

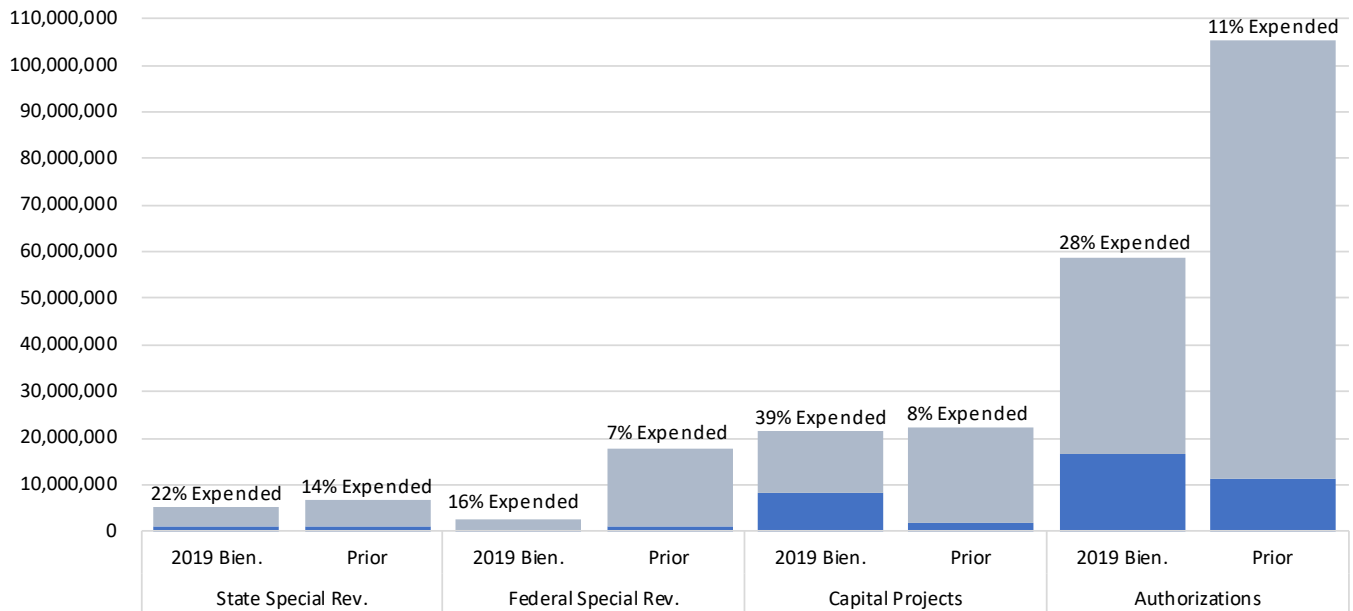
Long-Range Building Program (LRBP) Budget was a total of \$240 million in HB 5 authority from the 2019 biennium and prior biennia

17% of the total appropriation authority was expended in FY 2019

HB 5 Expenditures

FY 2019 Budgeted vs. Expended

2019 Biennium and Prior Biennia by Fund Type



Expenditure Account	Budgeted		Expended		% Expended	
	2019 Bien.	Prior	2019 Bien.	Prior	2019 Bien.	Prior
Equipment & Intangible Assets	595,568	1,391,413	520,055	1,321,020	87%	95%
Capital Outlay	69,650,743	100,966,756	24,510,090	11,851,330	35%	12%
Transfers-out	17,898,902	49,921,356	1,619,951	2,082,844	9%	4%
Agency Program	Budgeted		Expended		% Expended	
	2019 Bien.	Prior	2019 Bien.	Prior	2019 Bien.	Prior
01 DEPARTMENTS & AGENCIES	17,249,792	45,746,028	5,641,270	1,405,651	33%	3%
02 UNIVERSITY SYSTEM	52,263,439	88,280,367	17,281,488	12,353,743	33%	14%
03 DPHHS	14,776,440	15,395,042	2,227,588	1,258,815	15%	8%
04 CORRECTIONS	3,855,544	2,858,087	1,499,751	236,985	39%	8%
Total	88,145,214	152,279,525	26,650,097	15,255,193	30%	10%

The Long-Range Building Program (LRBP) is tasked with the construction, renovation, and major maintenance of state-owned buildings. The projects contained in the LRBP budget often take substantial amounts of time to complete, so it is not unusual for the LRBP to have large sums of prior biennia authority in the budget. As a result, the program has the statutory authorization to re-appropriate any unused budget authority until the project is complete. The program is typically appropriated in HB 5 and the re-appropriation provision pertains to all appropriations in the bill including direct agency, Fish, Wildlife, and Parks (FWP) Capital Program, and State Building Energy Conservation Program (SBECP) appropriations and authority. For the purposes of this report, the budget and expenditures of each entity will be reviewed separately.

In FY 2019, the LRBP had a total of \$240 million of authority from which \$88 million was from the appropriations provided for the 2019 biennium.

The LRBP expended \$41.9 million of its total authority and accomplished the following in FY 2019:

- The new Engineering Building on the Montana State University (MSU) campus was completed and occupied in January 2019 and some additional ancillary work continues
- The Science and Instructional Tech addition at MSU Billings has been bid and a construction contract of \$14.5 million has been awarded. Construction is scheduled to be completed in June 2021
- The new Education Building Addition at the University of Montana was completed in June 2019
- The Southwest Veterans' Home project was bid and awarded in March 2019 with a construction cost of \$16.1 million and has a completion date of September 2020

Modifications to the HB 5 budget in FY 2019 include:

- \$3.4 million of appropriation transfers (AT) of which \$1.4 million was expended
 - AT authority is used for unexpected state agency projects and the transfers of authority for the SBCEP
 - AT data is included in the budget and expenditure numbers above
- \$2.4 million of budget amendments (BA) of which \$778,280 was expended
 - In the LRBP, BA authority typically increases project budgets approved by the legislature
 - BA data is included in the budget and expenditure numbers above
- \$16.8 million of administrative appropriation (AA) of which \$10.6 million was expended
 - AA authority is frequently a transfer of what is typically HB 2 budget authority into a LRBP projects unforeseen during the legislative session
 - AA authority includes Board of Regents construction authority as allowed in statute
 - AA data is not included in the budget and expenditure data above due to the potential of double counting expenditures

A portion of the LRBP budget is funded with dedicated revenue streams explicitly directed for the construction, renovation, and major maintenance of state buildings. The primary revenue sources for the LRBP funds are coal severance taxes and cigarette taxes. In the 2019 biennium, the LRBP funds supported 13% of the total budget. Over the 2019 biennium, LRBP revenues were 2.7% higher than anticipated by the 2017 Legislature. The primary reason for the increased revenues were in the collections of coal severance tax, which were realized at approximately \$1.0 million higher than projected over the biennium. The additional funds will be retained in the LRBP account and will be available for future appropriation.

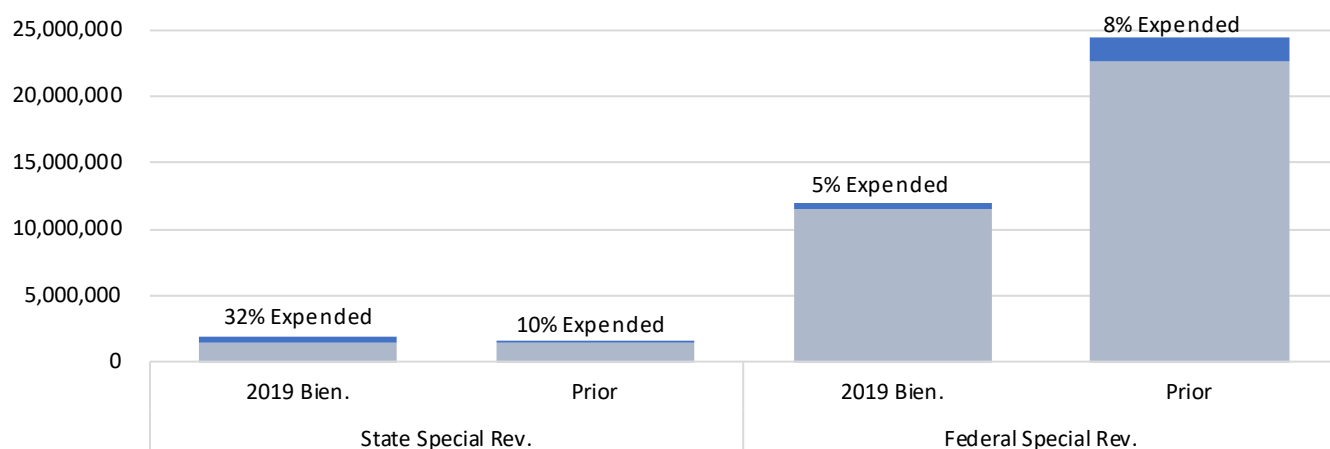
LRBP Authority in Agency Budgets were a total of \$40 million in HB 5 authority from the 2019 biennium and prior biennia

7% of the total appropriation authority was expended in FY 2019

HB 5 Agency Expenditures

FY 2019 Budgeted vs. Expended

2019 Biennium and Prior Biennia by Fund Type



Expenditure Account	Budgeted		Expended		% Expended	
	2019 Bien.	Prior	2019 Bien.	Prior	2019 Bien.	Prior
Personal Services	0	151	0	0	0%	0%
Operating Expenses	1,890,000	2,294,223	455,275	197,883	24%	9%
Capital Outlay	5,000,000	22,882,077	0	1,674,224	0%	7%
Transfers-out	7,015,000	746,805	525,161	0	7%	0%
Agency Program	Budgeted		Expended		% Expended	
	2019 Bien.	Prior	2019 Bien.	Prior	2019 Bien.	Prior
Dept. of Environmental Quality	0	1,486,979	0	108,634		7%
Dept. of Military Affairs	12,015,000	24,365,579	525,161	1,730,674	4%	7%
Dept. of Natural Resources and Conservation	0	44,450	0	6,550		15%
Dept. of Transportation	1,890,000	26,248	455,275	26,248	24%	100%
Total	13,905,000	25,923,257	980,436	1,872,107	7%	7%

The agencies seen in the figure above have been provided direct appropriations in HB 5 and manage capital projects within their agency workforce. Combined, these agencies had \$39.8 million of authority within their agency budgets, of which 65% was authority continued from prior biennia.

The agencies expended \$2.9 million of its total authority, and accomplished the following in FY 2019:

- Dept. of Military Affairs continues work on the construction of the new Malta Readiness Center and is making major improvements on facilities statewide
- Dept. of Transportation has made improvements to equipment shops and materials storage facilities statewide

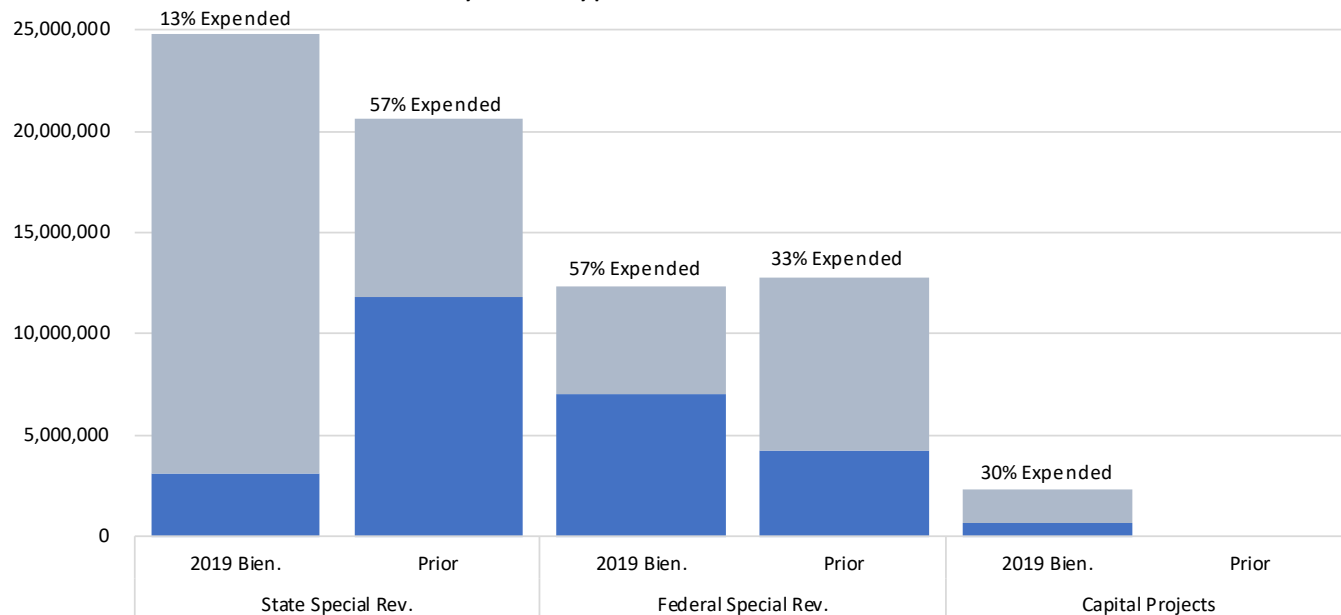
LRBP Authority in FWP Budget was a total of \$73 million in HB 5 authority from the 2019 biennium and prior biennia

37% of the total appropriation authority was expended in FY 2019

HB 5 FWP Expenditures

FY 2019 Budgeted vs. Expended

2019 Biennium and Prior Biennia by Fund Type



Expenditure Account	Budgeted		Expended		% Expended	
	2019 Bien.	Prior	2019 Bien.	Prior	2019 Bien.	Prior
Operating Expenses	243,819	1,596,083	62,222	1,255,690	26%	79%
Equipment & Intangible Assets	0	1,890	0	1,890		100%
Capital Outlay	32,740,858	28,626,165	9,867,309	12,141,772	30%	42%
Grants	6,263,746	2,553,827	918,024	1,981,454	15%	78%
Transfers-out	260,886	674,289	18,271	674,289	7%	100%
Agency Program	Budgeted		Expended		% Expended	
	2019 Bien.	Prior	2019 Bien.	Prior	2019 Bien.	Prior
07 CAPITAL OUTLAY	39,509,310	33,452,253	10,865,827	16,055,095	28%	48%
Total	39,509,310	33,452,253	10,865,827	16,055,095	28%	48%

The Department of Fish, Wildlife, and Parks (FWP) manages its LRBP budget in the Capital Outlay Program. Included in the program authority are the direct appropriation of HB 5 projects, appropriation transfers and budget amendments for capital projects, and a statutory appropriation. Because the program is appropriated within the LRBP budget, the appropriations are continued through statutory language until the projects are completed. Of the \$73 million of total authority, \$33 million was continued from prior biennia.

The program expended \$27 million of its total authority. FWP accomplished the following in FY 2019:

- The Makoshika State Park road project was substantially completed and final completion is expected in FY 2020
- \$8.4 million was expended on 15 fee title acquisitions and conservation easements through the Habitat MT program

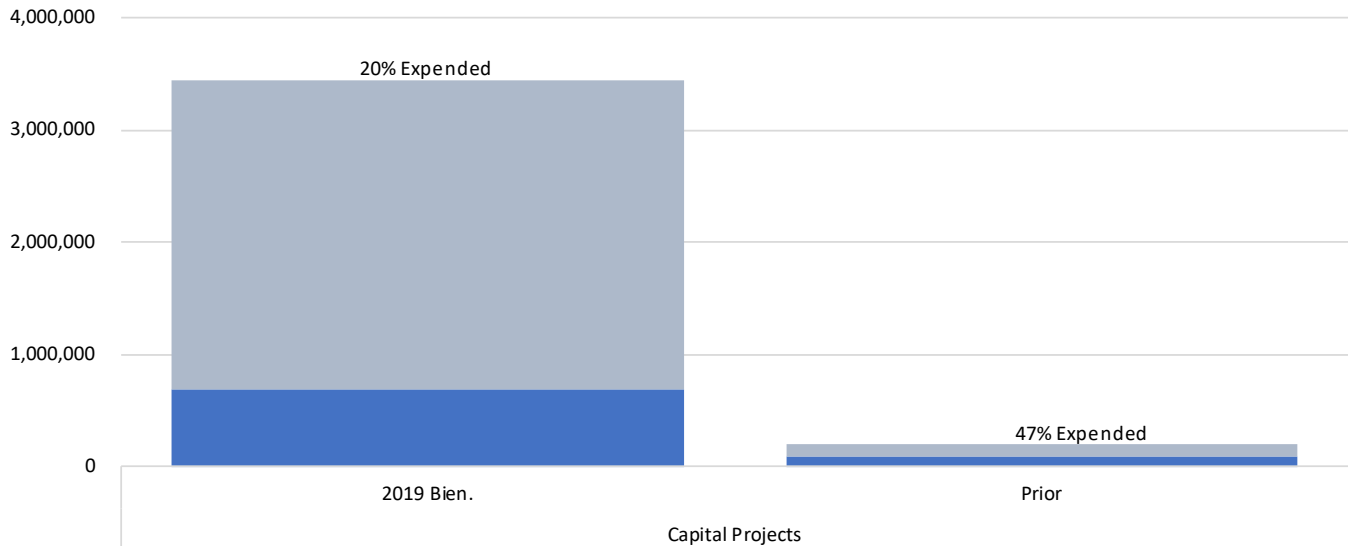
SBECP Authority in LRBP & SBECP Budget was a total of \$3 million in HB 5 authority from the 2019 biennium and prior biennia

22% of the total appropriation authority was expended in FY 2019

HB 5 Expenditures

FY 2019 **Budgeted** vs. **Expended**

2019 Biennium and Prior Biennia by Fund Type



Expenditure Account	<u>Budgeted</u>		<u>Expended</u>		<u>% Expended</u>	
	2019 Bien.	Prior	2019 Bien.	Prior	2019 Bien.	Prior
Capital Outlay	3,446,224	208,655	693,668	97,489	20%	47%
Agency Program	<u>Budgeted</u>		<u>Expended</u>		<u>% Expended</u>	
	2019 Bien.	Prior	2019 Bien.	Prior	2019 Bien.	Prior
01 DEPARTMENTS & AGENCIES	840,130	0	205,000	0	24%	
02 UNIVERSITY SYSTEM	200,000	80,822	1,089	52,911	1%	65%
03 DPHHS	471,094	11,927	237,580	0	50%	0%
04 CORRECTIONS	350,000	115,906	250,000	44,578	71%	38%
DEQ - 50 AIR ENERGY & MINING DIVISION	1,585,000	0	0	0	0%	
Total	3,446,224	208,655	693,668	97,489	20%	47%

The State Building Energy Conservation Program (SBECP), administered by the Department of Environmental Quality (DEQ) is appropriated in HB 5. While DEQ administers the program, the energy conservation projects are usually constructed under the management of the LRBP. In FY 2019, DEQ retained \$1.6 million of the authority and the LRBP had \$1.9 million of transferred authority.

In FY 2019, there were \$791,157 of SBECP expenditures. SBECP/LRBP accomplished the following in FY 2019:

- MSU-Northern – cooling system upgrade with energy savings of \$4,550/year
- Miles City Job Service – lighting upgrade with energy savings of \$506/year
- Pine Hills Correctional Facility – lighting and chiller upgrade with energy savings of \$22,234/year
- Capitol Boiler Plant – Steam to Hot Water conversion with energy savings of \$16,755/year
- Montana Mental Health Nursing Care Center – Steam to Hot Water conversion with energy savings of \$46,120/year

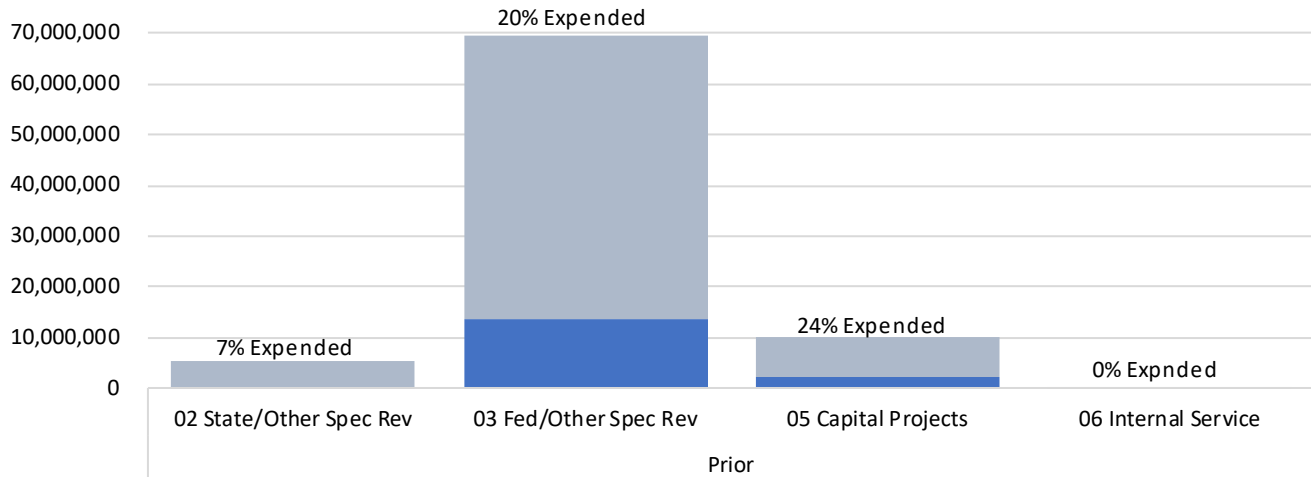
Long-Range Information Technology Program (LRITP) Budget was a total of \$85 million in HB 10 authority from prior biennia

19% of the total appropriation authority was expended in FY 2019

HB 10 Expenditures

FY 2019 Budgeted vs. Expended

Prior Biennia Authority by Fund Type



Expenditure Account	Budgeted	Expended	% Expended
	Prior	Prior	Prior
Personal Services	3,038,563	934,773	31%
Operating Expenses	43,528,569	13,419,139	31%
Equipment & Intangible Assets	6,279,361	2,079,557	33%
Capital Outlay	32,497,150	0	0%
Agency Program	Budgeted	Expended	% Expended
	Prior	Prior	Prior
01_LRITP	32,497,150	0	0%
02_Dept. of Public Health & Human Services	40,428,303	13,847,456	34%
03_Dept. of Labor & Industry	3,000,659	(8)	0%
04_Dept. of Transportation	7,801,975	1,405,740	18%
05_Dept of Environmental Quality	284,613	187,288	66%
07_Sec. of State's Office	497,370	497,370	100%
08_Judicial Branch	592,034	254,084	43%
09_Legislative Branch	241,540	241,540	100%
Total	85,343,644	16,433,469	19%

The Long-Range Information Technology Program (LRITP) is tasked with the oversight and at times management of major state IT project builds. The projects contained in the LRITP budget often take substantial amounts of time to complete, so it is not unusual for the LRITP to have large sums of prior biennia authority in the budget. The LRITP was not provided with new appropriations during the 2017 Legislative Session, so all the authority shown in the chart above comes from prior biennia. The program has the statutory authorization to re-appropriate any unused budget authority until the project is complete. The program is appropriated in HB 10 and the re-appropriation provision pertains to all appropriations in the bill including the direct agency (Judicial and Legislative Branch) appropriations.

HB 10 generally appropriates funding to the State Information Technology Services Division (SITSD) of the Department of Administration. The exceptions to this rule are the other branches of government, the Legislative Branch and the Judicial Branch. LRITP (SITSD) frequently transfers authority to the executive branch agencies, after the IT plans comply with the state rules, for the agency to manage the system builds.

In FY 2019, there were \$16.4 million of LRITP expenditures, and accomplished the following in FY 2019:

- The Department of Public Health and Human Services continues to work on the new MPATH system, a multiple component project that will integrate the functionality of several legacy systems
 - 90% of the expenditures were funded with federal special revenues
- The Department of Transportation is working on the project management system
 - 82% of the expenditures were funded with federal special revenues
 - The project is expected to be completed in late 2020 or early 2021
- The Secretary of State has finished phase 2 of the information management system, a business registry system, and has fully expended the HB 10 budget
- The Legislative Branch has fully expended the HB 10 budget authority and the initial session systems replacement project phases are closed
 - New project costs are supported in the 2021 biennium HB 2 authority to complete all system requirements

More information on the status of these projects and the related spending is included in the SITSD Project Portfolio Summary report presented at each LFC meeting.

Funding for LRITP projects comes primarily through agency funds. All “05 Capital Project Funds” shown in the figure on the previous page are received through transfers from the general fund to the capital project accounts.

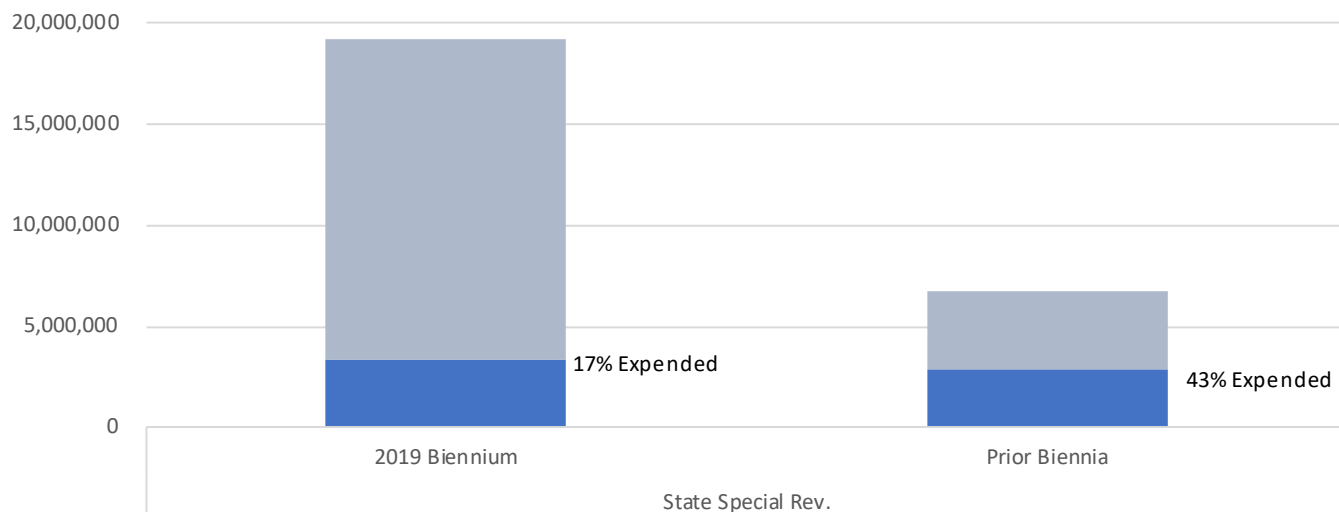
Treasure State Endowment Program (TSEP) Budget was a total of \$26 million in HB 11 authority from the 2019 biennium and prior biennia

24% of the total appropriation authority was expended in FY 2019

HB 11 Expenditures

FY 2019 Budgeted vs. Expended

2019 Biennium and Prior Biennia



Expenditures by Grant Project Types	2019 Biennium	Prior Biennia	% Expended
01_Infrastructure Grants	2,543,724	2,838,332	112%
01_Bridge Grants	149,049	0	0%
02_Planning Grants	566,313	57,501	10%
03_Emergency Grants	83,275	0	0%
	Budgeted	Expended	% Expended
FY 2019	19,172,593	3,342,362	17%
Prior Biennia	6,783,274	2,895,833	43%
Total	25,955,866	6,238,195	24%

The TSEP program continues prior biennia authority through the accrual process. The program spent 43% of its prior biennium authority and 17% of its 2019 biennium authority in FY 2019. From the FY 2019 unexpended balances of \$20 million, \$7.5 million in funding was transferred out of the state special revenue account by the state treasurer and transferred into the general fund in the actions of the 2017 Special Session. There were 14 grants from the 2019 biennium impacted by the transfer that were included in 2021 biennium budget (HB 11) in the actions of the 2019 Legislature.

In FY 2019, there were \$6.2 million of TSEP expenditures, which accomplished the following:

- 1 infrastructure projects and 1 bridge projects were completed
- 16 infrastructure projects and 6 bridge projects entered into contracts for their projects and will begin construction in the near future

The TSEP program is funded with state special revenues and the budget is based on available revenues generated through the interest earnings of the TSEP sub-trust of the coal severance tax trust. In the 2019 biennium, interest earnings were slightly higher, \$742,401, than expected when the budget was developed by the 2017 Legislature. As a result, the program will have more revenues to appropriate in future years.

Treasure State Endowment Regional Water Program (TSEPRW) Budget

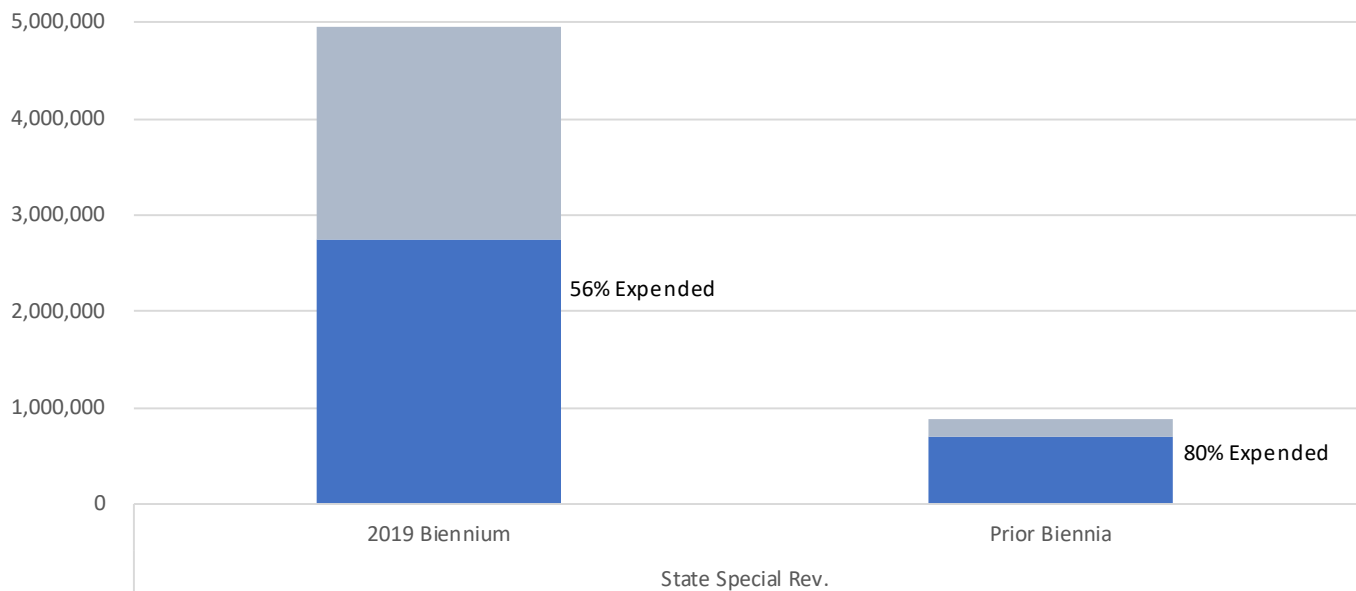
was a total of \$5.8 million in HB 11 authority from the 2019 biennium and prior biennia

59% of the total appropriation authority was expended in FY 2019

HB 11 Expenditures

FY 2019 Budgeted vs. Expended

2019 Biennium and Prior Biennia



Expenditures	2019 Biennium	Prior Biennia	% Expended
TSEPRW Expenditures	2,751,364	708,560	26%
	Budgeted	Expended	% Expended
FY 2019	4,943,389	2,751,364	56%
Prior Biennia	881,812	708,560	80%
Total	5,825,201	3,459,924	59%

The TSEPRW program continues prior biennia authority through the accrual process, in this case the 2017 biennium. The program spent 80% of its prior biennium authority. The balances for both the prior biennium and the 2019 biennium, 2.4 million, will be carried over through accruals to the 2021 biennium.

In FY 2019, there were \$3.5 million of TSEPRW expenditures, which accomplished the following:

- Planned and engineered 27 miles of pipeline in the North Central Regional Water system that were installed using both state and federal funds
- Newly installed pipelines brought clean water to 224 households
- Entered into contracts of \$1.4 million for projects in the North Central Regional Water system

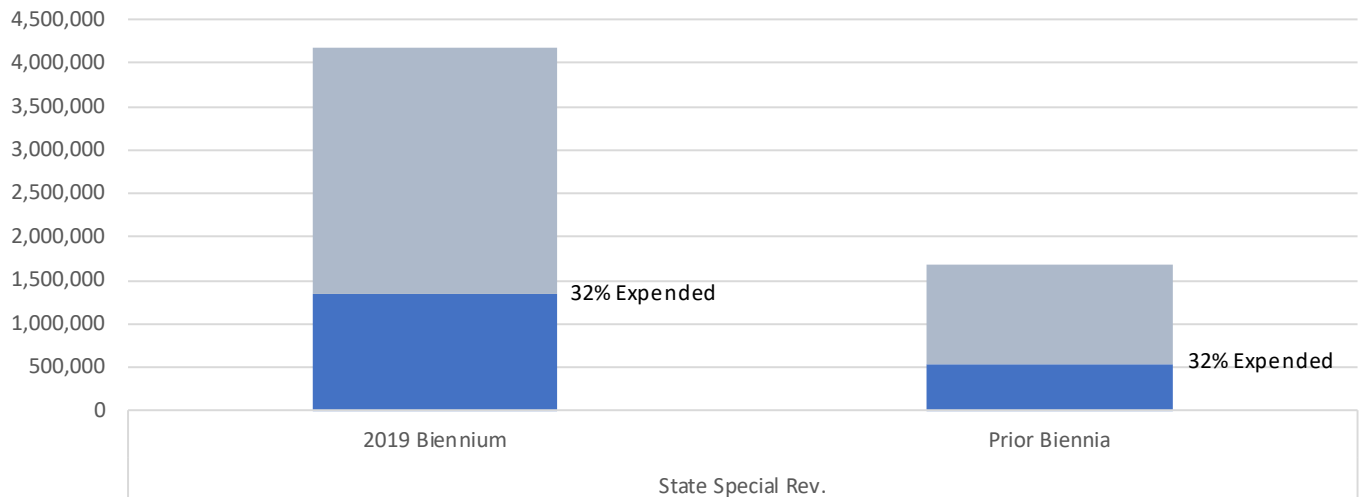
The TSEPRW program is funded with state special revenues and the budget is based on available revenues generated through the interest earnings of the TSEPRW sub-trust of the coal severance tax trust. In the 2019 biennium, interest earnings were slightly higher, \$409,821, than expected when the budget was developed by the 2017 Legislature. As a result, the program will have more revenues to appropriate in future years.

Renewable Resource Grant and Loan Program (RRGL) Budget was a total of \$5.8 million in HB 6 authority from the 2019 biennium and prior biennia
 32% of the total appropriation authority was expended in FY 2019

HB 6 Expenditures

FY 2019 Budgeted vs. Expended

2019 Biennium and Prior Biennia



Expenditures by Grant Project Types	2019 Biennium	Prior Biennia	% Expended
01 Project Grants	707,159	447,928	63%
02 Planning Grants	249,473	65,000	26%
03 Emergency Grants	40,000	0	0%
04 Irrigation Grants	184,139	890	0%
05 Watershed Grants	116,628	18,353	16%
06 Private Grants	41,548	0	0%
	Budgeted	Expended	% Expended
FY 2019	4,175,655	1,338,948	32%
Prior Biennia	1,686,498	532,171	32%
Total	5,862,153	1,871,119	32%

The RRGL program continues prior biennia authority through the accrual process. The program spent 32% of its total authority. From the FY 2019 unused balances of \$4 million, \$500,000 in funding and the associated grants have been reverted and re-established as 2021 biennium authority due to the actions of the 2019 Legislature.

In FY 2019, there were \$1.9 million of RRGL expenditures, which accomplished the following:

- 88 grant projects were completed
- 62 grant projects entered into contracts of \$2.1 million for their projects and will begin construction in FY 2020

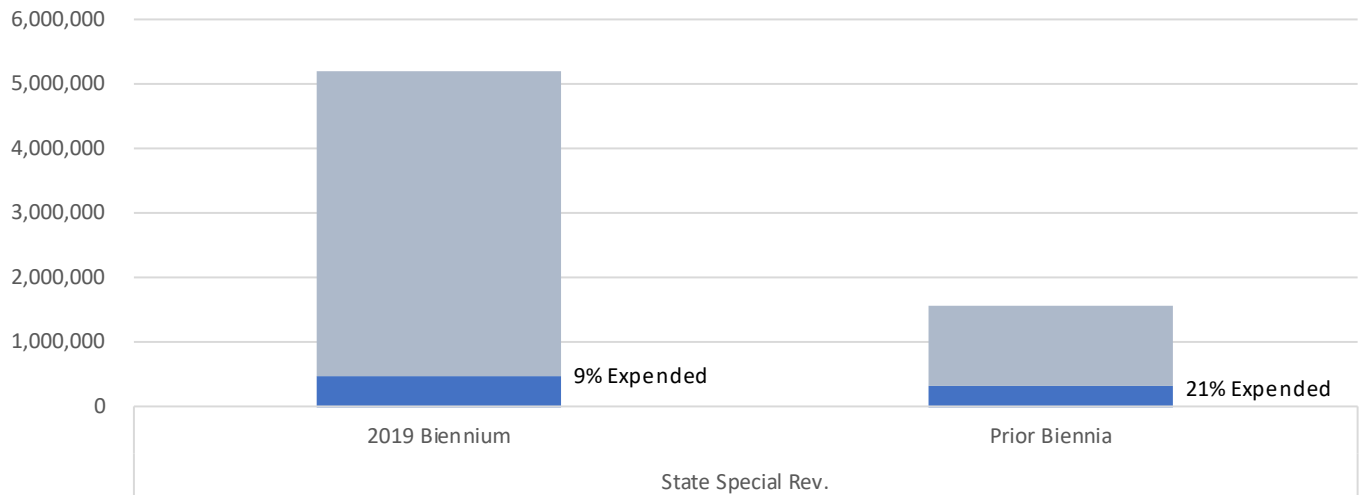
The RRGL program is funded with state special revenues and the budget is based on available revenues generated through the RIT trust earnings, oil and natural gas taxes, and resource indemnity and ground water assessment tax. In the 2019 biennium, revenues were slightly higher, \$1.0 million, than expected when the budget was developed by the 2017 Legislature. As a result, the program will have more revenues to appropriate in future years.

Reclamation and Development Grants Program (RDGP) Budget was a total of \$6.8 million in HB 7 authority from the 2019 biennium and prior biennia
 12% of the total appropriation authority was expended in FY 2019

HB 7 Expenditures

FY 2019 Budgeted vs. Expended

2019 Biennium and Prior Biennia



Expenditures by Grant Project Types	2019 Biennium	Prior Biennia	
01 Project Grants	45,574	121,706	
02 Planning Grants	303,793	37,312	
03 AIS Grants	138,689	143,841	
04 Salinity Grants	0	29,000	
	Budgeted	Expended	% Expended
FY 2019	5,215,696	488,055	9%
Prior Biennia	1,582,927	331,858	21%
Total	6,798,623	819,913	12%

The RDGP program continues prior biennia authority through the accrual process. The program spent 12% of its total authority. From the FY 2019 unused balances of \$6 million, \$944,778 in funding and the associated grants have been reverted and re-established as 2021 biennium authority due to the actions of the 2019 Legislature.

In FY 2019, there were \$819,913 of RDGP expenditures, which accomplished the following:

- 28 grant projects were completed
- 27 grant projects entered into contracts of \$3.6 million for their projects and will begin construction in FY 2020

The RDGP program is funded with state special revenues and the budget is based on available revenues generated through the RIT trust earnings, oil and natural gas taxes, and resource indemnity and ground water assessment tax. In the 2019 biennium, revenues were slightly higher, \$1.0 million, than expected when the budget was developed by the 2017 Legislature. As a result, the program will have more revenues to appropriate in future years.

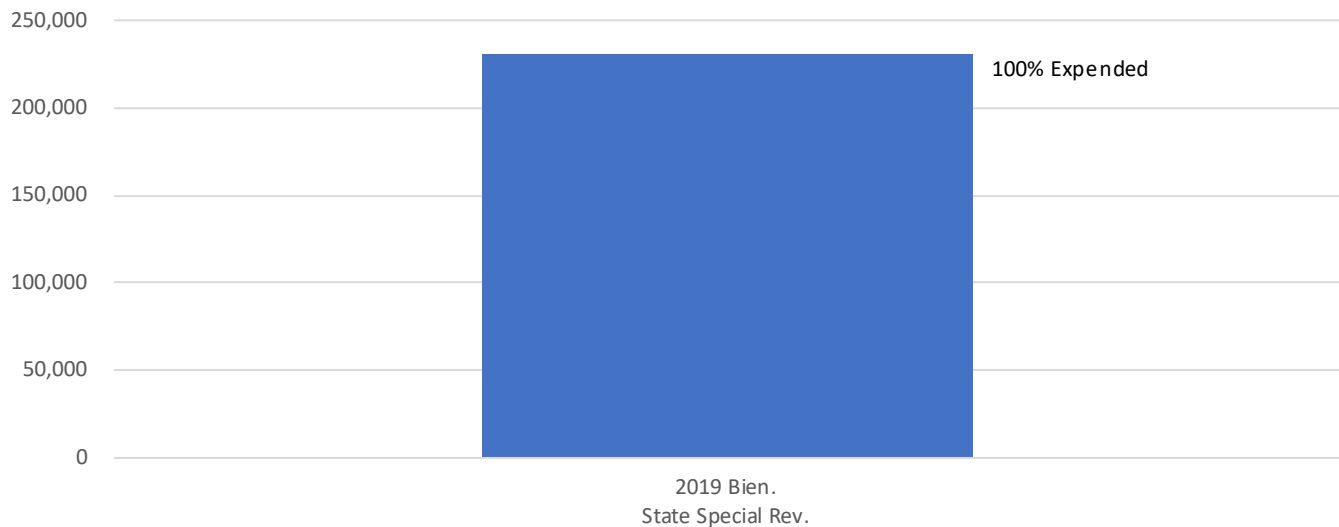
The Cultural and Aesthetic Grant Program (C&A) Budget was \$230,770 in HB 9 authority, all the program authority is new in the 2019 biennium

100% of 2019 biennium appropriation authority was expended

HB 9 Expenditures

Budgeted vs. Expended

by fund type



Expenditure Account	Budgeted	Expended	% Expended
Operating Expenses	29,845	29,845	100%
Grants	195,925	195,925	100%
Transfers-out	5,000	4,771	95%
Agency Program	Budgeted	Expended	% Expended
MT Arts Council / 01 Promotion of the Arts	200,925	200,696	100%
Historical Society / 03 Museum Program	29,845	29,845	100%
Total	230,770	230,541	100%

The legislature provides the C&A program with a biennial budget funded exclusively with state special revenue. Although the C&A program continues authority through the accrual process, the accruals are generally expended early in the following biennium. The total HB 9 budget was \$470,000 for the biennium. The programs expended 51% of the total authority in FY 2018, continuing 49% of the authority into FY 2019. All but \$229 of the appropriation authority was expended, or 100%.

In FY 2019, there were \$230,541 of C&A expenditures, which accomplished the following:

- Funded all 2019 biennium grant projects at the full award level

The C&A program is funded through a statutorily designated state special revenue account, which receives interest earnings from the Arts Trust. The level of income available from the trust provides the parameters for the C&A budget. In the 2019 biennium, the trust earnings were 90% of the projected earnings that formed the basis for the budget. However, fund balance provided sufficient cash to allow the full use of the 2019 biennium appropriation.