursements from the federal government. The transaction can be found at 54010 455 OP032.xls.
- The **Department of Transportation**, Maintenance Division, requested to move \$275,000 from operating expenses to equipment. The transfer was necessary because the cost of individual pieces of equipment increased so that, in accordance with accounting policy, the cost is now classified as equipment rather than an operating expense. The transaction can be found at 54010 455 OP027.xls.

- The **Department of Administration**, Information Technology Services Division, requested to move state special revenue budget authority from operating expenses (\$17,000) and grants (\$190,000) to personal services to work on GIS issues related to the Montana Land Information Act. This request can be found at 61010 605 OP707.xls.
- The **Department of Corrections** requested to move budget authority in the Secure Custody Facilities Program from operating expenses (\$1,844,663) and debt service (\$75,337) to personal services and equipment. The move was necessary to cover personal services costs associated with additional overtime and unmet vacancy savings and equipment costs associated with the inmate transportation system. The request can be found at 64010 695 OP187.
- The **Department of Corrections** requested to move budget authority from operating expenses (\$242,173) and benefits (\$1,624,127) to transfers to allow the Juvenile Corrections Program to transfer funds to the Supreme Court for the Juvenile Placement Incentive Funds Program. The request can be found on BCD 64010 701 OP527.xls.

Under 17-7-138, MCA.

- The **Department of Corrections** had a request to move a total of \$4.43 million from the Secure Custody Facilities Program to the Community Corrections Program (\$2.91 million), the Administration Program (\$1.3 million) and the Juvenile Corrections Program (\$220,000). Budget authority transferred to the Community Corrections Program were used to cover shortfalls in Pre-release, WATCH, and Probations & Parole, as well as utilities. The Administration Program used the funds to cover shortfalls in Outside Medical costs and information technology. Juvenile Corrections Program shortfalls were in the area of operating expenses, including utilities. Documentation is located on BCDs 64010 685, 690, 695, 701 PT185.xls.
- The **Department of Corrections** had a request to move \$55,000 budget authority from the Secure Custody Facilities Program to the Community Corrections Program do cover additional shortfalls as described in the paragraph above. The request can be found on BCDs 64010 690, 695 PT254.xls.
- The **Department of Transportation** requested to move \$3.5 million of federal special revenue budget authority from the Construction Program to the Transportation Planning Program to account for the actual distribution of indirect cost reimbursements to the department. The request can be reviewed on BCDs 54010 450 and 480 PT017.xls.
- The **Judicial Branch** moved \$62,400 from the Supreme Court Operations Program (\$60,500) and the Boards and Commissions Program (\$1,900) to the District Court Operations Program to cover variable costs associated with the District Courts. The request can be found on BCDs 21100 040, 045, 055 PT043.xls.
- The **Department of Public Health & Human Services** requested to transfer \$1.47 million budget authority from the Senior & Long-Term Care Division to the Health Resources Division. The transaction merely moves funding within the Medicaid programs. The request can be reviewed on BCDs 69010 892 and 895 PT011.xls.

We have reviewed the requests and found them to be in compliance with state and federal laws and policies, as well as allowing your staff to review the transactions, prior to processing. The Legislative Fiscal Division staff raised no issues with the transactions. Please let us know if you have questions or wish additional information.

CC: Taryn Purdy
Rhonda Schaffer
Roche Juneau
Pat McNamee
Scott Sim
Mick Robinson
Becky Buska