

GENERAL GOVERNMENT

SECTION A

JOINT SUBCOMMITTEE OF HOUSE APPROPRIATIONS AND SENATE FINANCE & CLAIMS COMMITTEES

AGENCIES

LEGISLATIVE BRANCH
CONSUMER COUNSEL
GOVERNOR'S OFFICE
SECRETARY OF STATE
COMMISSIONER OF POLITICAL PRACTICES
STATE AUDITOR
DEPARTMENT OF REVENUE
DEPARTMENT OF ADMINISTRATION
DEPARTMENT OF COMMERCE
DEPARTMENT OF LABOR & INDUSTRY
DEPARTMENT OF MILITARY AFFAIRS

APPROPRIATIONS SUBCOMMITTEE MEMBERS

REPRESENTATIVE DAN BARTEL (CHAIR)
REPRESENTATIVE BILL MERCER
REPRESENTATIVE JIM HAMILTON
REPRESENTATIVE JONATHAN WINDY BOY
SENATOR MIKE LANG (VICE-CHAIR)
SENATOR PAT FLOWERS
SENATOR DOUG KARY

FISCAL DIVISION STAFF

KATIE GUENTHER
JULIA PLATT
STEPHANIE MORRISON

Agency Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	23,500,738	25,789,236	2,288,498	9.74 %
Operating Expenses	6,158,321	8,679,113	2,520,792	40.93 %
Equipment & Intangible Assets	272,308	3,622,000	3,349,692	1,230.11 %
Transfers	298,837	298,837	0	0.00 %
Total Expenditures	\$30,230,204	\$38,389,186	\$8,158,982	26.99 %
General Fund	25,798,559	33,437,517	7,638,958	29.61 %
State/Other Special Rev. Funds	4,431,645	4,951,669	520,024	11.73 %
Total Funds	\$30,230,204	\$38,389,186	\$8,158,982	26.99 %
Total Ongoing	\$30,230,204	\$34,549,186	\$4,318,982	14.29 %
Total OTO	\$0	\$3,840,000	\$3,840,000	100.00 %

Page Reference

Legislative Budget Analysis, A-1.

Agency Highlights

Legislative Branch Major Budget Highlights
<ul style="list-style-type: none"> • The legislature adopted an increase to the Legislative Branch’s total ongoing biennial appropriation of approximately \$4.3 million or 14.3% compared to the 2019 biennium ongoing appropriation <ul style="list-style-type: none"> ◦ The legislature adopted increases in general fund and state special revenue for statewide present law adjustments for personal services, fixed costs, and inflation/deflation ◦ The legislature adopted increases in general fund and state special revenue for information technology hardware and software replacement, Legislative Branch audit costs, actuarial services, and fraud hotline software • In addition to the ongoing appropriations, the legislature adopted one-time-only, general fund appropriations for: <ul style="list-style-type: none"> ◦ The final phase of the session systems replacement project (SSR), which includes the bill draft editor, chamber, and legislator portal projects ◦ The final phase of an upgrade to change vote display boards from analog to digital displays ◦ The replacement of chairs on the House Floor and Senate furniture

Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	139.89	139.89	141.89	141.89
Personal Services	10,804,581	11,243,949	12,256,789	12,899,932	12,889,304
Operating Expenses	2,820,823	3,172,020	2,986,301	4,736,409	3,942,704
Equipment & Intangible Assets	172,307	172,308	100,000	2,325,000	1,297,000
Transfers	138,710	150,178	148,659	149,419	149,418
Total Expenditures	\$13,936,421	\$14,738,455	\$15,491,749	\$20,110,760	\$18,278,426
General Fund	11,940,778	12,538,240	13,260,319	17,297,015	16,140,502
State/Other Special Rev. Funds	1,995,643	2,200,215	2,231,430	2,813,745	2,137,924
Total Funds	\$13,936,421	\$14,738,455	\$15,491,749	\$20,110,760	\$18,278,426
Total Ongoing	\$13,936,421	\$14,738,455	\$15,491,749	\$17,490,760	\$17,058,426
Total OTO	\$0	\$0	\$0	\$2,620,000	\$1,220,000

Page Reference

Legislative Budget Analysis, A-2.

Executive Budget Comparison

The following table compares the legislative budget for the biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2019	Executive Budget Fiscal 2020	Legislative Budget Fiscal 2020	Leg — Exec. Difference Fiscal 2020	Executive Budget Fiscal 2021	Legislative Budget Fiscal 2021	Leg — Exec. Difference Fiscal 2021	Biennium Difference Fiscal 20-21
FTE	139.89	141.89	141.89	0.00	141.89	141.89	0.00	0.00
Personal Services	12,256,789	12,953,584	12,899,932	(53,652)	12,942,956	12,889,304	(53,652)	(107,304)
Operating Expenses	2,986,301	4,286,707	4,736,409	449,702	3,993,002	3,942,704	(50,298)	399,404
Equipment & Intangible Assets	100,000	2,025,000	2,325,000	300,000	1,297,000	1,297,000	0	300,000
Transfers	148,659	149,419	149,419	0	149,418	149,418	0	0
Total Costs	\$15,491,749	\$19,414,710	\$20,110,760	\$696,050	\$18,382,376	\$18,278,426	(\$103,950)	\$592,100
General Fund	13,260,319	16,871,159	17,297,015	425,856	16,224,419	16,140,502	(83,917)	341,939
State/other Special Rev. Funds	2,231,430	2,543,551	2,813,745	270,194	2,157,957	2,137,924	(20,033)	250,161
Total Funds	\$15,491,749	\$19,414,710	\$20,110,760	\$696,050	\$18,382,376	\$18,278,426	(\$103,950)	\$592,100
Total Ongoing	\$15,491,749	\$17,614,710	\$17,490,760	(\$123,950)	\$17,182,376	\$17,058,426	(\$123,950)	(\$247,900)
Total OTO	\$0	\$1,800,000	\$2,620,000	\$820,000	\$1,200,000	\$1,220,000	\$20,000	\$840,000

The legislature adopted ongoing appropriations that are approximately \$248,000 lower than the proposed appropriations for the 2021 biennium. The legislature adopted one-time-only appropriations that are \$840,000 higher than the proposed appropriation for the 2021 biennium.

The major differences in the legislative budget compared to the proposed budget include:

- The legislature adopted one-time-only, biennial, general fund appropriations of \$300,000 over the biennium for the chamber design project, which is part of the session systems replacement project. This appropriation was moved from HB 1 to HB 2
- The legislature adopted one-time-only, biennial, general fund appropriations of \$200,000 over the biennium for the replacement of chairs on the House Floor and Senate furniture
- The legislature adopted one-time-only, state special revenue appropriations of \$300,000 for hosting the Council of State Governments conference
- The legislature adopted reductions to operating expenses and personal services of approximately \$345,000 for the Legislative Services Division and Legislative Audit Division
- The legislature adopted general fund appropriations of approximately \$136,000 over the biennium for dues and travel associated with attending Energy Council conferences

Funding

The following table shows agency funding by source of authority.

Total Legislative Branch Funding by Source of Authority 2021 Biennium Budget Request - Legislative Branch						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	29,908,649	3,528,868	0	0	33,437,517	87.10 %
State Special Total	4,640,537	311,132	0	0	4,951,669	12.90 %
Federal Special Total	0	0	0	0	0	0.00 %
Proprietary Total	0	0	0	0	0	0.00 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$34,549,186	\$3,840,000	\$0	\$0	\$38,389,186	
Percent - Total All Sources	90.00 %	10.00 %	0.00 %	0.00 %		

The Legislative Branch is primarily funded with general fund. State special revenues support the costs associated with the state broadcasting service; the preparation, publication, and distribution of the Montana Code Annotated; and a portion of the activities of the Legislative Audit Division.

While not shown in the table above, the Legislative Branch has statutory appropriation authority for the Legislative Branch reserve account. This account receives unexpended and unencumbered money included in the “feed bill” (the bill that funds the legislative session each year) and remaining carryforward appropriation for the divisions. The funds may be used for major Legislative Branch information technology projects including hardware, software, consulting services for new initiatives, and replacing and upgrading of existing systems. All projects and funding from the reserve account must be approved by the Legislative Council. During the November 2017 Special Session, the legislature approved a transfer of \$500,000 from the reserve account to the general fund.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	13,260,319	13,260,319	26,520,638	79.31 %	15,491,749	15,491,749	30,983,498	80.71 %
SWPL Adjustments	495,038	605,754	1,100,792	3.29 %	521,629	481,594	1,003,223	2.61 %
PL Adjustments	1,136,788	969,931	2,106,719	6.30 %	1,392,512	1,000,585	2,393,097	6.23 %
New Proposals	2,404,870	1,304,498	3,709,368	11.09 %	2,704,870	1,304,498	4,009,368	10.44 %
Total Budget	\$17,297,015	\$16,140,502	\$33,437,517		\$20,110,760	\$18,278,426	\$38,389,186	

Language and Statutory Authority

All appropriations for the Legislative Branch are biennial.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	11,671,266	12,683,715	1,012,449	8.67 %
Operating Expenses	4,564,894	6,356,820	1,791,926	39.25 %
Equipment & Intangible Assets	272,308	3,622,000	3,349,692	1,230.11 %
Transfers	298,837	298,837	0	0.00 %
Total Expenditures	\$16,807,305	\$22,961,372	\$6,154,067	36.62 %
General Fund	15,995,604	22,237,584	6,241,980	39.02 %
State/Other Special Rev. Funds	811,701	723,788	(87,913)	(10.83)%
Total Funds	\$16,807,305	\$22,961,372	\$6,154,067	36.62 %
Total Ongoing	\$16,807,305	\$19,461,372	\$2,654,067	15.79 %
Total OTO	\$0	\$3,500,000	\$3,500,000	100.00 %

Page Reference

Legislative Budget Analysis, A-7.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	65.67	65.67	67.67	67.67
Personal Services	5,440,462	5,649,251	6,022,015	6,313,043	6,370,672
Operating Expenses	2,083,648	2,341,988	2,222,906	3,369,610	2,987,210
Equipment & Intangible Assets	172,307	172,308	100,000	2,325,000	1,297,000
Transfers	138,710	150,178	148,659	149,419	149,418
Total Expenditures	\$7,835,127	\$8,313,725	\$8,493,580	\$12,157,072	\$10,804,300
General Fund	7,456,684	7,874,586	8,121,018	11,630,679	10,606,905
State/Other Special Rev. Funds	378,443	439,139	372,562	526,393	197,395
Total Funds	\$7,835,127	\$8,313,725	\$8,493,580	\$12,157,072	\$10,804,300
Total Ongoing	\$7,835,127	\$8,313,725	\$8,493,580	\$9,857,072	\$9,604,300
Total OTO	\$0	\$0	\$0	\$2,300,000	\$1,200,000

Page Reference

Legislative Budget Analysis, A-8.

Funding

The Legislative Services Division is mainly funded with general fund. State special revenue funding supports the costs associated with the state broadcasting service and the preparation, publication, and distribution of the Montana Code Annotated.

Program Budget Summary by Category

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	8,121,018	8,121,018	16,242,036	73.04 %	8,493,580	8,493,580	16,987,160	73.98 %
SWPL Adjustments	335,934	511,033	846,967	3.81 %	358,546	383,527	742,073	3.23 %
PL Adjustments	836,793	738,292	1,575,085	7.08 %	968,012	690,631	1,658,643	7.22 %
New Proposals	2,336,934	1,236,562	3,573,496	16.07 %	2,336,934	1,236,562	3,573,496	15.56 %
Total Budget	\$11,630,679	\$10,606,905	\$22,237,584		\$12,157,072	\$10,804,300	\$22,961,372	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----				-----Fiscal 2021-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	117,798	22,296	0	140,094	0.00	325,799	(127,704)	0	198,095
DP 2 - Fixed Costs	0.00	218,111	316	0	218,427	0.00	185,203	198	0	185,401
DP 3 - Inflation Deflation	0.00	25	0	0	25	0.00	31	0	0	31
DP 4 - Present Law Adjustment	0.00	836,793	131,142	0	967,935	0.00	738,292	(47,709)	0	690,583
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	77	0	77	0.00	0	48	0	48
Grand Total All Present Law Adjustments	0.00	\$1,172,727	\$153,831	\$0	\$1,326,558	0.00	\$1,249,325	(\$175,167)	\$0	\$1,074,158

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 4 - Present Law Adjustment -

The legislature adopted an increase in general fund and state special revenue funds in FY 2020 and an increase in general fund and decrease in state special revenue funds in FY 2021. This request includes:

- Increases in general fund of approximately \$760,000 in FY 2020 and \$685,000 in FY 2021 for information technology costs and state broadcasting
 - Increases for information technology costs are related to the replacement of declining hardware and software. This includes contracted services for network support and programming related to the LAWS II system and the restoration of budget reductions from the November 2017 Special Session

- Increases for state broadcasting are due to increases in contracted services to produce, broadcast, and stream the legislature during session and the interim. The branch is working to formalize ongoing maintenance and replacement costs
- Increases in general fund of approximately \$43,000 in FY 2020 and \$18,000 in FY 2021 for training
- Increases in general fund of approximately \$34,000 in FY 2020 and \$35,000 in FY 2021 for operating expenses. This includes office supplies, printing, and miscellaneous services to support the Legislative Branch that were reduced during the 2017 Regular Session and November 2017 Special Session
- An increase in state special revenue of approximately \$155,000 in FY 2020 for a cyclical adjustment for the costs related to producing the Montana Code Annotated (MCA) and ancillary publications, and a decrease in state special revenue of approximately \$48,000 in FY 2021 related to the anticipated reduction in printing costs for the MCA
- A decrease in state special revenue of approximately \$24,000 in FY 2020 due to an anticipated decrease in revenue that supports the state broadcasting service

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

New Proposals -

The “New Proposals” table shows new changes to spending.

New Proposals	Fiscal 2020					Fiscal 2021				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 5 - FTE Request Net Admin, IT BA	2.00	150,934	0	0	150,934	2.00	150,562	0	0	150,562
DP 6 - Bill Draft Editor Project (BIEN/OTO)	0.00	500,000	0	0	500,000	0.00	0	0	0	0
DP 7 - Chamber Project (BIEN/OTO)	0.00	600,000	0	0	600,000	0.00	600,000	0	0	600,000
DP 8 - Legislator Portal Project (BIEN/OTO)	0.00	0	0	0	0	0.00	300,000	0	0	300,000
DP 9 - Digital Vote Boards (BIEN/OTO)	0.00	700,000	0	0	700,000	0.00	300,000	0	0	300,000
DP 2001 - Chamber Design (BIEN/OTO)	0.00	300,000	0	0	300,000	0.00	0	0	0	0
DP 2002 - Operating Expense Reduction	0.00	(114,000)	0	0	(114,000)	0.00	(114,000)	0	0	(114,000)
DP 2003 - House Chairs and Senate Furniture Replacement (RST/BIEN/OTO)	0.00	200,000	0	0	200,000	0.00	0	0	0	0
Total	2.00	\$2,336,934	\$0	\$0	\$2,336,934	2.00	\$1,236,562	\$0	\$0	\$1,236,562

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 5 - FTE Request Net Admin, IT BA -

The legislature adopted general fund for 2.00 FTE. This appropriation is for one network administrator and one business analyst. Increased workload in the information technology area, due to large information technology (IT) projects, increased complexity of the IT environment, and growing business requirements, has created the need for two additional full-time positions for the division.

DP 6 - Bill Draft Editor Project (BIEN/OTO) -

The legislature adopted one-time-only, biennial general fund appropriations in FY 2020 for the Bill Draft Editor Project. This project is a continuation and a component of the final phase of the session systems replacement project which began in 2013. When completed, SSR implements a system that will provide enterprise content management of the fully versioned MCA datastore and system functionality for bill and amendment drafting and chamber business processes. This project

includes development of the bill draft editor solution, system integration testing of the bill draft editor solution, training, user acceptance testing, and production that will go-live in the summer of 2020 for the 2021 Legislative Session.

DP 7 - Chamber Project (BIEN/OTO) -

The legislature adopted one-time-only, biennial general fund appropriations in FY 2020 and FY 2021 for the Chamber Project. This project is a continuation and a component of the final phase of the session systems replacement project which began in 2013. Funding is for detail design and integration, testing and delivery of automation of the chamber processes, including agenda process for second and third reading, the journal, committee reports and minutes, and the amendments of bills on second reading.

DP 8 - Legislator Portal Project (BIEN/OTO) -

The legislature adopted one-time-only, biennial general fund appropriations for the Legislative Portal Project. This project is a continuation and a component of the final phase of the session systems replacement project which began in 2013. This project provides integration with the legislative website and individual legislator pages that eventually will allow legislators to access and receive notices regarding their bill drafts, introduction of bills, floor agendas, and committee and other notices.

DP 9 - Digital Vote Boards (BIEN/OTO) -

The legislature adopted one-time-only, biennial general fund for voting displays. Upgrades to the hardware and software for the House and Senate vote systems have been completed. The voting displays, which are analog technology, need to be upgraded to digital displays in order to complete the vote system replacement project.

DP 2001 - Chamber Design (BIEN/OTO) -

The legislature adopted one-time-only, biennial general fund appropriations in FY 2020 for the Chamber Design Project. This project is a continuation and a component of the final phase of the session systems replacement project which began in 2013. This detail design analysis is necessary to specifically accomplish the Chamber Project (DP 7) which takes the detail design to implement, integrate, and deliver the design.

DP 2002 - Operating Expense Reduction -

The legislature adopted general fund reductions in FY 2020 and FY 2021. These reductions were to operating expenses.

DP 2003 - House Chairs and Senate Furniture Replacement (RST/BIEN/OTO) -

The legislature adopted a restricted, one-time-only, biennial general fund appropriation in FY 2020 for the replacement of chairs on the House Floor and Senate furniture.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	206,766	297,484	90,718	43.87 %
Operating Expenses	1,059,221	1,655,164	595,943	56.26 %
Total Expenditures	\$1,265,987	\$1,952,648	\$686,661	54.24 %
General Fund	1,265,987	1,652,648	386,661	30.54 %
State/Other Special Rev. Funds	0	300,000	300,000	0.00 %
Total Funds	\$1,265,987	\$1,952,648	\$686,661	54.24 %
Total Ongoing	\$1,265,987	\$1,652,648	\$386,661	30.54 %
Total OTO	\$0	\$300,000	\$300,000	100.00 %

Page Reference

Legislative Budget Analysis, A-14.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	0.97	0.97	0.97	0.97
Personal Services	117,468	121,907	84,859	180,925	116,559
Operating Expenses	503,221	559,612	499,609	1,022,921	632,243
Total Expenditures	\$620,689	\$681,519	\$584,468	\$1,203,846	\$748,802
General Fund	620,689	681,519	584,468	903,846	748,802
State/Other Special Rev. Funds	0	0	0	300,000	0
Total Funds	\$620,689	\$681,519	\$584,468	\$1,203,846	\$748,802
Total Ongoing	\$620,689	\$681,519	\$584,468	\$903,846	\$748,802
Total OTO	\$0	\$0	\$0	\$300,000	\$0

Page Reference

Legislative Budget Analysis, A-15.

Funding

Legislative Committees and Activities is primarily funded with general fund.

Program Budget Summary by Category

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	584,468	584,468	1,168,936	70.73 %	584,468	584,468	1,168,936	59.86 %
SWPL Adjustments	78,602	14,236	92,838	5.62 %	78,602	14,236	92,838	4.75 %
PL Adjustments	172,840	82,162	255,002	15.43 %	172,840	82,162	255,002	13.06 %
New Proposals	67,936	67,936	135,872	8.22 %	367,936	67,936	435,872	22.32 %
Total Budget	\$903,846	\$748,802	\$1,652,648		\$1,203,846	\$748,802	\$1,952,648	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	78,602	0	0	78,602	0.00	14,236	0	0	14,236
DP 4 - Present Law Adjustment	0.00	160,192	0	0	160,192	0.00	69,514	0	0	69,514
DP 10 - Health Ins Prem Int Comm Secretary Pos	0.00	12,648	0	0	12,648	0.00	12,648	0	0	12,648
Grand Total All Present Law Adjustments	0.00	\$251,442	\$0	\$0	\$251,442	0.00	\$96,398	\$0	\$0	\$96,398

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 4 - Present Law Adjustment -

The legislature adopted general fund increases in FY 2020 and FY 2021. This change includes:

- Increases of approximately \$8,000 in FY 2020 and \$5,000 in FY 2021 related the Districting and Apportionment Committee. This committee is statutorily required in each session preceding each federal population census
- Increases of \$27,000 in FY 2020 and \$18,000 in FY 2021 to restore budget reductions experienced during the 2017 Regular Session and the November 2017 Special Session. This includes funding for travel, the Legislative Council's budget for emerging issues, and consulting services
- Increases of approximately \$125,000 in FY 2020 and \$46,000 in FY 2021 for an additional meeting for each interim committee

DP 10 - Health Ins Prem Int Comm Secretary Pos -

The legislature adopted an increase in general fund in FY 2020 and FY 2021 for employer health insurance premiums for the interim committee secretary position. Based on the work cycle and number of hours for this position, and pursuant to federal requirements, the Legislative Branch is required to provide health insurance.

New Proposals -

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2102 - Energy Council	0.00	67,936	0	0	67,936	0.00	67,936	0	0	67,936
DP 2103 - Council of State Governments Conference (OTO)	0.00	0	300,000	0	300,000	0.00	0	0	0	0
Total	0.00	\$67,936	\$300,000	\$0	\$367,936	0.00	\$67,936	\$0	\$0	\$67,936

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2102 - Energy Council -

The legislature adopted a general fund appropriation in FY 2020 and FY 2021 for dues and travel associated with attending Energy Council conferences.

DP 2103 - Council of State Governments Conference (OTO) -

The legislature adopted a one-time-only state special revenue appropriation in FY 2020 for hosting the Council of State Governments conference. This state special revenue appropriation provides Legislative Committees and Activities the authority to spend funding transferred from the Department of Justice's consumer protection account established in 30-14-143, MCA.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	3,648,084	4,004,268	356,184	9.76 %
Operating Expenses	183,424	195,343	11,919	6.50 %
Total Expenditures	\$3,831,508	\$4,199,611	\$368,103	9.61 %
General Fund	3,831,508	4,199,611	368,103	9.61 %
Total Funds	\$3,831,508	\$4,199,611	\$368,103	9.61 %
Total Ongoing	\$3,831,508	\$4,199,611	\$368,103	9.61 %
Total OTO	\$0	\$0	\$0	0.00 %

Page Reference

Legislative Budget Analysis, A-18.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	20.50	20.50	20.50	20.50
Personal Services	1,662,995	1,722,371	1,925,713	2,002,631	2,001,637
Operating Expenses	61,773	82,700	100,724	85,657	109,686
Total Expenditures	\$1,724,768	\$1,805,071	\$2,026,437	\$2,088,288	\$2,111,323
General Fund	1,724,768	1,805,071	2,026,437	2,088,288	2,111,323
Total Funds	\$1,724,768	\$1,805,071	\$2,026,437	\$2,088,288	\$2,111,323
Total Ongoing	\$1,724,768	\$1,805,071	\$2,026,437	\$2,088,288	\$2,111,323
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

Legislative Budget Analysis, A-19.

Funding

The Legislative Fiscal Division is funded entirely with general fund.

Program Budget Summary by Category

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	2,026,437	2,026,437	4,052,874	96.51 %	2,026,437	2,026,437	4,052,874	96.51 %
SWPL Adjustments	76,827	75,862	152,689	3.64 %	76,827	75,862	152,689	3.64 %
PL Adjustments	(14,976)	9,024	(5,952)	(0.14)%	(14,976)	9,024	(5,952)	(0.14)%
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$2,088,288	\$2,111,323	\$4,199,611		\$2,088,288	\$2,111,323	\$4,199,611	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	76,918	0	0	76,918	0.00	75,924	0	0	75,924
DP 2 - Fixed Costs	0.00	(212)	0	0	(212)	0.00	(212)	0	0	(212)
DP 3 - Inflation Deflation	0.00	121	0	0	121	0.00	150	0	0	150
DP 4 - Present Law Adjustment	0.00	(14,976)	0	0	(14,976)	0.00	9,024	0	0	9,024
Grand Total All Present Law Adjustments	0.00	\$61,851	\$0	\$0	\$61,851	0.00	\$84,886	\$0	\$0	\$84,886

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 4 - Present Law Adjustment -

The legislature adopted a general fund decrease in FY 2020 and a general fund increase in FY 2021. These changes primarily include:

- A decrease of approximately \$9,300 in FY 2020 and an increase of approximately \$9,300 in FY 2021 for printing and supplies
- A decrease of approximately \$5,700 in FY 2020 for travel

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	7,974,622	8,803,769	829,147	10.40 %
Operating Expenses	350,782	471,786	121,004	34.50 %
Total Expenditures	\$8,325,404	\$9,275,555	\$950,151	11.41 %
General Fund	4,705,460	5,347,674	642,214	13.65 %
State/Other Special Rev. Funds	3,619,944	3,927,881	307,937	8.51 %
Total Funds	\$8,325,404	\$9,275,555	\$950,151	11.41 %
Total Ongoing	\$8,325,404	\$9,235,555	\$910,151	10.93 %
Total OTO	\$0	\$40,000	\$40,000	100.00 %

Page Reference

Legislative Budget Analysis, A-21.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	52.75	52.75	52.75	52.75
Personal Services	3,583,656	3,750,420	4,224,202	4,403,333	4,400,436
Operating Expenses	172,181	187,720	163,062	258,221	213,565
Total Expenditures	\$3,755,837	\$3,938,140	\$4,387,264	\$4,661,554	\$4,614,001
General Fund	2,138,637	2,177,064	2,528,396	2,674,202	2,673,472
State/Other Special Rev. Funds	1,617,200	1,761,076	1,858,868	1,987,352	1,940,529
Total Funds	\$3,755,837	\$3,938,140	\$4,387,264	\$4,661,554	\$4,614,001
Total Ongoing	\$3,755,837	\$3,938,140	\$4,387,264	\$4,641,554	\$4,594,001
Total OTO	\$0	\$0	\$0	\$20,000	\$20,000

Page Reference

Legislative Budget Analysis, A-24.

Funding

The Legislative Audit Division is funded with general fund and state special revenue. The state special revenue funds are generated through a charge to agencies of a billing rate calculated in accordance with federal regulations for audit services.

Program Budget Summary by Category

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	2,528,396	2,528,396	5,056,792	94.56 %	4,387,264	4,387,264	8,774,528	94.60 %
SWPL Adjustments	3,675	4,623	8,298	0.16 %	7,654	7,969	15,623	0.17 %
PL Adjustments	142,131	140,453	282,584	5.28 %	266,636	218,768	485,404	5.23 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$2,674,202	\$2,673,472	\$5,347,674		\$4,661,554	\$4,614,001	\$9,275,555	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Fixed Costs	0.00	3,280	3,551	0	6,831	0.00	4,031	2,917	0	6,948
DP 3 - Inflation Deflation	0.00	395	428	0	823	0.00	592	429	0	1,021
DP 4 - Present Law Adjustment	0.00	25,650	19,350	0	45,000	0.00	0	0	0	0
DP 50 - Personal Services Adjustment	0.00	86,029	93,102	0	179,131	0.00	114,096	62,138	0	176,234
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	505	0	505	0.00	0	534	0	534
DP 2802 - Present Law Adjustment- Pro License Fees	0.00	1,710	1,290	0	3,000	0.00	1,740	1,260	0	3,000
DP 2804 - Present Law Adjustment- Restoration of Reductions	0.00	5,700	4,300	0	10,000	0.00	5,800	4,200	0	10,000
DP 2810 - Present Law Adjustment - Fraud Hotline Software	0.00	7,151	1,849	0	9,000	0.00	5,840	3,160	0	9,000
DP 2811 - Present Law Adjustment - IT Training (OTO)	0.00	15,891	4,109	0	20,000	0.00	12,977	7,023	0	20,000
Grand Total All Present Law Adjustments	0.00	\$145,806	\$128,484	\$0	\$274,290	0.00	\$145,076	\$81,661	\$0	\$226,737

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 4 - Present Law Adjustment -

The legislature adopted general fund and state special revenue appropriations in FY 2020. This request includes:

- An increase of \$15,000 for the Legislative Branch audit, which is a cyclical, contracted service
- An increase of \$16,000 for a Government Accountability Office (GAO) required Peer Review. This peer review is a contracted service that occurs every three years

- An increase of \$14,000 for other post-employment benefits (OPEB) actuary services, which are contracted services

DP 50 - Personal Services Adjustment -

The legislature adopted a present law adjustment in personal services to maintain operations and services of the program. Specific adjustments include reducing the proposed reinstatement of personal services.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

DP 2802 - Present Law Adjustment- Pro License Fees -

The legislature adopted an increase in general fund and state special revenue funds for professional license fees for staff that are Certified Public Accountants (CPA) and lawyers.

DP 2804 - Present Law Adjustment- Restoration of Reductions -

The legislature adopted general fund and state special revenue appropriations for the restoration of reduced operating authority from the 2017 session. This includes travel and other operating costs.

DP 2810 - Present Law Adjustment - Fraud Hotline Software -

The legislature adopted general fund and state special revenue funds for FY 2020 and FY 2021 for the Legislative Audit Division's fraud hotline software.

DP 2811 - Present Law Adjustment - IT Training (OTO) -

The legislature adopted one-time-only general fund and state special revenue appropriations for FY 2020 and FY 2021 for information technology training related to Legislative Audit SABHRS support.

Agency Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	1,292,963	1,326,456	33,493	2.59 %
Operating Expenses	1,969,046	1,977,106	8,060	0.41 %
Total Expenditures	\$3,262,009	\$3,303,562	\$41,553	1.27 %
State/Other Special Rev. Funds	3,262,009	3,303,562	41,553	1.27 %
Total Funds	\$3,262,009	\$3,303,562	\$41,553	1.27 %
Total Ongoing	\$3,262,009	\$3,303,562	\$41,553	1.27 %
Total OTO	\$0	\$0	\$0	0.00 %

Page Reference

Legislative Budget Analysis, A-28.

Agency Highlights

Montana Consumer Counsel Major Budget Highlights
<ul style="list-style-type: none"> • The legislature adopted an increase to the Consumer Counsel's total biennial appropriation of approximately \$42,000 or 1.3% compared to the 2019 biennium appropriation • The legislature adopted increases in state special revenue for statewide present law adjustments for personal services, fixed costs, and inflation/deflation • The legislature adopted increases in state special revenue for a present law adjustment. This adjustment was primarily related to anticipated increases in rent, public hearing transcription costs, and agency subscriptions

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	5.54	5.54	5.54	5.54
Personal Services	564,451	636,860	656,103	664,074	662,382
Operating Expenses	662,739	984,499	984,547	988,010	989,096
Total Expenditures	\$1,227,190	\$1,621,359	\$1,640,650	\$1,652,084	\$1,651,478
State/Other Special Rev. Funds	1,227,190	1,621,359	1,640,650	1,652,084	1,651,478
Total Funds	\$1,227,190	\$1,621,359	\$1,640,650	\$1,652,084	\$1,651,478
Total Ongoing	\$1,227,190	\$1,621,359	\$1,640,650	\$1,652,084	\$1,651,478
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

Legislative Budget Analysis, A-29.

Executive Budget Comparison

The following table compares the legislative budget for the biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2019	Executive Budget Fiscal 2020	Legislative Budget Fiscal 2020	Leg — Exec. Difference Fiscal 2020	Executive Budget Fiscal 2021	Legislative Budget Fiscal 2021	Leg — Exec. Difference Fiscal 2021	Biennium Difference Fiscal 20-21
FTE	5.54	5.54	5.54	0.00	5.54	5.54	0.00	0.00
Personal Services	656,103	664,074	664,074	0	662,382	662,382	0	0
Operating Expenses	984,547	988,010	988,010	0	989,096	989,096	0	0
Total Costs	\$1,640,650	\$1,652,084	\$1,652,084	\$0	\$1,651,478	\$1,651,478	\$0	\$0
State/other Special Rev. Funds	1,640,650	1,652,084	1,652,084	0	1,651,478	1,651,478	0	0
Total Funds	\$1,640,650	\$1,652,084	\$1,652,084	\$0	\$1,651,478	\$1,651,478	\$0	\$0
Total Ongoing	\$1,640,650	\$1,652,084	\$1,652,084	\$0	\$1,651,478	\$1,651,478	\$0	\$0
Total OTO	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

The legislature adopted present law adjustments and statewide present law adjustments for personal services, fixed costs, and inflation/deflation as proposed. The legislature designated \$150,000 each fiscal year as a biennial appropriation for unanticipated caseload contingency.

Funding

The following table shows agency funding by source of authority.

Total Consumer Counsel Funding by Source of Authority 2021 Biennium Budget Request - Consumer Counsel						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0	0.00 %
State Special Total	3,303,562	0	0	0	3,303,562	100.00 %
Federal Special Total	0	0	0	0	0	0.00 %
Proprietary Total	0	0	0	0	0	0.00 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$3,303,562	\$0	\$0	\$0	\$3,303,562	
Percent - Total All Sources	100.00 %	0.00 %	0.00 %	0.00 %		

The Montana Consumer Counsel is funded by state special revenue generated by fees imposed on all regulated entities under the jurisdiction of the Public Service Commission. The funding formula is specified in 69-1-223, MCA. Each year the Department of Revenue determines the total gross operating revenue generated by all regulated activities within the state for the previous fiscal year. The Department of Revenue then computes the percentage tax necessary to yield an amount equal to the current appropriation, with no excess funds. If collection of excess revenue occurs, the amount charged to the regulated utilities for the following year is reduced.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	0	0	0	0.00 %	1,640,650	1,640,650	3,281,300	99.33 %
SWPL Adjustments	0	0	0	0.00 %	8,176	6,522	14,698	0.44 %
PL Adjustments	0	0	0	0.00 %	3,258	4,306	7,564	0.23 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$1,652,084	\$1,651,478	\$3,303,562	

Page Reference

Legislative Budget Analysis, A-28.

Page Reference

Legislative Budget Analysis, A-29.

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	7,971	0	7,971	0.00	0	6,279	0	6,279
DP 2 - Fixed Costs	0.00	0	53	0	53	0.00	0	54	0	54
DP 3 - Inflation Deflation	0.00	0	152	0	152	0.00	0	189	0	189
DP 4 - Present Law	0.00	0	3,258	0	3,258	0.00	0	4,306	0	4,306
Grand Total All Present Law Adjustments	0.00	\$0	\$11,434	\$0	\$11,434	0.00	\$0	\$10,828	\$0	\$10,828

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide funding to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 4 - Present Law -

The legislature adopted increases in state special revenue for anticipated increases in operating costs. This is primarily due to anticipated increases in rent, public hearing transcript costs, and agency subscriptions.

Agency Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	10,033,672	11,230,431	1,196,759	11.93 %
Operating Expenses	2,631,492	2,826,054	194,562	7.39 %
Equipment & Intangible Assets	71,250	0	(71,250)	(100.00)%
Total Expenditures	\$12,736,414	\$14,056,485	\$1,320,071	10.36 %
General Fund	12,336,414	14,056,485	1,720,071	13.94 %
State/Other Special Rev. Funds	400,000	0	(400,000)	(100.00)%
Total Funds	\$12,736,414	\$14,056,485	\$1,320,071	10.36 %
Total Ongoing	\$12,336,414	\$14,056,485	\$1,720,071	13.94 %
Total OTO	\$400,000	\$0	(\$400,000)	(100.00)%

Page Reference

Legislative Budget Analysis, A-34.

Agency Highlights

Governor's Office Major Budget Highlights
<ul style="list-style-type: none"> • The legislature adopted an increase to the Governor's Office's total ongoing biennial appropriation of approximately \$1.7 million or 13.9% compared to the 2019 biennium ongoing appropriation • The legislature adopted increases in general fund for statewide present law adjustments for personal services, fixed costs, and inflation/deflation

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	58.07	58.07	58.07	58.07
Personal Services	4,778,880	4,886,910	5,146,762	5,619,642	5,610,789
Operating Expenses	999,621	1,151,554	1,479,938	1,441,720	1,384,334
Equipment & Intangible Assets	71,250	71,250	0	0	0
Total Expenditures	\$5,849,751	\$6,109,714	\$6,626,700	\$7,061,362	\$6,995,123
General Fund	5,715,960	5,909,714	6,426,700	7,061,362	6,995,123
State/Other Special Rev. Funds	133,791	200,000	200,000	0	0
Total Funds	\$5,849,751	\$6,109,714	\$6,626,700	\$7,061,362	\$6,995,123
Total Ongoing	\$5,715,960	\$5,909,714	\$6,426,700	\$7,061,362	\$6,995,123
Total OTO	\$133,791	\$200,000	\$200,000	\$0	\$0

Page Reference

Legislative Budget Analysis, A-35.

Executive Budget Comparison

The following table compares the legislative budget for the biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2019	Executive Budget Fiscal 2020	Legislative Budget Fiscal 2020	Leg — Exec. Difference Fiscal 2020	Executive Budget Fiscal 2021	Legislative Budget Fiscal 2021	Leg — Exec. Difference Fiscal 2021	Biennium Difference Fiscal 20-21
FTE	58.07	57.07	58.07	1.00	57.07	58.07	1.00	1.00
Personal Services	5,146,762	5,618,870	5,619,642	772	5,609,957	5,610,789	832	1,604
Operating Expenses	1,479,938	1,441,630	1,441,720	90	1,384,244	1,384,334	90	180
Equipment & Intangible Assets	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0
Total Costs	\$6,626,700	\$7,060,500	\$7,061,362	\$862	\$6,994,201	\$6,995,123	\$922	\$1,784
General Fund	6,426,700	7,060,500	7,061,362	862	6,994,201	6,995,123	922	1,784
State/other Special Rev. Funds	200,000	0	0	0	0	0	0	0
Federal Spec. Rev. Funds	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Total Funds	\$6,626,700	\$7,060,500	\$7,061,362	\$862	\$6,994,201	\$6,995,123	\$922	\$1,784
Total Ongoing	\$6,426,700	\$7,060,500	\$7,061,362	\$862	\$6,994,201	\$6,995,123	\$922	\$1,784
Total OTO	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0

The legislature adopted ongoing appropriations that are approximately \$2,000 higher than the proposed executive appropriations for the 2021 biennium.

The major differences in the legislative budget compared to the executive budget include:

- The legislature adopted reductions related to the proposed reinstatement of personal services of approximately \$161,000 over the biennium in the Executive Office Program, Air Transportation Program, and Office of Budget and Program Planning

- The legislature did not adopt the proposed reductions of approximately \$163,000 and 1.00 FTE over the biennium in the Mental Disabilities Board of Visitors and the Mental Health Ombudsman's Office

Funding

The following table shows agency funding by source of authority.

Total Governor's Office Funding by Source of Authority 2021 Biennium Budget Request - Governor's Office						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	14,056,485	0	0	0	14,056,485	100.00 %
State Special Total	0	0	0	0	0	0.00 %
Federal Special Total	0	0	0	0	0	0.00 %
Proprietary Total	0	0	0	0	0	0.00 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$14,056,485	\$0	\$0	\$0	\$14,056,485	
Percent - Total All Sources	100.00 %	0.00 %	0.00 %	0.00 %		

The Governor's Office is funded entirely with general fund.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	6,426,700	6,426,700	12,853,400	91.44 %	6,426,700	6,426,700	12,853,400	91.44 %
SWPL Adjustments	295,706	237,385	533,091	3.79 %	295,706	237,385	533,091	3.79 %
PL Adjustments	338,956	331,038	669,994	4.77 %	338,956	331,038	669,994	4.77 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$7,061,362	\$6,995,123	\$14,056,485		\$7,061,362	\$6,995,123	\$14,056,485	

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	4,118,135	4,696,138	578,003	14.04 %
Operating Expenses	1,476,761	1,406,852	(69,909)	(4.73)%
Total Expenditures	\$5,594,896	\$6,102,990	\$508,094	9.08 %
General Fund	5,194,896	6,102,990	908,094	17.48 %
State/Other Special Rev. Funds	400,000	0	(400,000)	(100.00)%
Total Funds	\$5,594,896	\$6,102,990	\$508,094	9.08 %
Total Ongoing	\$5,194,896	\$6,102,990	\$908,094	17.48 %
Total OTO	\$400,000	\$0	(\$400,000)	(100.00)%

Page Reference

Legislative Budget Analysis, A-40.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	24.00	24.00	24.00	24.00
Personal Services	1,934,655	2,016,111	2,102,024	2,350,911	2,345,227
Operating Expenses	555,004	613,068	863,693	701,792	705,060
Total Expenditures	\$2,489,659	\$2,629,179	\$2,965,717	\$3,052,703	\$3,050,287
General Fund	2,355,868	2,429,179	2,765,717	3,052,703	3,050,287
State/Other Special Rev. Funds	133,791	200,000	200,000	0	0
Total Funds	\$2,489,659	\$2,629,179	\$2,965,717	\$3,052,703	\$3,050,287
Total Ongoing	\$2,355,868	\$2,429,179	\$2,765,717	\$3,052,703	\$3,050,287
Total OTO	\$133,791	\$200,000	\$200,000	\$0	\$0

Page Reference

Legislative Budget Analysis, A-41.

Funding

The Executive Office Program is funded entirely with general fund.

Program Budget Summary by Category

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	2,765,717	2,765,717	5,531,434	90.63 %	2,765,717	2,765,717	5,531,434	90.63 %
SWPL Adjustments	38,099	41,367	79,466	1.30 %	38,099	41,367	79,466	1.30 %
PL Adjustments	248,887	243,203	492,090	8.06 %	248,887	243,203	492,090	8.06 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$3,052,703	\$3,050,287	\$6,102,990		\$3,052,703	\$3,050,287	\$6,102,990	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Fixed Costs	0.00	36,836	0	0	36,836	0.00	39,800	0	0	39,800
DP 3 - Inflation Deflation	0.00	1,263	0	0	1,263	0.00	1,567	0	0	1,567
DP 50 - Personal Services Adjustment	0.00	248,887	0	0	248,887	0.00	243,203	0	0	243,203
Grand Total All Present Law Adjustments	0.00	\$286,986	\$0	\$0	\$286,986	0.00	\$284,570	\$0	\$0	\$284,570

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the program. Specific adjustments include reducing the proposed reinstatement of personal services.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison					
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change	
Personal Services	209,202	212,814	3,612	1.73 %	
Operating Expenses	131,705	133,572	1,867	1.42 %	
Total Expenditures	\$340,907	\$346,386	\$5,479	1.61 %	
General Fund	340,907	346,386	5,479	1.61 %	
Total Funds	\$340,907	\$346,386	\$5,479	1.61 %	
Total Ongoing	\$340,907	\$346,386	\$5,479	1.61 %	
Total OTO	\$0	\$0	\$0	0.00 %	

Page Reference

Legislative Budget Analysis, A-45.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	1.57	1.57	1.57	1.57
Personal Services	104,190	105,062	104,140	106,043	106,771
Operating Expenses	64,777	68,611	63,094	66,725	66,847
Total Expenditures	\$168,967	\$173,673	\$167,234	\$172,768	\$173,618
General Fund	168,967	173,673	167,234	172,768	173,618
Total Funds	\$168,967	\$173,673	\$167,234	\$172,768	\$173,618
Total Ongoing	\$168,967	\$173,673	\$167,234	\$172,768	\$173,618
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

Legislative Budget Analysis, A-46.

Funding

The Executive Residence Operations Program is funded entirely with general fund.

Program Budget Summary by Category

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	167,234	167,234	334,468	96.56 %	167,234	167,234	334,468	96.56 %
SWPL Adjustments	5,534	6,384	11,918	3.44 %	5,534	6,384	11,918	3.44 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$172,768	\$173,618	\$346,386		\$172,768	\$173,618	\$346,386	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	1,903	0	0	1,903	0.00	2,631	0	0	2,631
DP 2 - Fixed Costs	0.00	3,327	0	0	3,327	0.00	3,375	0	0	3,375
DP 3 - Inflation Deflation	0.00	304	0	0	304	0.00	378	0	0	378
Grand Total All Present Law Adjustments	0.00	\$5,534	\$0	\$0	\$5,534	0.00	\$6,384	\$0	\$0	\$6,384

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	269,490	280,175	10,685	3.96 %
Operating Expenses	272,077	334,233	62,156	22.85 %
Equipment & Intangible Assets	71,250	0	(71,250)	(100.00)%
Total Expenditures	\$612,817	\$614,408	\$1,591	0.26 %
General Fund	612,817	614,408	1,591	0.26 %
Total Funds	\$612,817	\$614,408	\$1,591	0.26 %
Total Ongoing	\$612,817	\$614,408	\$1,591	0.26 %
Total OTO	\$0	\$0	\$0	0.00 %

Page Reference

Legislative Budget Analysis, A-49.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	1.50	1.50	1.50	1.50
Personal Services	119,528	120,311	149,179	139,435	140,740
Operating Expenses	103,418	105,587	166,490	167,104	167,129
Equipment & Intangible Assets	71,250	71,250	0	0	0
Total Expenditures	\$294,196	\$297,148	\$315,669	\$306,539	\$307,869
General Fund	294,196	297,148	315,669	306,539	307,869
Total Funds	\$294,196	\$297,148	\$315,669	\$306,539	\$307,869
Total Ongoing	\$294,196	\$297,148	\$315,669	\$306,539	\$307,869
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

Legislative Budget Analysis, A-50.

Funding

The Air Transportation Program is funded entirely with general fund.

Program Budget Summary by Category

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	315,669	315,669	631,338	102.76 %	315,669	315,669	631,338	102.76 %
SWPL Adjustments	614	639	1,253	0.20 %	614	639	1,253	0.20 %
PL Adjustments	(9,744)	(8,439)	(18,183)	(2.96)%	(9,744)	(8,439)	(18,183)	(2.96)%
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$306,539	\$307,869	\$614,408		\$306,539	\$307,869	\$614,408	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Fixed Costs	0.00	614	0	0	614	0.00	639	0	0	639
DP 50 - Personal Services Adjustment	0.00	(9,744)	0	0	(9,744)	0.00	(8,439)	0	0	(8,439)
Grand Total All Present Law Adjustments	0.00	(\$9,130)	\$0	\$0	(\$9,130)	0.00	(\$7,800)	\$0	\$0	(\$7,800)

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 50 - Personal Services Adjustment -

The legislature adopted a present law adjustment in personal services to maintain operations and services of the program. Specific adjustments include reducing the proposed reinstatement of personal services.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	3,859,536	4,189,889	330,353	8.56 %
Operating Expenses	521,323	649,255	127,932	24.54 %
Total Expenditures	\$4,380,859	\$4,839,144	\$458,285	10.46 %
General Fund	4,380,859	4,839,144	458,285	10.46 %
Total Funds	\$4,380,859	\$4,839,144	\$458,285	10.46 %
Total Ongoing	\$4,380,859	\$4,839,144	\$458,285	10.46 %
Total OTO	\$0	\$0	\$0	0.00 %

Page Reference

Legislative Budget Analysis, A-53.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	21.00	21.00	21.00	21.00
Personal Services	1,854,356	1,862,545	1,996,991	2,096,714	2,093,175
Operating Expenses	179,605	250,657	270,666	355,635	293,620
Total Expenditures	\$2,033,961	\$2,113,202	\$2,267,657	\$2,452,349	\$2,386,795
General Fund	2,033,961	2,113,202	2,267,657	2,452,349	2,386,795
Total Funds	\$2,033,961	\$2,113,202	\$2,267,657	\$2,452,349	\$2,386,795
Total Ongoing	\$2,033,961	\$2,113,202	\$2,267,657	\$2,452,349	\$2,386,795
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

Legislative Budget Analysis, A-54.

Funding

The Office of Budget and Program Planning is funded entirely with general fund.

Program Budget Summary by Category

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	2,267,657	2,267,657	4,535,314	93.72 %	2,267,657	2,267,657	4,535,314	93.72 %
SWPL Adjustments	84,879	22,864	107,743	2.23 %	84,879	22,864	107,743	2.23 %
PL Adjustments	99,813	96,274	196,087	4.05 %	99,813	96,274	196,087	4.05 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$2,452,349	\$2,386,795	\$4,839,144		\$2,452,349	\$2,386,795	\$4,839,144	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Fixed Costs	0.00	84,848	0	0	84,848	0.00	22,825	0	0	22,825
DP 3 - Inflation Deflation	0.00	31	0	0	31	0.00	39	0	0	39
DP 50 - Personal Services Adjustment	0.00	99,723	0	0	99,723	0.00	96,184	0	0	96,184
DP 55 - SWPL Fixed Cost Adjustment	0.00	90	0	0	90	0.00	90	0	0	90
Grand Total All Present Law Adjustments	0.00	\$184,692	\$0	\$0	\$184,692	0.00	\$119,138	\$0	\$0	\$119,138

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the program. Specific adjustments include reducing the proposed reinstatement of personal services.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison					
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change	
Personal Services	287,010	356,966	69,956	24.37 %	
Operating Expenses	55,159	65,706	10,547	19.12 %	
Total Expenditures	\$342,169	\$422,672	\$80,503	23.53 %	
General Fund	342,169	422,672	80,503	23.53 %	
Total Funds	\$342,169	\$422,672	\$80,503	23.53 %	
Total Ongoing	\$342,169	\$422,672	\$80,503	23.53 %	
Total OTO	\$0	\$0	\$0	0.00 %	

Page Reference

Legislative Budget Analysis, A-57.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	2.00	2.00	2.00	2.00
Personal Services	122,814	123,537	163,473	178,712	178,254
Operating Expenses	27,100	29,228	25,931	32,736	32,970
Total Expenditures	\$149,914	\$152,765	\$189,404	\$211,448	\$211,224
General Fund	149,914	152,765	189,404	211,448	211,224
Total Funds	\$149,914	\$152,765	\$189,404	\$211,448	\$211,224
Total Ongoing	\$149,914	\$152,765	\$189,404	\$211,448	\$211,224
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

Legislative Budget Analysis, A-58.

Funding

The Office of Indian Affairs is entirely funded with general fund.

Program Budget Summary by Category

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	189,404	189,404	378,808	89.62 %	189,404	189,404	378,808	89.62 %
SWPL Adjustments	22,044	21,820	43,864	10.38 %	22,044	21,820	43,864	10.38 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$211,448	\$211,224	\$422,672		\$211,448	\$211,224	\$422,672	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	15,239	0	0	15,239	0.00	14,781	0	0	14,781
DP 2 - Fixed Costs	0.00	6,451	0	0	6,451	0.00	6,600	0	0	6,600
DP 3 - Inflation Deflation	0.00	354	0	0	354	0.00	439	0	0	439
Grand Total All Present Law Adjustments	0.00	\$22,044	\$0	\$0	\$22,044	0.00	\$21,820	\$0	\$0	\$21,820

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison					
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change	
Personal Services	585,805	623,519	37,714	6.44 %	
Operating Expenses	76,254	79,654	3,400	4.46 %	
Total Expenditures	\$662,059	\$703,173	\$41,114	6.21 %	
General Fund	662,059	703,173	41,114	6.21 %	
Total Funds	\$662,059	\$703,173	\$41,114	6.21 %	
Total Ongoing	\$662,059	\$703,173	\$41,114	6.21 %	
Total OTO	\$0	\$0	\$0	0.00 %	

Page Reference

Legislative Budget Analysis, A-61.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	3.00	3.00	3.00	3.00
Personal Services	281,971	288,142	297,663	311,971	311,548
Operating Expenses	39,263	40,279	35,975	39,639	40,015
Total Expenditures	\$321,234	\$328,421	\$333,638	\$351,610	\$351,563
General Fund	321,234	328,421	333,638	351,610	351,563
Total Funds	\$321,234	\$328,421	\$333,638	\$351,610	\$351,563
Total Ongoing	\$321,234	\$328,421	\$333,638	\$351,610	\$351,563
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

Legislative Budget Analysis, A-62.

Funding

The Office of the Lieutenant Governor is funded entirely with general fund.

Program Budget Summary by Category

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	333,638	333,638	667,276	94.90 %	333,638	333,638	667,276	94.90 %
SWPL Adjustments	17,972	17,925	35,897	5.10 %	17,972	17,925	35,897	5.10 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$351,610	\$351,563	\$703,173		\$351,610	\$351,563	\$703,173	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	14,308	0	0	14,308	0.00	13,885	0	0	13,885
DP 2 - Fixed Costs	0.00	2,366	0	0	2,366	0.00	2,429	0	0	2,429
DP 3 - Inflation Deflation	0.00	1,298	0	0	1,298	0.00	1,611	0	0	1,611
Grand Total All Present Law Adjustments	0.00	\$17,972	\$0	\$0	\$17,972	0.00	\$17,925	\$0	\$0	\$17,925

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison					
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change	
Personal Services	704,494	870,930	166,436	23.62 %	
Operating Expenses	98,213	156,782	58,569	59.63 %	
Total Expenditures	\$802,707	\$1,027,712	\$225,005	28.03 %	
General Fund	802,707	1,027,712	225,005	28.03 %	
Total Funds	\$802,707	\$1,027,712	\$225,005	28.03 %	
Total Ongoing	\$802,707	\$1,027,712	\$225,005	28.03 %	
Total OTO	\$0	\$0	\$0	0.00 %	

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Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	5.00	5.00	5.00	5.00
Personal Services	361,366	371,202	333,292	435,856	435,074
Operating Expenses	30,454	44,124	54,089	78,089	78,693
Total Expenditures	\$391,820	\$415,326	\$387,381	\$513,945	\$513,767
General Fund	391,820	415,326	387,381	513,945	513,767
Total Funds	\$391,820	\$415,326	\$387,381	\$513,945	\$513,767
Total Ongoing	\$391,820	\$415,326	\$387,381	\$513,945	\$513,767
Total OTO	\$0	\$0	\$0	\$0	\$0

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Legislative Budget Analysis, A-66.

Funding

The Mental Disabilities Board of Visitors and Mental Health Ombudsman are funded entirely with general fund.

Program Budget Summary by Category

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	387,381	387,381	774,762	75.39 %	387,381	387,381	774,762	75.39 %
SWPL Adjustments	126,564	126,386	252,950	24.61 %	126,564	126,386	252,950	24.61 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$513,945	\$513,767	\$1,027,712		\$513,945	\$513,767	\$1,027,712	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	102,564	0	0	102,564	0.00	101,782	0	0	101,782
DP 2 - Fixed Costs	0.00	23,612	0	0	23,612	0.00	24,122	0	0	24,122
DP 3 - Inflation Deflation	0.00	388	0	0	388	0.00	482	0	0	482
Grand Total All Present Law Adjustments	0.00	\$126,564	\$0	\$0	\$126,564	0.00	\$126,386	\$0	\$0	\$126,386

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

Agency Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	937,894	1,051,830	113,936	12.15 %
Operating Expenses	484,068	687,237	203,169	41.97 %
Total Expenditures	\$1,421,962	\$1,739,067	\$317,105	22.30 %
General Fund	1,421,962	1,739,067	317,105	22.30 %
Total Funds	\$1,421,962	\$1,739,067	\$317,105	22.30 %
Total Ongoing	\$1,242,786	\$1,514,572	\$271,786	21.87 %
Total OTO	\$179,176	\$224,495	\$45,319	25.29 %

Page Reference

Legislative Budget Analysis, page A-70

Agency Highlights

Commissioner of Political Practices Major Budget Highlights
<ul style="list-style-type: none"> • The legislature adopted an increase to the Commissioner of Political Practice’s total biennial appropriation of approximately \$317,000 or 22.3% compared to the 2019 biennium appropriation <ul style="list-style-type: none"> ◦ This biennial growth is influenced by the FY 2018 appropriation reductions. Compared to the FY 2019 base appropriation, the growth is 15.7% • Changes adopted by the legislature include: <ul style="list-style-type: none"> ◦ Decreases in general fund for the statewide present law adjustment for personal services ◦ Increases in general fund for statewide present law adjustments for fixed costs and inflation/deflation ◦ A one-time-only increase in general fund for the reauthorization of 1.00 FTE for legal counsel ◦ A one-time-only increase in general fund in FY 2021 only for personal services funding related to the implemetation of Legislative Referendum 129

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	6.00	6.00	7.00	7.00
Personal Services	430,061	432,618	505,276	513,598	538,232
Operating Expenses	194,081	237,508	246,560	349,827	337,410
Total Expenditures	\$624,142	\$670,126	\$751,836	\$863,425	\$875,642
General Fund	624,142	670,126	751,836	863,425	875,642
Total Funds	\$624,142	\$670,126	\$751,836	\$863,425	\$875,642
Total Ongoing	\$534,628	\$580,571	\$662,215	\$763,640	\$750,932
Total OTO	\$89,514	\$89,555	\$89,621	\$99,785	\$124,710

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Legislative Budget Analysis, page A-71

Executive Budget Comparison

The following table compares the legislative budget for the biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2019	Executive Budget Fiscal 2020	Legislative Budget Fiscal 2020	Leg — Exec. Difference Fiscal 2020	Executive Budget Fiscal 2021	Legislative Budget Fiscal 2021	Leg — Exec. Difference Fiscal 2021	Biennium Difference Fiscal 20-21
FTE	6.00	7.00	7.00	0.00	7.00	7.00	0.00	0.00
Personal Services	505,276	513,598	513,598	0	513,048	538,232	25,184	25,184
Operating Expenses	246,560	349,827	349,827	0	337,410	337,410	0	0
Total Costs	\$751,836	\$863,425	\$863,425	\$0	\$850,458	\$875,642	\$25,184	\$25,184
General Fund	751,836	863,425	863,425	0	850,458	875,642	25,184	25,184
State/other Special Rev. Funds	0	0	0	0	0	0	0	0
Total Funds	\$751,836	\$863,425	\$863,425	\$0	\$850,458	\$875,642	\$25,184	\$25,184
Total Ongoing	\$662,215	\$863,425	\$763,640	(\$99,785)	\$850,458	\$750,932	(\$99,526)	(\$199,311)
Total OTO	\$89,621	\$0	\$99,785	\$99,785	\$0	\$124,710	\$124,710	\$224,495

The legislature adopted a budget that is approximately \$25,000 more than the proposed executive budget for the 2021 biennium. The major difference in the legislative budget compared to the executive budget request is a one-time-only appropriation for personal services related to the implementation of Legislative Referendum 129.

Legislative Referendum 129 (LR 129) was approved in the November 2018 General Election. This referendum added the Montana Ballot Interference Prevention Act under Montana Code Annotated Title 13, Chapter 35, part 7. The act limits who can collect and convey a ballot belonging to another person to a polling place or to the election administrator's office. Investigations and enforcement of the Act are the responsibility of the Commissioner of Political Practices in conjunction with the county attorneys (see 13-37-111(1), MCA). The legislature approved a one-time-only appropriation of approximately \$25,000 for a full-time position for six months in FY 2021 only (July 2020 – Dec 2020). The position is intended to be utilized two months prior and one month following the primary and general election period to collect the forms and to create and maintain a tracking database.

Additionally, the legislature adopted a proposal for 1.00 FTE for legal counsel for the Commissioner of Political Practices as a one-time-only appropriation, though it was proposed by the executive as an ongoing appropriation.

Funding

The following table shows agency funding by source of authority.

Total Commissioner of Political Practices Funding by Source of Authority 2021 Biennium Budget Request - Commissioner of Political Practices							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	1,514,572	224,495	0	0	1,739,067	100.00 %	
State Special Total	0	0	0	0	0	0.00 %	
Federal Special Total	0	0	0	0	0	0.00 %	
Proprietary Total	0	0	0	0	0	0.00 %	
Other Total	0	0	0	0	0	0.00 %	
Total All Funds	\$1,514,572	\$224,495	\$0	\$0	\$1,739,067		
Percent - Total All Sources	87.09 %	12.91 %	0.00 %	0.00 %			

HB 2 Funding

The Office of the Commissioner of Political Practices is funded entirely with general fund. A small amount of revenue is generated from nominal fees for printing and distribution, as well as civil fines for violations of campaign laws. Both are deposited into the general fund.

In addition, the agency collects a \$150 lobbyist filing fee. Of this amount, \$50 is deposited into the general fund and \$100 is transferred to a state special revenue account. This state special revenue account is used for the development, operation, and maintenance of the state broadcasting system, Montana Public Affairs Network (MPAN).

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	662,215	662,215	1,324,430	76.16 %	662,215	662,215	1,324,430	76.16 %
SWPL Adjustments	101,425	88,717	190,142	10.93 %	101,425	88,717	190,142	10.93 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	99,785	124,710	224,495	12.91 %	99,785	124,710	224,495	12.91 %
Total Budget	\$863,425	\$875,642	\$1,739,067		\$863,425	\$875,642	\$1,739,067	

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Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(1,842)	0	0	(1,842)	0.00	(2,133)	0	0	(2,133)
DP 2 - Fixed Costs	0.00	103,205	0	0	103,205	0.00	90,774	0	0	90,774
DP 3 - Inflation Deflation	0.00	62	0	0	62	0.00	76	0	0	76
Grand Total All Present Law Adjustments	0.00	\$101,425	\$0	\$0	\$101,425	0.00	\$88,717	\$0	\$0	\$88,717

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

New Proposals -

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 3202 - Legal Counsel (OTO)	1.00	99,785	0	0	99,785	1.00	99,526	0	0	99,526
DP 3203 - Personal Services LR 129 (OTO)	0.00	0	0	0	0	0.00	25,184	0	0	25,184
Total	1.00	\$99,785	\$0	\$0	\$99,785	1.00	\$124,710	\$0	\$0	\$124,710

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 3202 - Legal Counsel (OTO) -

The legislature adopted a one-time-only appropriation of general fund for the 2021 biennium for the reestablishment of 1.00 FTE for legal counsel for the Commissioner of Political Practices.

DP 3203 - Personal Services LR 129 (OTO) -

The legislature adopted a one-time-only appropriation of general fund in FY 2021 only for personal services related to the implementation of Legislative Referendum 129.

Agency Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	13,014,385	13,227,579	213,194	1.64 %
Operating Expenses	3,608,749	4,604,125	995,376	27.58 %
Equipment & Intangible Assets	15,988	15,988	0	0.00 %
Total Expenditures	\$16,639,122	\$17,847,692	\$1,208,570	7.26 %
State/Other Special Rev. Funds	16,639,122	17,847,692	1,208,570	7.26 %
Total Funds	\$16,639,122	\$17,847,692	\$1,208,570	7.26 %
Total Ongoing	\$16,639,122	\$17,222,692	\$583,570	3.51 %
Total OTO	\$0	\$625,000	\$625,000	100.00 %

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Legislative Budget Analysis, page A-78

Agency Highlights

State Auditor's Office Major Budget Highlights
<ul style="list-style-type: none"> • The legislature adopted an increase to the State Auditor’s Office’s total biennial appropriation of approximately \$1.2 million or 7.3% compared to the 2019 biennium appropriation • Changes adopted by the legislature include: <ul style="list-style-type: none"> ◦ Increases in state special revenue for statewide present law adjustments for personal services, fixed costs, and inflation/deflation ◦ Increases in state special revenue for insurance contract examiners, market conduct examination contracts, and securities contract examinations ◦ An increase in state special revenue for captive insurance authority, contingent on the passage of SB 55 ◦ A restricted, biennial, and one-time-only appropriation of state special revenue for agency retirement payouts ◦ A reduction of 7.11 FTE and associated state special revenue funding for personal services. This reduction is partially offset by a one-time-only, biennial increase in operating expenses

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	81.11	81.11	74.00	74.00
Personal Services	5,522,689	6,380,421	6,633,964	6,753,530	6,474,049
Operating Expenses	1,490,234	1,825,011	1,783,738	2,274,723	2,329,402
Equipment & Intangible Assets	9,725	7,994	7,994	7,994	7,994
Total Expenditures	\$7,022,648	\$8,213,426	\$8,425,696	\$9,036,247	\$8,811,445
State/Other Special Rev. Funds	7,022,648	8,213,426	8,425,696	9,036,247	8,811,445
Total Funds	\$7,022,648	\$8,213,426	\$8,425,696	\$9,036,247	\$8,811,445
Total Ongoing	\$7,022,648	\$8,213,426	\$8,425,696	\$8,586,247	\$8,636,445
Total OTO	\$0	\$0	\$0	\$450,000	\$175,000

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Executive Budget Comparison

The following table compares the legislative budget for the biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2019	Executive Budget Fiscal 2020	Legislative Budget Fiscal 2020	Leg — Exec. Difference Fiscal 2020	Executive Budget Fiscal 2021	Legislative Budget Fiscal 2021	Leg — Exec. Difference Fiscal 2021	Biennium Difference Fiscal 20-21
FTE	81.11	81.11	74.00	(7.11)	81.11	74.00	(7.11)	(7.11)
Personal Services	6,633,964	6,839,809	6,753,530	(86,279)	6,839,088	6,474,049	(365,039)	(451,318)
Operating Expenses	1,783,738	2,041,019	2,274,723	233,704	2,092,148	2,329,402	237,254	470,958
Equipment & Intangible Assets	7,994	7,994	7,994	0	7,994	7,994	0	0
Transfers	0	0	0	0	0	0	0	0
Total Costs	\$8,425,696	\$8,888,822	\$9,036,247	\$147,425	\$8,939,230	\$8,811,445	(\$127,785)	\$19,640
General Fund	0	0	0	0	0	0	0	0
State/other Special Rev. Funds	8,425,696	8,888,822	9,036,247	147,425	8,939,230	8,811,445	(127,785)	19,640
Total Funds	\$8,425,696	\$8,888,822	\$9,036,247	\$147,425	\$8,939,230	\$8,811,445	(\$127,785)	\$19,640
Total Ongoing	\$8,425,696	\$8,888,822	\$8,586,247	(\$302,575)	\$8,939,230	\$8,636,445	(\$302,785)	(\$605,360)
Total OTO	\$0	\$0	\$450,000	\$450,000	\$0	\$175,000	\$175,000	\$625,000

The legislature adopted a budget that is approximately \$20,000 more than the proposed executive budget for the 2021 biennium. There are two major differences in the legislative budget as compared to the executive budget:

- A restricted, biennial, and one-time-only appropriation for agency retirement payouts
- An increase in captive insurance authority, contingent on the passage of SB 55
- A reduction of 7.11 FTE and associated funding. This decrease in personal services funding is partially offset by an increase in operating expenses

The State Auditor's Office has 28.00 FTE eligible to retire in the 2021 biennium, comprising approximately 34.6% of the agency's total 81.00 FTE. The office estimates that 15.0% of current employees will retire in the next biennium, and the legislature adopted a one-time-only appropriation of \$275,000 in state special revenue for retirement payouts.

The executive budget proposal included a request to reduce captive insurance authority by approximately \$70,000 in state special revenue each fiscal year in order to match revenue projections for the 2021 biennium. However, the State Auditor's elected official request proposed an increase in captive insurance authority, contingent on the passage of SB 55. If passed and approved, SB 55 would increase the percentage of captive insurance premium tax deposited into the captive account pursuant to 33-28-120, MCA from 5.0% to 10.0%. The legislature adopted an increase of approximately \$140,000 in state special revenue in both FY 2020 and FY 2021, instead of the decrease proposed by the executive.

The legislature also approved a reduction of 7.11 FTE throughout the agency and the reduction \$1.0 million of state special revenue in associated personal services funding over the biennium. This reduction is partially offset by a one-time-only, biennial increase in operating expenses of \$175,000 state special revenue in each fiscal year.

Funding

The following table shows agency funding by source of authority.

Total State Auditor's Office Funding by Source of Authority 2021 Biennium Budget Request - State Auditor's Office						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	70,955,956	70,955,956	79.63 %
State Special Total	17,222,692	625,000	0	300,000	18,147,692	20.37 %
Federal Special Total	0	0	0	0	0	0.00 %
Proprietary Total	0	0	0	0	0	0.00 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$17,222,692	\$625,000	\$0	\$71,255,956	\$89,103,648	
Percent - Total All Sources	19.33 %	0.70 %	0.00 %	79.97 %		

HB 2 Funding

The operations of the State Auditor's Office are funded entirely with state special revenue. There are two state special revenue funds that account for the majority of the funding for the office: the insurance fee account and the securities fee account. These funds will be discussed in further detail in the individual programs that utilize the funds.

Statutory Authority

The State Auditor's Office is responsible for passing through funding for local police and firefighter retirement programs. The retirement programs are funded from general insurance (33-2-705, MCA) and fire insurance premium taxes (50-3-109, MCA). Because these funds are statutorily appropriated, the expenditures are not included in the general appropriations act.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	0	0	0	0.00 %	8,425,696	8,425,696	16,851,392	94.42 %
SWPL Adjustments	0	0	0	0.00 %	257,792	203,200	460,992	2.58 %
PL Adjustments	0	0	0	0.00 %	695,038	523,588	1,218,626	6.83 %
New Proposals	0	0	0	0.00 %	(342,279)	(341,039)	(683,318)	(3.83)%
Total Budget	\$0	\$0	\$0		\$9,036,247	\$8,811,445	\$17,847,692	

Language and Statutory Authority

If SB 55 is not passed and approved, the appropriation for Captive Insurance Adjustments is void.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	2,917,724	2,967,226	49,502	1.70 %
Operating Expenses	1,335,935	1,288,376	(47,559)	(3.56)%
Equipment & Intangible Assets	3,366	3,366	0	0.00 %
Total Expenditures	\$4,257,025	\$4,258,968	\$1,943	0.05 %
State/Other Special Rev. Funds	4,257,025	4,258,968	1,943	0.05 %
Total Funds	\$4,257,025	\$4,258,968	\$1,943	0.05 %
Total Ongoing	\$4,257,025	\$4,238,968	(\$18,057)	(0.42)%
Total OTO	\$0	\$20,000	\$20,000	100.00 %

Page Reference

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Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	18.00	18.00	17.00	17.00
Personal Services	1,179,760	1,434,711	1,483,013	1,494,069	1,473,157
Operating Expenses	512,689	673,429	662,506	649,101	639,275
Equipment & Intangible Assets	9,725	1,683	1,683	1,683	1,683
Total Expenditures	\$1,702,174	\$2,109,823	\$2,147,202	\$2,144,853	\$2,114,115
State/Other Special Rev. Funds	1,702,174	2,109,823	2,147,202	2,144,853	2,114,115
Total Funds	\$1,702,174	\$2,109,823	\$2,147,202	\$2,144,853	\$2,114,115
Total Ongoing	\$1,702,174	\$2,109,823	\$2,147,202	\$2,124,853	\$2,114,115
Total OTO	\$0	\$0	\$0	\$20,000	\$0

Page Reference

Legislative Budget Analysis, page A-86

Funding

HB 2 Funding

The Centralized Management Division is funded entirely from state special revenue. Insurance and securities fees are the two sources of funding, and the insurance fee account supports the majority of total division costs.

Program Budget Summary by Category

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	0	0	0	0.00 %	2,147,202	2,147,202	4,294,404	100.83 %
SWPL Adjustments	0	0	0	0.00 %	19,223	8,397	27,620	0.65 %
PL Adjustments	0	0	0	0.00 %	20,160	160	20,320	0.48 %
New Proposals	0	0	0	0.00 %	(41,732)	(41,644)	(83,376)	(1.96)%
Total Budget	\$0	\$0	\$0		\$2,144,853	\$2,114,115	\$4,258,968	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	32,788	0	32,788	0.00	0	31,788	0	31,788
DP 2 - Fixed Costs	0.00	0	(13,604)	0	(13,604)	0.00	0	(23,439)	0	(23,439)
DP 3 - Inflation Deflation	0.00	0	39	0	39	0.00	0	48	0	48
DP 4 - Agency Retirement Payouts (RST/BIEN/OTO)	0.00	0	20,000	0	20,000	0.00	0	0	0	0
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	160	0	160	0.00	0	160	0	160
Grand Total All Present Law Adjustments	0.00	\$0	\$39,383	\$0	\$39,383	0.00	\$0	\$8,557	\$0	\$8,557

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 4 - Agency Retirement Payouts (RST/BIEN/OTO) -

The legislature adopted a restricted, biennial, and one-time-only appropriation of state special revenue for retirement payouts for sick and vacation leave balances during FY 2020 and FY 2021.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

New Proposals -

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 11 - FTE Reduction	(1.00)	0	(41,732)	0	(41,732)	(1.00)	0	(41,644)	0	(41,644)
Total	(1.00)	\$0	(\$41,732)	\$0	(\$41,732)	(1.00)	\$0	(\$41,644)	\$0	(\$41,644)

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 11 - FTE Reduction -

The legislature approved a reduction of 1.00 FTE and the associated personal services funding.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	8,036,758	8,170,048	133,290	1.66 %
Operating Expenses	2,035,195	3,025,029	989,834	48.64 %
Equipment & Intangible Assets	10,218	10,218	0	0.00 %
Total Expenditures	\$10,082,171	\$11,205,295	\$1,123,124	11.14 %
State/Other Special Rev. Funds	10,082,171	11,205,295	1,123,124	11.14 %
Total Funds	\$10,082,171	\$11,205,295	\$1,123,124	11.14 %
Total Ongoing	\$10,082,171	\$10,665,295	\$583,124	5.78 %
Total OTO	\$0	\$540,000	\$540,000	100.00 %

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Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	51.50	51.50	46.00	46.00
Personal Services	3,510,979	3,934,168	4,102,590	4,181,705	3,988,343
Operating Expenses	813,566	1,029,323	1,005,872	1,476,859	1,548,170
Equipment & Intangible Assets	0	5,109	5,109	5,109	5,109
Total Expenditures	\$4,324,545	\$4,968,600	\$5,113,571	\$5,663,673	\$5,541,622
State/Other Special Rev. Funds	4,324,545	4,968,600	5,113,571	5,663,673	5,541,622
Total Funds	\$4,324,545	\$4,968,600	\$5,113,571	\$5,663,673	\$5,541,622
Total Ongoing	\$4,324,545	\$4,968,600	\$5,113,571	\$5,298,673	\$5,366,622
Total OTO	\$0	\$0	\$0	\$365,000	\$175,000

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Funding

HB 2 Funding

The Insurance Division is funded entirely with state special revenue. The majority of funding is from the insurance fee account, which is supported by insurance licensure fees, examination fees, and penalties. The Insurance Division also receives funding from the captive account which allows the State Auditor to administer the captive insurance program. Fees and assessments are deposited in this account, while fines and penalties are deposited in the general fund. At the end of the fiscal year, the balance of the captive account is transferred to the general fund.

Program Budget Summary by Category

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	0	0	0	0.00 %	5,113,571	5,113,571	10,227,142	91.27 %
SWPL Adjustments	0	0	0	0.00 %	234,900	198,215	433,115	3.87 %
PL Adjustments	0	0	0	0.00 %	579,763	493,313	1,073,076	9.58 %
New Proposals	0	0	0	0.00 %	(264,561)	(263,477)	(528,038)	(4.71)%
Total Budget	\$0	\$0	\$0		\$5,663,673	\$5,541,622	\$11,205,295	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	218,676	0	218,676	0.00	0	214,230	0	214,230
DP 2 - Fixed Costs	0.00	0	16,027	0	16,027	0.00	0	(16,260)	0	(16,260)
DP 3 - Inflation Deflation	0.00	0	197	0	197	0.00	0	245	0	245
DP 4 - Agency Retirement Payouts (RST/BIEN/OTO)	0.00	0	190,000	0	190,000	0.00	0	0	0	0
DP 5 - Insurance Contract Examiners	0.00	0	100,000	0	100,000	0.00	0	200,000	0	200,000
DP 6 - Market Conduct Examination Contracts	0.00	0	150,000	0	150,000	0.00	0	150,000	0	150,000
DP 13 - Captive Insurance Adjustments	0.00	0	139,250	0	139,250	0.00	0	142,800	0	142,800
Grand Total All Present Law Adjustments	0.00	\$0	\$814,150	\$0	\$814,150	0.00	\$0	\$691,015	\$0	\$691,015

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 4 - Agency Retirement Payouts (RST/BIEN/OTO) -

The legislature adopted a restricted, biennial, and one-time-only appropriation of state special revenue for retirement payouts for sick and vacation leave balances during FY 2020 and FY 2021.

DP 5 - Insurance Contract Examiners -

The legislature adopted an appropriation of state special revenue, which will be reimbursed to the agency. The State Auditor's Office will examine each authorized insurer not less frequently than every 5 years. Section 33-1-408(4), MCA, allows that the Commissioner may retain attorneys, appraisers, independent actuaries, independent certified public accountants, or other professionals and specialist as examiners. The amount of funding required per fiscal year to retain contracted services is a function of the examination schedule established by the Commissioner. The year-to-year funding requirement can fluctuate, based on the number of companies to be examined and the size and complexity of those companies.

DP 6 - Market Conduct Examination Contracts -

The legislature adopted an appropriation of state special revenue authority for market conduct exams of regulated insurance companies. Section 33-1-408(4), MCA, allows that the Commissioner may retain attorneys, appraisers, independent actuaries, independent certified public accountants, or other professionals and specialists as examiners. The amount of funding required per fiscal year to retain contracted services is a function of the examination schedule established by the Commissioner. The year-to-year funding requirement can fluctuate, based on the number of companies to be examined and the size and complexity of those companies. The cost of these examinations will be borne by the companies and insurers being examined and will be reimbursed to the agency.

DP 13 - Captive Insurance Adjustments -

The legislature adopted an increase in captive insurance authority, contingent on the passage of SB 55.

New Proposals -

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 11 - FTE Reduction	(5.50)	0	(439,561)	0	(439,561)	(5.50)	0	(438,477)	0	(438,477)
DP 12 - Operating Adjustments (BIEN/OTO)	0.00	0	175,000	0	175,000	0.00	0	175,000	0	175,000
Total	(5.50)	\$0	(\$264,561)	\$0	(\$264,561)	(5.50)	\$0	(\$263,477)	\$0	(\$263,477)

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 11 - FTE Reduction -

The legislature approved a reduction of 5.50 FTE and the associated personal services funding.

DP 12 - Operating Adjustments (BIEN/OTO) -

The legislature adopted a one-time-only, biennial increase in operating expenses to partially offset the reduction of FTE and associated personal services funding.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	2,059,903	2,090,305	30,402	1.48 %
Operating Expenses	237,619	290,720	53,101	22.35 %
Equipment & Intangible Assets	2,404	2,404	0	0.00 %
Total Expenditures	\$2,299,926	\$2,383,429	\$83,503	3.63 %
State/Other Special Rev. Funds	2,299,926	2,383,429	83,503	3.63 %
Total Funds	\$2,299,926	\$2,383,429	\$83,503	3.63 %
Total Ongoing	\$2,299,926	\$2,318,429	\$18,503	0.80 %
Total OTO	\$0	\$65,000	\$65,000	100.00 %

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Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	11.61	11.61	11.00	11.00
Personal Services	831,950	1,011,542	1,048,361	1,077,756	1,012,549
Operating Expenses	163,979	122,259	115,360	148,763	141,957
Equipment & Intangible Assets	0	1,202	1,202	1,202	1,202
Total Expenditures	\$995,929	\$1,135,003	\$1,164,923	\$1,227,721	\$1,155,708
State/Other Special Rev. Funds	995,929	1,135,003	1,164,923	1,227,721	1,155,708
Total Funds	\$995,929	\$1,135,003	\$1,164,923	\$1,227,721	\$1,155,708
Total Ongoing	\$995,929	\$1,135,003	\$1,164,923	\$1,162,721	\$1,155,708
Total OTO	\$0	\$0	\$0	\$65,000	\$0

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Funding

HB 2 Funding

The Securities Division is funded entirely with state special revenue. The majority of funding is from the securities fee account, which is supported by portfolio notice filing fees and examination charges. The State Auditor pays for expenses associated with the regulation of portfolio activities.

Program Budget Summary by Category

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	0	0	0	0.00 %	1,164,923	1,164,923	2,329,846	97.75 %
SWPL Adjustments	0	0	0	0.00 %	3,669	(3,412)	257	0.01 %
PL Adjustments	0	0	0	0.00 %	95,115	30,115	125,230	5.25 %
New Proposals	0	0	0	0.00 %	(35,986)	(35,918)	(71,904)	(3.02)%
Total Budget	\$0	\$0	\$0		\$1,227,721	\$1,155,708	\$2,383,429	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	381	0	381	0.00	0	106	0	106
DP 2 - Fixed Costs	0.00	0	3,188	0	3,188	0.00	0	(3,642)	0	(3,642)
DP 3 - Inflation Deflation	0.00	0	100	0	100	0.00	0	124	0	124
DP 4 - Agency Retirement Payouts (RST/BIEN/OTO)	0.00	0	65,000	0	65,000	0.00	0	0	0	0
DP 7 - Securities Contract Examinations	0.00	0	30,000	0	30,000	0.00	0	30,000	0	30,000
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	115	0	115	0.00	0	115	0	115
Grand Total All Present Law Adjustments	0.00	\$0	\$98,784	\$0	\$98,784	0.00	\$0	\$26,703	\$0	\$26,703

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 4 - Agency Retirement Payouts (RST/BIEN/OTO) -

The legislature adopted a restricted, biennial, and one-time-only appropriation of state special revenue for retirement payouts for sick and vacation leave balances during FY 2020 and FY 2021.

DP 7 - Securities Contract Examinations -

The legislature adopted an appropriation of state special revenue authority for securities contract examinations. The State Auditor’s Office conducts routine and for-cause examinations of broker-dealer branch offices, investment advisory firms, and issuers to ensure compliance with the Montana Securities Act and to resolve deficiencies and determine the need for further investigation. The securities examination section of the office employs only two individuals with the requisite knowledge and skills to conduct examinations. To fulfill its obligation to protect Montana investors, the State Auditor’s Office also uses an independent contractor to perform routine examinations. The cost of these examinations will be borne by the firms and issuers being examined and will be reimbursed to the agency.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

New Proposals -

The “New Proposals” table shows new changes to spending.

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 11 - FTE Reduction	(0.61)	0	(35,986)	0	(35,986)	(0.61)	0	(35,918)	0	(35,918)
Total	(0.61)	\$0	(\$35,986)	\$0	(\$35,986)	(0.61)	\$0	(\$35,918)	\$0	(\$35,918)

**Total Funds” amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 11 - FTE Reduction -

The legislature approved a reduction of 0.61 FTE and the associated personal services funding.

Agency Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	83,212,489	89,923,259	6,710,770	8.06 %
Operating Expenses	27,835,047	30,327,748	2,492,701	8.96 %
Equipment & Intangible Assets	83,108	61,108	(22,000)	(26.47)%
Transfers	8,579	3,000	(5,579)	(65.03)%
Debt Service	88,428	21,770	(66,658)	(75.38)%
Total Expenditures	\$111,227,651	\$120,336,885	\$9,109,234	8.19 %
General Fund	102,158,050	110,714,128	8,556,078	8.38 %
State/Other Special Rev. Funds	1,920,361	1,979,898	59,537	3.10 %
Federal Spec. Rev. Funds	525,344	549,977	24,633	4.69 %
Proprietary Funds	6,623,896	7,092,882	468,986	7.08 %
Total Funds	\$111,227,651	\$120,336,885	\$9,109,234	8.19 %
Total Ongoing	\$110,977,651	\$120,086,885	\$9,109,234	8.21 %
Total OTO	\$250,000	\$250,000	\$0	0.00 %

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Agency Highlights

Department of Revenue Major Budget Highlights
<ul style="list-style-type: none"> • The legislature adopted an increase to the Department of Revenue's total biennial appropriation of approximately \$9.1 million or 8.2% compared to the 2019 biennium appropriation <ul style="list-style-type: none"> ◦ This biennial growth is influenced by the FY 2018 appropriation reductions. Compared to the FY 2019 base appropriation, the growth is 4.8% • The legislature adopted a reduction in 7.85 FTE, making permanent certain SB 261 reductions enacted by the 2017 Legislature • The legislature adopted an additional reduction of 25.00 FTE in the Property Assessment Division • The legislature adopted restricted/one-time-only appropriations for overtime and termination payouts in the Alcoholic Beverage Control Division

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	654.52	654.52	621.67	621.67
Personal Services	40,679,466	40,819,501	42,392,988	44,967,995	44,955,264
Operating Expenses	12,564,698	12,897,067	14,937,980	15,256,420	15,071,328
Equipment & Intangible Assets	29,062	52,554	30,554	30,554	30,554
Transfers	5,589	7,079	1,500	1,500	1,500
Debt Service	37,623	46,064	42,364	10,885	10,885
Total Expenditures	\$53,316,438	\$53,822,265	\$57,405,386	\$60,267,354	\$60,069,531
General Fund	49,108,344	49,334,221	52,823,829	55,458,744	55,255,384
State/Other Special Rev. Funds	958,540	958,539	961,822	989,944	989,954
Federal Spec. Rev. Funds	262,352	262,351	262,993	275,070	274,907
Proprietary Funds	2,987,202	3,267,154	3,356,742	3,543,596	3,549,286
Total Funds	\$53,316,438	\$53,822,265	\$57,405,386	\$60,267,354	\$60,069,531
Total Ongoing	\$53,278,281	\$53,697,265	\$57,280,386	\$60,142,354	\$59,944,531
Total OTO	\$38,157	\$125,000	\$125,000	\$125,000	\$125,000

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Executive Budget Comparison

The following table compares the legislative budget for the biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2019	Executive Budget Fiscal 2020	Legislative Budget Fiscal 2020	Leg — Exec. Difference Fiscal 2020	Executive Budget Fiscal 2021	Legislative Budget Fiscal 2021	Leg — Exec. Difference Fiscal 2021	Biennium Difference Fiscal 20-21
FTE	654.52	646.67	621.67	(25.00)	646.67	621.67	(25.00)	(25.00)
Personal Services	42,392,988	46,292,338	44,967,995	(1,324,343)	46,279,607	44,955,264	(1,324,343)	(2,648,686)
Operating Expenses	14,937,980	15,255,919	15,256,420	501	15,070,827	15,071,328	501	1,002
Equipment & Intangible Assets	30,554	30,554	30,554	0	30,554	30,554	0	0
Capital Outlay	0	0	0	0	0	0	0	0
Transfers	1,500	1,500	1,500	0	1,500	1,500	0	0
Debt Service	42,364	7,528	10,885	3,357	7,528	10,885	3,357	6,714
Total Costs	\$57,405,386	\$61,587,839	\$60,267,354	(\$1,320,485)	\$61,390,016	\$60,069,531	(\$1,320,485)	(\$2,640,970)
General Fund	52,823,829	56,700,890	55,458,744	(1,242,146)	56,497,530	55,255,384	(1,242,146)	(2,484,292)
State/other Special Rev. Funds	961,822	1,007,932	989,944	(17,988)	1,007,942	989,954	(17,988)	(35,976)
Federal Spec. Rev. Funds	262,993	282,961	275,070	(7,891)	282,798	274,907	(7,891)	(15,782)
Other	3,356,742	3,596,056	3,543,596	(52,460)	3,601,746	3,549,286	(52,460)	(104,920)
Total Funds	\$57,405,386	\$61,587,839	\$60,267,354	(\$1,320,485)	\$61,390,016	\$60,069,531	(\$1,320,485)	(\$2,640,970)
Total Ongoing	\$57,280,386	\$61,462,839	\$60,142,354	(\$1,320,485)	\$61,265,016	\$59,944,531	(\$1,320,485)	(\$2,640,970)
Total OTO	\$125,000	\$125,000	\$125,000	\$0	\$125,000	\$125,000	\$0	\$0

The legislature adopted a budget that is approximately \$2.6 million less than the proposed executive budget for the 2021 biennium. The major differences in the legislative budget compared to the proposed executive budget are:

- The legislature adopted a reduction of the proposed reinstatement of personal services

- The legislature adopted an increase in the statewide cost allocation plan

Funding

The following table shows agency funding by source of authority.

Total Department of Revenue Funding by Source of Authority 2021 Biennium Budget Request - Department of Revenue						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	110,714,128	0	0	267,610,616	378,324,744	74.77 %
State Special Total	1,979,898	0	0	117,606,050	119,585,948	23.63 %
Federal Special Total	549,977	0	0	0	549,977	0.11 %
Proprietary Total	6,842,882	250,000	439,124	0	7,532,006	1.49 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$120,086,885	\$250,000	\$439,124	\$385,216,666	\$505,992,675	
Percent - Total All Sources	23.73 %	0.05 %	0.09 %	76.13 %		

The Department of Revenue receives most of its funding, outside of the proprietary funds for the Alcoholic Beverage Control Division, from the general fund, with small amounts coming from state special and federal special revenue.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	52,823,829	52,823,829	105,647,658	95.42 %	57,280,386	57,280,386	114,560,772	95.20 %
SWPL Adjustments	269,089	79,197	348,286	0.31 %	283,103	98,011	381,114	0.32 %
PL Adjustments	2,595,091	2,580,475	5,175,566	4.67 %	2,917,179	2,903,300	5,820,479	4.84 %
New Proposals	(229,265)	(228,117)	(457,382)	(0.41)%	(213,314)	(212,166)	(425,480)	(0.35)%
Total Budget	\$55,458,744	\$55,255,384	\$110,714,128		\$60,267,354	\$60,069,531	\$120,336,885	

Language and Statutory Authority

Alcoholic Beverage Control Division proprietary funds necessary to maintain adequate inventories, pay freight charges, and transfer profits and taxes to appropriate accounts are appropriated from the liquor enterprise fund to the department in the amounts not to exceed \$154.5 million in FY 2020 and \$154.5 million in FY 2021.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	14,945,236	15,740,774	795,538	5.32 %
Operating Expenses	12,117,911	13,628,856	1,510,945	12.47 %
Equipment & Intangible Assets	11,000	0	(11,000)	(100.00)%
Transfers	3,000	3,000	0	0.00 %
Debt Service	9,000	9,000	0	0.00 %
Total Expenditures	\$27,086,147	\$29,381,630	\$2,295,483	8.47 %
General Fund	26,091,527	28,356,245	2,264,718	8.68 %
State/Other Special Rev. Funds	244,743	253,045	8,302	3.39 %
Proprietary Funds	749,877	772,340	22,463	3.00 %
Total Funds	\$27,086,147	\$29,381,630	\$2,295,483	8.47 %
Total Ongoing	\$27,086,147	\$29,381,630	\$2,295,483	8.47 %
Total OTO	\$0	\$0	\$0	0.00 %

Page Reference

Legislative Budget Analysis, A-107

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	85.19	85.19	84.19	84.19
Personal Services	7,333,767	7,335,085	7,610,151	7,871,480	7,869,294
Operating Expenses	5,149,466	5,326,497	6,791,414	6,907,406	6,721,450
Equipment & Intangible Assets	10,135	11,000	0	0	0
Transfers	10	1,500	1,500	1,500	1,500
Debt Service	1,857	4,500	4,500	4,500	4,500
Total Expenditures	\$12,495,235	\$12,678,582	\$14,407,565	\$14,784,886	\$14,596,744
General Fund	11,999,328	12,182,675	13,908,852	14,272,171	14,084,074
State/Other Special Rev. Funds	121,670	121,670	123,073	126,528	126,517
Proprietary Funds	374,237	374,237	375,640	386,187	386,153
Total Funds	\$12,495,235	\$12,678,582	\$14,407,565	\$14,784,886	\$14,596,744
Total Ongoing	\$12,495,235	\$12,678,582	\$14,407,565	\$14,784,886	\$14,596,744
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

Legislative Budget Analysis, A-108

Funding

HB 2 Funding

Funding for the Director's Office HB 2 budget comes primarily from the general fund. State special revenue from tobacco settlement funds supports the dedicated attorney that supports tobacco tax compliance activities. State special revenue from medical marijuana license fees supports administration and fee collection related to that program.

Proprietary Funding

Proprietary funding is from a direct appropriation of the Alcoholic Beverage Control Division proprietary fund and is for the Alcoholic Beverage Control Division share of Director's Office support costs. The allocation is calculated as a percentage of the program's budget. Alcoholic Beverage Control Division proprietary funds are an indirect use of general fund since net liquor revenues are deposited in the general fund after operating costs are deducted.

Statutory Appropriations

Total funding for the Director's Office also includes two general fund statutory appropriations:

- The largest of the statutory appropriations is a pass-through general fund appropriation for the state entitlement shares, as provided in 15-1-121, MCA. This distribution resulted from HB 124 in the 2001 Legislative Session, which reallocated revenue received by local governments, school districts, and some state special revenue accounts to the general fund and replaced foregone revenue with permanent state entitlement grants to counties and cities
- A statutory appropriation for out of state travel costs for tax audits, which is provided for in 15-1-218, MCA

Program Budget Summary by Category

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	13,908,852	13,908,852	27,817,704	98.10 %	14,407,565	14,407,565	28,815,130	98.07 %
SWPL Adjustments	114,313	(71,643)	42,670	0.15 %	114,313	(71,643)	42,670	0.15 %
PL Adjustments	267,213	264,804	532,017	1.88 %	278,249	275,795	554,044	1.89 %
New Proposals	(18,207)	(17,939)	(36,146)	(0.13)%	(15,241)	(14,973)	(30,214)	(0.10)%
Total Budget	\$14,272,171	\$14,084,074	\$28,356,245		\$14,784,886	\$14,596,744	\$29,381,630	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Fixed Costs	0.00	113,723	0	0	113,723	0.00	(72,375)	0	0	(72,375)
DP 3 - Inflation Deflation	0.00	590	0	0	590	0.00	732	0	0	732
DP 50 - Personal Services Adjustment	(1.00)	267,213	2,309	0	276,570	(1.00)	264,804	2,298	0	274,116
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	414	0	1,679	0.00	0	414	0	1,679
Grand Total All Present Law Adjustments	(1.00)	\$381,526	\$2,723	\$0	\$392,562	(1.00)	\$193,161	\$2,712	\$0	\$204,152

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - Personal Services Adjustment -

The legislature adopted a present law adjustment in personal services to maintain operations and services of the program. Specific adjustments include a reduction of 1.00 FTE.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

New Proposals -

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 12 - FTE Reductions	(1.00)	(102,741)	0	0	(102,741)	(1.00)	(102,473)	0	0	(102,473)
DP 14 - SFC Partial Restoration of DP 50	1.00	84,534	732	0	87,500	1.00	84,534	732	0	87,500
Total	0.00	(\$18,207)	\$732	\$0	(\$15,241)	0.00	(\$17,939)	\$732	\$0	(\$14,973)

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 12 - FTE Reductions -

The legislature adopted a reduction of 1.00 FTE in the Director's Office Program to make permanent certain reductions from SB 261 passed by the 2017 legislature.

DP 14 - SFC Partial Restoration of DP 50 -

The legislature adopted a partial restoration of \$87,500 and 1.00 FTE in each fiscal year to offset the reductions to the statewide present law adjustment for personal services.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison					
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change	
Personal Services	4,597,869	5,011,270	413,401	8.99 %	
Operating Expenses	1,062,799	1,164,446	101,647	9.56 %	
Equipment & Intangible Assets	61,108	61,108	0	0.00 %	
Transfers	5,579	0	(5,579)	(100.00)%	
Debt Service	66,658	0	(66,658)	(100.00)%	
Total Expenditures	\$5,794,013	\$6,236,824	\$442,811	7.64 %	
Proprietary Funds	5,794,013	6,236,824	442,811	7.64 %	
Total Funds	\$5,794,013	\$6,236,824	\$442,811	7.64 %	
Total Ongoing	\$5,544,013	\$5,986,824	\$442,811	7.99 %	
Total OTO	\$250,000	\$250,000	\$0	0.00 %	

Page Reference

Legislative Budget Analysis, A-112

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	31.75	31.75	31.75	31.75
Personal Services	2,126,749	2,255,092	2,342,777	2,505,251	2,506,019
Operating Expenses	396,722	526,510	536,289	579,750	584,696
Equipment & Intangible Assets	8,792	30,554	30,554	30,554	30,554
Transfers	5,579	5,579	0	0	0
Debt Service	35,120	35,179	31,479	0	0
Total Expenditures	\$2,572,962	\$2,852,914	\$2,941,099	\$3,115,555	\$3,121,269
Proprietary Funds	2,572,962	2,852,914	2,941,099	3,115,555	3,121,269
Total Funds	\$2,572,962	\$2,852,914	\$2,941,099	\$3,115,555	\$3,121,269
Total Ongoing	\$2,534,805	\$2,727,914	\$2,816,099	\$2,990,555	\$2,996,269
Total OTO	\$38,157	\$125,000	\$125,000	\$125,000	\$125,000

Page Reference

Legislative Budget Analysis, A-113

Funding

The division is funded with a direct appropriation of Alcoholic Beverage Control Division proprietary funds. Net revenues from liquor sales are transferred to the general fund after operating costs are deducted from gross revenues. Consequently, any proposals funded through this program are an indirect use of state general fund. The HB 2 OTO funding is for DPs 6 and 7 for anticipated termination payouts and overtime funding.

The budget proposal includes a language appropriation for up to \$309.0 million over the biennium for liquor inventories, freight charges, and to transfer profits and taxes to appropriate accounts.

Program Budget Summary by Category

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	0	0	0	0.00 %	2,816,099	2,816,099	5,632,198	90.31 %
SWPL Adjustments	0	0	0	0.00 %	10,958	15,904	26,862	0.43 %
PL Adjustments	0	0	0	0.00 %	288,498	289,266	577,764	9.26 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$3,115,555	\$3,121,269	\$6,236,824	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Fixed Costs	0.00	0	0	0	9,494	0.00	0	0	0	14,088
DP 3 - Inflation Deflation	0.00	0	0	0	1,464	0.00	0	0	0	1,816
DP 6 - Overtime-ABCD (Restricted/OTO)	0.00	0	0	0	65,000	0.00	0	0	0	65,000
DP 7 - Term Payout-ABCD (Restricted/OTO)	0.00	0	0	0	60,000	0.00	0	0	0	60,000
DP 13 - Technical Amendment Adjustment	0.00	0	0	0	3,357	0.00	0	0	0	3,357
DP 50 - Personal Services Adjustment	0.00	0	0	0	162,474	0.00	0	0	0	163,242
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	0	0	(2,333)	0.00	0	0	0	(2,333)
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$0	\$299,456	0.00	\$0	\$0	\$0	\$305,170

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 6 - Overtime-ABCD (Restricted/OTO) -

The legislature adopted restricted, one-time-only appropriations of \$65,000 in FY 2018 and FY 2019. This funding is necessary to pay for overtime and temporary staff to meet the increase in demand for liquor products especially during peaks periods, holiday weeks, and to back fill personnel while out on vacation or sick leave.

DP 7 - Term Payout-ABCD (Restricted/OTO) -

The legislature adopted restricted, one-time-only appropriations of \$60,000 in FY 2018 and FY 2019 to pay out accrued leave balances for employees retiring and/or leaving the division.

DP 13 - Technical Amendment Adjustment -

This adjustment provides \$3,357 additional proprietary authority in each fiscal year to offset an unintentional negative adjustment in DP 2.

DP 50 - Personal Services Adjustment -

The legislature adopted a present law adjustment in personal services to maintain operations and services of the program.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	10,656,677	12,177,451	1,520,774	14.27 %
Operating Expenses	5,171,788	5,364,635	192,847	3.73 %
Total Expenditures	\$15,828,465	\$17,542,086	\$1,713,621	10.83 %
General Fund	15,337,697	17,028,540	1,690,843	11.02 %
State/Other Special Rev. Funds	410,762	429,828	19,066	4.64 %
Proprietary Funds	80,006	83,718	3,712	4.64 %
Total Funds	\$15,828,465	\$17,542,086	\$1,713,621	10.83 %
Total Ongoing	\$15,828,465	\$17,542,086	\$1,713,621	10.83 %
Total OTO	\$0	\$0	\$0	0.00 %

Page Reference

Legislative Budget Analysis, A-116

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	99.95	99.95	99.95	99.95
Personal Services	4,954,773	4,954,808	5,701,869	6,088,416	6,089,035
Operating Expenses	2,432,648	2,440,855	2,730,933	2,683,140	2,681,495
Total Expenditures	\$7,387,421	\$7,395,663	\$8,432,802	\$8,771,556	\$8,770,530
General Fund	7,142,037	7,150,279	8,187,418	8,514,813	8,513,727
State/Other Special Rev. Funds	205,381	205,381	205,381	214,889	214,939
Proprietary Funds	40,003	40,003	40,003	41,854	41,864
Total Funds	\$7,387,421	\$7,395,663	\$8,432,802	\$8,771,556	\$8,770,530
Total Ongoing	\$7,387,421	\$7,395,663	\$8,432,802	\$8,771,556	\$8,770,530
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

Legislative Budget Analysis, A-117

Funding

The Citizens Services and Resource Management Division is funded primarily with general fund. State special revenue funds the division's administration of the livestock per capita fee and medical marijuana tax, and for support of the unclaimed property program. The finances of the Collections Services Program are not shown in the HB 2 tables because it is funded with proprietary funds. The Collections Services Program is discussed in the Proprietary Rates Section that follows the HB 2 discussion. The Citizen Services and Resource Management program is also responsible for the statutorily appropriated distributions of various tax revenues to local and tribal governments.

Program Budget Summary by Category

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	8,187,418	8,187,418	16,374,836	96.16 %	8,432,802	8,432,802	16,865,604	96.14 %
SWPL Adjustments	(47,831)	(49,476)	(97,307)	(0.57)%	(47,831)	(49,476)	(97,307)	(0.55)%
PL Adjustments	205,361	205,920	411,281	2.42 %	211,585	212,204	423,789	2.42 %
New Proposals	169,865	169,865	339,730	2.00 %	175,000	175,000	350,000	2.00 %
Total Budget	\$8,514,813	\$8,513,727	\$17,028,540		\$8,771,556	\$8,770,530	\$17,542,086	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Fixed Costs	0.00	(47,835)	0	0	(47,835)	0.00	(49,481)	0	0	(49,481)
DP 3 - Inflation Deflation	0.00	4	0	0	4	0.00	5	0	0	5
DP 50 - Personal Services Adjustment	(2.00)	205,361	5,178	0	211,547	(2.00)	205,920	5,228	0	212,166
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	32	0	38	0.00	0	32	0	38
Grand Total All Present Law Adjustments	(2.00)	\$157,530	\$5,210	\$0	\$163,754	(2.00)	\$156,444	\$5,260	\$0	\$162,728

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - Personal Services Adjustment -

The legislature adopted a present law adjustment in personal services to maintain operations and services of the program. Specific adjustments include a reduction of 2.00 FTE.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

New Proposals -

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 14 - SFC Partial Restoration of DP 50	2.00	169,865	4,298	0	175,000	2.00	169,865	4,298	0	175,000
Total	2.00	\$169,865	\$4,298	\$0	\$175,000	2.00	\$169,865	\$4,298	\$0	\$175,000

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 14 - SFC Partial Restoration of DP 50 -

The legislature adopted a partial restoration of \$175,000 and 2.00 FTE in each fiscal year to offset the reductions to the statewide present law adjustment for personal services.

**Other Issues -
Proprietary Rates**

06554 Collection Services Program

Program Description

Montana law authorizes the Department of Revenue to assist other agencies in the collection of delinquent accounts. The department retains a percentage of these collections for the costs of assistance in conjunction with 17-4-103 (3)(a), MCA. The department established the Collections Services Program, which includes 3.50 FTE, to administer its statutory responsibilities under Title 17, chapter 4, MCA. These responsibilities include providing collection services for the purpose of centralizing debt collection for the State of Montana.

Revenues and Expenses

DOR is currently authorized to charge a commission rate up to 5.0% for its collection services excluding the collection of overpaid child support payments made to custodial parents and collection of delinquent child support payments from noncustodial parents. The commissions collected are used to pay the expenses of the Collection Services Program. Approximately 84.0% of the expenditures are paid in salaries and benefits with the remaining expenditures representing operating expenses of the program.

Administration of this program has required a minimum of a 9-month working capital balance due to the timing of program collections through offset of other state monies, as the program collects the largest amount of revenues on delinquent accounts during the income tax season and the hunting permitting season.

Rates and Rate Explanation

The legislature approved a commission rate of 5.0% in FY 2020 and a rate of 4.5% in FY 2021. Exempted from this rate is collection of overpaid child support payments made to custodial parents or collection of delinquent child support payments from noncustodial parents. Commissions associated with child support payments are charged against a separate general fund appropriation designated by the legislature in a prior legislative session.

Approved Rates for Internal Service or Enterprise Funds						
Fee/Rate Information						
	Actual FY 16	Actual FY 17	Estimated FY 18	Estimated FY 19	Approved FY 20	Approved FY 21
Fee Description:	1.5%	1.5%	5.0%	5.0%	5.0%	4.5%

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	18,847,017	19,677,707	830,690	4.41 %
Operating Expenses	2,672,624	3,395,726	723,102	27.06 %
Total Expenditures	\$21,519,641	\$23,073,433	\$1,553,792	7.22 %
General Fund	19,758,043	21,254,994	1,496,951	7.58 %
State/Other Special Rev. Funds	1,236,254	1,268,462	32,208	2.61 %
Federal Spec. Rev. Funds	525,344	549,977	24,633	4.69 %
Total Funds	\$21,519,641	\$23,073,433	\$1,553,792	7.22 %
Total Ongoing	\$21,519,641	\$23,073,433	\$1,553,792	7.22 %
Total OTO	\$0	\$0	\$0	0.00 %

Page Reference

Legislative Budget Analysis, A-122

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	135.86	135.86	135.86	135.86
Personal Services	9,238,307	9,246,567	9,600,450	9,839,015	9,838,692
Operating Expenses	1,213,938	1,220,319	1,452,305	1,703,572	1,692,154
Total Expenditures	\$10,452,245	\$10,466,886	\$11,052,755	\$11,542,587	\$11,530,846
General Fund	9,572,705	9,587,348	10,170,695	10,633,277	10,621,717
State/Other Special Rev. Funds	617,188	617,187	619,067	634,240	634,222
Federal Spec. Rev. Funds	262,352	262,351	262,993	275,070	274,907
Total Funds	\$10,452,245	\$10,466,886	\$11,052,755	\$11,542,587	\$11,530,846
Total Ongoing	\$10,452,245	\$10,466,886	\$11,052,755	\$11,542,587	\$11,530,846
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

Legislative Budget Analysis, A-123

Funding

The Business and Income Taxes Division is primarily funded with general fund, with some state special revenue and federal special revenue. State special revenue comes from the unclaimed property fund for program support, tobacco settlement funds that support tobacco tax compliance activities, and the accommodations tax which funds expenses for administering that tax. Federal special revenue comes from reimbursements for performing mineral royalty audits.

Program Budget Summary by Category

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	10,170,695	10,170,695	20,341,390	95.70 %	11,052,755	11,052,755	22,105,510	95.80 %
SWPL Adjustments	245,423	234,151	479,574	2.26 %	248,479	237,061	485,540	2.10 %
PL Adjustments	137,509	137,221	274,730	1.29 %	153,853	153,530	307,383	1.33 %
New Proposals	79,650	79,650	159,300	0.75 %	87,500	87,500	175,000	0.76 %
Total Budget	\$10,633,277	\$10,621,717	\$21,254,994		\$11,542,587	\$11,530,846	\$23,073,433	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Fixed Costs	0.00	243,604	0	3,056	246,660	0.00	231,894	0	2,910	234,804
DP 3 - Inflation Deflation	0.00	1,819	0	0	1,819	0.00	2,257	0	0	2,257
DP 50 - Personal Services Adjustment	(1.00)	137,509	8,369	5,187	151,065	(1.00)	137,221	8,351	5,170	150,742
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	1,957	831	2,788	0.00	0	1,957	831	2,788
Grand Total All Present Law Adjustments	(1.00)	\$382,932	\$10,326	\$9,074	\$402,332	(1.00)	\$371,372	\$10,308	\$8,911	\$390,591

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - Personal Services Adjustment -

The legislature adopted a present law adjustment in personal services to maintain operations and services of the program. Specific adjustments include a reduction of 1.00 FTE.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

New Proposals -

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 14 - SFC Partial Restoration of DP 50	1.00	79,650	4,847	3,003	87,500	1.00	79,650	4,847	3,003	87,500
Total	1.00	\$79,650	\$4,847	\$3,003	\$87,500	1.00	\$79,650	\$4,847	\$3,003	\$87,500

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 14 - SFC Partial Restoration of DP 50 -

The legislature adopted a partial restoration of \$87,500 and 1.00 FTE in each fiscal year to offset the reductions to the statewide present law adjustment for personal services.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	34,165,690	37,316,057	3,150,367	9.22 %
Operating Expenses	6,809,925	6,774,085	(35,840)	(0.53)%
Equipment & Intangible Assets	11,000	0	(11,000)	(100.00)%
Debt Service	12,770	12,770	0	0.00 %
Total Expenditures	\$40,999,385	\$44,102,912	\$3,103,527	7.57 %
General Fund	40,970,783	44,074,349	3,103,566	7.58 %
State/Other Special Rev. Funds	28,602	28,563	(39)	(0.14)%
Total Funds	\$40,999,385	\$44,102,912	\$3,103,527	7.57 %
Total Ongoing	\$40,999,385	\$44,102,912	\$3,103,527	7.57 %
Total OTO	\$0	\$0	\$0	0.00 %

Page Reference

Legislative Budget Analysis, A-126

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	301.77	301.77	269.92	269.92
Personal Services	17,025,870	17,027,949	17,137,741	18,663,833	18,652,224
Operating Expenses	3,371,924	3,382,886	3,427,039	3,382,552	3,391,533
Equipment & Intangible Assets	10,135	11,000	0	0	0
Debt Service	646	6,385	6,385	6,385	6,385
Total Expenditures	\$20,408,575	\$20,428,220	\$20,571,165	\$22,052,770	\$22,050,142
General Fund	20,394,274	20,413,919	20,556,864	22,038,483	22,035,866
State/Other Special Rev. Funds	14,301	14,301	14,301	14,287	14,276
Total Funds	\$20,408,575	\$20,428,220	\$20,571,165	\$22,052,770	\$22,050,142
Total Ongoing	\$20,408,575	\$20,428,220	\$20,571,165	\$22,052,770	\$22,050,142
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

Legislative Budget Analysis, A-127

Funding

Funding for the Property Assessment Division is almost entirely from the general fund. State special revenue is for the administration of the livestock per capita fee.

Program Budget Summary by Category

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	20,556,864	20,556,864	41,113,728	93.28 %	20,571,165	20,571,165	41,142,330	93.29 %
SWPL Adjustments	(42,816)	(33,835)	(76,651)	(0.17)%	(42,816)	(33,835)	(76,651)	(0.17)%
PL Adjustments	1,985,008	1,972,530	3,957,538	8.98 %	1,984,994	1,972,505	3,957,499	8.97 %
New Proposals	(460,573)	(459,693)	(920,266)	(2.09)%	(460,573)	(459,693)	(920,266)	(2.09)%
Total Budget	\$22,038,483	\$22,035,866	\$44,074,349		\$22,052,770	\$22,050,142	\$44,102,912	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Fixed Costs	0.00	(88,571)	0	0	(88,571)	0.00	(90,616)	0	0	(90,616)
DP 3 - Inflation Deflation	0.00	45,755	0	0	45,755	0.00	56,781	0	0	56,781
DP 50 - Personal Services Adjustment	(25.00)	1,985,008	1,657	0	1,986,665	(25.00)	1,972,530	1,646	0	1,974,176
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	(1,671)	0	(1,671)	0.00	0	(1,671)	0	(1,671)
Grand Total All Present Law Adjustments	(25.00)	\$1,942,192	(\$14)	\$0	\$1,942,178	(25.00)	\$1,938,695	(\$25)	\$0	\$1,938,670

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - Personal Services Adjustment -

The legislature adopted a present law adjustment in personal services to maintain operations and services of the program. Specific adjustments include a reduction of 25.00 FTE.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

New Proposals -

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 12 - FTE Reductions	(6.85)	(460,573)	0	0	(460,573)	(6.85)	(459,693)	0	0	(459,693)
Total	(6.85)	(\$460,573)	\$0	\$0	(\$460,573)	(6.85)	(\$459,693)	\$0	\$0	(\$459,693)

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 12 - FTE Reductions -

The legislature adopted a reduction of 6.85 FTE in the Property Assessment Division to make permanent certain reductions from SB 261 passed by the 2017 legislature.

Agency Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	22,594,383	26,734,480	4,140,097	18.32 %
Operating Expenses	12,319,471	16,587,700	4,268,229	34.65 %
Equipment & Intangible Assets	39,000	100,000	61,000	156.41 %
Capital Outlay	18,735	0	(18,735)	(100.00)%
Local Assistance	53,958	57,958	4,000	7.41 %
Transfers	3,306,000	0	(3,306,000)	(100.00)%
Total Expenditures	\$38,331,547	\$43,480,138	\$5,148,591	13.43 %
General Fund	13,713,154	18,359,040	4,645,886	33.88 %
State/Other Special Rev. Funds	13,169,753	14,490,353	1,320,600	10.03 %
Federal Spec. Rev. Funds	1,194,407	28,268	(1,166,139)	(97.63)%
Proprietary Funds	10,254,233	10,602,477	348,244	3.40 %
Total Funds	\$38,331,547	\$43,480,138	\$5,148,591	13.43 %
Total Ongoing	\$35,025,547	\$43,405,138	\$8,379,591	23.92 %
Total OTO	\$3,306,000	\$75,000	(\$3,231,000)	(97.73)%

Page Reference

Legislative Budget Analysis, A-130.

Agency Highlights

Department of Administration Major Budget Highlights	
<ul style="list-style-type: none"> • The legislature adopted an increase to the Department of Administration's total biennial appropriations of \$5.1 million or 13.4% compared to the 2019 biennium appropriations • The legislature adopted increases in general fund, state special revenue, and proprietary fund appropriations for statewide present law adjustments for personal services, fixed costs, and inflation/deflation • The legislature adopted increases in general fund appropriations and 10.00 FTE for the State Information Technology Services Division's Montana cybersecurity enhancement project • The legislature adopted increases in state special revenue appropriations and 1.00 FTE for the statewide Facility Condition Assessment Program • Approximately 63.0% of the Department of Administration's budget is non-budgeted proprietary funds. The legislature adopted slight increases in rates for the Statewide Accounting, Budgeting, and Human Resources System (SABHRS), warrant writing, rent and maintenance, and Human Resources Information System (HRIS). The legislature also adopted an increase in state agency costs for information technology services 	

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	139.66	139.66	148.66	148.66
Personal Services	10,494,233	10,949,006	11,645,377	13,369,961	13,364,519
Operating Expenses	5,172,798	6,506,826	5,812,645	8,358,922	8,228,778
Equipment & Intangible Assets	18,054	19,500	19,500	50,000	50,000
Capital Outlay	18,735	18,735	0	0	0
Local Assistance	22,651	26,979	26,979	28,979	28,979
Transfers	1,649,000	1,649,000	1,657,000	0	0
Total Expenditures	\$17,375,471	\$19,170,046	\$19,161,501	\$21,807,862	\$21,672,276
General Fund	6,320,046	6,446,152	7,267,002	9,176,143	9,182,897
State/Other Special Rev. Funds	6,064,698	6,502,061	6,667,692	7,249,571	7,240,782
Federal Spec. Rev. Funds	53,418	1,078,083	116,324	14,134	14,134
Proprietary Funds	4,937,309	5,143,750	5,110,483	5,368,014	5,234,463
Total Funds	\$17,375,471	\$19,170,046	\$19,161,501	\$21,807,862	\$21,672,276
Total Ongoing	\$15,726,471	\$17,521,046	\$17,504,501	\$21,807,862	\$21,597,276
Total OTO	\$1,649,000	\$1,649,000	\$1,657,000	\$0	\$75,000

Page Reference

Legislative Budget Analysis, A-131.

Executive Budget Comparison

The following table compares the legislative budget for the biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2019	Executive Budget Fiscal 2020	Legislative Budget Fiscal 2020	Leg — Exec. Difference Fiscal 2020	Executive Budget Fiscal 2021	Legislative Budget Fiscal 2021	Leg — Exec. Difference Fiscal 2021	Biennium Difference Fiscal 20-21
FTE	139.66	139.66	148.66	9.00	139.66	148.66	9.00	9.00
Personal Services	11,645,377	12,439,590	13,369,961	930,371	12,434,148	13,364,519	930,371	1,860,742
Operating Expenses	5,812,645	6,181,711	8,358,922	2,177,211	6,026,567	8,228,778	2,202,211	4,379,422
Equipment & Intangible Assets	19,500	50,000	50,000	0	50,000	50,000	0	0
Capital Outlay	0	0	0	0	0	0	0	0
Local Assistance	26,979	28,979	28,979	0	28,979	28,979	0	0
Transfers	1,657,000	0	0	0	0	0	0	0
Total Costs	\$19,161,501	\$18,700,280	\$21,807,862	\$3,107,582	\$18,539,694	\$21,672,276	\$3,132,582	\$6,240,164
General Fund	7,267,002	6,186,920	9,176,143	2,989,223	6,168,674	9,182,897	3,014,223	6,003,446
State/other Special Rev. Funds	6,667,692	7,132,276	7,249,571	117,295	7,123,487	7,240,782	117,295	234,590
Federal Spec. Rev. Funds	116,324	14,134	14,134	0	14,134	14,134	0	0
Other	5,110,483	5,366,950	5,368,014	1,064	5,233,399	5,234,463	1,064	2,128
Total Funds	\$19,161,501	\$18,700,280	\$21,807,862	\$3,107,582	\$18,539,694	\$21,672,276	\$3,132,582	\$6,240,164
Total Ongoing	\$17,504,501	\$18,700,280	\$21,807,862	\$3,107,582	\$18,489,694	\$21,597,276	\$3,107,582	\$6,215,164
Total OTO	\$1,657,000	\$0	\$0	\$0	\$50,000	\$75,000	\$25,000	\$25,000

The legislature adopted appropriations that are approximately \$6.2 million higher than the proposed executive appropriations for the 2021 biennium.

The major differences in the legislative budget compared to the executive budget include:

- The legislature adopted \$6.3 million and 10.00 FTE over the biennium in the State Information Technology Services Division (SITSD) for the Montana cybersecurity enhancement project
- The legislature adopted approximately \$202,000 and 1.00 FTE over the biennium for the statewide Facility Condition Assessment Program in the Architecture and Engineering Division
- The legislature adopted reductions related to the proposed reinstatement of personal services of approximately \$342,000 and 1.00 FTE over the biennium in the State Financial Services Division and State Human Resource Division
- The legislature adopted a reduction of 1.00 FTE in the Montana State Lottery
- The legislature adopted an increase of \$25,000 over the biennium for the Governor Elect Program

Funding

The following table shows agency funding by source of authority.

Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	18,284,040	75,000	0	184,698,436	203,057,476	18.95 %
State Special Total	14,490,353	0	0	47,917,000	62,407,353	5.82 %
Federal Special Total	28,268	0	0	36,284,000	36,312,268	3.39 %
Proprietary Total	10,602,477	0	676,553,738	82,596,208	769,752,423	71.84 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$43,405,138	\$75,000	\$676,553,738	\$351,495,644	\$1,071,529,520	
Percent - Total All Sources	4.05 %	0.01 %	63.14 %	32.80 %		

The majority of the Department of Administration is funded with proprietary funds. These funds support the operations of the Director’s Office, State Financial Services Division, General Services Division, State Information Technology Services Division, Healthcare and Benefits Division, State Human Resources Division, Risk Management and Tort Defense, and Montana State Lottery.

Statutory Appropriations also comprise a significant portion of appropriations for the Department of Administration. These primarily include appropriations related to transfers to the teachers’ retirement and public employees’ retirement system, and lottery prizes.

HB 2 appropriations of general fund, state special revenue funds, federal special revenue funds, and proprietary funds will be discussed in further detail at the program level.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	5,610,002	5,610,002	11,220,004	61.11 %	17,504,501	17,504,501	35,009,002	80.52 %
SWPL Adjustments	87,830	19,910	107,740	0.59 %	536,159	324,230	860,389	1.98 %
PL Adjustments	318,311	392,985	711,296	3.87 %	506,054	582,397	1,088,451	2.50 %
New Proposals	3,160,000	3,160,000	6,320,000	34.42 %	3,261,148	3,261,148	6,522,296	15.00 %
Total Budget	\$9,176,143	\$9,182,897	\$18,359,040		\$21,807,862	\$21,672,276	\$43,480,138	

Language and Statutory Authority

Montana Cybersecurity Enhancement Project is restricted to expenditures for: next generation antivirus software; cybersecurity staff; cybersecurity student programs; web application firewall; e-mail security gateway; security information and event management; analytics-driven security and continuous monitoring for threats; governance, risk, and compliance software; enterprise risk assessment; digital forensics lab; source code repository; security orchestration, automation and response; and outsourced professional services.

The State Information Technology Services Division shall report to the legislative finance committee quarterly on the Montana Cybersecurity Enhancement Project.

It is the intent of the legislature that funding for the Montana Cybersecurity Enhancement Project be moved to the State Information Technology Services Division’s proprietary rates in the 2023 biennium if the project is successful.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	595,997	737,708	141,711	23.78 %
Operating Expenses	207,043	202,190	(4,853)	(2.34)%
Local Assistance	28,592	28,592	0	0.00 %
Transfers	3,306,000	0	(3,306,000)	(100.00)%
Total Expenditures	\$4,137,632	\$968,490	(\$3,169,142)	(76.59)%
General Fund	4,112,218	943,076	(3,169,142)	(77.07)%
Federal Spec. Rev. Funds	25,414	25,414	0	0.00 %
Total Funds	\$4,137,632	\$968,490	(\$3,169,142)	(76.59)%
Total Ongoing	\$831,632	\$968,490	\$136,858	16.46 %
Total OTO	\$3,306,000	\$0	(\$3,306,000)	(100.00)%

Page Reference

Legislative Budget Analysis, A-137.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	3.50	3.50	3.50	3.50
Personal Services	276,254	257,605	338,392	368,630	369,078
Operating Expenses	81,725	136,979	70,064	136,253	65,937
Local Assistance	7,795	14,296	14,296	14,296	14,296
Transfers	1,649,000	1,649,000	1,657,000	0	0
Total Expenditures	\$2,014,774	\$2,057,880	\$2,079,752	\$519,179	\$449,311
General Fund	2,006,979	2,045,173	2,067,045	506,472	436,604
Federal Spec. Rev. Funds	7,795	12,707	12,707	12,707	12,707
Total Funds	\$2,014,774	\$2,057,880	\$2,079,752	\$519,179	\$449,311
Total Ongoing	\$365,774	\$408,880	\$422,752	\$519,179	\$449,311
Total OTO	\$1,649,000	\$1,649,000	\$1,657,000	\$0	\$0

Page Reference

Legislative Budget Analysis, A-138.

Funding

HB 2

The general fund appropriations in HB 2 support the following functions:

- Burial Preservation Board
- Office of Labor Relations

Federal special revenue provides for the administrative functions that support the allocation of federal flood control payments. These funds are received by the department from the U.S. Army Corps of Engineers. It is directed to specific counties for reimbursement for 75.0% of receipts from the leasing of lands acquired for flood control, navigation, and allied purposes pursuant to 33 USC 701c3.

Non-Budgeted Proprietary

The majority of the Director's Office functions are supported by proprietary funds.

Statutory Appropriations

In the Director's Office, statutory appropriations account for the majority of appropriations from all sources of authority. The figure below provides FY 2018 actual expenditures, FY 2019 appropriations, and current HJR 2 estimates for FY 2020 and FY 2021 appropriations, which are slightly below executive estimates at this point in time.

Figure 3
Department of Administration
Director's Office
Statutory Appropriations

	FY 2018 Actual	FY 2019 Appropriated	FY 2020 Estimated	FY 2021 Estimated
General Fund				
Debt Service	\$ 12,395,476	\$ 9,270,551	\$ 8,145,083	\$ 6,887,515
Local Government PERD Contribution	445,877	574,401	463,890	473,168
School District PERD Contribution	522,760	605,284	543,879	554,757
TRS GABA	909,308	973,507	909,308	909,308
TRS Supplemental Contribution	44,096,364	45,289,354	45,246,186	45,853,571
State Fund Dividend - Federal Share	213,475	396,431	170,000	170,000
Public Employees Retirement Transfers	<u>31,386,000</u>	<u>31,958,000</u>	<u>32,277,580</u>	<u>32,600,356</u>
Total General Fund	89,969,260	89,067,528	87,755,926	87,448,675
State Special Revenues				
Mineral Impact Fees	<u>5,778,774</u>	<u>8,186,000</u>	<u>6,963,687</u>	<u>6,849,095</u>
Total State Special Revenues	5,778,774	8,186,000	6,963,687	6,849,095
Federal Special Revenue				
Taylor Grazing Fees	154,442	125,000	125,000	125,000
Forest Reserve Funds	<u>15,119,644</u>	<u>18,017,000</u>	<u>18,017,000</u>	<u>18,017,000</u>
Total Federal Special Revenue	15,274,086	18,142,000	18,142,000	18,142,000
Total Statutory Appropriations	\$111,022,120	\$115,395,528	\$112,861,613	\$112,439,770

As reflected in the figure above, there is a reduction in the appropriation for debt service which is due to declining costs for debt service.

Program Budget Summary by Category

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	410,045	410,045	820,090	86.96 %	422,752	422,752	845,504	87.30 %
SWPL Adjustments	97,105	27,237	124,342	13.18 %	97,105	27,237	124,342	12.84 %
PL Adjustments	(678)	(678)	(1,356)	(0.14)%	(678)	(678)	(1,356)	(0.14)%
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$506,472	\$436,604	\$943,076		\$519,179	\$449,311	\$968,490	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	30,238	0	0	30,238	0.00	30,686	0	0	30,686
DP 2 - Fixed Costs	0.00	66,867	0	0	66,867	0.00	(3,449)	0	0	(3,449)
DP 4 - Allocate Department Indirect/Administrative Costs	0.00	(678)	0	0	(678)	0.00	(678)	0	0	(678)
Grand Total All Present Law Adjustments	0.00	\$96,427	\$0	\$0	\$96,427	0.00	\$26,559	\$0	\$0	\$26,559

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 4 - Allocate Department Indirect/Administrative Costs -

The legislature adopted a decrease in general fund due to a reduction in indirect costs. These are the costs recovered by the Department of Administration from divisions within the department for services provided, which include accounting, human resources, and legal support.

Other Issues -

Proprietary Rates

There are two proprietary funds in the Director's Office, which include:

- **Management Services Fund** – The Director's Office provides management services to other divisions within the agency and services for state agencies related to labor relations
- **Continuity and Emergency Management** – The Director's Office prepares to manage and coordinate state government in the event of a major catastrophic disruption

These programs are funded with internal service type proprietary funds. As such, the legislature approves the maximum rates that the programs can charge during the biennium.

Management Services Fund – 06534

Proprietary Program Description

In addition to oversight, support, and coordination, the services provided by the Director's Office with the management services fund include:

- Office of Human Resources
 - Processes payroll
 - Assists with recruitment, selection, and orientation of new employees
 - Classifies positions
 - Develops policies for the department
- Office of Legal Services
 - Advises on legal matters
- Office of Finance and Budget
 - Prepares and presents the biennial budget
 - Processes budget change documents
 - Monitors budgets for compliance with state law and legislative intent
 - Provides accounting assistance

Proprietary Program Narrative

Expenses

Overall, there is an increase in personal services and operating expenses of approximately \$104,000 in FY 2020 and \$98,000 in FY 2021. This increase is primarily due to increases in statewide present law adjustments for personal services and fixed costs.

Revenues

All divisions of the agency and some administratively attached boards and agencies, use the services provided by the Director's Office. Administratively attached agencies or boards are not charged a fee if they do not use some of the services because they have staff to perform these functions.

The revenues for this program are allocated in three ways:

- The human resource function allocation is based on the annual amount per FTE served
- The legal unit is allocated based on a time use study
- The remaining portion is allocated on the proportional size of the division budget to the total of all served

Proprietary Rates

The figure below shows the adopted rates for the 2021 biennium.

Requested Rates for Internal Service or Enterprise Funds Fee/Rate Information				
	Actual FY 18	Budgeted FY 19	Proposed FY 20	Proposed FY 21
Fee Description:				
Total Allocation of Costs	\$1,499,893	\$1,499,500	\$1,408,903	\$1,408,903
FTE Component	\$891	\$891	\$947	\$947

This program is funded with an internal service type proprietary fund. As such, the legislature approves the maximum rate the program may charge during the biennium. They are not the rates the program must charge.

Continuity and Emergency Management – 06535

Proprietary Program Description

The Department of Administration is responsible for providing centralized management and coordination of the Continuity and Emergency Management Program for state agencies to ensure the ability to protect and recover essential functions of state government in the event of catastrophic loss.

Proprietary Program Narrative

Expenses

There is an increase in personal services and operating expenses of approximately \$36,000 in FY 2020 and \$33,000 in FY 2021. This increase is primarily due to increases in statewide present law adjustments for personal services and fixed costs.

Revenues

The Continuity and Emergency Management Program (CEMP) bills the State Information Technology Services Division (SITSD) and General Services Division (GSD) quarterly for their services. Because these two divisions are funded through charges to state agencies, CEMP is essentially funded by all state agencies.

SITSD pays approximately \$546,000 and GSD pays approximately \$212,000 annually in the 2021 biennium for this function.

Proprietary Rates

The figure below shows the adopted rates for the 2021 biennium.

Requested Rates for Internal Service or Enterprise Funds Fee/Rate Information				
	Actual FY 18	Budgeted FY 19	Proposed FY 20	Proposed FY 21
Fee Description:				
Total Allocation of Costs	\$728,874	\$728,817	\$758,029	\$757,972

This program is funded with an internal service type proprietary fund. As such, the legislature approves the maximum rate the program may charge during the biennium. They are not the rates the program must charge.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Operating Expenses	0	75,000	75,000	0.00 %
Total Expenditures	\$0	\$75,000	\$75,000	0.00 %
General Fund	0	75,000	75,000	0.00 %
Total Funds	\$0	\$75,000	\$75,000	0.00 %
Total Ongoing	\$0	\$0	\$0	100.00 %
Total OTO	\$0	\$75,000	\$75,000	100.00 %

Page Reference

Legislative Budget Analysis, A-147.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
Operating Expenses	0	0	0	0	75,000
Total Expenditures	\$0	\$0	\$0	\$0	\$75,000
General Fund	0	0	0	0	75,000
Total Funds	\$0	\$0	\$0	\$0	\$75,000
Total Ongoing	\$0	\$0	\$0	\$0	\$0
Total OTO	\$0	\$0	\$0	\$0	\$75,000

Page Reference

Legislative Budget Analysis, A-147.

Funding

The Governor Elect Program is funded entirely with general fund.

Program Budget Summary by Category

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	0	0	0	0.00 %	0	0	0	0.00 %
SWPL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
PL Adjustments	0	75,000	75,000	100.00 %	0	75,000	75,000	100.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$75,000	\$75,000		\$0	\$75,000	\$75,000	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 201 - Governor-Elect Appropriation - OTO	0.00	0	0	0	0	0.00	75,000	0	0	75,000
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$0	\$0	0.00	\$75,000	\$0	\$0	\$75,000

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 201 - Governor-Elect Appropriation - OTO -

The legislature adopted a one-time-only general fund appropriation for the Governor Elect Program. Montana Statute (2-15-221, MCA) requires the department to provide funding to a Governor-elect and his or her staff for the period between the general election and the inauguration because there will be a change in office as a result of the 2020 general election.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	3,977,073	4,686,278	709,205	17.83 %
Operating Expenses	1,051,398	1,526,975	475,577	45.23 %
Capital Outlay	18,735	0	(18,735)	(100.00)%
Total Expenditures	\$5,047,206	\$6,213,253	\$1,166,047	23.10 %
General Fund	4,558,311	5,733,691	1,175,380	25.79 %
State/Other Special Rev. Funds	375,295	365,962	(9,333)	(2.49)%
Federal Spec. Rev. Funds	2,854	2,854	0	0.00 %
Proprietary Funds	110,746	110,746	0	0.00 %
Total Funds	\$5,047,206	\$6,213,253	\$1,166,047	23.10 %
Total Ongoing	\$5,047,206	\$6,213,253	\$1,166,047	23.10 %
Total OTO	\$0	\$0	\$0	0.00 %

Page Reference

Legislative Budget Analysis, A-150.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	28.92	28.92	28.92	28.92
Personal Services	1,917,841	1,919,400	2,057,673	2,343,297	2,342,981
Operating Expenses	311,935	318,570	732,828	763,102	763,873
Capital Outlay	18,735	18,735	0	0	0
Total Expenditures	\$2,248,511	\$2,256,705	\$2,790,501	\$3,106,399	\$3,106,854
General Fund	2,015,468	2,016,124	2,542,187	2,866,734	2,866,957
State/Other Special Rev. Funds	176,795	183,781	191,514	182,865	183,097
Federal Spec. Rev. Funds	878	1,427	1,427	1,427	1,427
Proprietary Funds	55,370	55,373	55,373	55,373	55,373
Total Funds	\$2,248,511	\$2,256,705	\$2,790,501	\$3,106,399	\$3,106,854
Total Ongoing	\$2,248,511	\$2,256,705	\$2,790,501	\$3,106,399	\$3,106,854
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

Legislative Budget Analysis, A-152.

Funding

HB 2

General fund is the primary funding source for the functions approved in HB 2. General fund supports the development of statewide accounting standards, treasury functions, procurement functions, accounting assistance for local governments, and the State Social Security Administrator function.

State special revenue from procurement and term contract rebates fund procurement functions related to administering term contracts, the eMarket Center, and the procurement and fuel card programs. There is a 1.5% to 2.0% fee that is assessed to businesses participating in the eMarket Center as well as any vendors who have a term contract with the state.

Federal special revenues provide for cash management services related to the federal Cash Management Improvement Act. These funds are deposited into the general fund.

Proprietary funding in HB 2 is a direct appropriation from the Board of Investments (BOI) proprietary fund for services the Treasury Unit provides to the BOI.

Non-Budgeted Proprietary Funds

Approximately half of the State Financial Services Division (SFSD) functions are supported with non-budgeted proprietary funds.

Statutory Appropriations

Part of the funding in SFSD is statutorily appropriated for use by the state treasurer. The state treasurer may contract with a financial institution to provide general depository banking services. The cost of contracting for banking services is statutorily appropriated from the general fund. In addition, SFSD issues federal fund rebates for procard and fuel card rebates under 17-3-106, MCA. Rebates are for costs already paid by federal funds that are returned to the federal government.

Program Budget Summary by Category

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	2,542,187	2,542,187	5,084,374	88.68 %	2,790,501	2,790,501	5,581,002	89.82 %
SWPL Adjustments	48,203	49,217	97,420	1.70 %	30,455	31,226	61,681	0.99 %
PL Adjustments	276,344	275,553	551,897	9.63 %	285,443	285,127	570,570	9.18 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$2,866,734	\$2,866,957	\$5,733,691		\$3,106,399	\$3,106,854	\$6,213,253	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Fixed Costs	0.00	47,996	(17,754)	0	30,242	0.00	48,958	(17,999)	0	30,959
DP 3 - Inflation Deflation	0.00	207	6	0	213	0.00	259	8	0	267
DP 4 - Allocate Department Indirect/Administrative Costs	0.00	(285)	104	0	(181)	0.00	(285)	104	0	(181)
DP 51 - Personal Services Adjustment	0.00	276,629	8,995	0	285,624	0.00	275,838	9,470	0	285,308
Grand Total All Present Law Adjustments	0.00	\$324,547	(\$8,649)	\$0	\$315,898	0.00	\$324,770	(\$8,417)	\$0	\$316,353

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 4 - Allocate Department Indirect/Administrative Costs -

The legislature adopted a decrease in general fund and an increase in state special revenue funds due to indirect costs. These are the costs recovered by the Department of Administration from divisions within the department for services provided, which include accounting, human resources, and legal support.

DP 51 - Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the program. Specific adjustments include reducing a portion of the proposed reinstatement of personal services.

Other Issues -

Proprietary Rates

The State Financial Services Division provides the following functions with proprietary funds:

- Statewide Accounting, Budgeting, and Human Resources System (SABHRS)
- Warrant writer
- Local government audit and reporting

SABHRS - 06511

Proprietary Program Description

The Financial Services Technology Bureau (FSTB) is responsible for the operational support and maintenance of the enterprise financial (SABHRS Financials) and budget development information (IBARS) systems and for supporting the enterprise acquisition and contracting system (eMACS). FSTB is also responsible for providing database administration services, system architecture, and maintenance for the SABHRS HR information system for the HR Information Systems Bureau.

FSTB has a total of 21.00 FTE supporting these applications, including upgrades, enhancements, testing, user training, database maintenance, and system architecture.

Proprietary Program Narrative

Expenses

The increase in expenses in the SABHRS fund is approximately \$391,000 in FY 2020 and \$321,000 in FY 2021. These increases are primarily due to statewide present law adjustments for personal services and fixed costs.

Revenues

All state agencies are required to use the SABHRS Program to ensure consistent, accurate, and transparent financial and budgeting information. Revenues are based on:

- Costs to operate
- Maintaining a reasonable working capital balance of 60 days

Proprietary Rates

The table below shows the rates adopted for the 2021 biennium. The rates charged in the base year are shown for comparison purposes.

Requested Rates for Internal Service or Enterprise Funds Fee/Rate Information				
	Actual FY 18	Budgeted FY 19	Proposed FY 20	Proposed FY 21
SABHRS Services	\$3,967,407	\$3,818,905	\$4,168,577	\$3,971,663

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge.

Warrant Writer - 06564

Proprietary Program Description

The Warrant Writer Unit (WWU) provides payment processing services for most state agencies, including the university system. The WWU generates, tracks, and reconciles each approved agency payment generated in SABHRS. Warrant printing is provided to the WWU by Print and Mail Services within the General Services Division.

The services the WWU offer include direct deposit, warrant consolidation, stopping of payments, warrant cancellations, emergency warrants, duplicate warrants, warrant certification, warrant reissues, warrant research, supplier file maintenance, stale-dated payment processing, and IRS 1099-MISC and 1042 tax reporting.

The program funds 4.33 FTE and is authorized through 17-8-305, MCA.

Proprietary Program Narrative

Expenses

The increase in expenses in the warrant writing fund is approximately \$41,000 in FY 2020 and \$39,000 in FY 2021. These increases are primarily due to statewide present law adjustments for personal services and fixed costs.

Revenues

Revenues are derived from monthly billing based on the number of actual warrants issued. Budget authority to pay the costs is a fixed cost item in state agency budgets.

Proprietary Rates

The table below shows the rates adopted for the 2021 biennium. The rates charged in the base year are shown for comparison purposes.

**Requested Rates for Internal Service or Enterprise Funds
Fee/Rate Information**

	Actual FY 18	Budgeted FY 19	Proposed FY 20	Proposed FY 21
Fee Description:				
Mailer	\$0.80301	\$0.80179	\$0.83386	\$0.83386
Non-Mailer	\$0.34725	\$0.34672	\$0.36059	\$0.36059
Emergency	\$13.02172	\$13.00204	\$13.52212	\$13.52212
Duplicate	\$8.68115	\$8.66803	\$9.01475	\$9.01475
Payroll - Printed Warrants	\$0.14643	\$0.14621	\$0.15206	\$0.15206
External - University System	\$0.11720	\$0.11702	\$0.12170	\$0.12170
Direct Deposit Mailer	\$0.95493	\$0.95348	\$0.99162	\$0.99162
Direct Deposit Non-mailer	\$0.13022	\$0.13002	\$0.13522	\$0.13522
UI - Warrant Printing Only	\$0.11408	\$0.11391	\$0.11847	\$0.11847
UI - Direct Deposit	\$0.02872	\$0.02867	\$0.02982	\$0.02982

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	3,149,486	3,475,770	326,284	10.36 %
Operating Expenses	1,166,999	1,271,209	104,210	8.93 %
Total Expenditures	\$4,316,485	\$4,746,979	\$430,494	9.97 %
State/Other Special Rev. Funds	4,316,485	4,746,979	430,494	9.97 %
Total Funds	\$4,316,485	\$4,746,979	\$430,494	9.97 %
Total Ongoing	\$4,316,485	\$4,746,979	\$430,494	9.97 %
Total OTO	\$0	\$0	\$0	0.00 %

Page Reference

Legislative Budget Analysis, A-164.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	16.50	16.50	17.50	17.50
Personal Services	1,411,929	1,546,706	1,602,780	1,738,674	1,737,096
Operating Expenses	542,845	584,158	582,841	636,448	634,761
Total Expenditures	\$1,954,774	\$2,130,864	\$2,185,621	\$2,375,122	\$2,371,857
State/Other Special Rev. Funds	1,954,774	2,130,864	2,185,621	2,375,122	2,371,857
Total Funds	\$1,954,774	\$2,130,864	\$2,185,621	\$2,375,122	\$2,371,857
Total Ongoing	\$1,954,774	\$2,130,864	\$2,185,621	\$2,375,122	\$2,371,857
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

Legislative Budget Analysis, A-165.

Funding

The Architecture and Engineering Division is funded entirely with state special revenue funds. Funds are transferred from the long-range building capital projects fund to the state special revenue fund, which was established for administrative expenses related to the support of the state Long-Range Building Program.

Program Budget Summary by Category

Budget Summary by Category									
Budget Item	-----General Fund-----				-----Total Funds-----				
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	
2019 Base Budget	0	0	0	0.00 %	2,185,621	2,185,621	4,371,242	92.08 %	
SWPL Adjustments	0	0	0	0.00 %	72,619	69,354	141,973	2.99 %	
PL Adjustments	0	0	0	0.00 %	15,734	15,734	31,468	0.66 %	
New Proposals	0	0	0	0.00 %	101,148	101,148	202,296	4.26 %	
Total Budget	\$0	\$0	\$0		\$2,375,122	\$2,371,857	\$4,746,979		

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	34,746	0	34,746	0.00	0	33,168	0	33,168
DP 2 - Fixed Costs	0.00	0	34,405	0	34,405	0.00	0	31,883	0	31,883
DP 3 - Inflation Deflation	0.00	0	3,468	0	3,468	0.00	0	4,303	0	4,303
DP 4 - Allocate Department Indirect/Administrative Costs	0.00	0	359	0	359	0.00	0	359	0	359
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	15,375	0	15,375	0.00	0	15,375	0	15,375
Grand Total All Present Law Adjustments	0.00	\$0	\$88,353	\$0	\$88,353	0.00	\$0	\$85,088	\$0	\$85,088

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 4 - Allocate Department Indirect/Administrative Costs -

The legislature adopted an increase in state special revenue funds due to a change in indirect costs. These are the costs recovered by the Department of Administration from divisions within the department for services provided, which include accounting, human resources, and legal support.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

New Proposals -

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 401 - Facility Condition Assessment FTE	1.00	0	101,148	0	101,148	1.00	0	101,148	0	101,148
Total	1.00	\$0	\$101,148	\$0	\$101,148	1.00	\$0	\$101,148	\$0	\$101,148

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 401 - Facility Condition Assessment FTE -

The legislature adopted state special revenue appropriations for 1.00 FTE. This position will work in the statewide Facility Condition Assessment Program established in 17-7-202, MCA.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	9,603,447	9,723,212	119,765	1.25 %
Operating Expenses	33,821,964	35,095,752	1,273,788	3.77 %
Equipment & Intangible Assets	886,330	826,330	(60,000)	(6.77)%
Capital Outlay	98,968	0	(98,968)	(100.00)%
Transfers	320,000	320,000	0	0.00 %
Debt Service	426,908	384,826	(42,082)	(9.86)%
Total Expenditures	\$45,157,617	\$46,350,120	\$1,192,503	2.64 %
Proprietary Funds	45,157,617	46,350,120	1,192,503	2.64 %
Total Funds	\$45,157,617	\$46,350,120	\$1,192,503	2.64 %
Total Ongoing	\$45,157,617	\$46,350,120	\$1,192,503	2.64 %
Total OTO	\$0	\$0	\$0	0.00 %

Page Reference

Legislative Budget Analysis, GSD-1.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	72.35	72.35	72.35	72.35
Personal Services	4,644,204	4,970,930	4,632,517	4,859,409	4,863,803
Operating Expenses	15,289,859	16,541,577	17,280,387	17,489,450	17,606,302
Equipment & Intangible Assets	316,655	473,165	413,165	413,165	413,165
Capital Outlay	98,968	98,968	0	0	0
Transfers	228,629	160,000	160,000	160,000	160,000
Debt Service	262,124	234,495	192,413	192,413	192,413
Total Expenditures	\$20,840,439	\$22,479,135	\$22,678,482	\$23,114,437	\$23,235,683
Proprietary Funds	20,840,439	22,479,135	22,678,482	23,114,437	23,235,683
Total Funds	\$20,840,439	\$22,479,135	\$22,678,482	\$23,114,437	\$23,235,683
Total Ongoing	\$20,840,439	\$22,479,135	\$22,678,482	\$23,114,437	\$23,235,683
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

Legislative Budget Analysis, GSD-2.

Funding

Proprietary Funds

The General Service Division is entirely supported through proprietary funds.

Program Budget Summary by Category

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	0	0	0	0.00 %	22,678,482	22,678,482	45,356,964	97.86 %
SWPL Adjustments	0	0	0	0.00 %	299,867	321,622	621,489	1.34 %
PL Adjustments	0	0	0	0.00 %	136,088	235,579	371,667	0.80 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$23,114,437	\$23,235,683	\$46,350,120	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	0	226,892	0.00	0	0	0	231,286
DP 2 - Fixed Costs	0.00	0	0	0	72,965	0.00	0	0	0	90,324
DP 3 - Inflation Deflation	0.00	0	0	0	10	0.00	0	0	0	12
DP 4 - Allocate Department Indirect/Administrative Costs	0.00	0	0	0	11,478	0.00	0	0	0	11,478
DP 5 - Increase in SCEMO Fees	0.00	0	0	0	8,163	0.00	0	0	0	8,163
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	0	0	4,456	0.00	0	0	0	4,456
DP 601 - Increase in Contracted Services cost	0.00	0	0	0	93,991	0.00	0	0	0	191,110
DP 602 - Increase in Taxes and Assessments	0.00	0	0	0	18,000	0.00	0	0	0	20,372
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$0	\$435,955	0.00	\$0	\$0	\$0	\$557,201

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature reviewed adjustments to annualize personal services costs including FY 2019 statewide pay plan adjustments, benefit rate adjustments, vacancy savings adjustments and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature reviewed adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature reviewed adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 4 - Allocate Department Indirect/Administrative Costs -

The legislature reviewed an increase in proprietary funds due because of a change in indirect costs. These are the costs recovered by the Department of Administration from divisions within the department for services provided, which include accounting, human resources, and legal support.

DP 5 - Increase in SCEMO Fees -

The legislature reviewed an increase in proprietary funds for the General Services Division's portion of the costs paid to the State Continuity and Emergency Office.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature reviewed an increase to the Statewide Cost Allocation Plan (SWCAP).

DP 601 - Increase in Contracted Services cost -

The legislature reviewed an increase in proprietary funds for several contracts related to the maintenance and management of the Capitol Complex buildings. These contracts include janitorial, mechanical, elevator, pest control, fire suppression, and security services.

DP 602 - Increase in Taxes and Assessments -

The legislature reviewed an increase in proprietary funds for assessments paid to the City of Helena.

Other Issues -**Proprietary Rates**

The General Services Division provides the following functions supported by proprietary rates:

- Capitol Facilities Management (rent and maintenance)
- Print and mail services
- Surplus property and recycling

Capitol Facilities Management – Rent and Maintenance (06528)*Proprietary Program Description*

Capitol Facilities Management is the custodian of all state property and grounds in the state capitol area, which is the geographic area within a 10-mile radius of the state Capitol. Services include providing all utilities on the complex (including water, sewer, electricity, natural gas, and garbage collection), locksmith services, repair and maintenance, construction, construction management, grounds maintenance, leasing services, emergency response and management, and security. The bureau manages several service contracts for the capitol complex including security, pest control, mechanical maintenance, janitorial services, elevator repair and maintenance, fire sprinkler systems maintenance, and access control.

Operational authority for the bureau is provided by Title 2, Chapter 17, Part 8, Section 811, MCA. The bureau currently has 34.85 FTE.

Proprietary Program Narrative

Expenses

The expenditures from the rent and maintenance proprietary fund increased by approximately \$385,000 in FY 2020 and \$516,000 in FY 2021. Increases due to statewide present law adjustment for personal services as well as increases in contracted services are primarily driving the change. The following figure shows the increases as proposed by the executive as reflected in the budgeting system.

Department of Administration General Services Division Capitol Facilities Management Increases for the 2021 Biennium in the Budgeting System		
	FY 2020	FY 2021
Personal Services		
Statewide Present Law Adjustment - Personal Services	<u>\$ 191,162</u>	<u>\$ 194,281</u>
Total Personal Services	191,162	194,281
Operating Expenses		
Statewide Present Law Adjustment - Fixed Costs	66,876	95,374
Statewide Present Law Adjustment - Inflation/Deflation	10	12
Statewide Present Law Fixed Cost Adjustment	2,353	2,353
Allocate Indirect/Administrative Costs	4,291	4,291
Increase State Continuity and Emergency Management Fees	8,163	8,163
Increase in Contracted Services Costs	93,991	191,110
Increase in Taxes and Assessments	<u>18,000</u>	<u>20,372</u>
Total Operating Expenses	193,684	321,675
Total Proposed Increases	<u>\$ 384,846</u>	<u>\$ 515,956</u>

Revenues

Revenues are based on square footage rental rates charged for office and non-office space billed to agencies occupying space in state owned buildings overseen by the Department of Administration.

Proprietary Rates

Rent is based on the number of square feet occupied and is assessed to each agency in the buildings controlled by the Department of Administration. The rates are established to cover the cost of personal services, operating expenses, maintenance and equipment. Grounds maintenance is included in the rate, with one exception.

Requested Rates for Internal Service or Enterprise Funds Fee/Rate Information				
Fee Description:	Actual FY 18	Budgeted FY 19	Proposed FY 20	Proposed FY 21
Office Rent (per sq. ft.)	\$10.135	\$10.323	\$10.540	\$10.736
Non-office Rent (per sq. ft.)	\$5.330	\$5.330	\$5.546	\$5.546
Grounds Maintenance (per sq. ft.)			\$0.615	\$0.615
Project Mgmt. (In-house)	15%	15%	15%	15%
Project Mgmt. (Consultation)	Actual Cost	Actual Cost	Actual Cost	Actual Cost
State Employee Access ID Card	Actual Cost	Actual Cost	Actual Cost	Actual Cost

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge.

Print and Mail Bureau - 06530

Proprietary Program Description

The State Print and Mail Bureau provides printing and mail services to all agencies within state government. The bureau has seven components: 1) internal printing; 2) external (contracted) printing; 3) managed print; 4) mail preparation; 5) central mail operations; 6) inter-agency (deadhead) mail; and 7) the postal station in the Capitol. All printing or purchasing of printing is requested through Print & Mail Services, which determines the most cost-effective method of project completion. Approximately 48.4% of printing expenditures are procured through commercial vendors.

Section 18-7-101, MCA, requires the Department of Administration to supervise and attend to all public printing within the state and to contract for any printing used by the state. Section 2-17-301, MCA, charges the department with the responsibility of administering the state Managed Print Program. Section 2-17-301, MCA, also requires the department to maintain and supervise any central mailing messenger service.

State Print and Mail has authority for 31.85 FTE.

Proprietary Program Narrative

Expenses

The expenditures from the print and mail proprietary fund increased by approximately \$29,000 in FY 2020 and \$20,000 in FY 2021. Increases are primarily due to statewide present law adjustments for personal services.

Revenues

All state agencies in Helena use the services of the State Print and Mail depending on their printing and mail needs. Printing revenue is based on the actual type and volume of printing provided and mail services is based on agency specified service frequency.

Proprietary Rates

All Print and Mail Services projects are unique, and Print and Mail Services has many rates to provide services to agencies. Direct and administrative overhead is allocated to each program, and costs are recovered by charging for each unit of service provided. External printing and the Managed Print Program recover costs by charging a percentage markup on the invoice for the printing job and/or multi-function device.

**Requested Rates for Internal Service or Enterprise Funds
Fee/Rate Information**

	Actual FY 18	Budgeted FY 19	Proposed FY 20	Proposed FY 21
Fee Description:				
Internal Printing				
Impressions	Cost + 25%	Cost + 25%	Cost + 25%	Cost + 25%
Ink	Cost + 25%	Cost + 25%	Cost + 25%	Cost + 25%
Bindery work	Cost + 25%	Cost + 25%	Cost + 25%	Cost + 25%
Pre-Press work	Cost + 25%	Cost + 25%	Cost + 25%	Cost + 25%
CD/DVD duplicating	Cost + 25%	Cost + 25%	Cost + 25%	Cost + 25%
Variable data printing	Cost + 25%	Cost + 25%	Cost + 25%	Cost + 25%
Large Format Color per ft.	Cost + 25%	Cost + 25%	Cost + 25%	Cost + 25%
Pick and Pack Fulfillment	\$1.00	\$1.00	\$1.00	\$1.00
Overtime	\$30.00	\$30.00	\$30.00	\$30.00
Desktop	\$75.00	\$75.00	\$75.00	\$75.00
Scan	\$9.52	\$9.52	Cost + 25%	Cost + 25%
IT Programming	\$95.00	\$95.00	\$95.00	\$95.00
File Transfer	\$25.00	\$25.00	\$25.00	\$25.00
Mainframe Print	\$0.071	\$0.071	\$0.071	\$0.071
Warrant Printing	\$0.25	\$0.25	\$0.25	\$0.25
Inventory Mark Up	20.0%	20.0%	20.0%	20.0%
External Printing				
Percent of Invoice Mark-Up	8.8%	8.8%	8.8%	8.8%
Managed Print				
Percent of Invoice Mark-Up	15.9%	15.9%	15.9%	15.9%
Mail Preparation				
Tabbing	\$ 0.023	\$ 0.023	\$ 0.023	\$ 0.023
Labeling	\$ 0.023	\$ 0.023	\$ 0.023	\$ 0.023
Ink Jet	\$ 0.036	\$ 0.036	\$ 0.036	\$ 0.036
Inserting	\$ 0.045	\$ 0.045	\$ 0.045	\$ 0.045
Waymark	\$ 0.069	\$ 0.069	\$ 0.069	\$ 0.069
Permit mailings	\$ 0.069	\$ 0.069	\$ 0.069	\$ 0.069
Mail Operations				
Service Type (each)				
Machinable	\$ 0.043	\$ 0.043	\$ 0.043	\$ 0.043
Non-Machinable	\$ 0.110	\$ 0.110	\$ 0.110	\$ 0.110

Seal Only	\$ 0.020	\$ 0.020	\$ 0.020	\$ 0.020
Post cards	\$ 0.070	\$ 0.070	\$ 0.070	\$ 0.070
Certified Mail	\$ 0.620	\$ 0.620	\$ 0.620	\$ 0.620
Registered Mail	\$ 0.614	\$ 0.614	\$ 0.614	\$ 0.614
Internatl Mail	\$ 0.510	\$ 0.510	\$ 0.510	\$ 0.510
Flats	\$ 0.150	\$ 0.150	\$ 0.150	\$ 0.150
Priority	\$ 0.614	\$ 0.614	\$ 0.614	\$ 0.614
Express Mail	\$ 0.614	\$ 0.614	\$ 0.614	\$ 0.614
USPS Parcels	\$ 0.510	\$ 0.510	\$ 0.510	\$ 0.510
Insured mail	\$ 0.614	\$ 0.614	\$ 0.614	\$ 0.614
Media Mail	\$ 0.320	\$ 0.320	\$ 0.320	\$ 0.320
Standard Mail	\$ 0.200	\$ 0.200	\$ 0.200	\$ 0.200
Postage Due	\$ 0.061	\$ 0.061	\$ 0.061	\$ 0.061
Fee Due	\$ 0.061	\$ 0.061	\$ 0.061	\$ 0.061
Tapes	\$ 0.245	\$ 0.245	\$ 0.245	\$ 0.245
Express Services	\$ 0.500	\$ 0.500	\$ 0.500	\$ 0.500
Mail tracking	\$ 0.250	\$ 0.250	\$ 0.250	\$ 0.250
Cass letters/postcards	\$ 0.047	\$ 0.047	\$ 0.047	\$ 0.047
Cass flats	\$ 0.100	\$ 0.100	\$ 0.100	\$ 0.100
Flat sorter	\$ 0.250	\$ 0.250	\$ 0.250	\$ 0.250
Inter-agency Mail				
Dollars-yearly	\$360,175	\$360,175	\$362,325	\$362,325
Postal Contract (Capitol)				
Dollars-yearly	\$38,976	\$38,976	\$38,976	\$38,976

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	1,159,308	3,044,695	1,885,387	162.63 %
Operating Expenses	1,353,652	4,709,000	3,355,348	247.87 %
Total Expenditures	\$2,512,960	\$7,753,695	\$5,240,735	208.55 %
General Fund	804,415	6,866,472	6,062,057	753.60 %
State/Other Special Rev. Funds	542,406	887,223	344,817	63.57 %
Federal Spec. Rev. Funds	1,166,139	0	(1,166,139)	(100.00)%
Total Funds	\$2,512,960	\$7,753,695	\$5,240,735	208.55 %
Total Ongoing	\$2,512,960	\$7,753,695	\$5,240,735	208.55 %
Total OTO	\$0	\$0	\$0	0.00 %

Page Reference

Legislative Budget Analysis, A-168.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	5.49	5.49	15.49	15.49
Personal Services	379,379	565,662	593,646	1,522,759	1,521,936
Operating Expenses	141,022	1,143,885	209,767	2,354,443	2,354,557
Total Expenditures	\$520,401	\$1,709,547	\$803,413	\$3,877,202	\$3,876,493
General Fund	309,136	377,611	426,804	3,433,080	3,433,392
State/Other Special Rev. Funds	166,520	267,987	274,419	444,122	443,101
Federal Spec. Rev. Funds	44,745	1,063,949	102,190	0	0
Total Funds	\$520,401	\$1,709,547	\$803,413	\$3,877,202	\$3,876,493
Total Ongoing	\$520,401	\$1,709,547	\$803,413	\$3,877,202	\$3,876,493
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

Legislative Budget Analysis, A-169.

Funding

HB 2

General fund appropriations provide funding for the Montana cybersecurity enhancement project and the administrative portion of the Public Safety Bureau. State special revenue appropriations provide support for the administrative costs related to 911 services. Fees are imposed on a per month, per access line basis for each telephone subscriber in the state using either landline or wireless services.

Non-Budgeted Proprietary Funding

The majority of the functions within SITSD are funded with proprietary funds.

Statutory Appropriations

The majority of the state special revenue funding in the division is statutorily appropriated for 911 services. Surcharges for 911 are collected by the state and statutorily appropriated for distribution to counties and telecommunication providers.

Program Budget Summary by Category

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	426,804	426,804	853,608	12.43 %	803,413	803,413	1,606,826	20.72 %
SWPL Adjustments	(154,338)	(154,026)	(308,364)	(4.49)%	(86,033)	(86,742)	(172,775)	(2.23)%
PL Adjustments	614	614	1,228	0.02 %	(178)	(178)	(356)	(0.00)%
New Proposals	3,160,000	3,160,000	6,320,000	92.04 %	3,160,000	3,160,000	6,320,000	81.51 %
Total Budget	\$3,433,080	\$3,433,392	\$6,866,472		\$3,877,202	\$3,876,493	\$7,753,695	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2020-----				-----Fiscal 2021-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(122,331)	153,634	(102,190)	(70,887)	0.00	(122,474)	152,954	(102,190)	(71,710)
DP 2 - Fixed Costs	0.00	(32,267)	16,861	0	(15,406)	0.00	(31,875)	16,520	0	(15,355)
DP 3 - Inflation Deflation	0.00	260	0	0	260	0.00	323	0	0	323
DP 4 - Allocate Department Indirect/Administrative Costs	0.00	614	(792)	0	(178)	0.00	614	(792)	0	(178)
Grand Total All Present Law Adjustments	0.00	(\$153,724)	\$169,703	(\$102,190)	(\$86,211)	0.00	(\$153,412)	\$168,682	(\$102,190)	(\$86,920)

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 4 - Allocate Department Indirect/Administrative Costs -

The legislature adopted an increase in general fund and a decrease in state special revenue funds because of a change in indirect costs. These are the costs recovered by the Department of Administration from divisions within the department for services provided, which include accounting, human resources, and legal support.

New Proposals -

The “New Proposals” table shows new changes to spending.

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 7002 - Montana Cybersecurity Enhancement Project (Restricted)	10.00	3,160,000	0	0	3,160,000	10.00	3,160,000	0	0	3,160,000
Total	10.00	\$3,160,000	\$0	\$0	\$3,160,000	10.00	\$3,160,000	\$0	\$0	\$3,160,000

***Total Funds** amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 7002 - Montana Cybersecurity Enhancement Project (Restricted) -

The legislature adopted general fund appropriations in FY 2020 and FY 2021 for the Montana cybersecurity enhancement project for operating expenses and personal services related to 10.00 FTE. This includes expenditures for:

- Next generation anti-virus
- Cybersecurity staff
- Cybersecurity student programs
- Web application firewall (WAF)
- Email security gateway
- Security information and event management (SIEM)
- Analytics-driven security and continuous monitoring for threats
- Governance, Risk, and Compliance (GRC) software
- Enterprise risk assessment
- Digital forensics lab
- Source code repository
- Security orchestration, automation, and response (SOAR), and outsourced professional services

Other Issues -

Proprietary Rates

SITSD Proprietary Fund – 06522

Proprietary Program Description

SITSD is a proprietary program that provides central computing, data network, and telecommunications services to more than 100 government customers throughout the state. SITSD manages two data centers, a statewide data network, and provides information technology (IT) services to all branches of state government, the Commissioner of Higher Education, and various city and county municipalities. Responsibilities include:

- Information Systems Security
 - Ensure continuity of enterprise operations and security of data through risk assessment and mitigation, planning and monitoring, detailed recovery planning, incident response, and periodic testing
 - Coordination of security policies and procedures
- Network Technology Services
 - Manage the statewide network (SummitNet)
 - Provide voice, video, data, and wireless services
 - Develop and implement solutions to address network growth and expansion
 - Support customers’ needs regarding increased bandwidth and connectivity

- Enterprise Support Services
 - Manage the service desk to assist customers regarding hardware and software applications
 - Manage desktop lifecycle for customers
- Montana Data Centers
 - Manage data centers in Helena and Miles City
 - Provide reliable, efficient, and secure file storage
- Application Technology Services
 - Support the state's mt.gov websites
 - Assist customers with designing and deploying customized applications and online services, including eGovernment applications
- Strategic Planning Services
 - Ensure IT operations are conducted through planning and periodic performance reports
 - Provide oversight of agency IT procurement and plans
- Business and Financial Services
 - Manage budget development, billing, and acquisition and procurement services for IT customers
- State IT Project Management Services
 - Provide expertise, assistance, tools, methodologies, and training to customers to ensure IT projects are conducted in an organized, deliberate, and cost-effective manner

Proprietary Program Narrative

Expenses

Overall, there is a slight increase in personal services. The statewide present law adjustment for personal services is offset by a 6.0% vacancy savings. There is a decrease in operating expenses and increase in debt services due to the division entering into equipment leases.

Revenues

Funding for SITSD services is mainly derived from charges to state agencies through the fixed cost process for services. Budget authority to pay the SITSD allocation is a fixed cost item in each agency's budget. The statewide fixed costs are \$1.8 million higher in FY 2020 and \$1.9 million higher in FY 2021 when compared to FY 2019 appropriations.

SITSD uses a methodology to identify and allocate the full costs of each service it offers to the users of that service. This is known as the full-cost transparency model (FTM). FTM has been in place since the 2011 biennium. Changes to state agency SITSD costs in the 2021 biennium are shown in the following table.

Department of Administration State Information Technology Services Division State Agency Fixed Costs					
	Budgeted FY 2019	Change FY 2020	Adopted FY 2020	Change FY 2021	Adopted FY 2021
Legislative Branch	\$658,343	\$205,201	\$863,544	\$153,356	\$811,698
Montana Consumer Counsel	15,702	7,772	23,474	7,772	23,474
Judicial Branch	2,338,236	(389,562)	1,948,674	(386,527)	1,951,709
Governor's Office	189,387	73,202	262,588	73,385	262,771
Secretary of State's Office	267,324	27,937	295,260	27,939	295,263
Comm of Political Practice	91,398	89,778	181,176	89,779	181,177
State Auditor's Office	209,486	(18,476)	191,010	(18,376)	191,111
Office of Public Instruction	509,337	86,157	595,495	86,345	595,683
Dept. of Justice	3,859,918	(371,593)	3,488,325	(369,523)	3,490,395
Board of Crime Control	89,429	(89,429)	0	(89,429)	0
Public Service Commission	78,946	102,610	181,556	102,610	181,556
Board of Public Education	8,378	3,049	11,428	3,049	11,428
Commissioner of Higher Ed	60,712	(58,993)	1,720	(58,993)	1,720
University Systems	772,965	(772,965)	0	(772,965)	0
School for the Deaf & Blind	39,659	60,747	100,406	60,747	100,406
Montana Arts Council	28,089	1,970	30,059	1,970	30,059
Montana State Library	309,628	38,254	347,882	38,254	347,882
Historical Society	195,408	20,483	215,891	20,483	215,891
Fish, Wildlife & Parks	1,362,838	336,044	1,698,883	336,056	1,698,894
Dept. of Environmental Quality	1,114,942	180,545	1,295,487	175,338	1,290,281
Montana Dept. of Transportation	4,933,446	148,475	5,081,920	90,894	5,024,340
Dept. of Livestock	152,800	100,719	253,519	100,760	253,560
Dept. Natural Resources & Conservation	1,568,259	712,491	2,280,750	818,353	2,386,612
Dept. of Revenue	2,171,194	57,579	2,228,772	58,290	2,229,484
Dept. of Administration	2,462,644	77,090	2,539,734	95,139	2,557,783
Office of Public Defender	686,636	219,931	906,567	225,070	911,706
Montana State Fund	608,899	95,014	703,913	95,210	704,109
MPERA	297,630	(10,527)	287,104	(10,527)	287,104
Teachers Retirement System	102,945	7,982	110,926	7,982	110,927
Dept. of Agriculture	277,908	43,504	321,412	37,257	315,166
Dept. of Corrections	2,507,880	371,220	2,879,100	492,277	3,000,158
Dept of Commerce	508,618	108,728	617,346	108,728	617,346
Dept. of Labor and Industry	3,104,721	8,880	3,113,601	9,863	3,114,584
Dept. of Military Affairs	81,907	101,677	183,584	101,677	183,584
Dept. Public Health & Human Services	<u>11,775,177</u>	<u>186,867</u>	<u>11,962,044</u>	<u>189,283</u>	<u>11,964,460</u>
Total	<u>\$43,440,787</u>	<u>\$1,762,362</u>	<u>\$45,203,149</u>	<u>\$1,901,532</u>	<u>\$45,342,319</u>

Proprietary Rates

The table below shows the rates adopted for the 2021 biennium. The rates charged in the base year are shown for comparison purposes.

Requested Rates for Internal Service or Enterprise Funds Fee/Rate Information				
	Actual FY 18	Budgeted FY 19	Proposed FY 20	Proposed FY 21
Fee Description:				
	30-Day Working Capital Reserve	30-Day Working Capital Reserve	30-Day Working Capital Reserve	30-Day Working Capital Reserve

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	6,179,801	6,595,075	415,274	6.72 %
Operating Expenses	1,755,766	1,895,114	139,348	7.94 %
Total Expenditures	\$7,935,567	\$8,490,189	\$554,622	6.99 %
State/Other Special Rev. Funds	7,935,567	8,490,189	554,622	6.99 %
Total Funds	\$7,935,567	\$8,490,189	\$554,622	6.99 %
Total Ongoing	\$7,935,567	\$8,490,189	\$554,622	6.99 %
Total OTO	\$0	\$0	\$0	0.00 %

Page Reference

Legislative Budget Analysis, A-178.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	34.00	34.00	34.00	34.00
Personal Services	2,784,126	3,039,795	3,140,006	3,298,689	3,296,386
Operating Expenses	982,483	879,634	876,132	948,773	946,341
Total Expenditures	\$3,766,609	\$3,919,429	\$4,016,138	\$4,247,462	\$4,242,727
State/Other Special Rev. Funds	3,766,609	3,919,429	4,016,138	4,247,462	4,242,727
Total Funds	\$3,766,609	\$3,919,429	\$4,016,138	\$4,247,462	\$4,242,727
Total Ongoing	\$3,766,609	\$3,919,429	\$4,016,138	\$4,247,462	\$4,242,727
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

Legislative Budget Analysis, A-179.

Funding

The Division of Banking and Financial Institutions is funded entirely by state special revenues generated from assessments, application fees, and examination fees paid by the regulated financial institutions.

Program Budget Summary by Category

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	0	0	0	0.00 %	4,016,138	4,016,138	8,032,276	94.61 %
SWPL Adjustments	0	0	0	0.00 %	189,146	181,911	371,057	4.37 %
PL Adjustments	0	0	0	0.00 %	42,178	44,678	86,856	1.02 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$4,247,462	\$4,242,727	\$8,490,189	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	158,683	0	158,683	0.00	0	156,380	0	156,380
DP 2 - Fixed Costs	0.00	0	24,188	0	24,188	0.00	0	17,744	0	17,744
DP 3 - Inflation Deflation	0.00	0	6,275	0	6,275	0.00	0	7,787	0	7,787
DP 4 - Allocate Department Indirect/Administrative Costs	0.00	0	37,506	0	37,506	0.00	0	37,506	0	37,506
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	772	0	772	0.00	0	772	0	772
DP 1401 - Increase in rent expense for off-campus space	0.00	0	3,900	0	3,900	0.00	0	6,400	0	6,400
Grand Total All Present Law Adjustments	0.00	\$0	\$231,324	\$0	\$231,324	0.00	\$0	\$226,589	\$0	\$226,589

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 4 - Allocate Department Indirect/Administrative Costs -

The legislature adopted an increase in state special revenue funds due to an increase in indirect costs. These are the costs recovered by the Department of Administration from divisions within the department for services provided, which include accounting, human resources, and legal support.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

DP 1401 - Increase in rent expense for off-campus space -

The legislature adopted an increase in state special revenue to provide the funding to pay contracted increases in rent expense.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	4,358,677	4,686,598	327,921	7.52 %
Operating Expenses	5,745,810	5,705,133	(40,677)	(0.71)%
Equipment & Intangible Assets	39,000	100,000	61,000	156.41 %
Total Expenditures	\$10,143,487	\$10,491,731	\$348,244	3.43 %
Proprietary Funds	10,143,487	10,491,731	348,244	3.43 %
Total Funds	\$10,143,487	\$10,491,731	\$348,244	3.43 %
Total Ongoing	\$10,143,487	\$10,491,731	\$348,244	3.43 %
Total OTO	\$0	\$0	\$0	0.00 %

Page Reference

Legislative Budget Analysis, A-182.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	31.50	31.50	30.50	30.50
Personal Services	2,096,616	2,134,156	2,224,521	2,343,952	2,342,646
Operating Expenses	2,767,269	2,934,721	2,811,089	2,918,689	2,786,444
Equipment & Intangible Assets	18,054	19,500	19,500	50,000	50,000
Total Expenditures	\$4,881,939	\$5,088,377	\$5,055,110	\$5,312,641	\$5,179,090
Proprietary Funds	4,881,939	5,088,377	5,055,110	5,312,641	5,179,090
Total Funds	\$4,881,939	\$5,088,377	\$5,055,110	\$5,312,641	\$5,179,090
Total Ongoing	\$4,881,939	\$5,088,377	\$5,055,110	\$5,312,641	\$5,179,090
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

Legislative Budget Analysis, A-183.

Funding*HB 2*

The lottery is funded entirely with proprietary funds derived from lottery game revenues. Net revenue of the lottery, up to \$12.363 million are transferred annually to the general fund. Net revenues above \$12.363 million are transferred to the Science, Technology, Engineering and Math (STEM) scholarship account.

Statutory Appropriations

The Montana State Lottery has statutory appropriations for expenditures in three main areas:

- Lottery prizes
- Commissions paid to lottery ticket or chance sales agents
- Lottery contractor fees

Program Budget Summary by Category

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	0	0	0	0.00 %	5,055,110	5,055,110	10,110,220	96.36 %
SWPL Adjustments	0	0	0	0.00 %	136,007	3,762	139,769	1.33 %
PL Adjustments	0	0	0	0.00 %	121,524	120,218	241,742	2.30 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$5,312,641	\$5,179,090	\$10,491,731	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Fixed Costs	0.00	0	0	0	135,997	0.00	0	0	0	3,749
DP 3 - Inflation Deflation	0.00	0	0	0	10	0.00	0	0	0	13
DP 4 - Allocate Department Indirect/Administrative Costs	0.00	0	0	0	1,029	0.00	0	0	0	1,029
DP 50 - Personal Services Adjustment	(1.00)	0	0	0	108,656	(1.00)	0	0	0	107,350
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	0	0	1,064	0.00	0	0	0	1,064
DP 1501 - Increase Equipment with decrease in Operating Expense	0.00	0	0	0	0	0.00	0	0	0	0
DP 1502 - Overtime not included in SWPL-1	0.00	0	0	0	10,775	0.00	0	0	0	10,775
Grand Total All Present Law Adjustments	(1.00)	\$0	\$0	\$0	\$257,531	(1.00)	\$0	\$0	\$0	\$123,980

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 4 - Allocate Department Indirect/Administrative Costs -

The legislature adopted an increase in proprietary funds due to a change in indirect costs. These are the costs recovered by the Department of Administration from divisions within the department for services provided, which include accounting, human resources, and legal support.

DP 50 - Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the program. Specific adjustments include reducing 1.00 FTE.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

DP 1501 - Increase Equipment with decrease in Operating Expense -

The legislature adopted an increase in proprietary funds for equipment and a corresponding decrease in proprietary funds for operating expenses. This request is for anticipated vehicle needs in the program.

DP 1502 - Overtime not included in SWPL-1 -

The legislature adopted an increase in proprietary funds for overtime in personal services in FY 2020 and FY 2021.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	3,529,125	3,663,956	134,831	3.82 %
Operating Expenses	31,468,551	30,858,759	(609,792)	(1.94)%
Benefits & Claims	410,607,965	439,414,460	28,806,495	7.02 %
Total Expenditures	\$445,605,641	\$473,937,175	\$28,331,534	6.36 %
Proprietary Funds	445,605,641	473,937,175	28,331,534	6.36 %
Total Funds	\$445,605,641	\$473,937,175	\$28,331,534	6.36 %
Total Ongoing	\$445,605,641	\$473,937,175	\$28,331,534	6.36 %
Total OTO	\$0	\$0	\$0	0.00 %

Page Reference

Legislative Budget Analysis, HCDB-1.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	20.87	20.87	20.87	20.87
Personal Services	1,704,152	1,757,681	1,771,444	1,832,804	1,831,152
Operating Expenses	14,422,899	15,742,393	15,726,158	15,432,582	15,426,177
Benefits & Claims	184,076,947	196,053,423	214,554,542	211,707,230	227,707,230
Total Expenditures	\$200,203,998	\$213,553,497	\$232,052,144	\$228,972,616	\$244,964,559
Proprietary Funds	200,203,998	213,553,497	232,052,144	228,972,616	244,964,559
Total Funds	\$200,203,998	\$213,553,497	\$232,052,144	\$228,972,616	\$244,964,559
Total Ongoing	\$200,203,998	\$213,553,497	\$232,052,144	\$228,972,616	\$244,964,559
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

Legislative Budget Analysis, HCBD-2.

Funding

The Health Care and Benefits Division is funded entirely with proprietary funds which are not appropriated in HB 2. The three funds provide for two programs and a third function within the HCBD:

- **Employee Benefits Program** – provides oversight and administrative functions for the state employee group health plan including administration of the health, dental, vision, and life insurance. It is funded from the group benefits claims proprietary fund, which is an account used for the administrative costs of the program as well as benefits and claims costs
- **Workers' Compensation Management Bureau** – is the central resource for state agencies in working to enhance worker safety, provide loss preventions, develop and provide return-to-work programs, and coordinate

workers' compensation coverage and policy management issues. It is funded from workers' compensation management program fees which are fixed costs allocated to each state agency

- **Flexible Spending Funds** – accounts for employee deductions for flexible spending including medical and childcare

Program Budget Summary by Category

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	0	0	0	0.00 %	232,052,144	232,052,144	464,104,288	97.93 %
SWPL Adjustments	0	0	0	0.00 %	(148,059)	(156,116)	(304,175)	(0.06)%
PL Adjustments	0	0	0	0.00 %	(2,931,469)	13,068,531	10,137,062	2.14 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$228,972,616	\$244,964,559	\$473,937,175	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	0	61,360	0.00	0	0	0	59,708
DP 2 - Fixed Costs	0.00	0	0	0	(209,775)	0.00	0	0	0	(216,266)
DP 3 - Inflation Deflation	0.00	0	0	0	356	0.00	0	0	0	442
DP 4 - Allocate Department Indirect/Administrative Costs	0.00	0	0	0	948	0.00	0	0	0	948
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	0	0	782	0.00	0	0	0	782
DP 2101 - Health Plan Administration and Claims Adjustment	0.00	0	0	0	(2,847,312)	0.00	0	0	0	13,152,688
DP 2102 - Flexible Spending Account Adjustment	0.00	0	0	0	(85,887)	0.00	0	0	0	(85,887)
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$0	(\$3,079,528)	0.00	\$0	\$0	\$0	\$12,912,415

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature reviewed adjustments to annualize personal services costs including FY 2019 statewide pay plan adjustments, benefit rate adjustments, vacancy savings adjustments and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature reviewed adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature reviewed adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 4 - Allocate Department Indirect/Administrative Costs -

The legislature reviewed an increase in proprietary funds due to a change in indirect costs. These are the costs recovered by the Department of Administration from divisions within the department for services provided, which include accounting, human resources, and legal support.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature reviewed an increase to the Statewide Cost Allocation Plan (SWCAP).

DP 2101 - Health Plan Administration and Claims Adjustment -

The legislature reviewed a decrease in proprietary funds in FY 2020 and an increase of proprietary funds in FY 2021 to align the budget with the division's administration and claims expense projections.

DP 2102 - Flexible Spending Account Adjustment -

The legislature reviewed a reduction in proprietary funds in each year of the biennium to match estimated revenues and expenses for the administration of the state's flexible benefits program.

Other Issues -**Proprietary Rates**

The Health Care and Benefits Division manages two proprietary programs:

- Employee benefits, which includes
 - State's health and other benefit insurance plans
 - Contract administration of the flexible spending account
- Management of the state agency workers' compensation insurance

Employee Benefits Program – Group Benefits and Claims – 06559*Proprietary Program Description*

The Employee Benefits Program is charged with providing state employees, retirees, members of the legislature, judges, Judicial Branch employees, and their families with adequate medical, dental, prescription drug, life, and other related group benefits in an efficient manner and at an affordable cost. The program operates a self-funded health, prescription drug, dental, and vision plan. Life and long-term disability are purchased from private sector vendors on a fully-insured basis.

The program contracts with private companies to provide claims processing services, health screenings, and wellness plan administration.

The core service provided by the program is a medical plan, which includes prescription drug, vision exam coverage, dental, and basic life insurance benefits. The medical plan is administered by Allegiance, the pharmacy plan is administered by Navitus, and the dental plan is administered by Delta Dental, through their provider networks. The life and long-term disability are fully insured products offered through Standard Insurance.

The division has developed on-site employee health centers in Helena, Billings, Missoula, Butte, and Anaconda. The division has contracted with CareHere to staff and operate the health centers.

The program is funded by the state contribution for group benefits and by contributions and fees paid by plan members. The program currently supports 17.87 FTE.

Proprietary Program Narrative

Expenses

When comparing the FY 2019 base budget to expenses in FY 2020 and FY 2021, the legislature approved a reduction in expenses of approximately \$3.0 million in FY 2020 and an increase in expenses of approximately \$13.0 million in FY 2021. This is primarily due to the adjustments for benefits and claims related to the health plan.

When comparing estimated FY 2019 expenses to expenses in FY 2020 and FY 2021, there is an increase in benefits and claims. This increase is 8.0% each fiscal year or approximately \$14.0 million in FY 2020 and \$16.0 million in FY 2021. Primary cost drivers for both medical claims, dental claims and prescription drug payments are the cost of service and service utilization.

Total plan costs are at \$220.8 million in FY 2020 and \$236.8 million in FY 2021.

Revenues

The State Employee Group Benefit Plan (SEGBP) is self-funded, and as such is responsible for medical costs incurred by its members. SEGBP is funded through a combination of state share paid by the State of Montana as an employer and member (employee and retiree) contribution payments. The state share is \$1,054 per month and is established in 2-18-703(2), MCA. As a component of employee compensation, the state share contribution amount is a subject of collective bargaining and is negotiated as part of the overall pay package for state employees.

Plan revenue from premiums are estimated at approximately \$241.0 million each fiscal year.

Proprietary Rates

The table below shows the rates for the 2021 biennium. The rates charged in the base year are shown for comparison purposes.

Requested Rates for Internal Service or Enterprise Funds Fee/Rate Information				
	Actual FY 18	Budgeted FY 19	Proposed FY 20	Proposed FY 21
Fee Description:				
State Share Contribution	\$1,054	\$1,054	\$1,054	\$1,054
Rates are established to maintain adequate reserves. Actual state share rates are set for each calendar year as opposed to a fiscal year. This table shows the average month state share rate for each fiscal year.				

The amounts shown as rates above are the state share contribution for each state employee each month. The state share contribution amounts are contained in statute. The various contribution costs for the program are not limited through the legislative process but are determined by the division based on actuarial estimates of the claim costs for each insurance type. Any difference between the state share contribution and actual costs are made up by employee and retiree contributions and investment income. As the plan year for the state employee health insurance is a calendar year, the revenues for the plans are a combination of contributions for two years.

Workers' Compensation Management Program – 06575

Proprietary Program Description

The Health Care and Benefits Division manages the Workers' Compensation Management Program. The program assists employees and agencies in ensuring a safe working environment, reduces on-the-job injuries and accidents in the workplace, and assists employees who are injured in returning to meaningful and productive work. The program is the central resource in working with the state's workers' compensation insurer, Montana State Fund, to coordinate workers' compensation coverage and policy management issues.

The program is funded through a fixed cost rate charged to state agencies. The program currently supports 3.00 FTE.

Proprietary Program Narrative

Expenses

The expenses in FY 2020 and FY 2021 are largely unchanged from FY 2019.

Revenues

The workers' compensation management program fees are composed of a fixed cost rate allocated to each state agency based on the average number of payroll warrants issued each pay period.

Proprietary Rates

The table below shows the rates adopted for the 2021 biennium. The rates charged in the base year are shown for comparison purposes.

Requested Rates for Internal Service or Enterprise Funds Fee/Rate Information				
Fee Description:	Actual FY 18	Budgeted FY 19	Proposed FY 20	Proposed FY 21
Workers' Compensation Management	\$0.95	\$0.95	\$0.95	\$0.95

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	2,258,944	2,497,259	238,315	10.55 %
Operating Expenses	774,755	880,079	105,324	13.59 %
Total Expenditures	\$3,033,699	\$3,377,338	\$343,639	11.33 %
General Fund	3,033,699	3,377,338	343,639	11.33 %
Total Funds	\$3,033,699	\$3,377,338	\$343,639	11.33 %
Total Ongoing	\$3,033,699	\$3,377,338	\$343,639	11.33 %
Total OTO	\$0	\$0	\$0	0.00 %

Page Reference

Legislative Budget Analysis, A-187.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	14.25	14.25	13.25	13.25
Personal Services	1,171,060	1,030,233	1,228,711	1,248,397	1,248,862
Operating Expenses	230,352	384,912	389,843	439,651	440,428
Total Expenditures	\$1,401,412	\$1,415,145	\$1,618,554	\$1,688,048	\$1,689,290
General Fund	1,401,412	1,415,145	1,618,554	1,688,048	1,689,290
Total Funds	\$1,401,412	\$1,415,145	\$1,618,554	\$1,688,048	\$1,689,290
Total Ongoing	\$1,401,412	\$1,415,145	\$1,618,554	\$1,688,048	\$1,689,290
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

Legislative Budget Analysis, A-188.

Funding

HB 2

The general fund appropriations in HB 2 support the Human Resources Policy and Programs Bureau.

Non-Budgeted Proprietary

The majority of the State Human Resources Division’s operation are supported by proprietary funds. This includes:

- Professional Development Center (PDC)
- Human Resource Information Services Bureau (HRIS)

The PDC is supported through fees in the form of tuition paid by state agencies that enroll employees in various classes provided by the PDC and fees for other services offered by the PDC. The HRIS Bureau is funded through a fee charged to state agencies for each employee payroll processed in a pay period. Both funds are considered and approved as rates charged to other state agencies.

Program Budget Summary by Category

Budget Summary by Category									
Budget Item	-----General Fund-----				-----Total Funds-----				
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	
2019 Base Budget	1,618,554	1,618,554	3,237,108	95.85 %	1,618,554	1,618,554	3,237,108	95.85 %	
SWPL Adjustments	49,385	50,162	99,547	2.95 %	49,385	50,162	99,547	2.95 %	
PL Adjustments	20,109	20,574	40,683	1.20 %	20,109	20,574	40,683	1.20 %	
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %	
Total Budget	\$1,688,048	\$1,689,290	\$3,377,338		\$1,688,048	\$1,689,290	\$3,377,338		

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Fixed Costs	0.00	49,346	0	0	49,346	0.00	50,113	0	0	50,113
DP 3 - Inflation Deflation	0.00	39	0	0	39	0.00	49	0	0	49
DP 4 - Allocate Department Indirect/Administrative Costs	0.00	423	0	0	423	0.00	423	0	0	423
DP 50 - Personal Services Adjustment	(1.00)	19,686	0	0	19,686	(1.00)	20,151	0	0	20,151
Grand Total All Present Law Adjustments	(1.00)	\$69,494	\$0	\$0	\$69,494	(1.00)	\$70,736	\$0	\$0	\$70,736

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 4 - Allocate Department Indirect/Administrative Costs -

The legislature adopted an increase in general fund due to a change in indirect costs. These are the costs recovered by the Department of Administration from divisions within the department for services provided, which include accounting, human resources, and legal support.

DP 50 - Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the program. Specific adjustments include reducing the proposed reinstatement of personal services and funding for 1.00 FTE.

Other Issues -**Proprietary Rates**

The State Human Resources Division provides the following programs funded through proprietary rates:

- Professional Development Center
- Human Resources Information Services Bureau

Professional Development Center / Training Program - 06525*Proprietary Program Description*

The Professional Development Center (PDC) program provides training and related services throughout locations in the state of Montana. The PDC offers training directed towards improving state practices, meeting state and federal regulations, and providing professional services such as facilitation, mediation, or curriculum design. The statutory authority for this program comes from 2-18-102, MCA.

The PDC also contracts with individual agencies to provide training for their staff. The agency schedules, promotes, and provides the facility for training. The PDC provides the instruction and class materials.

The program is an internal service fund and has 3.00 FTE.

*Proprietary Program Narrative*Expenses

The increase in total expenses is approximately \$20,000 each fiscal year. This increase is primarily due to the statewide present law adjustment for personal services.

Revenues

Funding for the PDC is generated through two rates:

- Open-enrollment fees, which are a per-person tuition charged for attendance. Tuition rates are based on two factors: projected attendance and competitive pricing. Tuition rates for the 2021 biennium are based on the proportion of fixed and personal services costs to the overall anticipated program cost. The amount per person varies by length of the course and number of people attending from a single agency
- Contract fees, which are a flat fee charged for providing a service. The amount per service varies by length of the service and number of services arranged in a single contract

Proprietary Rates

The following table shows the rates adopted for the 2021 biennium. The rates charged in the base year are shown for comparison purposes.

**Requested Rates for Internal Service or Enterprise Funds
Fee/Rate Information**

Actual FY 18	Budgeted FY 19	Proposed FY 20	Proposed FY 21
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Fee Description:

Open Enrollment Courses

Two-Day Course (per participant)	\$190	\$190	\$190	\$190
One-Day Course (per participant)	\$123	\$123	\$123	\$123
Half-Day Course (per participant)	\$95	\$95	\$95	\$95
Eight-Day Management Series (per participant)	\$800	\$800	\$800	\$800
Six-Day Management Series (per participant)	\$600	\$600	\$600	\$600
Four-Day Administrative Assistant Series (per participant)	\$400	\$400	\$400	\$400

Contract Courses

Full Day Training (flat fee)	\$830	\$830	\$830	\$830
Half Day Training (flat fee)	\$570	\$570	\$570	\$570
Computer Maintenance Charge (course specific)	\$10	\$10	\$10	\$10

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge.

Human Resources Information System Bureau (HRIS) - 06563

Proprietary Program Description

The HRIS Bureau operates the SABHRS-HR payroll, benefits, and human resources system to process, distribute, report, and account for payroll, benefits, and associated withholding and deductions for almost 14,000 state employees in the executive, legislative, and judicial branches. The bureau is also responsible for the administration and maintenance of the State of Montana Recruitment System (SOMRS) which is used by all state agencies in the recruitment and selection of applicants.

The bureau establishes and maintains standards, processes, and procedures to be followed by state agencies in preparing and submitting payroll, benefits, and related HR data into the system. The system operated by the bureau provides information and processing in support of division and statewide functions and programs, including employee benefits (group insurance, FSA, ACA compliance, deferred compensation, and pension), classification, pay, labor relations, policy and training.

The program staff consists of 22.75 FTE. Statutory authority is 2-18-401, MCA, and 2-18-403, MCA.

Proprietary Program Narrative

Expenses

The increase total expenses is \$180,000 in FY 2020 and \$112,000 in FY 2021. The proposed increase is primarily due to statewide present law adjustments for personal services.

Revenues

HRIS rates are set as fixed costs and allocated to each agency based on the number of paychecks processed during the two prior fiscal years.

Proprietary Rates

The following table shows the rates adopted for the 2021 biennium. The rates charged in the base year are shown for comparison purposes.

Requested Rates for Internal Service or Enterprise Funds Fee/Rate Information				
Fee Description:	Actual FY 18	Budgeted FY 19	Proposed FY 20	Proposed FY 21
HRIS Fees (per employee process per pay period)	\$8.55	\$8.55	\$8.89	\$8.89

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	3,100,489	3,353,896	253,407	8.17 %
Operating Expenses	17,305,092	17,922,166	617,074	3.57 %
Grants	1,040,226	1,040,226	0	0.00 %
Benefits & Claims	22,470,174	12,470,174	(10,000,000)	(44.50)%
Total Expenditures	\$43,915,981	\$34,786,462	(\$9,129,519)	(20.79)%
Proprietary Funds	43,915,981	34,786,462	(9,129,519)	(20.79)%
Total Funds	\$43,915,981	\$34,786,462	(\$9,129,519)	(20.79)%

Page Reference

Legislative Budget Analysis, A-197.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	17.00	17.00	17.00	17.00
Personal Services	1,502,722	1,540,892	1,559,597	1,675,888	1,678,008
Operating Expenses	6,870,709	8,656,586	8,648,506	8,965,248	8,956,918
Grants	228,051	520,113	520,113	520,113	520,113
Benefits & Claims	14,294,195	16,235,087	6,235,087	6,235,087	6,235,087
Total Expenditures	\$22,895,677	\$26,952,678	\$16,963,303	\$17,396,336	\$17,390,126
Proprietary Funds	22,895,677	26,952,678	16,963,303	17,396,336	17,390,126
Total Funds	\$22,895,677	\$26,952,678	\$16,963,303	\$17,396,336	\$17,390,126

Page Reference

Legislative Budget Analysis, A-198.

Funding*Non-Budgeted Proprietary*

The majority of the Risk Management and Tort Defense's (RMTD) budget is comprised of proprietary funds that are derived from premium assessments on insurance risks paid by state agencies and the Montana University System. These funds are considered and approved as rates charged to other state agencies.

Statutory Appropriations

Statutory appropriations are for the receipt of insurance proceeds for claims that fall above the amount that the state self-insures.

Program Budget Summary by Category

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	0	0	0	0.00 %	16,963,303	16,963,303	33,926,606	97.53 %
SWPL Adjustments	0	0	0	0.00 %	432,055	425,845	857,900	2.47 %
PL Adjustments	0	0	0	0.00 %	978	978	1,956	0.01 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$17,396,336	\$17,390,126	\$34,786,462	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	0	116,291	0.00	0	0	0	118,411
DP 2 - Fixed Costs	0.00	0	0	0	314,505	0.00	0	0	0	305,872
DP 3 - Inflation Deflation	0.00	0	0	0	1,259	0.00	0	0	0	1,562
DP 4 - Allocate Department Indirect/Administrative Costs	0.00	0	0	0	(88)	0.00	0	0	0	(88)
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	0	0	1,066	0.00	0	0	0	1,066
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$0	\$433,033	0.00	\$0	\$0	\$0	\$426,823

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature reviewed adjustments to annualize personal services costs including FY 2019 statewide pay plan adjustments, benefit rate adjustments, vacancy savings adjustments and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature reviewed adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature reviewed adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 4 - Allocate Department Indirect/Administrative Costs -

The legislature reviewed a decrease in proprietary funds due to a reduction in indirect costs. These are the costs recovered by the Department of Administration from divisions within the department for services provided, which include accounting, human resources, and legal support.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature reviewed an increase to the Statewide Cost Allocation Plan (SWCAP).

Other Issues -**Proprietary Rates****Agency Insurance Fund - 06532***Proprietary Program Description*

The Risk Management & Tort Defense Division administers a comprehensive plan of property/casualty insurance protection on behalf of state government. The division purchases commercial insurance, where cost-effective, to cover catastrophic losses above high deductibles.

State risks that are currently insured through commercial insurance carriers include aircraft, airports, boilers and machinery, bonds (various), crime, cyber/information security, fine art, foreign specialties, foster care, HIPAA, medical malpractice, property, professional liability, and other miscellaneous risks. The state self-insures most commercial insurance risks under \$1,500,000 per occurrence as well as auto, general liability, inland marine (i.e. property in-transit), and mobile/specialized equipment. The division also provides consultative services that include training, inspections, program reviews, contract administration, claims administration, and legal defense to prevent or minimize the adverse effects of physical or financial loss.

The division investigates, evaluates, and resolves tort liability claims (i.e. personal injury or property damage to third parties) and coordinates the adjudication and settlement of other claims involving property damage. This division operates under the authority of 2-9-101, MCA, through 2-9-305, MCA.

*Proprietary Program Narrative*Expenses

Overall, the increase in personal services and operating expenses is \$433,000 in FY 2020 and \$427,000 in FY 2021. The increases are primarily due to statewide present law adjustments for personal services and fixed costs. The fixed cost adjustment is mainly due to a technology upgrade for the system used for the underwriting process and to monitor and administer claims. The databases have been operating on an obsolete oracle server with outdated technology.

Revenues

Montana self-insures its insurance risks for automobile, general liability, and property via this program. All state agencies pay insurance premiums to the Risk Management and Tort Defense Division. The following figure shows insurance premiums for state agencies in the 2019 biennium and the 2021 biennium and changes in the costs between biennia.

Department of Administration Risk Management and Tort Defense Division State Agency Insurance Costs				
State Agency	2019 Biennium	2021 Biennium	Change	% Change
Legislative Branch	\$95,791	\$97,449	\$1,658	1.7%
Consumer Counsel	2,936	2,897	(39)	-1.3%
Judicial Branch	327,928	325,337	(2,591)	-0.8%
Governor's Office	60,560	58,519	(2,041)	-3.4%
Secretary of State's Office	31,402	30,393	(1,009)	-3.2%
Commissioner of Political Practices	3,322	3,302	(20)	-0.6%
State Auditor's Office	47,609	47,566	(43)	-0.1%
Office of Public Instruction	93,038	93,937	899	1.0%
Department of Justice	1,734,426	1,681,643	(52,783)	-3.0%
Public Service Regulation	34,479	33,908	(571)	-1.7%
Board of Public Education	2,088	1,835	(253)	-12.1%
Commissioner of Higher Ed	16,119,921	15,985,932	(133,989)	-0.8%
School for the Deaf and Blind	123,910	134,509	10,599	8.6%
Montana Arts Council	4,970	4,572	(398)	-8.0%
Montana State Library	34,070	30,805	(3,265)	-9.6%
Montana Historical Society	200,808	205,827	5,019	2.5%
Department of Fish Wildlife and Parks	1,069,046	1,100,857	31,811	3.0%
Department of Environmental Quality	691,345	696,181	4,836	0.7%
Department of Transportation	11,106,640	11,036,162	(70,478)	-0.6%
Department of Livestock	185,039	183,680	(1,359)	-0.7%
Department of Natural Resources and Conservation	935,295	981,006	45,711	4.9%
Department of Revenue	497,944	502,011	4,067	0.8%
Department of Administration	1,477,156	1,552,819	75,663	5.1%
Montana State Fund	1,078,953	1,074,562	(4,391)	-0.4%
Public Employees Retirement Board	34,987	33,480	(1,507)	-4.3%
Teachers Retirement Board	12,914	13,257	343	2.7%
Office of the Public Defender	182,799	201,731	18,932	10.4%
Department of Agriculture	173,476	172,945	(531)	-0.3%
Department of Corrections	3,538,976	3,555,391	16,415	0.5%
Department of Commerce	411,079	409,044	(2,035)	-0.5%
Department of Labor and Industry	625,832	621,233	(4,599)	-0.7%
Department of Military Affairs	578,548	594,709	16,161	2.8%
Department of Public Health and Human Services	<u>5,953,857</u>	<u>5,924,033</u>	<u>(29,824)</u>	<u>-0.5%</u>
Grand Total	<u>\$47,471,144</u>	<u>\$47,391,532</u>	<u>(\$79,612)</u>	<u>-0.2%</u>

Overall, revenues generated through premiums allocated to state agencies decreased by less than 1.0%.

Proprietary Rates

The following table shows the rates adopted for the 2021 biennium. The rates charged in the base year are shown for comparison purposes.

Requested Rates for Internal Service or Enterprise Funds Fee/Rate Information				
	Actual FY 18	Budgeted FY 19	Proposed FY 20	Proposed FY 21
Fee Description:				
Auto - Comprehensive/Collision	\$2,022,570	\$2,022,570	\$2,022,570	\$2,022,570
Aviation	\$169,961	\$169,961	\$169,961	\$169,961
General Liability	\$14,613,042	\$14,613,042	\$14,573,235	\$14,573,236
Property/Miscellaneous	\$6,930,000	\$6,930,000	\$6,930,000	\$6,930,000

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	915,097	1,011,097	96,000	10.49 %
Operating Expenses	264,048	323,000	58,952	22.33 %
Local Assistance	25,366	29,366	4,000	15.77 %
Total Expenditures	\$1,204,511	\$1,363,463	\$158,952	13.20 %
General Fund	1,204,511	1,363,463	158,952	13.20 %
Total Funds	\$1,204,511	\$1,363,463	\$158,952	13.20 %
Total Ongoing	\$1,204,511	\$1,363,463	\$158,952	13.20 %
Total OTO	\$0	\$0	\$0	0.00 %

Page Reference

Legislative Budget Analysis, A-206.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	5.50	5.50	5.50	5.50
Personal Services	457,028	455,449	459,648	505,563	505,534
Operating Expenses	115,167	123,967	140,081	161,563	161,437
Local Assistance	14,856	12,683	12,683	14,683	14,683
Total Expenditures	\$587,051	\$592,099	\$612,412	\$681,809	\$681,654
General Fund	587,051	592,099	612,412	681,809	681,654
Total Funds	\$587,051	\$592,099	\$612,412	\$681,809	\$681,654
Total Ongoing	\$587,051	\$592,099	\$612,412	\$681,809	\$681,654
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

Legislative Budget Analysis, A-207.

Funding

The Montana Tax Appeal Board (MTAB) is fully funded with general fund. General fund provides support for travel expenses, compensation, and all other incidental expenses of the county tax boards. Office space and equipment for the county tax appeal boards must be furnished by the county.

Program Budget Summary by Category

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	612,412	612,412	1,224,824	89.83 %	612,412	612,412	1,224,824	89.83 %
SWPL Adjustments	47,475	47,320	94,795	6.95 %	47,475	47,320	94,795	6.95 %
PL Adjustments	21,922	21,922	43,844	3.22 %	21,922	21,922	43,844	3.22 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$681,809	\$681,654	\$1,363,463		\$681,809	\$681,654	\$1,363,463	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	45,915	0	0	45,915	0.00	45,886	0	0	45,886
DP 2 - Fixed Costs	0.00	1,532	0	0	1,532	0.00	1,399	0	0	1,399
DP 3 - Inflation Deflation	0.00	28	0	0	28	0.00	35	0	0	35
DP 4 - Allocate Department Indirect/Administrative Costs	0.00	332	0	0	332	0.00	332	0	0	332
DP 3701 - Increase in rent expense for off-campus space	0.00	12,090	0	0	12,090	0.00	12,090	0	0	12,090
DP 3702 - Restore County Funding	0.00	9,500	0	0	9,500	0.00	9,500	0	0	9,500
Grand Total All Present Law Adjustments	0.00	\$69,397	\$0	\$0	\$69,397	0.00	\$69,242	\$0	\$0	\$69,242

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 4 - Allocate Department Indirect/Administrative Costs -

The legislature adopted an increase in general fund due to a change in indirect costs. These are the costs recovered by the Department of Administration from divisions within the department for services provided, which include accounting, human resources, and legal support.

DP 3701 - Increase in rent expense for off-campus space -

The legislature adopted an increase in general fund to provide funding to pay for an increase in rent expenses.

DP 3702 - Restore County Funding -

The legislature adopted an increase in general fund to provide the funding for travel expenses and training related to county tax appeal hearings.

Agency Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	6,983,414	8,106,514	1,123,100	16.08 %
Operating Expenses	9,552,957	10,627,560	1,074,603	11.25 %
Local Assistance	82,000	92,000	10,000	12.20 %
Grants	38,267,002	43,907,890	5,640,888	14.74 %
Benefits & Claims	697,842	0	(697,842)	(100.00)%
Transfers	1,810,000	1,599,999	(210,001)	(11.60)%
Total Expenditures	\$57,393,215	\$64,333,963	\$6,940,748	12.09 %
General Fund	6,840,108	11,161,429	4,321,321	63.18 %
State/Other Special Rev. Funds	14,371,527	11,045,712	(3,325,815)	(23.14)%
Federal Spec. Rev. Funds	36,181,580	42,126,822	5,945,242	16.43 %
Total Funds	\$57,393,215	\$64,333,963	\$6,940,748	12.09 %
Total Ongoing	\$53,243,215	\$59,620,417	\$6,377,202	11.98 %
Total OTO	\$4,150,000	\$4,713,546	\$563,546	13.58 %

Page Reference

Legislative Budget Analysis, A-210.

Agency Highlights

**Department of Commerce
Major Budget Highlights**

- The legislature adopted an increase to the Department of Commerce's total biennial appropriation of approximately \$6.9 million or 12.1% compared to the 2019 biennium appropriation
- The legislature adopted one-time-only general fund appropriations for the Primary Sector Workforce Training Grant Program and the Indian Country Economic Development Program
- The legislature adopted one-time-only, biennial general fund appropriations for the Native Language Preservation Program
- The legislature adopted one-time-only, biennial general fund appropriations for marketing related to the Decennial Census
- The legislature adopted the elimination of HB 2 state special revenue appropriations for the Food and Agriculture Development Centers, Office of Outdoor Recreation, and grants that address employment barriers. The legislature approved the reduction of funding related to 1.00 FTE
- The legislature adopted state special revenue appropriations for the Advanced Fuels Center at Montana State University - Northern
- The legislature adopted an increase in federal special revenue appropriations for the National Housing Trust Fund Program

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	47.05	47.05	48.05	48.05
Personal Services	2,974,166	3,357,579	3,625,835	4,053,436	4,053,078
Operating Expenses	2,909,641	4,499,256	5,053,701	5,368,849	5,258,711
Local Assistance	0	36,000	46,000	46,000	46,000
Grants	6,193,931	19,368,903	18,898,099	21,928,945	21,978,945
Benefits & Claims	141,183	348,921	348,921	0	0
Transfers	905,000	905,000	905,000	799,999	800,000
Total Expenditures	\$13,123,921	\$28,515,659	\$28,877,556	\$32,197,229	\$32,136,734
General Fund	3,196,578	3,264,192	3,575,916	5,630,632	5,530,797
State/Other Special Rev. Funds	4,529,395	7,178,125	7,193,402	5,532,502	5,513,210
Federal Spec. Rev. Funds	5,397,948	18,073,342	18,108,238	21,034,095	21,092,727
Total Funds	\$13,123,921	\$28,515,659	\$28,877,556	\$32,197,229	\$32,136,734
Total Ongoing	\$11,112,621	\$26,440,659	\$26,802,556	\$29,790,353	\$29,830,064
Total OTO	\$2,011,300	\$2,075,000	\$2,075,000	\$2,406,876	\$2,306,670

Page Reference

Legislative Budget Analysis, A-211.

Executive Budget Comparison

The following table compares the legislative budget for the biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2019	Executive Budget Fiscal 2020	Legislative Budget Fiscal 2020	Leg — Exec. Difference Fiscal 2020	Executive Budget Fiscal 2021	Legislative Budget Fiscal 2021	Leg — Exec. Difference Fiscal 2021	Biennium Difference Fiscal 20-21
FTE	47.05	49.05	48.05	(1.00)	49.05	48.05	(1.00)	(1.00)
Personal Services	3,625,835	4,053,436	4,053,436	0	4,053,078	4,053,078	0	0
Operating Expenses	5,053,701	5,489,210	5,368,849	(120,361)	5,384,463	5,258,711	(125,752)	(246,113)
Equipment & Intangible Assets	0	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0	0
Local Assistance	46,000	46,000	46,000	0	46,000	46,000	0	0
Grants	18,898,099	21,928,945	21,928,945	0	21,978,945	21,978,945	0	0
Benefits & Claims	348,921	0	0	0	0	0	0	0
Transfers	905,000	600,000	799,999	199,999	600,000	800,000	200,000	399,999
Total Costs	\$28,877,556	\$32,117,591	\$32,197,229	\$79,638	\$32,062,486	\$32,136,734	\$74,248	\$153,886
General Fund	3,575,916	5,642,458	5,630,632	(11,826)	5,548,013	5,530,797	(17,216)	(29,042)
State/other Special Rev. Funds	7,193,402	5,422,138	5,532,502	110,364	5,402,846	5,513,210	110,364	220,728
Federal Spec. Rev. Funds	18,108,238	21,052,995	21,034,095	(18,900)	21,111,627	21,092,727	(18,900)	(37,800)
Total Funds	\$28,877,556	\$32,117,591	\$32,197,229	\$79,638	\$32,062,486	\$32,136,734	\$74,248	\$153,886
Total Ongoing	\$26,802,556	\$32,017,591	\$29,790,353	(\$2,227,238)	\$32,062,486	\$29,830,064	(\$2,232,422)	(\$4,459,660)
Total OTO	\$2,075,000	\$100,000	\$2,406,876	\$2,306,876	\$0	\$2,306,670	\$2,306,670	\$4,613,546

The legislature adopted appropriations that are approximately \$154,000 higher than the proposed executive appropriations for the 2021 biennium.

The major differences in the legislative budget compared to the executive budget include:

- The legislature adopted the proposed appropriations for the Primary Sector Workforce Training Grant Program, Indian Country Economic Development Program, and the Montana Indian Language Preservation Program as one-time-only appropriations
- The legislature adopted state special revenue appropriations of \$400,000 over the biennium for the Advanced Fuels Center at Montana State University – Northern
- The legislature adopted a reduction in state special revenue of \$150,000 over the biennium for the Mobile Home Revolving Loan Program
- The legislature adopted reductions in general fund of \$28,000 over the biennium in the Community Development Division. These reductions are related to proposed adjustment for printing and publication costs for the Community Technical Assistance Program, the replacement of computer hardware, rent, and indirect costs

Funding

The following table shows agency funding by source of authority.

Total Department of Commerce Funding by Source of Authority 2021 Biennium Budget Request - Department of Commerce						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	6,611,429	4,550,000	0	3,600,000	14,761,429	5.14 %
State Special Total	10,882,166	163,546	0	73,028,975	84,074,687	29.29 %
Federal Special Total	42,126,822	0	0	2,089,860	44,216,682	15.40 %
Proprietary Total	0	0	137,746,704	6,268,509	144,015,213	50.17 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$59,620,417	\$4,713,546	\$137,746,704	\$84,987,344	\$287,068,011	
Percent - Total All Sources	20.77 %	1.64 %	47.98 %	29.61 %		

Over 75.0% of the overall funding in the Department of Commerce is not budgeted through HB 2 but provided as either non-budgeted proprietary funding or as statutory appropriations. HB 2 appropriations of general fund, state special revenue, and federal special revenues comprise the remaining funding for the Department of Commerce and will be discussed in further detail at the program level.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	3,200,916	3,200,916	6,401,832	57.36 %	26,802,556	26,802,556	53,605,112	83.32 %
SWPL Adjustments	107,998	100,070	208,068	1.86 %	495,235	432,044	927,279	1.44 %
PL Adjustments	(3,282)	4,811	1,529	0.01 %	(227,438)	(124,536)	(351,974)	(0.55)%
New Proposals	2,325,000	2,225,000	4,550,000	40.77 %	5,126,876	5,026,670	10,153,546	15.78 %
Total Budget	\$5,630,632	\$5,530,797	\$11,161,429		\$32,197,229	\$32,136,734	\$64,333,963	

Language and Statutory Authority

Grants received from Indian Country Economic Development, Montana Indian Language Preservation, and Primary Business Sector Training may be used as matching funds for federal or private fund sources.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	3,493,898	3,628,087	134,189	3.84 %
Operating Expenses	5,490,364	6,277,010	786,646	14.33 %
Local Assistance	82,000	92,000	10,000	12.20 %
Grants	4,268,956	4,226,048	(42,908)	(1.01)%
Transfers	1,810,000	1,599,999	(210,001)	(11.60)%
Total Expenditures	\$15,145,218	\$15,823,144	\$677,926	4.48 %
General Fund	5,283,719	9,325,027	4,041,308	76.49 %
State/Other Special Rev. Funds	8,265,422	4,811,452	(3,453,970)	(41.79)%
Federal Spec. Rev. Funds	1,596,077	1,686,665	90,588	5.68 %
Total Funds	\$15,145,218	\$15,823,144	\$677,926	4.48 %
Total Ongoing	\$10,995,218	\$11,109,598	\$114,380	1.04 %
Total OTO	\$4,150,000	\$4,713,546	\$563,546	13.58 %

Page Reference

Legislative Budget Analysis, A-216.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	20.35	20.35	21.35	21.35
Personal Services	1,570,198	1,661,728	1,832,170	1,815,258	1,812,829
Operating Expenses	1,975,968	2,502,034	2,988,330	3,196,766	3,080,244
Local Assistance	0	36,000	46,000	46,000	46,000
Grants	2,183,253	2,373,646	1,895,310	2,113,024	2,113,024
Transfers	905,000	905,000	905,000	799,999	800,000
Total Expenditures	\$6,634,419	\$7,478,408	\$7,666,810	\$7,971,047	\$7,852,097
General Fund	2,468,316	2,534,360	2,749,359	4,710,502	4,614,525
State/Other Special Rev. Funds	3,498,438	4,147,893	4,117,529	2,423,067	2,388,385
Federal Spec. Rev. Funds	667,665	796,155	799,922	837,478	849,187
Total Funds	\$6,634,419	\$7,478,408	\$7,666,810	\$7,971,047	\$7,852,097
Total Ongoing	\$4,623,119	\$5,403,408	\$5,591,810	\$5,564,171	\$5,545,427
Total OTO	\$2,011,300	\$2,075,000	\$2,075,000	\$2,406,876	\$2,306,670

Page Reference

Legislative Budget Analysis, A-217.

Funding

HB 2 Funding

General fund appropriations comprise approximately 58.9% of proposed HB 2 appropriations. This includes funding for Small Business Innovation Research/Small Business Technology Transfer (SBIR/STTR), Montana Manufacturing Extension Center (MMEC), Research and Information Services, Made in Montana Program, Small Business Development Center (SBDC), State Tribal Economic Development, and International Trade Export. Additionally, there is one-time-only appropriations for Primary Business Sector Training, Indian Country Economic Development, Montana Native Language Preservation, and marketing related to the 2020 census.

State special revenue appropriations comprise 30.4% of proposed HB 2 appropriations. These appropriations include authority for microbusiness loans, primary business sector training, private contributions for joint private/state targeted tourism advertising campaigns, and the State-Tribal Economic Development Program.

Federal special revenue appropriations comprise 10.7% of total proposed HB 2 appropriations and are for small business development centers.

Statutory Appropriations

The majority of statutory appropriations are from lodging and facility taxes and are used to support tourism and film promotion in the state. Statutory appropriations also include funding for the Distressed Wood Products Program, Research and Commercialization, and the Big Sky Economic Development Program. Statutorily appropriated general fund is used for business and economic development programs.

Program Budget Summary by Category

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	2,374,359	2,374,359	4,748,718	50.92 %	5,591,810	5,591,810	11,183,620	70.68 %
SWPL Adjustments	14,063	9,993	24,056	0.26 %	71,722	22,594	94,316	0.60 %
PL Adjustments	(2,920)	5,173	2,253	0.02 %	105,639	136,023	241,662	1.53 %
New Proposals	2,325,000	2,225,000	4,550,000	48.79 %	2,201,876	2,101,670	4,303,546	27.20 %
Total Budget	\$4,710,502	\$4,614,525	\$9,325,027		\$7,971,047	\$7,852,097	\$15,823,144	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	4,169	5,636	336	10,141	0.00	3,347	4,524	269	8,140
DP 2 - Fixed Costs	0.00	8,866	48,271	3,416	60,553	0.00	5,370	5,657	2,151	13,178
DP 3 - Inflation Deflation	0.00	1,028	0	0	1,028	0.00	1,276	0	0	1,276
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	(6,023)	(2,220)	(8,243)	0.00	0	(6,023)	(2,220)	(8,243)
DP 5106 - OTBD Administrative Costs Adjustments	0.00	(2,920)	80,778	36,024	113,882	0.00	5,173	90,028	49,065	144,266
Grand Total All Present Law Adjustments	0.00	\$11,143	\$128,662	\$37,556	\$177,361	0.00	\$15,166	\$94,186	\$49,265	\$158,617

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

DP 5106 - OTBD Administrative Costs Adjustments -

The legislature adopted an increase in general fund, state special revenue, and federal special revenue appropriations. This change package includes:

- An increase of state special revenue of approximately \$90,000 each fiscal year to match anticipated funds. The department anticipates receiving more funds as the result of increased public/private partnerships and enhancements to the Governor’s Conference on Tourism and Recreation, enhancements to the Made in Montana Tradeshow, and the Small Business Development Center (SBDC) conference
- An increase in state special revenue funds of approximately \$58,000 in FY 2020 and \$67,000 in FY 2021 to match anticipated amounts received from the accommodation tax for the State Tribal Tourism Program
- A decrease in state special revenue of approximately \$67,000 each fiscal year for the GAP Financing Program to match anticipated Native American collateral/GAP financing loans
- An increase in federal special revenue of \$40,000 in FY 2020 and \$50,000 in FY 2021 to match anticipated federal authority for the SBDC
- An overall increase in funds for adjustments to a 5-year replacement schedule for computer hardware in FY 2020 and FY 2021 as well as an increase rent in FY 2021
- An overall decrease in funds for indirect costs paid to the Director’s Office

New Proposals -

The “New Proposals” table shows new changes to spending.

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 5101 - OTBD Primary Business Sector Training (OTO)	1.00	600,000	81,876	0	681,876	1.00	600,000	81,670	0	681,670
DP 5102 - OTBD Indian Country Economic Development (OTO)	1.00	875,000	0	0	875,000	1.00	875,000	0	0	875,000
DP 5103 - OTBD Census 2020 Marketing BIEN/OTO	0.00	100,000	0	0	100,000	0.00	0	0	0	0
DP 5104 - OTBD Montana Indian Language Preservation (BIEN/OTO)	0.00	750,000	0	0	750,000	0.00	750,000	0	0	750,000
DP 5118 - OTBD Eliminate Big Sky Trust Fund Appropriations	(1.00)	0	(405,000)	0	(405,000)	(1.00)	0	(405,000)	0	(405,000)
DP 5128 - Northern Advanced Fuels	0.00	0	200,000	0	200,000	0.00	0	200,000	0	200,000
Total	1.00	\$2,325,000	(\$123,124)	\$0	\$2,201,876	1.00	\$2,225,000	(\$123,330)	\$0	\$2,101,670

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 5101 - OTBD Primary Business Sector Training (OTO) -

The legislature adopted one-time-only general fund and state special revenue appropriations in FY 2020 and FY 2021 for the Primary Sector Workforce Training Grant. This request includes funding for 1.00 FTE. The program provides grant funds to new and existing primary sector Montana businesses for training their employees in newly created full-time and part-time jobs.

DP 5102 - OTBD Indian Country Economic Development (OTO) -

The legislature adopted one-time-only general fund appropriations in FY 2020 and FY 2021 for the Indian Country Economic Development (ICED) Program. This request includes funding for 1.00 FTE. This program provides small equity grants, business advisor host organization funds, and tribal government business planning resources. Funding is distributed to the eight tribal nations and tribal member businesses.

DP 5103 - OTBD Census 2020 Marketing BIEN/OTO -

The legislature adopted one-time-only, biennial general fund appropriations for the 2020 Decennial Census. The 2020 count of Montana residents will be done by the Census Bureau with fewer employees and less funding than 2010, relying for the first time on internet responses and other technology. Proposed expenditures include promotions and printing, contracted services, workshops and meetings, travel, communications, and office supplies.

DP 5104 - OTBD Montana Indian Language Preservation (BIEN/OTO) -

The legislature adopted one-time-only, biennial general fund appropriations for the Montana Indian Language Preservation Program. Each tribal nation develops, and makes accessible, curricula, audio and video recordings, and reference materials to assist in preserving and perpetuating Indian languages.

DP 5118 - OTBD Eliminate Big Sky Trust Fund Appropriations -

The legislature adopted reductions in state special revenue appropriations and 1.00 FTE in FY 2020 and FY 2021 for programs funded with the big sky economic development fund during the 2019 biennium. These programs include:

- Food and Agriculture Development Centers which were appropriated \$105,000 each fiscal year
- Outdoor Recreation which was appropriated \$200,000 each fiscal year
- Grants that address employment barriers which was appropriated \$100,000 each fiscal year

DP 5128 - Northern Advanced Fuels -

The legislature adopted state special revenue appropriations in FY 2020 and FY 2021 for the Advanced Fuels Center at Montana State University – Northern.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	3,461,366	4,442,065	980,699	28.33 %
Operating Expenses	3,525,333	3,988,243	462,910	13.13 %
Grants	32,998,046	38,531,842	5,533,796	16.77 %
Total Expenditures	\$39,984,745	\$46,962,150	\$6,977,405	17.45 %
General Fund	1,556,389	1,836,402	280,013	17.99 %
State/Other Special Rev. Funds	5,560,695	5,835,591	274,896	4.94 %
Federal Spec. Rev. Funds	32,867,661	39,290,157	6,422,496	19.54 %
Total Funds	\$39,984,745	\$46,962,150	\$6,977,405	17.45 %
Total Ongoing	\$39,984,745	\$46,962,150	\$6,977,405	17.45 %
Total OTO	\$0	\$0	\$0	0.00 %

Page Reference

Legislative Budget Analysis, A-229.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	25.45	25.45	25.45	25.45
Personal Services	1,392,775	1,684,596	1,776,770	2,219,964	2,222,101
Operating Expenses	744,304	1,726,292	1,799,041	1,990,925	1,997,318
Grants	3,510,678	16,495,257	16,502,789	19,265,921	19,265,921
Total Expenditures	\$5,647,757	\$19,906,145	\$20,078,600	\$23,476,810	\$23,485,340
General Fund	728,262	729,832	826,557	920,130	916,272
State/Other Special Rev. Funds	835,937	2,758,047	2,802,648	2,910,063	2,925,528
Federal Spec. Rev. Funds	4,083,558	16,418,266	16,449,395	19,646,617	19,643,540
Total Funds	\$5,647,757	\$19,906,145	\$20,078,600	\$23,476,810	\$23,485,340
Total Ongoing	\$5,647,757	\$19,906,145	\$20,078,600	\$23,476,810	\$23,485,340
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

Legislative Budget Analysis, A-230.

Funding

HB 2

General fund appropriations comprise approximately 4.0% of proposed HB 2 appropriations. General fund is used to provide matching funds for the Community Development Block Grant and support the Community Technical Assistance Program. Approximately 50.0% of the general fund appropriation is used to fund each program.

State special revenue appropriations comprise approximately 12.0% of total proposed HB 2 appropriations. These appropriations are primarily comprised of funding for the Coal Board and the Treasure State Endowment Program. The Coal Board provides grants to governmental units to assist them in providing governmental services or facilities that are needed as a direct consequence of an increase or decrease in coal development or in the consumption of coal by a coal-using energy complex. The Treasure State Endowment Program is funded with interest earnings from the treasure state endowment fund, a sub-fund of the coal tax trust. Revenue from the income account within the trust is transferred to the state special revenue fund for administrative costs (appropriated in HB 2) and grants (typically appropriated in HB 11).

Federal special revenues comprise the majority of HB 2 appropriations at approximately 84.0%. The majority of the federal funds are Community Development Block Grants and HOME Investment Partnerships Program (HOME) Grants, and the Housing Trust Fund Program.

Program Budget Summary by Category

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	826,557	826,557	1,653,114	90.02 %	20,078,600	20,078,600	40,157,200	85.51 %
SWPL Adjustments	93,935	90,077	184,012	10.02 %	315,229	301,513	616,742	1.31 %
PL Adjustments	(362)	(362)	(724)	(0.04)%	82,981	105,227	188,208	0.40 %
New Proposals	0	0	0	0.00 %	3,000,000	3,000,000	6,000,000	12.78 %
Total Budget	\$920,130	\$916,272	\$1,836,402		\$23,476,810	\$23,485,340	\$46,962,150	

Present Law Adjustments -

The “Present Law Adjustments” table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	84,498	36,562	164,509	285,569	0.00	84,247	37,616	163,531	285,394
DP 2 - Fixed Costs	0.00	9,000	7,806	11,915	28,721	0.00	5,289	4,954	4,711	14,954
DP 3 - Inflation Deflation	0.00	437	256	246	939	0.00	541	318	306	1,165
DP 55 - SWPL Fixed Cost Adjustment	0.00	(362)	(8,613)	(16,680)	(25,655)	0.00	(362)	(8,613)	(16,680)	(25,655)
DP 6010 - CDD Administrative Costs Adjustments	0.00	0	71,404	37,232	108,636	0.00	0	88,605	42,277	130,882
Grand Total All Present Law Adjustments	0.00	\$93,573	\$107,415	\$197,222	\$398,210	0.00	\$89,715	\$122,880	\$194,145	\$406,740

***Total Funds* amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

DP 6010 - CDD Administrative Costs Adjustments -

The legislature adopted an increase in general fund, state special revenue, and federal special revenue appropriations. This change package includes:

- An increase of state special revenue of \$10,000 in FY 2021 to allow the Department of Commerce to hire consulting services to perform the designation study for the proper allocation of Coal Board grants
- An increase of state special revenue of approximately \$63,000 in each fiscal year to adjust coal board grants to match preliminary revenue estimates
- An increase of state special revenue of \$14,000 each fiscal year for costs associated with Hard Rock Mining Board meetings. Additional meetings are anticipated to address impacts related to a proposed copper mining project
- Increases of state special revenue and federal special revenue among programs in the Community Development Division for adjustments to a 5-year replacement schedule for computer hardware in FY 2020 and FY 2021 as well as an increase in rent in FY 2021
- Increases and decreases in state special revenue and federal special revenue among programs in the Community Development Division for indirect costs paid to the Director's Office

New Proposals -

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6001 - CDD Federal Housing Trust Fund Appropriation	0.00	0	0	3,000,000	3,000,000	0.00	0	0	3,000,000	3,000,000
Total	0.00	\$0	\$0	\$3,000,000	\$3,000,000	0.00	\$0	\$0	\$3,000,000	\$3,000,000

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 6001 - CDD Federal Housing Trust Fund Appropriation -

The legislature adopted federal special revenue in FY 2020 and FY 2021 for the National Housing Trust Fund program (HTF). This is a formula-funded grant program of the U.S. Department of Housing and Urban Development (HUD). The state of Montana receives an annual allocation to award to local governments and nonprofit organizations to preserve or construct housing infrastructure. Families earning less than 30.0% of the area median income benefit from HTF housing through access to housing units. As with other HUD funded programs, funds are available with the execution of the grant agreements.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	529,080	537,626	8,546	1.62 %
Operating Expenses	375,958	316,927	(59,031)	(15.70)%
Grants	120,000	660,000	540,000	450.00 %
Transfers	78,000	82,000	4,000	5.13 %
Total Expenditures	\$1,103,038	\$1,596,553	\$493,515	44.74 %
Proprietary Funds	1,103,038	1,596,553	493,515	44.74 %
Total Funds	\$1,103,038	\$1,596,553	\$493,515	44.74 %

Page Reference

Legislative Budget Analysis, A-235.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	3.00	3.00	3.00	3.00
Personal Services	209,553	239,977	289,103	268,489	269,137
Operating Expenses	172,520	217,184	158,774	166,543	150,384
Grants	45,000	60,000	60,000	330,000	330,000
Transfers	36,778	40,000	38,000	40,000	42,000
Total Expenditures	\$463,851	\$557,161	\$545,877	\$805,032	\$791,521
Proprietary Funds	463,851	557,161	545,877	805,032	791,521
Total Funds	\$463,851	\$557,161	\$545,877	\$805,032	\$791,521

Page Reference

Legislative Budget Analysis, A-236.

Funding

The Facility Finance Authority is entirely supported through non-budgeted proprietary funds.

Program Budget Summary by Category

Budget Summary by Category									
Budget Item	-----General Fund-----				-----Total Funds-----				
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	
2019 Base Budget	0	0	0	0.00 %	545,877	545,877	1,091,754	68.38 %	
SWPL Adjustments	0	0	0	0.00 %	(2,063)	(18,210)	(20,273)	(1.27)%	
PL Adjustments	0	0	0	0.00 %	(8,782)	(6,146)	(14,928)	(0.94)%	
New Proposals	0	0	0	0.00 %	270,000	270,000	540,000	33.82 %	
Total Budget	\$0	\$0	\$0		\$805,032	\$791,521	\$1,596,553		

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	0	(20,614)	0.00	0	0	0	(19,966)
DP 2 - Fixed Costs	0.00	0	0	0	18,499	0.00	0	0	0	1,691
DP 3 - Inflation Deflation	0.00	0	0	0	52	0.00	0	0	0	65
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	0	0	(2,596)	0.00	0	0	0	(2,596)
DP 7102 - FFA Administrative Costs Adjustments	0.00	0	0	0	(6,186)	0.00	0	0	0	(3,550)
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$0	(\$10,845)	0.00	\$0	\$0	\$0	(\$24,356)

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature reviewed adjustments to annualize personal services costs including FY 2019 statewide pay plan adjustments, benefit rate adjustments, vacancy savings adjustments and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature reviewed adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature reviewed adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature reviewed an increase to the Statewide Cost Allocation Plan (SWCAP).

DP 7102 - FFA Administrative Costs Adjustments -

The legislature reviewed a decrease in proprietary fund appropriations. This change package includes:

- An increase in proprietary funding of approximately \$8,500 for software
- An increase in proprietary funding of approximately \$1,200 in FY 2020 and \$1,700 in FY 2021 for an increase in rent
- An increase in proprietary funding of \$2,000 in FY 2020 and \$4,000 in FY 2021 to adjust payments to the Board of Investments for support services
- A decrease in proprietary funding of approximately \$8,800 because the Facility Finance Authority transferred ownership of a property and no longer incurs property management costs
- A decrease in proprietary funding of approximately \$9,000 for indirect costs paid to the Director's Office

New Proposals -

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 7101 - FFA Energy Audit Grants	0.00	0	0	0	270,000	0.00	0	0	0	270,000
Total	0.00	\$0	\$0	\$0	\$270,000	0.00	\$0	\$0	\$0	\$270,000

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 7101 - FFA Energy Audit Grants -

The legislature reviewed proprietary funding for a newly created grant program, effective July 1, 2018. This grant program provides funds for an energy efficiency audit of eligible facilities. The new grant program identifies energy efficiency savings for authority partners, providing them with an opportunity to significantly reduce operating costs while upgrading capital systems. In addition, the expansive scope of eligible facilities allows the authority to increase its footprint in several markets, including group homes and senior living facilities, while generating more financing opportunities for the authority.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison					
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change	
Operating Expenses	170,000	0	(170,000)	(100.00)%	
Benefits & Claims	697,842	0	(697,842)	(100.00)%	
Total Expenditures	\$867,842	\$0	(\$867,842)	(100.00)%	
State/Other Special Rev. Funds	150,000	0	(150,000)	(100.00)%	
Federal Spec. Rev. Funds	717,842	0	(717,842)	(100.00)%	
Total Funds	\$867,842	\$0	(\$867,842)	(100.00)%	
Total Ongoing	\$867,842	\$0	(\$867,842)	(100.00)%	
Total OTO	\$0	\$0	\$0	0.00%	

Page Reference

Legislative Budget Analysis, A-242.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
Operating Expenses	5,542	85,000	85,000	0	0
Benefits & Claims	141,183	348,921	348,921	0	0
Total Expenditures	\$146,725	\$433,921	\$433,921	\$0	\$0
State/Other Special Rev. Funds	0	75,000	75,000	0	0
Federal Spec. Rev. Funds	146,725	358,921	358,921	0	0
Total Funds	\$146,725	\$433,921	\$433,921	\$0	\$0
Total Ongoing	\$146,725	\$433,921	\$433,921	\$0	\$0
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

Legislative Budget Analysis, A-243.

Funding

Non-Budgeted Proprietary Funds

The Housing Division is funded with proprietary funds.

Program Budget Summary by Category

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	0	0	0	0.00 %	433,921	433,921	867,842	0.00 %
SWPL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
PL Adjustments	0	0	0	0.00 %	(358,921)	(358,921)	(717,842)	0.00 %
New Proposals	0	0	0	0.00 %	(75,000)	(75,000)	(150,000)	0.00 %
Total Budget	\$0	\$0	\$0		\$0	\$0	\$0	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 7402 - HD Administrative Costs Adjustments	0.00	0	0	(358,921)	(358,921)	0.00	0	0	(358,921)	(358,921)
Grand Total All Present Law Adjustments	0.00	\$0	\$0	(\$358,921)	(\$358,921)	0.00	\$0	\$0	(\$358,921)	(\$358,921)

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 7402 - HD Administrative Costs Adjustments -

The legislature adopted a decrease in federal special revenue in FY 2020 and FY 2021. This eliminates operating expenses and benefits and claims related to the Housing Division's Shelter Care Plus Program. The Shelter Care Plus grant will terminate in November 2018 and will not be renewed.

New Proposals -

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 7410 - Eliminate Mobile Home Revolving Loan Prg Appropriation	0.00	0	(75,000)	0	(75,000)	0.00	0	(75,000)	0	(75,000)
Total	0.00	\$0	(\$75,000)	\$0	(\$75,000)	0.00	\$0	(\$75,000)	\$0	(\$75,000)

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 7410 - Eliminate Mobile Home Revolving Loan Prg Appropriation -

The legislature adopted the elimination of state special revenue appropriations in FY 2020 and FY 2021 for the Mobile Home Revolving Loan Fund.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	7,801,423	8,423,731	622,308	7.98 %
Operating Expenses	6,684,765	6,645,796	(38,969)	(0.58)%
Total Expenditures	\$14,486,188	\$15,069,527	\$583,339	4.03 %
Proprietary Funds	14,486,188	15,069,527	583,339	4.03 %
Total Funds	\$14,486,188	\$15,069,527	\$583,339	4.03 %

Page Reference

Legislative Budget Analysis, A-256.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	32.00	32.00	32.00	32.00
Personal Services	3,935,977	3,948,444	3,852,979	4,213,053	4,210,678
Operating Expenses	3,025,462	3,468,628	3,216,137	3,376,097	3,269,699
Total Expenditures	\$6,961,439	\$7,417,072	\$7,069,116	\$7,589,150	\$7,480,377
Proprietary Funds	6,961,439	7,417,072	7,069,116	7,589,150	7,480,377
Total Funds	\$6,961,439	\$7,417,072	\$7,069,116	\$7,589,150	\$7,480,377

Page Reference

Legislative Budget Analysis, A-257.

Funding

The Board of Investments is entirely supported through non-budgeted proprietary funds.

Program Budget Summary by Category

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	0	0	0	0.00 %	7,069,116	7,069,116	14,138,232	93.82 %
SWPL Adjustments	0	0	0	0.00 %	481,757	371,865	853,622	5.66 %
PL Adjustments	0	0	0	0.00 %	38,277	39,396	77,673	0.52 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$7,589,150	\$7,480,377	\$15,069,527	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	0	360,004	0.00	0	0	0	357,629
DP 2 - Fixed Costs	0.00	0	0	0	121,590	0.00	0	0	0	14,033
DP 3 - Inflation Deflation	0.00	0	0	0	163	0.00	0	0	0	203
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	0	0	37,560	0.00	0	0	0	37,560
DP 7502 - BOI Administrative Costs Adjustments	0.00	0	0	0	717	0.00	0	0	0	1,836
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$0	\$520,034	0.00	\$0	\$0	\$0	\$411,261

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature reviewed adjustments to annualize personal services costs including FY 2019 statewide pay plan adjustments, benefit rate adjustments, vacancy savings adjustments and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature reviewed adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature reviewed adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature reviewed an increase to the Statewide Cost Allocation Plan (SWCAP).

DP 7502 - BOI Administrative Costs Adjustments -

The legislature reviewed an increase in proprietary funds in FY 2020 and FY 2021. This change package adjusts for anticipated increases in board member per diem, rent, and indirect costs paid to the Director's Office for support services provided to the division.

**Other Issues -
Proprietary Rates**

The Board of Investments has two programs funded with proprietary funds, which include:

- The Industrial Revenue Bond, which funds the INTERCAP Program

- The Investment Division Program, which funds the investment programs

The Board of Investments' customers include state agencies, the university system, local governments, financial institutions, and local economic development organizations.

Investment Division – 06527

Proprietary Program Description

The Investment Division proprietary fund, an internal service fund, funds the Investment Program. The Board of Investment’s customers include state agencies, the university system, local governments, financial institutions, and local economic development organizations.

Proprietary Program Narrative

Expenses

Overall, the increase in personal services and operating expenses is \$437,000 in FY 2020 and \$348,000 in FY 2021. These increases are primarily due to statewide present law adjustments for personal services and operating expenses.

Revenues

Nearly all Investment Program revenues are generated from charges to each account that the board invests. The revenue objective of the Investment Program is to fairly assess the costs of operations while maintaining a 60-day working capital reserve.

Proprietary Rates

The Board of Investments recovers its costs from the entities that use its services. Typically, this has been done by requesting a maximum level of expenditures and setting the fee at that level.

Requested Rates for Internal Service Funds Fee/Rate Information				
	Actual FY 18	Approved FY 19	Budgeted FY 18	Budgeted FY 19
BOI Administrative Fee Rate	5,180,792	6,488,640	7,198,414	7,198,414
Allocation Methodology: The revenue objective of the Board of Investments is to assess the costs of operations to each portfolio the Board invests while attempting to maintain a reasonable and prudent 60 day working capital reserve.				

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	28,150	36,362	8,212	29.17 %
Operating Expenses	367,260	362,307	(4,953)	(1.35)%
Total Expenditures	\$395,410	\$398,669	\$3,259	0.82 %
State/Other Special Rev. Funds	395,410	398,669	3,259	0.82 %
Total Funds	\$395,410	\$398,669	\$3,259	0.82 %
Total Ongoing	\$395,410	\$398,669	\$3,259	0.82 %
Total OTO	\$0	\$0	\$0	0.00 %

Page Reference

Legislative Budget Analysis, A-265.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	1.25	1.25	1.25	1.25
Personal Services	11,193	11,255	16,895	18,214	18,148
Operating Expenses	183,827	185,930	181,330	181,158	181,149
Total Expenditures	\$195,020	\$197,185	\$198,225	\$199,372	\$199,297
State/Other Special Rev. Funds	195,020	197,185	198,225	199,372	199,297
Total Funds	\$195,020	\$197,185	\$198,225	\$199,372	\$199,297
Total Ongoing	\$195,020	\$197,185	\$198,225	\$199,372	\$199,297
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

Legislative Budget Analysis, A-266.

Funding

The Board of Horse Racing is funded entirely from state special revenue funds.

Program Budget Summary by Category

Budget Summary by Category									
Budget Item	-----General Fund-----				-----Total Funds-----				
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	
2019 Base Budget	0	0	0	0.00 %	198,225	198,225	396,450	99.44 %	
SWPL Adjustments	0	0	0	0.00 %	108,284	107,937	216,221	54.24 %	
PL Adjustments	0	0	0	0.00 %	(107,137)	(106,865)	(214,002)	(53.68)%	
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %	
Total Budget	\$0	\$0	\$0		\$199,372	\$199,297	\$398,669		

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	108,284	0	108,284	0.00	0	107,937	0	107,937
DP 7801 - BOHR Administrative Costs Adjustments	0.00	0	(107,137)	0	(107,137)	0.00	0	(106,865)	0	(106,865)
Grand Total All Present Law Adjustments	0.00	\$0	\$1,147	\$0	\$1,147	0.00	\$0	\$1,072	\$0	\$1,072

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 7801 - BOHR Administrative Costs Adjustments -

The legislature adopted a decrease in state special revenue in FY 2020 and FY 2021. This proposal would reduce the personal services budget for its executive secretary position, which is currently contracted. The funding for this contracted position is included in the operating expense base budget. This proposal does not eliminate the 1.00 FTE for the executive secretary position.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Grants	1,000,000	1,150,000	150,000	15.00 %
Total Expenditures	\$1,000,000	\$1,150,000	\$150,000	15.00 %
Federal Spec. Rev. Funds	1,000,000	1,150,000	150,000	15.00 %
Total Funds	\$1,000,000	\$1,150,000	\$150,000	15.00 %
Total Ongoing	\$1,000,000	\$1,150,000	\$150,000	15.00 %
Total OTO	\$0	\$0	\$0	0.00 %

Page Reference

Legislative Budget Analysis, A-269.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
Grants	500,000	500,000	500,000	550,000	600,000
Total Expenditures	\$500,000	\$500,000	\$500,000	\$550,000	\$600,000
Federal Spec. Rev. Funds	500,000	500,000	500,000	550,000	600,000
Total Funds	\$500,000	\$500,000	\$500,000	\$550,000	\$600,000
Total Ongoing	\$500,000	\$500,000	\$500,000	\$550,000	\$600,000
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

Legislative Budget Analysis, A-270.

Funding

HB 2

The Montana Council on Developmental Disabilities is funded entirely with federal special revenues that pay for the contract for the nonprofit that carries out the responsibilities of Developmental Disabilities Planning and Advisory Council (DDPAC).

Non-Budgeted Proprietary

The Director's Office is funded by an internal service type proprietary fund from indirect costs charged to programs in the Department of Commerce.

Program Budget Summary by Category

Budget Summary by Category									
Budget Item	-----General Fund-----				-----Total Funds-----				
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	
2019 Base Budget	0	0	0	0.00 %	500,000	500,000	1,000,000	86.96 %	
SWPL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %	
PL Adjustments	0	0	0	0.00 %	50,000	100,000	150,000	13.04 %	
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %	
Total Budget	\$0	\$0	\$0		\$550,000	\$600,000	\$1,150,000		

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 8101 - DO Federal Grants Adjustments	0.00	0	0	50,000	50,000	0.00	0	0	100,000	100,000
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$50,000	\$50,000	0.00	\$0	\$0	\$100,000	\$100,000

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 8101 - DO Federal Grants Adjustments -

The legislature adopted an increase in federal special revenue in FY 2020 and FY 2021. This request is to adjust ongoing federal appropriations for grants received by the Director's Office to match estimated available federal funds for the 2021 biennium for the Montana Council on Developmental Disabilities.

Other Issues -

Proprietary Rates

Commerce Centralized Services – 06542

Proprietary Program Description

The Director's Office provides overall leadership, communication, and management support to the Department of Commerce's staff, programs, bureaus, divisions, and administratively-attached boards. The office provides executive, administrative, legal, and policy direction, along with offering problem-solving guidance. The office keeps abreast of department-related issues, and acts in a public relations and informational capacity. The office works closely with economic and community development organizations, businesses, communities, governmental entities, elected officials, and the public to diversify and expand the state's economic base. The office also acts as the liaison with private business, local governments, administratively-attached boards, public and private interest groups, the legislature, Indian tribes, individuals, other governmental agencies, and the Governor's Office.

Services are provided by the Offices of Accounting and Budget, Legal Affairs, Human Resources, Information Technology, and Public Information.

Proprietary Program Narrative

Expenses

Overall, there is a slight increase in personal services and operating expenses of \$44,000 in FY 2020 and \$56,000 in FY 2021. These increases are primarily due to statewide present law adjustments for personal services and fixed costs.

Revenues

The Director's Office is funded by revenues from charges allocated to all divisions, bureaus, and programs supported by the division's indirect cost plan. Indirect costs are allocated to supported programs based upon federally calculated, and legislatively approved, indirect cost rates applied to actual personal services expenditures.

Proprietary Rates

Indirect costs for the Director's Office are allocated to supported programs via a federally calculated indirect cost plan for federally funded programs and a legislatively approved rate for state funded programs. Indirect cost rates are charged to supported programs based upon actual personal services expenditures.

The Director's Office calculates a federal indirect cost rate on an annual basis. This rate is a fixed rate for federally funded programs. This rate is then applied against actual federally funded personal services expenditures within the department.

The federally calculated rate requires that a carry-forward amount be built into the rate. This carry-forward amount represents the amount the Director's Office under-recovered or over-recovered in a given fiscal year. This computation compares what was originally calculated to what actually occurred. The difference is then carried forward into the following year's rate.

Requested Rates for Internal Service or Enterprise Funds Fee/Rate Information				
	Estimated FY 18	Estimated FY 19	Proposed FY 20	Proposed FY 21
Fee Description:				
State Programs				
Indirect Cost Rate	16.35%	16.35%	14.22%	14.22%
Federal Programs				
Indirect Cost Rate	16.35%	16.35%	14.22%	14.22%

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge.

Agency Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	89,535,933	96,345,710	6,809,777	7.61 %
Operating Expenses	53,430,581	54,589,813	1,159,232	2.17 %
Equipment & Intangible Assets	614,748	810,648	195,900	31.87 %
Capital Outlay	57,076	0	(57,076)	(100.00)%
Grants	17,199,884	17,481,584	281,700	1.64 %
Benefits & Claims	200,778	200,778	0	0.00 %
Transfers	682,666	774,666	92,000	13.48 %
Debt Service	532,764	501,058	(31,706)	(5.95)%
Total Expenditures	\$162,254,430	\$170,704,257	\$8,449,827	5.21 %
General Fund	3,359,223	3,945,485	586,262	17.45 %
State/Other Special Rev. Funds	93,384,393	100,426,569	7,042,176	7.54 %
Federal Spec. Rev. Funds	65,510,814	66,332,203	821,389	1.25 %
Total Funds	\$162,254,430	\$170,704,257	\$8,449,827	5.21 %
Total Ongoing	\$162,254,430	\$170,534,257	\$8,279,827	5.10 %
Total OTO	\$0	\$170,000	\$170,000	100.00 %

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Agency Highlights

Department of Labor and Industry Major Budget Highlights	
<ul style="list-style-type: none"> • The legislature adopted an increase to the Department of Labor and Industry's total biennial appropriation of approximately \$8.4 million or 5.2% compared to the 2019 biennium appropriation • Changes adopted by the legislature include: <ul style="list-style-type: none"> ◦ Increases in statewide present law adjustments for personal services, fixed costs, and inflation/deflation ◦ The reduction of 5.00 FTE and associated funding from the Business Standards Division ◦ One-time-only increases in state special revenue for the Montana Career Information System ◦ Increases in state special revenue to facilitate payment of the anticipated increases to the maintenance contract for the Unemployment Insurance Tax System ◦ Increases in state special revenue to upgrade technology for the Montana Prescription Drug Registry, the Building Codes Bureau, and the Weights and Measures Bureau ◦ Increases in state special revenue for equipment adjustments in order to purchase seven new vehicles for the Business Standards Division 	

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	666.98	666.98	664.05	664.05
Personal Services	41,654,065	44,038,404	45,497,529	48,168,522	48,177,188
Operating Expenses	22,725,719	26,480,496	26,950,085	27,351,830	27,237,983
Equipment & Intangible Assets	167,162	302,174	312,574	417,324	393,324
Capital Outlay	57,051	57,076	0	0	0
Grants	7,353,078	8,488,792	8,711,092	8,740,792	8,740,792
Benefits & Claims	50,050	100,389	100,389	100,389	100,389
Transfers	386,028	313,983	368,683	387,333	387,333
Debt Service	334,864	285,035	247,729	250,529	250,529
Total Expenditures	\$72,728,017	\$80,066,349	\$82,188,081	\$85,416,719	\$85,287,538
General Fund	1,566,867	1,566,994	1,792,229	1,972,963	1,972,522
State/Other Special Rev. Funds	43,872,424	46,095,448	47,288,945	50,281,813	50,144,756
Federal Spec. Rev. Funds	27,288,726	32,403,907	33,106,907	33,161,943	33,170,260
Total Funds	\$72,728,017	\$80,066,349	\$82,188,081	\$85,416,719	\$85,287,538
Total Ongoing	\$72,728,017	\$80,066,349	\$82,188,081	\$85,331,719	\$85,202,538
Total OTO	\$0	\$0	\$0	\$85,000	\$85,000

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Executive Budget Comparison

The following table compares the legislative budget for the biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2019	Executive Budget Fiscal 2020	Legislative Budget Fiscal 2020	Leg — Exec. Difference Fiscal 2020	Executive Budget Fiscal 2021	Legislative Budget Fiscal 2021	Leg — Exec. Difference Fiscal 2021	Biennium Difference Fiscal 20-21
FTE	666.98	666.98	664.05	(2.93)	666.98	664.05	(2.93)	(2.93)
Personal Services	45,497,529	48,689,163	48,168,522	(520,641)	48,732,483	48,177,188	(555,295)	(1,075,936)
Operating Expenses	26,950,085	27,524,820	27,351,830	(172,990)	27,441,373	27,237,983	(203,390)	(376,380)
Equipment & Intangible Assets	312,574	417,324	417,324	0	393,324	393,324	0	0
Capital Outlay	0	0	0	0	0	0	0	0
Grants	8,711,092	8,740,792	8,740,792	0	8,740,792	8,740,792	0	0
Benefits & Claims	100,389	100,389	100,389	0	100,389	100,389	0	0
Transfers	368,683	387,933	387,333	(600)	388,133	387,333	(800)	(1,400)
Debt Service	247,729	251,526	250,529	(997)	251,926	250,529	(1,397)	(2,394)
Total Costs	\$82,188,081	\$86,111,947	\$85,416,719	(\$695,228)	\$86,048,420	\$85,287,538	(\$760,882)	(\$1,456,110)
General Fund	1,792,229	1,972,963	1,972,963	0	1,972,522	1,972,522	0	0
State/other Special Rev. Funds	47,288,945	50,977,224	50,281,813	(695,411)	50,905,455	50,144,756	(760,699)	(1,456,110)
Federal Spec. Rev. Funds	33,106,907	33,161,760	33,161,943	183	33,170,443	33,170,260	(183)	0
Other	0	0	0	0	0	0	0	0
Total Funds	\$82,188,081	\$86,111,947	\$85,416,719	(\$695,228)	\$86,048,420	\$85,287,538	(\$760,882)	(\$1,456,110)
Total Ongoing	\$82,188,081	\$86,111,947	\$85,331,719	(\$780,228)	\$86,048,420	\$85,202,538	(\$845,882)	(\$1,626,110)
Total OTO	\$0	\$0	\$85,000	\$85,000	\$0	\$85,000	\$85,000	\$170,000

The legislature adopted a budget that is approximately \$1.5 million lower than the proposed executive budget for the 2021 biennium. There are a few notable differences in the legislative budget as compared to the executive budget:

- The reduction of 5.00 FTE and associated funding in the Business Standards Division
- Due to the passage and approval of SB 75, the legislature did not adopt an executive proposal to move 1.00 FTE and associated funding for the Board of Public Accountants from a non-budgeted proprietary fund to a state special revenue appropriation. SB 75 extended the sunset date of the proprietary fund
- The adoption of an executive proposal for state special revenue funding for the Montana Career Information System (MCIS) as a one-time-only appropriation. It was proposed by the executive as an ongoing appropriation

Funding

The following table shows agency funding by source of authority.

Total Department of Labor and Industry Funding by Source of Authority 2021 Biennium Budget Request - Department of Labor and Industry						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	3,945,485	0	0	0	3,945,485	0.82 %
State Special Total	100,256,569	170,000	0	1,681,403	102,107,972	21.23 %
Federal Special Total	66,332,203	0	0	0	66,332,203	13.79 %
Proprietary Total	0	0	307,858,854	801,435	308,660,289	64.16 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$170,534,257	\$170,000	\$307,858,854	\$2,482,838	\$481,045,949	
Percent - Total All Sources	35.45 %	0.04 %	64.00 %	0.52 %		

HB 2 Funding

General Fund

- General fund comprises approximately 2.0% of the HB 2 funding for the Department of Labor and Industry
- General fund supports activities within the Commissioner’s Office and Centralized Services Division, Employment Relations Division, and the Office of Community Services

State Special Revenue

- State special revenue funds include the employment security account, accounts for professional licensing boards or programs, and the uninsured employers fund
- The majority of state special revenue utilized by the department is from the employment security account, which generates revenue from an administrative assessment against the payrolls of Montana employers

Federal Special Revenues

- The uses and requirements for these funds are determined by the federal agencies granting the funding

Non-Budgeted Proprietary Funding

More than half of the funding for the Department of Labor and Industry comes from proprietary funds, of which a majority is non-budgeted proprietary funding for unemployment benefits.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	1,792,229	1,792,229	3,584,458	90.85 %	82,188,081	82,188,081	164,376,162	96.29 %
SWPL Adjustments	180,734	180,293	361,027	9.15 %	654,707	670,509	1,325,216	0.78 %
PL Adjustments	0	0	0	0.00 %	2,488,931	2,343,948	4,832,879	2.83 %
New Proposals	0	0	0	0.00 %	85,000	85,000	170,000	0.10 %
Total Budget	\$1,972,963	\$1,972,522	\$3,945,485		\$85,416,719	\$85,287,538	\$170,704,257	

Language and Statutory Authority

If an act extending Medicaid expansion is passed and approved, the HELP Act Workforce Development appropriation is restricted to workforce activities as passed in that act. If an act extending Medicaid expansion is not passed and approved, the HELP Act Workforce Development appropriation is void.

~~If SB 75 is passed and approved, the appropriation for the Board of Public Accountants is void.~~

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	31,941,169	32,538,990	597,821	1.87 %
Operating Expenses	14,194,615	13,639,903	(554,712)	(3.91)%
Equipment & Intangible Assets	25,816	25,816	0	0.00 %
Grants	11,059,840	11,282,140	222,300	2.01 %
Transfers	146,928	203,628	56,700	38.59 %
Debt Service	309,974	308,774	(1,200)	(0.39)%
Total Expenditures	\$57,678,342	\$57,999,251	\$320,909	0.56 %
State/Other Special Rev. Funds	23,764,194	25,100,973	1,336,779	5.63 %
Federal Spec. Rev. Funds	33,914,148	32,898,278	(1,015,870)	(3.00)%
Total Funds	\$57,678,342	\$57,999,251	\$320,909	0.56 %
Total Ongoing	\$57,678,342	\$57,829,251	\$150,909	0.26 %
Total OTO	\$0	\$170,000	\$170,000	100.00 %

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Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	238.00	238.00	238.00	238.00
Personal Services	13,770,994	15,573,646	16,367,523	16,267,003	16,271,987
Operating Expenses	5,599,009	7,252,648	6,941,967	6,817,200	6,822,703
Equipment & Intangible Assets	0	12,908	12,908	12,908	12,908
Grants	4,372,862	5,418,770	5,641,070	5,641,070	5,641,070
Transfers	172,079	45,114	101,814	101,814	101,814
Debt Service	210,852	155,587	154,387	154,387	154,387
Total Expenditures	\$24,125,796	\$28,458,673	\$29,219,669	\$28,994,382	\$29,004,869
State/Other Special Rev. Funds	11,626,594	11,732,307	12,031,887	12,549,153	12,551,820
Federal Spec. Rev. Funds	12,499,202	16,726,366	17,187,782	16,445,229	16,453,049
Total Funds	\$24,125,796	\$28,458,673	\$29,219,669	\$28,994,382	\$29,004,869
Total Ongoing	\$24,125,796	\$28,458,673	\$29,219,669	\$28,909,382	\$28,919,869
Total OTO	\$0	\$0	\$0	\$85,000	\$85,000

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Funding

HB 2 Funding

State Special Revenue

- All state special revenue funding for the Workforce Services Division is from the employment security account
- The revenue for this account is generated from an administrative assessment against the payrolls of Montana employers. Statute enumerates the use of the fund, including the operating expenses of the Job Services offices

Federal Special Revenue

- The majority of federal special revenues are from two federal programs: Wagner-Peyser Act and Workforce Innovation and Opportunity Act (WIOA) employment training grant. The uses and requirements for these funds are determined by the federal agencies granting the funding

Non-Budgeted Proprietary Funding

Proprietary funding is received from rates charged to entities participating in the Montana Career Information System.

Program Budget Summary by Category

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	0	0	0	0.00 %	29,219,669	29,219,669	58,439,338	100.76 %
SWPL Adjustments	0	0	0	0.00 %	(310,287)	(299,800)	(610,087)	(1.05)%
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	85,000	85,000	170,000	0.29 %
Total Budget	\$0	\$0	\$0		\$28,994,382	\$29,004,869	\$57,999,251	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	420,532	(521,052)	(100,520)	0.00	0	420,136	(515,672)	(95,536)
DP 2 - Fixed Costs	0.00	0	1,886	(238,944)	(237,058)	0.00	0	2,577	(240,709)	(238,132)
DP 3 - Inflation Deflation	0.00	0	9,848	17,443	27,291	0.00	0	12,220	21,648	33,868
Grand Total All Present Law Adjustments	0.00	\$0	\$432,266	(\$742,553)	(\$310,287)	0.00	\$0	\$434,933	(\$734,733)	(\$299,800)

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

New Proposals -

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1001 - MCIS Funding (OTO)	0.00	0	85,000	0	85,000	0.00	0	85,000	0	85,000
Total	0.00	\$0	\$85,000	\$0	\$85,000	0.00	\$0	\$85,000	\$0	\$85,000

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1001 - MCIS Funding (OTO) -

The legislature adopted a one-time-only appropriation of state special revenue for the Montana Career Information System (MCIS). The MCIS is a comprehensive career information delivery system that is accessible online. In the past it has been funded with non-budgeted proprietary funds and federal grant money. The MCIS has been available at no cost to Montanans through that grant funding, which has since expired. The division charges a fee for optional components used by other organizations, and the executive is requesting this appropriation in order to continue providing the basic service free of cost.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	18,749,939	20,103,265	1,353,326	7.22 %
Operating Expenses	12,496,617	12,930,466	433,849	3.47 %
Capital Outlay	6,300	0	(6,300)	(100.00)%
Debt Service	66,710	59,810	(6,900)	(10.34)%
Total Expenditures	\$31,319,566	\$33,093,541	\$1,773,975	5.66 %
State/Other Special Rev. Funds	10,219,267	10,642,664	423,397	4.14 %
Federal Spec. Rev. Funds	21,100,299	22,450,877	1,350,578	6.40 %
Total Funds	\$31,319,566	\$33,093,541	\$1,773,975	5.66 %
Total Ongoing	\$31,319,566	\$33,093,541	\$1,773,975	5.66 %
Total OTO	\$0	\$0	\$0	0.00 %

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Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	148.61	148.61	148.61	148.61
Personal Services	9,244,133	9,393,817	9,356,122	10,051,605	10,051,660
Operating Expenses	5,555,225	6,139,381	6,357,236	6,443,394	6,487,072
Capital Outlay	6,276	6,300	0	0	0
Debt Service	36,358	36,805	29,905	29,905	29,905
Total Expenditures	\$14,841,992	\$15,576,303	\$15,743,263	\$16,524,904	\$16,568,637
State/Other Special Rev. Funds	4,950,831	5,126,715	5,092,552	5,298,372	5,344,292
Federal Spec. Rev. Funds	9,891,161	10,449,588	10,650,711	11,226,532	11,224,345
Total Funds	\$14,841,992	\$15,576,303	\$15,743,263	\$16,524,904	\$16,568,637
Total Ongoing	\$14,841,992	\$15,576,303	\$15,743,263	\$16,524,904	\$16,568,637
Total OTO	\$0	\$0	\$0	\$0	\$0

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Funding*HB 2 Funding*

The HB 2 funded functions of the division support the administrative and operational functions of the Unemployment Insurance Division.

State Special Revenues

- The majority of the state special revenues are derived from an assessment charged to employers as a percentage of their payroll and deposited into the employment security account

Federal Special Revenue

- Unemployment insurance administrative grants are federal funds that Montana receives for the administration of the Unemployment Insurance Division. Montana businesses pay a federal unemployment tax, of which a portion is used to fund these grants

Non-Budgeted Proprietary Funding

State unemployment taxes (SUTA) are paid into a proprietary account to fund unemployment benefits for claimants. The amount of the tax depends on the ratio of the unemployment insurance trust fund balance to the total covered wages in Montana and the employer's experience. Montana uses 11 schedules with 10 contribution rates in each schedule to assess SUTA.

Program Budget Summary by Category

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	0	0	0	0.00 %	15,743,263	15,743,263	31,486,526	95.14 %
SWPL Adjustments	0	0	0	0.00 %	36,158	29,836	65,994	0.20 %
PL Adjustments	0	0	0	0.00 %	745,483	795,538	1,541,021	4.66 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$16,524,904	\$16,568,637	\$33,093,541	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Fixed Costs	0.00	0	12,745	21,424	34,169	0.00	0	7,446	19,922	27,368
DP 3 - Inflation Deflation	0.00	0	1,701	288	1,989	0.00	0	2,111	357	2,468
DP 51 - Personal Services Adjustment	0.00	0	141,374	554,109	695,483	0.00	0	142,183	553,355	695,538
DP 2001 - UI Tax System Maintenance	0.00	0	50,000	0	50,000	0.00	0	100,000	0	100,000
Grand Total All Present Law Adjustments	0.00	\$0	\$205,820	\$575,821	\$781,641	0.00	\$0	\$251,740	\$573,634	\$825,374

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 51 - Personal Services Adjustment -

The legislature adopted adjustments to the present law personal services budget.

DP 2001 - UI Tax System Maintenance -

The legislature adopted ongoing state special revenue funding for a base appropriation adjustment to facilitate payment of the anticipated increases to the maintenance contract for the Unemployment Insurance (UI) Tax System.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison					
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change	
Personal Services	1,597,618	1,769,917	172,299	10.78 %	
Operating Expenses	632,455	739,018	106,563	16.85 %	
Capital Outlay	50,776	0	(50,776)	(100.00)%	
Debt Service	4,554	4,788	234	5.14 %	
Total Expenditures	\$2,285,403	\$2,513,723	\$228,320	9.99 %	
General Fund	531,999	615,892	83,893	15.77 %	
State/Other Special Rev. Funds	692,628	755,875	63,247	9.13 %	
Federal Spec. Rev. Funds	1,060,776	1,141,956	81,180	7.65 %	
Total Funds	\$2,285,403	\$2,513,723	\$228,320	9.99 %	
Total Ongoing	\$2,285,403	\$2,513,723	\$228,320	9.99 %	
Total OTO	\$0	\$0	\$0	0.00 %	

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Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	10.50	10.50	10.50	10.50
Personal Services	725,108	782,489	815,129	883,345	886,572
Operating Expenses	221,512	266,260	366,195	369,089	369,929
Capital Outlay	50,775	50,776	0	0	0
Debt Service	2,057	2,160	2,394	2,394	2,394
Total Expenditures	\$999,452	\$1,101,685	\$1,183,718	\$1,254,828	\$1,258,895
General Fund	244,513	244,627	287,372	307,317	308,575
State/Other Special Rev. Funds	258,554	333,621	359,007	377,562	378,313
Federal Spec. Rev. Funds	496,385	523,437	537,339	569,949	572,007
Total Funds	\$999,452	\$1,101,685	\$1,183,718	\$1,254,828	\$1,258,895
Total Ongoing	\$999,452	\$1,101,685	\$1,183,718	\$1,254,828	\$1,258,895
Total OTO	\$0	\$0	\$0	\$0	\$0

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Funding

HB 2 Funding

The majority of the funding appropriated by HB 2 supports the Hearings Unit.

66020 - Department Of Labor And Industry03-Commissioner's Office / Central Services Division

State Special Revenue

- The majority of the state special revenue for the Commissioner's Office is derived from the assessments on employers deposited into the employment security account
- The Business Standards Division (BSD) Hearings fund makes up most of the remaining state special revenue. This fund is used by the Office of Administrative Hearings when hearing cases from the Business Standards Division

Federal Special Revenue

- Federal special revenue is primarily made up of unemployment insurance administrative grants

Non-Budgeted Proprietary Funding

The Commissioner's Office and Centralized Services Division have two different proprietary funding sources for the operations of the various functions within the office. A discussion of the proposed uses and funding for each of the functions is included in the Proprietary Rates section of the narrative. These funds are considered and approved as rates charged to other divisions within the agency.

Program Budget Summary by Category

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	287,372	287,372	574,744	93.32 %	1,183,718	1,183,718	2,367,436	94.18 %
SWPL Adjustments	19,945	21,203	41,148	6.68 %	71,110	75,177	146,287	5.82 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$307,317	\$308,575	\$615,892		\$1,254,828	\$1,258,895	\$2,513,723	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	19,077	17,948	31,191	68,216	0.00	20,083	18,523	32,837	71,443
DP 2 - Fixed Costs	0.00	786	550	1,285	2,621	0.00	1,018	712	1,665	3,395
DP 3 - Inflation Deflation	0.00	82	57	134	273	0.00	102	71	166	339
Grand Total All Present Law Adjustments	0.00	\$19,945	\$18,555	\$32,610	\$71,110	0.00	\$21,203	\$19,306	\$34,668	\$75,177

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

66020 - Department Of Labor And Industry03-Commissioner's Office / Central Services Division

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

Other Issues -

Proprietary Rates

The Commissioner's Office and Centralized Services Division provide two functions funded with non-budgeted proprietary funds. These programs are described separately along with a discussion of the program expenses, revenues, and rates to finance the program.

Fund 06546 – Commissioner's Office/CSD

Proprietary Program Description

Supportive services provided by the Commissioner's Office and the Centralized Services Division (CSD) are funded through an indirect cost rate whereby the department programs are assessed a fee equal to a percentage of their personal services costs.

Proprietary Program Narrative

Expenses

Major expenses for this program consist of the personal services costs for the Commissioner's Office and CSD. Significant costs for the program are for:

- Personal services costs for 34.00 FTE, including \$2.6 million or 60.8% of the total costs for FY 2019
- Other operating costs, including:
 - Department-wide fixed costs such as the statewide cost allocation plan (SWCAP), legislative audit fees, and the Human Resources Information System (HRIS) service fees
 - Charges for legal services that benefit the entire department
 - Charges for IT applications that benefit the entire department

Revenues

The Commissioner's Office and Centralized Services Division is funded by revenues from charges allocated to all divisions, bureaus, and programs supported by the division's indirect cost plan. Revenue for this fund is collected via an indirect cost rate that is charged against department personal services expenses. The services provided in exchange for this fee include:

- Human resources
- Accounting
- Budgeting
- Payroll processing
- Mail processing
- Other department-wide management and administration

All programs which utilize these services have a present law adjustment in the budget to account for the adjustment in the rate.

Proprietary Rates

For the 2021 biennium, the following rates were approved by the legislature. The rates are charged in the base year, and rates paid state agencies in FY 2018 are shown for comparison purposes.

Figure 8

Requested Rates for Internal Service Funds				
Fee/Rate Information				
	Actual FY 2018	Budgeted FY 2019	Proposed FY 2020	Proposed FY 2021
Fee Description:	8.19%	7.87%	8.10%	8.10%

The cost allocation plan (CAP) is approved by the U.S. Department of Labor. The rate, which is assessed to personal services expenditures, is determined by calculating the total costs of providing the services divided by the projected department personal services expenditures.

The legislature approved a rate of 8.1% for FY 2020 and FY 2021. The rates approved by the legislature are the maximum that the program may charge during the interim. They are not the rates the program must charge.

Fund 06552 – Administrative Services

Proprietary Program Description

The Office of Legal Services provides legal assistance to the department's six programs and two administratively attached entities, whereby an hourly rate for attorney fees is established.

Proprietary Program Narrative

Expenses

Major expenses for this program are comprised of salaries and overhead costs of agency legal staff. Significant costs for the program are for:

- Personal services costs for 20.75 FTE, including \$2.0 million or 76.7% of the total costs for FY 2019
- Other operating costs

Revenues

Revenues for the Office of Legal Services are derived from charges for attorney time incurred by Department of Labor and Industry divisions. The rate is a direct hourly rate, charged to each division based on number of hours of legal service they receive. The rate per hour is calculated on actual costs of services divided by actual direct hours of service provided in FY 2018.

Proprietary Rates

For the 2021 biennium, the following rates were approved by the legislature. The rates are charged in the base year, and rates paid state agencies in FY 2018 are shown for comparison purposes. There are no significant changes to the methodology for calculating the rate for the Office of Legal Services from the last biennium.

Figure 10

Requested Rates for Internal Service Funds Fee/Rate Information				
	Actual FY 2018	Budgeted FY 2019	Proposed FY 2020	Proposed FY 2021
Fee Description:	\$103/hour	\$103/hour	\$103/hour	\$103/hour

The rates approved by the legislature are the maximum that the program may charge during the interim. They are not the rates the program must charge.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	17,794,764	19,396,457	1,601,693	9.00 %
Operating Expenses	9,818,506	10,413,280	594,774	6.06 %
Equipment & Intangible Assets	21,882	21,882	0	0.00 %
Benefits & Claims	200,778	200,778	0	0.00 %
Debt Service	44,768	34,178	(10,590)	(23.66)%
Total Expenditures	\$27,880,698	\$30,066,575	\$2,185,877	7.84 %
General Fund	2,555,635	3,031,209	475,574	18.61 %
State/Other Special Rev. Funds	23,287,680	24,866,440	1,578,760	6.78 %
Federal Spec. Rev. Funds	2,037,383	2,168,926	131,543	6.46 %
Total Funds	\$27,880,698	\$30,066,575	\$2,185,877	7.84 %
Total Ongoing	\$27,880,698	\$30,066,575	\$2,185,877	7.84 %
Total OTO	\$0	\$0	\$0	0.00 %

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Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	118.98	118.98	118.98	118.98
Personal Services	8,607,057	8,789,999	9,004,765	9,697,474	9,698,983
Operating Expenses	3,847,951	4,653,349	5,165,157	5,203,856	5,209,424
Equipment & Intangible Assets	0	10,941	10,941	10,941	10,941
Benefits & Claims	50,050	100,389	100,389	100,389	100,389
Debt Service	27,570	27,679	17,089	17,089	17,089
Total Expenditures	\$12,532,628	\$13,582,357	\$14,298,341	\$15,029,749	\$15,036,826
General Fund	1,199,072	1,199,082	1,356,553	1,516,412	1,514,797
State/Other Special Rev. Funds	10,453,054	11,378,752	11,908,928	12,429,306	12,437,134
Federal Spec. Rev. Funds	880,502	1,004,523	1,032,860	1,084,031	1,084,895
Total Funds	\$12,532,628	\$13,582,357	\$14,298,341	\$15,029,749	\$15,036,826
Total Ongoing	\$12,532,628	\$13,582,357	\$14,298,341	\$15,029,749	\$15,036,826
Total OTO	\$0	\$0	\$0	\$0	\$0

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Funding

HB 2 Funding

General Fund

- General fund supports the personal services and general operating costs of the Human Rights Bureau and a small percentage of the overall administration of the Employment Relations Division

State Special Revenue

- State special revenue funds comprise the majority of the funding utilized by the Employment Relations Division
- Worker compensation regulation funds make up a large portion of the division's state special revenue. These funds are generated by an annual administrative assessment of 4.0% on all compensation and medical benefits (excluding costs above \$200,000 per claim) paid during the previous calendar year
- A portion of the division's state special revenue consists of employment security funds, which are generated through an assessment charged to employers as a percentage of their payroll
- Contractor registration funds are generated from registration fees for independent contractor exemptions and construction contractor application fees. These funds support the Workers' Compensation Regulations Bureau and a portion of administration
- Uninsured employer fund assessments, which are statutorily set at the premium uninsured employers would have paid had they been carrying workers' compensation insurance, are used to provide benefits to employees injured on the job while working for an employer that does not carry workers' compensation insurance as required by law
- Safety administration funds are generated from recovery of costs for onsite safety and industrial health consultation services to mine operators, all fees paid by an assessment on paid losses plus administrative fines and interest, and any grants of funds from private entities or the federal government intended for defraying occupational safety and health costs

Non-Budgeted Proprietary Funding

The division oversees the subsequent injury fund, a proprietary account that assists disabled persons in becoming employed by offering a financial incentive to employers who hire them. The fund rate is based on the total amount of paid losses reimbursed by the fund in the preceding calendar year.

Statutory Funding

Payments for indemnity and medical benefits for workers injured while working for a business that does not carry workers' compensation insurance are statutorily appropriated to the Employment Relations Division. However, the costs of administering the program are included as part of the agency's HB 2 appropriations.

Program Budget Summary by Category

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	1,356,553	1,356,553	2,713,106	89.51 %	14,298,341	14,298,341	28,596,682	95.11 %
SWPL Adjustments	159,859	158,244	318,103	10.49 %	731,408	738,485	1,469,893	4.89 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$1,516,412	\$1,514,797	\$3,031,209		\$15,029,749	\$15,036,826	\$30,066,575	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	158,709	484,748	49,252	692,709	0.00	157,003	487,562	49,653	694,218
DP 2 - Fixed Costs	0.00	798	14,503	0	15,301	0.00	804	14,426	0	15,230
DP 3 - Inflation Deflation	0.00	352	21,127	1,919	23,398	0.00	437	26,218	2,382	29,037
Grand Total All Present Law Adjustments	0.00	\$159,859	\$520,378	\$51,171	\$731,408	0.00	\$158,244	\$528,206	\$52,035	\$738,485

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	17,664,729	20,573,617	2,908,888	16.47 %
Operating Expenses	15,530,769	16,000,349	469,580	3.02 %
Equipment & Intangible Assets	567,050	762,950	195,900	34.55 %
Grants	10,000	10,000	0	0.00 %
Transfers	71,738	69,738	(2,000)	(2.79)%
Debt Service	100,224	86,974	(13,250)	(13.22)%
Total Expenditures	\$33,944,510	\$37,503,628	\$3,559,118	10.49 %
State/Other Special Rev. Funds	33,903,744	37,462,862	3,559,118	10.50 %
Federal Spec. Rev. Funds	40,766	40,766	0	0.00 %
Total Funds	\$33,944,510	\$37,503,628	\$3,559,118	10.49 %
Total Ongoing	\$33,944,510	\$37,503,628	\$3,559,118	10.49 %
Total OTO	\$0	\$0	\$0	0.00 %

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Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	139.89	139.89	136.96	136.96
Personal Services	8,449,936	8,628,748	9,035,981	10,286,533	10,287,084
Operating Expenses	7,191,124	7,789,417	7,741,352	8,085,147	7,915,202
Equipment & Intangible Assets	167,162	278,325	288,725	393,475	369,475
Grants	0	5,000	5,000	5,000	5,000
Transfers	20,629	36,869	34,869	34,869	34,869
Debt Service	55,588	59,537	40,687	43,487	43,487
Total Expenditures	\$15,884,439	\$16,797,896	\$17,146,614	\$18,848,511	\$18,655,117
State/Other Special Rev. Funds	15,864,315	16,777,513	17,126,231	18,828,128	18,634,734
Federal Spec. Rev. Funds	20,124	20,383	20,383	20,383	20,383
Total Funds	\$15,884,439	\$16,797,896	\$17,146,614	\$18,848,511	\$18,655,117
Total Ongoing	\$15,884,439	\$16,797,896	\$17,146,614	\$18,848,511	\$18,655,117
Total OTO	\$0	\$0	\$0	\$0	\$0

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Funding

HB 2 Funding

State Special Revenue

- State special revenue accounts are maintained for each type of license and professional board. Charges and fees paid by licensees are deposited to the accounts and administrative and operational expenses of the division are charged directly to the funds
- The largest of these accounts is the building codes account

Federal Special Revenue

- The Business Standards Division also receives a small amount of federal funding, which accounts for less than 1.0% of its total funds

Non-Budgeted Proprietary Funding

The Board of Public Accountants enterprise fund receives licensing fees, money collected by the department on behalf of the board, and interest or earnings on money deposited. This fund was originally a state special revenue account, but it was established as a proprietary fund by the 2015 Legislature and sunsets September 30, 2019.

Program Budget Summary by Category

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	0	0	0	0.00 %	17,146,614	17,146,614	34,293,228	91.44 %
SWPL Adjustments	0	0	0	0.00 %	93,146	94,790	187,936	0.50 %
PL Adjustments	0	0	0	0.00 %	1,608,751	1,413,713	3,022,464	8.06 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$18,848,511	\$18,655,117	\$37,503,628	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Fixed Costs	0.00	0	84,136	0	84,136	0.00	0	83,610	0	83,610
DP 3 - Inflation Deflation	0.00	0	9,010	0	9,010	0.00	0	11,180	0	11,180
DP 50 - Personal Services Adjustment	(5.00)	0	1,250,552	0	1,250,552	(5.00)	0	1,251,103	0	1,251,103
DP 5001 - BSD General Operating Adjustments	0.00	0	253,449	0	253,449	0.00	0	81,860	0	81,860
DP 5003 - BSD Equipment Adjustments	0.00	0	104,750	0	104,750	0.00	0	80,750	0	80,750
DP 5004 - BSD PAC Sunset Fund Switch	2.07	0	0	0	0	2.07	0	0	0	0
Grand Total All Present Law Adjustments	(2.93)	\$0	\$1,701,897	\$0	\$1,701,897	(2.93)	\$0	\$1,508,503	\$0	\$1,508,503

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - Personal Services Adjustment -

The legislature adopted a reduced present law increase in personal services to maintain operations and services of the program. Specific adjustments include the reduction of 5.00 FTE and their associated funding.

DP 5001 - BSD General Operating Adjustments -

The legislature adopted a base appropriation adjustment in state special revenue to cover increases:

- To the Montana Professional Assistance Program (MPAP) contracts for the Boards of Medical Examiners, Dentistry, Pharmacy and Nursing
- To enable the Montana Prescription Drug Registry to purchase new software, complete registry enhancements and cover increases to the registry maintenance fees
- To allow the Building Codes Bureau to complete a rules notice updating all building codes rules to comply with national codes, upgrade the cell phones for building codes field inspectors, and complete a lease for new technology for the weights and measures field inspectors, allowing them to comply with Electronic Content Management requirements

DP 5003 - BSD Equipment Adjustments -

The legislature adopted a base appropriation adjustment in state special revenue to purchase two vehicles in each year of the biennium to be used by inspectors to perform statutorily required inspections for the Boards of Barbers and Cosmetology, Plumbers, Electrical, Outfitters, and Funeral Services. It will also allow for the replacement of three additional building codes inspector vehicles throughout the biennium: two in FY 2020 and one in FY 2021.

DP 5004 - BSD PAC Sunset Fund Switch -

The legislature approved 2.07 FTE and the associated appropriation for the Board of Public Accountants to be removed from the statutorily appropriated enterprise fund for the board and transferred to the state special revenue fund in HB 2 to account for the sunset provision set forth in 37-50-209, MCA.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	8,883,462	9,701,573	818,111	9.21 %
Operating Expenses	12,137,886	12,235,612	97,726	0.81 %
Debt Service	13,096	13,096	0	0.00 %
Total Expenditures	\$21,034,444	\$21,950,281	\$915,837	4.35 %
Proprietary Funds	21,034,444	21,950,281	915,837	4.35 %
Total Funds	\$21,034,444	\$21,950,281	\$915,837	4.35 %

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Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	54.00	54.00	54.00	54.00
Personal Services	3,912,846	4,414,791	4,468,671	4,851,337	4,850,236
Operating Expenses	6,019,606	6,107,499	6,030,387	6,117,859	6,117,753
Debt Service	19,165	6,548	6,548	6,548	6,548
Total Expenditures	\$9,951,617	\$10,528,838	\$10,505,606	\$10,975,744	\$10,974,537
Proprietary Funds	9,951,617	10,528,838	10,505,606	10,975,744	10,974,537
Total Funds	\$9,951,617	\$10,528,838	\$10,505,606	\$10,975,744	\$10,974,537

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Funding*Non-Budgeted Proprietary Funding*

The Technology Services Division is funded entirely with proprietary rates. The two main proprietary funds utilized by the division are the technical services account and the technical services direct account. These funds will be discussed in further detail in the proprietary rates section below.

Program Budget Summary by Category

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	0	0	0	0.00 %	10,505,606	10,505,606	21,011,212	95.72 %
SWPL Adjustments	0	0	0	0.00 %	470,138	468,931	939,069	4.28 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$10,975,744	\$10,974,537	\$21,950,281	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	0	382,666	0.00	0	0	0	381,565
DP 2 - Fixed Costs	0.00	0	0	0	87,472	0.00	0	0	0	87,366
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$0	\$470,138	0.00	\$0	\$0	\$0	\$468,931

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to annualize personal services costs including FY 2019 statewide pay plan adjustments, benefit rate adjustments, vacancy savings adjustments and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

Other Issues -

Proprietary Rates

The Technology Services Division (TSD) provides information technology services and support for the department including technical services, network services, help desk, project management, and application services including computer programming and database management. There are two funds, the technical and application services fund and the technical services direct fund. These funds are discussed in further detail below.

06568 – Technical and Application Services

Proprietary Program Description

The Technical Services Section provides support for information technology infrastructure such as the network, servers, the help desk, project management, and application services including computer programming and database

management. The Application Section provides services related to staff that are programming, testing, and analyzing the department’s applications.

Proprietary Program Narrative

Expenses

The major expense for this fund consists of the personal services for 54.00 FTE, which accounted for \$4.5 million or 83.7% of total costs for FY 2019.

Revenues

Supportive services provided by the Technology Services Division (TSD) are funded through indirect cost rates. The rate for technical services is assessed based on division FTE. Revenues for the Technical Services Section are billed to divisions and based on a monthly rate approved by both the legislature and the U.S. Department of Labor.

The rate for application services is assessed based on a direct hourly charge to the benefiting division. Revenues for the Application Section are billed to divisions also approved by the legislature and the U.S. Department of Labor.

All programs which utilize these services have a present law adjustment in the proposed budget to account for the proposed rate.

Proprietary Rates

For the 2021 biennium, the following rates were approved by the legislature. The rates are charged in the base year, and rates paid state agencies in FY 2018 are shown for comparison purposes.

Figure 15

Requested Rates for Internal Service or Enterprise Funds				
Fee/Rate Information				
	Actual FY 2018	Budgeted FY 2019	Proposed FY 2020	Proposed FY 2021
Fee Description:				
Application Hourly Rate	\$84	\$84	\$84	\$84
Technical Services Rate	\$266	\$266	\$266	\$266

The rates approved by the legislature are the maximum that the program may charge during the interim. They are not the rates the program must charge.

06578 – Technical Services Direct

Proprietary Program Description

This fund has two rates that are direct pass thru costs to the department divisions. The rate for enterprise services provided by State Information Technology Services Division (SITSD) is allocated on total cost by division FTE. The other direct rate is for actual cost of contracted and SITSD services that are directly attributable to a specific division.

Proprietary Program Narrative

Expenses

The Technical Services Direct fund includes expenses for pass through information technology expenditures that could be directly related to a division. These include SITSD charges, software purchases, and contract payments.

Revenues

The Enterprise Services rate is all SITSD charges that directly benefit the department as a whole. Those total costs are distributed based on department FTE. The direct rate includes actual expenditures that can be identified as directly benefiting a specific program such as contracts and specific SITSD services.

All programs which utilize these services have a present law adjustment in the proposed budget to account for the proposed rate.

Proprietary Rates

For the 2021 biennium, the following rates were approved by the legislature. The rates are charged in the base year, and rates paid state agencies in FY 2018 are shown for comparison purposes.

Figure 17

Requested Rates for Internal Service or Enterprise Funds Fee/Rate Information				
	Actual FY 2018	Budgeted FY 2019	Proposed FY 2020	Proposed FY 2021
Fee Description:				
Enterprise	\$819,755	\$819,755	\$819,755	\$819,755
Direct Services	Actual Cost	Actual Cost	Actual Cost	Actual Cost

The Enterprise Services Rate is calculated on specific SITSD services that benefit the department as a whole. The total budgeted SITSD rate for a portion of asset broker, enterprise services, equipment hosting, operational support, server, and storage hosting services are allocated back to divisions based on FTE percentages. The direct services rate is calculated on all other SITSD services and department contracted services and allocated back to the benefiting division based on actual expenditures.

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	615,294	703,764	88,470	14.38 %
Operating Expenses	442,565	558,148	115,583	26.12 %
Grants	6,130,044	6,189,444	59,400	0.97 %
Transfers	464,000	501,300	37,300	8.04 %
Debt Service	1,904	1,904	0	0.00 %
Total Expenditures	\$7,653,807	\$7,954,560	\$300,753	3.93 %
General Fund	271,589	298,384	26,795	9.87 %
State/Other Special Rev. Funds	24,776	24,776	0	0.00 %
Federal Spec. Rev. Funds	7,357,442	7,631,400	273,958	3.72 %
Total Funds	\$7,653,807	\$7,954,560	\$300,753	3.93 %
Total Ongoing	\$7,653,807	\$7,954,560	\$300,753	3.93 %
Total OTO	\$0	\$0	\$0	0.00 %

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Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	4.00	4.00	4.00	4.00
Personal Services	303,701	304,142	311,152	352,270	351,494
Operating Expenses	146,212	213,167	229,398	278,847	279,301
Grants	2,980,216	3,065,022	3,065,022	3,094,722	3,094,722
Transfers	193,320	232,000	232,000	250,650	250,650
Debt Service	1,185	952	952	952	952
Total Expenditures	\$3,624,634	\$3,815,283	\$3,838,524	\$3,977,441	\$3,977,119
General Fund	123,282	123,285	148,304	149,234	149,150
State/Other Special Rev. Funds	0	12,388	12,388	12,388	12,388
Federal Spec. Rev. Funds	3,501,352	3,679,610	3,677,832	3,815,819	3,815,581
Total Funds	\$3,624,634	\$3,815,283	\$3,838,524	\$3,977,441	\$3,977,119
Total Ongoing	\$3,624,634	\$3,815,283	\$3,838,524	\$3,977,441	\$3,977,119
Total OTO	\$0	\$0	\$0	\$0	\$0

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Funding

HB 2 Funding

General fund and state special revenue combine provide a small portion of the program revenues and fund most of the administrative expenses for the program.

Federal Special Revenue

- The majority of the funding for the program is provided through federal AmeriCorps grants
- Federal revenue provides the remainder of funding for administrative expenses including the funding for grant and special projects administered by the program

Program Budget Summary by Category

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	148,304	148,304	296,608	99.40 %	3,838,524	3,838,524	7,677,048	96.51 %
SWPL Adjustments	930	846	1,776	0.60 %	4,220	3,898	8,118	0.10 %
PL Adjustments	0	0	0	0.00 %	134,697	134,697	269,394	3.39 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$149,234	\$149,150	\$298,384		\$3,977,441	\$3,977,119	\$7,954,560	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	8	0	25	33	0.00	(171)	0	(572)	(743)
DP 2 - Fixed Costs	0.00	922	0	3,084	4,006	0.00	1,017	0	3,399	4,416
DP 3 - Inflation Deflation	0.00	0	0	181	181	0.00	0	0	225	225
DP 7001 - Federal Increase	0.00	0	0	134,697	134,697	0.00	0	0	134,697	134,697
Grand Total All Present Law Adjustments	0.00	\$930	\$0	\$137,987	\$138,917	0.00	\$846	\$0	\$137,749	\$138,595

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 7001 - Federal Increase -

The legislature adopted a base appropriation adjustment to utilize additional federal funding from the Corporation for National and Community Service AmeriCorps program grants.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	1,172,420	1,259,700	87,280	7.44 %
Operating Expenses	315,054	308,649	(6,405)	(2.03)%
Debt Service	4,630	4,630	0	0.00 %
Total Expenditures	\$1,492,104	\$1,572,979	\$80,875	5.42 %
State/Other Special Rev. Funds	1,492,104	1,572,979	80,875	5.42 %
Total Funds	\$1,492,104	\$1,572,979	\$80,875	5.42 %
Total Ongoing	\$1,492,104	\$1,572,979	\$80,875	5.42 %
Total OTO	\$0	\$0	\$0	0.00 %

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Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	7.00	7.00	7.00	7.00
Personal Services	553,136	565,563	606,857	630,292	629,408
Operating Expenses	164,686	166,274	148,780	154,297	154,352
Debt Service	1,254	2,315	2,315	2,315	2,315
Total Expenditures	\$719,076	\$734,152	\$757,952	\$786,904	\$786,075
State/Other Special Rev. Funds	719,076	734,152	757,952	786,904	786,075
Total Funds	\$719,076	\$734,152	\$757,952	\$786,904	\$786,075
Total Ongoing	\$719,076	\$734,152	\$757,952	\$786,904	\$786,075
Total OTO	\$0	\$0	\$0	\$0	\$0

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Funding*HB 2 Funding*

State Special Revenue

- The court is entirely funded with state special revenue derived from a fee charged to workers' compensation carriers in Montana
- The fee is passed on to Montana businesses when their workers' compensation premiums are determined by the carriers

Program Budget Summary by Category

Budget Summary by Category									
Budget Item	-----General Fund-----				-----Total Funds-----				
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	
2019 Base Budget	0	0	0	0.00 %	757,952	757,952	1,515,904	96.37 %	
SWPL Adjustments	0	0	0	0.00 %	28,952	28,123	57,075	3.63 %	
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %	
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %	
Total Budget	\$0	\$0	\$0		\$786,904	\$786,075	\$1,572,979		

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	23,435	0	23,435	0.00	0	22,551	0	22,551
DP 2 - Fixed Costs	0.00	0	5,247	0	5,247	0.00	0	5,236	0	5,236
DP 3 - Inflation Deflation	0.00	0	270	0	270	0.00	0	336	0	336
Grand Total All Present Law Adjustments	0.00	\$0	\$28,952	\$0	\$28,952	0.00	\$0	\$28,123	\$0	\$28,123

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

Agency Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	28,850,956	32,196,089	3,345,133	11.59 %
Operating Expenses	39,505,686	41,377,950	1,872,264	4.74 %
Equipment & Intangible Assets	297,072	301,072	4,000	1.35 %
Grants	23,051,863	23,552,602	500,739	2.17 %
Transfers	5,238,120	5,196,520	(41,600)	(0.79)%
Total Expenditures	\$96,943,697	\$102,624,233	\$5,680,536	5.86 %
General Fund	12,475,374	14,029,862	1,554,488	12.46 %
State/Other Special Rev. Funds	1,717,694	2,218,410	500,716	29.15 %
Federal Spec. Rev. Funds	82,750,629	86,375,961	3,625,332	4.38 %
Total Funds	\$96,943,697	\$102,624,233	\$5,680,536	5.86 %
Total Ongoing	\$96,743,697	\$102,624,233	\$5,880,536	6.08 %
Total OTO	\$200,000	\$0	(\$200,000)	(100.00)%

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Agency Highlights

Department of Military Affairs Major Budget Highlights	
<ul style="list-style-type: none"> • The legislature adopted an increase to the Department of Military Affairs total biennial appropriation of approximately \$5.7 million or 5.9% compared to the 2019 biennium appropriation • Changes adopted by the legislature include: <ul style="list-style-type: none"> ◦ Increases in statewide present law adjustments for personal services, fixed costs, and inflation/deflation ◦ Increases in federal spending authority for the STARBASE Program to make the state budget match the federal award of the last two years ◦ Increases in federal special revenue to provide an office manager/financial specialist for the Great Falls STARBASE Program site ◦ The addition of 11.00 FTE in the Army National Guard Program and the Air National Guard Program ◦ Federal spending authority for Air National Guard Firefighter Fair Labor Standards Act (FLSA) salaries and benefits that exceed those of a traditional FTE ◦ Federal spending authority to cover existing natural gas maintenance costs for the Air National Guard Program ◦ Increases in general fund and federal special revenue to cover state motorpool costs for Disaster and Emergency Services ◦ Increases in state special revenue funding for search and rescue operations ◦ Increases in general fund for duty officer overtime pay ◦ Increases in state special revenue from patriotic license plates 	

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	201.75	201.75	212.75	212.75
Personal Services	13,962,752	14,291,197	14,559,759	16,084,772	16,111,317
Operating Expenses	13,758,856	19,494,515	20,011,171	20,739,662	20,638,288
Equipment & Intangible Assets	44,210	146,536	150,536	150,536	150,536
Grants	7,645,969	11,425,562	11,626,301	11,776,301	11,776,301
Transfers	534,168	2,639,860	2,598,260	2,598,260	2,598,260
Total Expenditures	\$35,945,955	\$47,997,670	\$48,946,027	\$51,349,531	\$51,274,702
General Fund	5,774,684	5,935,831	6,539,543	7,031,948	6,997,914
State/Other Special Rev. Funds	800,583	890,140	827,554	1,109,350	1,109,060
Federal Spec. Rev. Funds	29,370,688	41,171,699	41,578,930	43,208,233	43,167,728
Total Funds	\$35,945,955	\$47,997,670	\$48,946,027	\$51,349,531	\$51,274,702
Total Ongoing	\$35,862,019	\$47,847,670	\$48,896,027	\$51,349,531	\$51,274,702
Total OTO	\$83,936	\$150,000	\$50,000	\$0	\$0

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Executive Budget Comparison

The following table compares the legislative budget for the biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2019	Executive Budget Fiscal 2020	Legislative Budget Fiscal 2020	Leg — Exec. Difference Fiscal 2020	Executive Budget Fiscal 2021	Legislative Budget Fiscal 2021	Leg — Exec. Difference Fiscal 2021	Biennium Difference Fiscal 20-21
FTE	201.75	214.75	212.75	(2.00)	214.75	212.75	(2.00)	(2.00)
Personal Services	14,559,759	16,355,062	16,084,772	(270,290)	16,381,964	16,111,317	(270,647)	(540,937)
Operating Expenses	20,011,171	20,742,811	20,739,662	(3,149)	20,641,437	20,638,288	(3,149)	(6,298)
Equipment & Intangible Assets	150,536	150,536	150,536	0	150,536	150,536	0	0
Capital Outlay	0	0	0	0	0	0	0	0
Grants	11,626,301	11,776,301	11,776,301	0	11,776,301	11,776,301	0	0
Transfers	2,598,260	2,598,260	2,598,260	0	2,598,260	2,598,260	0	0
Total Costs	\$48,946,027	\$51,622,970	\$51,349,531	(\$273,439)	\$51,548,498	\$51,274,702	(\$273,796)	(\$547,235)
General Fund	6,539,543	7,138,503	7,031,948	(106,555)	7,104,646	6,997,914	(106,732)	(213,287)
State/other Special Rev. Funds	827,554	1,109,329	1,109,350	21	1,109,039	1,109,060	21	42
Federal Spec. Rev. Funds	41,578,930	43,375,138	43,208,233	(166,905)	43,334,813	43,167,728	(167,085)	(333,990)
Total Funds	\$48,946,027	\$51,622,970	\$51,349,531	(\$273,439)	\$51,548,498	\$51,274,702	(\$273,796)	(\$547,235)
Total Ongoing	\$48,896,027	\$51,622,970	\$51,349,531	(\$273,439)	\$51,548,498	\$51,274,702	(\$273,796)	(\$547,235)
Total OTO	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0

The legislature adopted a budget that is approximately \$547,000 lower than the proposed executive budget for the 2021 biennium. There are several notable differences in the legislative budget as compared to the executive budget:

- Reduced increases in the statewide present law adjustments for personal services for the Director's Office, STARBASE Program, and the Army National Guard Program
- Reduced increases in motorpool funding for Disaster and Emergency Services
- The elimination of an executive proposal for 1.00 FTE and the associated funding for a recovery coordinator in the Disaster and Emergency Services Division
- Increases in federal special revenue for an office manager/financial specialist for the STARBASE Program without adopting the associated 1.00 FTE

Funding

The following table shows agency funding by source of authority.

Total Department of Military Affairs Funding by Source of Authority 2021 Biennium Budget Request - Department of Military Affairs						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	14,029,862	0	0	0	14,029,862	13.45 %
State Special Total	2,218,410	0	0	1,666,502	3,884,912	3.73 %
Federal Special Total	86,375,961	0	0	0	86,375,961	82.82 %
Proprietary Total	0	0	0	0	0	0.00 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$102,624,233	\$0	\$0	\$1,666,502	\$104,290,735	
Percent - Total All Sources	98.40 %	0.00 %	0.00 %	1.60 %		

HB 2 Funding

General Fund

- General fund supports a portion of most of the programs in the department and the entire cost of the National Guard Scholarship Program

State Special Revenue

- A small portion of the total funding for the Department of Military Affairs is from state special revenue
- State special revenue predominately funds the Disaster and Emergency Services division and Veterans Affairs' Program
- The Veterans Affairs division accounts for the majority of the state special revenue funding with revenues generated through vehicle registrations, specialty license plates, and donations

Federal Special Revenue

- Most of the total funding for the Department of Military Affairs is from federal special revenue
- The Department of Military Affairs' mission is dominated by federal government initiatives, programs, and objectives

Statutory Appropriations

The Montana Military Family Relief Fund (MMFRF) Program receives a statutory appropriation to provide monetary grants to families of Montana National Guard and Reserve Component members who on or after April 28, 2007 are on active duty for federal service in a contingency operation. MMFRF grants are intended to help Montana families defray the costs of food, housing, utilities, medical services, and other expenses that become difficult to afford when a wage-earner has temporarily left civilian employment to be placed on active military duty. Costs for the program in FY 2018 were \$25,000. The program was originally funded by a transfer of \$1.0 million in general fund. Ongoing revenues include interest and donations of about \$40,000 a year.

The Veterans' Affairs Division has a statutory appropriation for the operation of the Montana Veterans' Cemetery Program. The state special revenue funds are generated from cemetery plot allowances and donations.

The Governor is also provided a number of statutory appropriations in the event of a declared emergency or disaster. The most notable of these is the authority to authorize up to \$16.0 million from the general fund for disaster relief. These expenditures are authorized through executive orders.

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	6,539,543	6,539,543	13,079,086	93.22 %	48,896,027	48,896,027	97,792,054	95.29 %
SWPL Adjustments	343,428	308,247	651,675	4.64 %	267,985	169,908	437,893	0.43 %
PL Adjustments	67,145	68,362	135,507	0.97 %	768,088	790,048	1,558,136	1.52 %
New Proposals	81,832	81,762	163,594	1.17 %	1,417,431	1,418,719	2,836,150	2.76 %
Total Budget	\$7,031,948	\$6,997,914	\$14,029,862		\$51,349,531	\$51,274,702	\$102,624,233	

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	2,084,468	2,235,901	151,433	7.26 %
Operating Expenses	290,740	417,311	126,571	43.53 %
Transfers	83,310	101,310	18,000	21.61 %
Total Expenditures	\$2,458,518	\$2,754,522	\$296,004	12.04 %
General Fund	1,476,329	1,668,533	192,204	13.02 %
Federal Spec. Rev. Funds	982,189	1,085,989	103,800	10.57 %
Total Funds	\$2,458,518	\$2,754,522	\$296,004	12.04 %
Total Ongoing	\$2,458,518	\$2,754,522	\$296,004	12.04 %
Total OTO	\$0	\$0	\$0	0.00 %

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Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	12.32	12.32	12.32	12.32
Personal Services	998,837	1,076,408	1,008,060	1,116,888	1,119,013
Operating Expenses	98,151	107,017	183,723	210,458	206,853
Transfers	32,400	32,655	50,655	50,655	50,655
Total Expenditures	\$1,129,388	\$1,216,080	\$1,242,438	\$1,378,001	\$1,376,521
General Fund	722,128	731,830	744,499	835,442	833,091
Federal Spec. Rev. Funds	407,260	484,250	497,939	542,559	543,430
Total Funds	\$1,129,388	\$1,216,080	\$1,242,438	\$1,378,001	\$1,376,521
Total Ongoing	\$1,129,388	\$1,216,080	\$1,242,438	\$1,378,001	\$1,376,521
Total OTO	\$0	\$0	\$0	\$0	\$0

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Funding

HB 2 Funding

Federal support is provided by federal-state agreements. Costs of positions and activities that provide support to federally funded operations are eligible for federal funding. General fund supports the majority of the program in accordance with federal-state agreements.

Program Budget Summary by Category

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	744,499	744,499	1,488,998	89.24 %	1,242,438	1,242,438	2,484,876	90.21 %
SWPL Adjustments	26,735	23,130	49,865	2.99 %	26,735	23,130	49,865	1.81 %
PL Adjustments	64,208	65,462	129,670	7.77 %	108,828	110,953	219,781	7.98 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$835,442	\$833,091	\$1,668,533		\$1,378,001	\$1,376,521	\$2,754,522	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Fixed Costs	0.00	26,705	0	0	26,705	0.00	23,093	0	0	23,093
DP 3 - Inflation Deflation	0.00	30	0	0	30	0.00	37	0	0	37
DP 50 - Personal Services Adjustment	0.00	64,208	0	44,620	108,828	0.00	65,462	0	45,491	110,953
Grand Total All Present Law Adjustments	0.00	\$90,943	\$0	\$44,620	\$135,563	0.00	\$88,592	\$0	\$45,491	\$134,083

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - Personal Services Adjustment -

The legislature adopted a reduced present law increase in personal services to maintain operations and services of the program.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	6,404,554	6,586,755	182,201	2.84 %
Operating Expenses	2,375,933	2,407,901	31,968	1.35 %
Total Expenditures	\$8,780,487	\$8,994,656	\$214,169	2.44 %
General Fund	2,183,752	2,248,893	65,141	2.98 %
Federal Spec. Rev. Funds	6,596,735	6,745,763	149,028	2.26 %
Total Funds	\$8,780,487	\$8,994,656	\$214,169	2.44 %
Total Ongoing	\$8,780,487	\$8,994,656	\$214,169	2.44 %
Total OTO	\$0	\$0	\$0	0.00 %

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Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	53.15	53.15	53.15	53.15
Personal Services	3,052,840	3,132,700	3,271,854	3,294,143	3,292,612
Operating Expenses	973,035	1,183,232	1,192,701	1,209,801	1,198,100
Total Expenditures	\$4,025,875	\$4,315,932	\$4,464,555	\$4,503,944	\$4,490,712
General Fund	987,298	1,067,296	1,116,456	1,126,101	1,122,792
Federal Spec. Rev. Funds	3,038,577	3,248,636	3,348,099	3,377,843	3,367,920
Total Funds	\$4,025,875	\$4,315,932	\$4,464,555	\$4,503,944	\$4,490,712
Total Ongoing	\$4,025,875	\$4,315,932	\$4,464,555	\$4,503,944	\$4,490,712
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

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Funding

HB 2 Funding

The Youth ChalleNGe Program is funded with general fund and federal special revenue at a 25/75 state to federal funding ratio for most costs. Some travel and special projects required by the federal/state cooperative agreement are funded entirely with federal funds.

Program Budget Summary by Category

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	1,116,456	1,116,456	2,232,912	99.29 %	4,464,555	4,464,555	8,929,110	99.27 %
SWPL Adjustments	9,645	6,336	15,981	0.71 %	38,581	25,349	63,930	0.71 %
PL Adjustments	0	0	0	0.00 %	808	808	1,616	0.02 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$1,126,101	\$1,122,792	\$2,248,893		\$4,503,944	\$4,490,712	\$8,994,656	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	5,572	0	16,717	22,289	0.00	5,189	0	15,569	20,758
DP 2 - Fixed Costs	0.00	3,247	0	9,742	12,989	0.00	122	0	369	491
DP 3 - Inflation Deflation	0.00	826	0	2,477	3,303	0.00	1,025	0	3,075	4,100
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	0	808	808	0.00	0	0	808	808
Grand Total All Present Law Adjustments	0.00	\$9,645	\$0	\$29,744	\$39,389	0.00	\$6,336	\$0	\$19,821	\$26,157

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Operating Expenses	393,988	414,724	20,736	5.26 %
Total Expenditures	\$393,988	\$414,724	\$20,736	5.26 %
General Fund	393,988	414,724	20,736	5.26 %
Total Funds	\$393,988	\$414,724	\$20,736	5.26 %
Total Ongoing	\$393,988	\$414,724	\$20,736	5.26 %
Total OTO	\$0	\$0	\$0	0.00 %

Page Reference

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Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
Operating Expenses	186,625	186,626	207,362	207,362	207,362
Total Expenditures	\$186,625	\$186,626	\$207,362	\$207,362	\$207,362
General Fund	186,625	186,626	207,362	207,362	207,362
Total Funds	\$186,625	\$186,626	\$207,362	\$207,362	\$207,362
Total Ongoing	\$186,625	\$186,626	\$207,362	\$207,362	\$207,362
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

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Funding

HB 2 Funding

The National Guard Scholarship Program is funded entirely with general fund.

Program Budget Summary by Category

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	207,362	207,362	414,724	100.00 %	207,362	207,362	414,724	100.00 %
SWPL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$207,362	\$207,362	\$414,724		\$207,362	\$207,362	\$414,724	

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	300,971	488,655	187,684	62.36 %
Operating Expenses	383,547	930,412	546,865	142.58 %
Total Expenditures	\$684,518	\$1,419,067	\$734,549	107.31 %
Federal Spec. Rev. Funds	684,518	1,419,067	734,549	107.31 %
Total Funds	\$684,518	\$1,419,067	\$734,549	107.31 %
Total Ongoing	\$684,518	\$1,419,067	\$734,549	107.31 %
Total OTO	\$0	\$0	\$0	0.00 %

Page Reference

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Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	2.00	2.00	2.00	2.00
Personal Services	131,780	132,072	168,899	244,102	244,553
Operating Expenses	206,568	207,222	176,325	465,659	464,753
Total Expenditures	\$338,348	\$339,294	\$345,224	\$709,761	\$709,306
Federal Spec. Rev. Funds	338,348	339,294	345,224	709,761	709,306
Total Funds	\$338,348	\$339,294	\$345,224	\$709,761	\$709,306
Total Ongoing	\$338,348	\$339,294	\$345,224	\$709,761	\$709,306
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

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Funding*HB 2 Funding*

The STARBASE Program is funded entirely with federal special revenues from the Air National Guard.

Program Budget Summary by Category

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	0	0	0	0.00 %	345,224	345,224	690,448	48.66 %
SWPL Adjustments	0	0	0	0.00 %	5,366	4,460	9,826	0.69 %
PL Adjustments	0	0	0	0.00 %	3,581	3,556	7,137	0.50 %
New Proposals	0	0	0	0.00 %	355,590	356,066	711,656	50.15 %
Total Budget	\$0	\$0	\$0		\$709,761	\$709,306	\$1,419,067	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Fixed Costs	0.00	0	0	5,366	5,366	0.00	0	0	4,460	4,460
DP 50 - Personal Services Adjustment	0.00	0	0	3,113	3,113	0.00	0	0	3,088	3,088
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	0	468	468	0.00	0	0	468	468
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$8,947	\$8,947	0.00	\$0	\$0	\$8,016	\$8,016

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 50 - Personal Services Adjustment -

The legislature adopted a reduced present law increase in personal services to maintain operations and services of the program.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

New Proposals -

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 401 - Match STARBASE budget to federal award	0.00	0	0	283,500	283,500	0.00	0	0	283,500	283,500
DP 403 - STARBASE FTE	0.00	0	0	72,090	72,090	0.00	0	0	72,566	72,566
Total	0.00	\$0	\$0	\$355,590	\$355,590	0.00	\$0	\$0	\$356,066	\$356,066

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 401 - Match STARBASE budget to federal award -

The legislature adopted an appropriation of federal special revenue in order to make the state budget match the federal award of the last two years. Due to the change in the budget starting point and the prior federal shutdown, the federal award of this program was not correctly reflected in the state budget.

DP 403 - STARBASE FTE -

The legislature adopted federal spending authority without adding associated FTE to provide an office manager/financial specialist for the Great Falls site. This position would support both the Great Falls and Fort Harrison sites during Summer Camp operations.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	6,711,951	7,841,938	1,129,987	16.84 %
Operating Expenses	29,466,923	29,937,501	470,578	1.60 %
Equipment & Intangible Assets	297,072	301,072	4,000	1.35 %
Transfers	109,600	50,000	(59,600)	(54.38)%
Total Expenditures	\$36,585,546	\$38,130,511	\$1,544,965	4.22 %
General Fund	3,154,866	3,466,407	311,541	9.87 %
State/Other Special Rev. Funds	840	840	0	0.00 %
Federal Spec. Rev. Funds	33,429,840	34,663,264	1,233,424	3.69 %
Total Funds	\$36,585,546	\$38,130,511	\$1,544,965	4.22 %
Total Ongoing	\$36,585,546	\$38,130,511	\$1,544,965	4.22 %
Total OTO	\$0	\$0	\$0	0.00 %

Page Reference

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Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	45.30	45.30	51.30	51.30
Personal Services	3,276,059	3,290,287	3,421,664	3,920,933	3,921,005
Operating Expenses	9,941,251	14,583,632	14,883,291	15,002,918	14,934,583
Equipment & Intangible Assets	44,210	146,536	150,536	150,536	150,536
Transfers	59,600	84,600	25,000	25,000	25,000
Total Expenditures	\$13,321,120	\$18,105,055	\$18,480,491	\$19,099,387	\$19,031,124
General Fund	1,448,132	1,455,859	1,699,007	1,744,381	1,722,026
State/Other Special Rev. Funds	0	420	420	420	420
Federal Spec. Rev. Funds	11,872,988	16,648,776	16,781,064	17,354,586	17,308,678
Total Funds	\$13,321,120	\$18,105,055	\$18,480,491	\$19,099,387	\$19,031,124
Total Ongoing	\$13,321,120	\$18,105,055	\$18,480,491	\$19,099,387	\$19,031,124
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

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Funding

HB 2 Funding

The funding ratio between general fund and federal funds depends on the nature of the activity, the uses or location of the facility, and the goals of the operation. Different funding scenarios include:

- When a facility is owned by the state and located on state land, maintenance and utility costs are split 50.0% state and 50.0% federal
- When a facility is state owned, but located on federal land, the maintenance and utility costs are funded 75.0% with federal funds and 25.0% with state general fund
- When a facility is classified as a logistics facility, the funding is 100.0% federal for the entire facility
- When a facility is federally owned and located on federal land and when a facility serves training missions, funding is mainly 100.0% federal, except when the building is used as an armory
- When an armory is constructed with federal funds and located on federal land, maintenance and utility costs are funded 75.0% with federal funds and 25.0% with state general fund. When armories are rented to groups, the state special revenue funds generated from rental fees are used to augment general fund support of the facilities

Program Budget Summary by Category

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	1,699,007	1,699,007	3,398,014	98.03 %	18,480,491	18,480,491	36,960,982	96.93 %
SWPL Adjustments	42,437	20,119	62,556	1.80 %	111,537	43,202	154,739	0.41 %
PL Adjustments	2,937	2,900	5,837	0.17 %	81,999	80,343	162,342	0.43 %
New Proposals	0	0	0	0.00 %	425,360	427,088	852,448	2.24 %
Total Budget	\$1,744,381	\$1,722,026	\$3,466,407		\$19,099,387	\$19,031,124	\$38,130,511	

Present Law Adjustments -

The “Present Law Adjustments” table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Fixed Costs	0.00	42,303	0	69,100	111,403	0.00	19,953	0	23,083	43,036
DP 3 - Inflation Deflation	0.00	134	0	0	134	0.00	166	0	0	166
DP 50 - Personal Services Adjustment	0.00	2,937	0	70,972	73,909	0.00	2,900	0	69,353	72,253
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	0	8,090	8,090	0.00	0	0	8,090	8,090
Grand Total All Present Law Adjustments	0.00	\$45,374	\$0	\$148,162	\$193,536	0.00	\$23,019	\$0	\$100,526	\$123,545

*“Total Funds” amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 50 - Personal Services Adjustment -

The legislature adopted a reduced present law increase in personal services to maintain operations and services of the program.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

New Proposals -

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1202 - Personal Services Resources	6.00	0	0	425,360	425,360	6.00	0	0	427,088	427,088
Total	6.00	\$0	\$0	\$425,360	\$425,360	6.00	\$0	\$0	\$427,088	\$427,088

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1202 - Personal Services Resources -

The legislature adopted ongoing general fund and federal special revenue to make 2.00 modified FTE permanent and for an additional 4.00 FTE.

The existing modified positions made permanent are:

- 1.00 FTE to provide services to develop and coordinate issues related to the Distributive Learning Technology Program
- 1.00 FTE for a natural resources manager to ensure that the Department of Military Affairs and the Montana Army National Guard Program maintain conservation, focus on sustainability and emphasize rehabilitation of the military lands, without impacting military training operations or mission readiness

The new FTE are:

- 1.00 FTE to perform geographical information survey support for the Department of Military Affairs
- 1.00 FTE for master plan support and to provide additional support to the construction and facilities management officer and the Plans and Programs Branch
- 1.00 FTE for a facility condition inspector and manager for the installation status report (ISR). This position would involve managing, updating, and operating the facility assessment software, which was purchased by the Montana Army National Guard to assess facility coordination and project facility needs statewide
- 1.00 FTE for a project manager in the Design and Project Management Branch

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	6,605,087	7,561,140	956,053	14.47 %
Operating Expenses	3,678,247	3,810,134	131,887	3.59 %
Total Expenditures	\$10,283,334	\$11,371,274	\$1,087,940	10.58 %
General Fund	801,263	856,706	55,443	6.92 %
Federal Spec. Rev. Funds	9,482,071	10,514,568	1,032,497	10.89 %
Total Funds	\$10,283,334	\$11,371,274	\$1,087,940	10.58 %
Total Ongoing	\$10,283,334	\$11,371,274	\$1,087,940	10.58 %
Total OTO	\$0	\$0	\$0	0.00 %

Page Reference

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Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	41.00	41.00	46.00	46.00
Personal Services	3,173,081	3,250,458	3,354,629	3,768,721	3,792,419
Operating Expenses	1,678,261	1,809,074	1,869,173	1,907,787	1,902,347
Total Expenditures	\$4,851,342	\$5,059,532	\$5,223,802	\$5,676,508	\$5,694,766
General Fund	371,121	375,523	425,740	428,846	427,860
Federal Spec. Rev. Funds	4,480,221	4,684,009	4,798,062	5,247,662	5,266,906
Total Funds	\$4,851,342	\$5,059,532	\$5,223,802	\$5,676,508	\$5,694,766
Total Ongoing	\$4,851,342	\$5,059,532	\$5,223,802	\$5,676,508	\$5,694,766
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

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Funding

HB 2 Funding

The Montana Air National Guard is predominately funded with federal funds. General fund supports some building and ground maintenance activities, a portion of administrative expenses, and a portion of the personal services costs.

Program Budget Summary by Category

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	425,740	425,740	851,480	99.39 %	5,223,802	5,223,802	10,447,604	91.88 %
SWPL Adjustments	(29,415)	(30,331)	(59,746)	(6.97)%	(432,036)	(434,378)	(866,414)	(7.62)%
PL Adjustments	0	0	0	0.00 %	566,883	588,399	1,155,282	10.16 %
New Proposals	32,521	32,451	64,972	7.58 %	317,859	316,943	634,802	5.58 %
Total Budget	\$428,846	\$427,860	\$856,706		\$5,676,508	\$5,694,766	\$11,371,274	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(30,421)	0	(404,165)	(434,586)	0.00	(30,204)	0	(401,284)	(431,488)
DP 2 - Fixed Costs	0.00	1,006	0	1,544	2,550	0.00	(127)	0	(2,763)	(2,890)
DP 3 - Inflation Deflation	0.00	0	0	0	0	0.00	0	0	0	0
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	0	808	808	0.00	0	0	808	808
DP 1301 - ANG Fire FLSA Salaries	0.00	0	0	530,819	530,819	0.00	0	0	552,335	552,335
DP 1303 - ANG Natural Gas Maint	0.00	0	0	35,256	35,256	0.00	0	0	35,256	35,256
Grand Total All Present Law Adjustments	0.00	(\$29,415)	\$0	\$164,262	\$134,847	0.00	(\$30,331)	\$0	\$184,352	\$154,021

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

DP 1301 - ANG Fire FLSA Salaries -

The legislature adopted federal spending authority for firefighter Fair Labor Standards Act salaries and benefits that exceed those of a traditional FTE, due to the 24/7 nature of the Fire Protection Services at Montana Air National Guard. Hours over 2080 per FTE and overtime costs are not captured in the personal services snapshot used for initial budget preparation. Each biennium this federal authority is requested through the budget process.

DP 1303 - ANG Natural Gas Maint -

The legislature adopted federal spending authority to cover existing natural gas maintenance costs Montana Air National Guard now pays after privatization of natural gas systems. After feasibility studies of cost effectiveness and risk reduction, the federal government transferred ownership of aging natural gas systems at Montana Air National Guard to Energy West, while retaining 100.0% federally funded maintenance costs borne by the Air Force/Air Guard.

New Proposals -

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1304 - IEMS Administrator	1.00	15,136	0	45,410	60,546	1.00	15,094	0	45,281	60,375
DP 1305 - HVAC/Plumber	1.00	17,385	0	52,160	69,545	1.00	17,357	0	52,018	69,375
DP 1306 - ANG New Firefighters	3.00	0	0	187,768	187,768	3.00	0	0	187,193	187,193
Total	5.00	\$32,521	\$0	\$285,338	\$317,859	5.00	\$32,451	\$0	\$284,492	\$316,943

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1304 - IEMS Administrator -

The legislature adopted general fund and federal special revenue for 1.00 FTE for an integrated engineering management (IEMS) software administrator. This position would include management of the compliance of auditable records for the various federal and state software required in the Montana Air National Guard civil engineers section, including state SABHRS accounts payable, federal IEMS, and Defense Enterprise Accounting Management (DEAMS) systems. Compliance in these systems is required to receive cooperative agreement funding and is authorized by the 2014 federal manning document for Facilities Operations Cooperative Agreement State manning. The cost of the position would be split 25.0% state and 75.0% federal.

DP 1305 - HVAC/Plumber -

The legislature adopted general fund and federal special revenue for 1.00 FTE for a heating, ventilation, and air conditioning (HVAC)/plumber employee at Montana Air National Guard to rectify a critical manning shortage and avoid retention and safety issues. The federal manning document for Montana Air National Guard state workers authorizes a minimum of three workers for the plumbing-HVAC-DDC-utilities area, while Montana Air National Guard employs only two workers. The cost of the position would be split 25.0% state and 75.0% federal.

DP 1306 - ANG New Firefighters -

The legislature adopted federal spending authority for 3.00 FTE for additional firefighters at the Montana Air National Guard base on Gore Hill, next to the Great Falls International Airport. This cooperative agreement was authorized by the federal government and would be funded by the National Guard Bureau, in support of the Montana Air National Guard's federal C-130 military mission and joint use requirements with the Great Falls Airport.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	3,384,305	3,751,675	367,370	10.86 %
Operating Expenses	2,458,063	2,720,787	262,724	10.69 %
Grants	23,051,863	23,552,602	500,739	2.17 %
Transfers	5,045,210	5,045,210	0	0.00 %
Total Expenditures	\$33,939,441	\$35,070,274	\$1,130,833	3.33 %
General Fund	2,250,847	2,709,604	458,757	20.38 %
State/Other Special Rev. Funds	113,318	413,360	300,042	264.78 %
Federal Spec. Rev. Funds	31,575,276	31,947,310	372,034	1.18 %
Total Funds	\$33,939,441	\$35,070,274	\$1,130,833	3.33 %
Total Ongoing	\$33,939,441	\$35,070,274	\$1,130,833	3.33 %
Total OTO	\$0	\$0	\$0	0.00 %

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Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	22.89	22.89	22.89	22.89
Personal Services	1,740,941	1,742,543	1,641,762	1,875,333	1,876,342
Operating Expenses	496,777	1,217,874	1,240,189	1,365,233	1,355,554
Grants	7,645,969	11,425,562	11,626,301	11,776,301	11,776,301
Transfers	442,168	2,522,605	2,522,605	2,522,605	2,522,605
Total Expenditures	\$10,325,855	\$16,908,584	\$17,030,857	\$17,539,472	\$17,530,802
General Fund	1,051,446	1,085,191	1,165,656	1,356,970	1,352,634
State/Other Special Rev. Funds	41,115	56,659	56,659	206,680	206,680
Federal Spec. Rev. Funds	9,233,294	15,766,734	15,808,542	15,975,822	15,971,488
Total Funds	\$10,325,855	\$16,908,584	\$17,030,857	\$17,539,472	\$17,530,802
Total Ongoing	\$10,325,855	\$16,908,584	\$17,030,857	\$17,539,472	\$17,530,802
Total OTO	\$0	\$0	\$0	\$0	\$0

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Funding

HB 2 Funding

Funding for Disaster and Emergency Services is broken down primarily into three functional areas:

- Administration and coordination
- Search and rescue

- Grant programs

Administrative and coordinative functions are primarily funded with 50.0% state general fund and 50.0% federal funds. Disaster coordination functions are typically funded entirely with federal funds. Search and rescue activities are funded through state special revenue funds derived from surcharges on conservation licenses and off-road vehicle licenses. Grant activities typically utilize federal funds. The amount of this funding budgeted in HB 2 can vary greatly depending on the federal source and available amounts known at the time of budget submission.

Statutory Funding

The Governor is also provided a number of statutory appropriations in the event of a declared emergency or disaster. The most notable of these is the authority to authorize up to \$16.0 million for disaster relief. These expenditures are authorized through executive orders.

Program Budget Summary by Category

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	1,165,656	1,165,656	2,331,312	86.04 %	17,030,857	17,030,857	34,061,714	97.12 %
SWPL Adjustments	142,003	137,667	279,670	10.32 %	284,004	275,334	559,338	1.59 %
PL Adjustments	0	0	0	0.00 %	5,989	5,989	11,978	0.03 %
New Proposals	49,311	49,311	98,622	3.64 %	218,622	218,622	437,244	1.25 %
Total Budget	\$1,356,970	\$1,352,634	\$2,709,604		\$17,539,472	\$17,530,802	\$35,070,274	

Present Law Adjustments -

The “Present Law Adjustments” table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2020-----				-----Fiscal 2021-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	101,785	0	101,786	203,571	0.00	102,290	0	102,290	204,580
DP 2 - Fixed Costs	0.00	40,075	0	40,073	80,148	0.00	35,200	0	35,200	70,400
DP 3 - Inflation Deflation	0.00	143	0	142	285	0.00	177	0	177	354
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	21	5,968	5,989	0.00	0	21	5,968	5,989
Grand Total All Present Law Adjustments	0.00	\$142,003	\$21	\$147,969	\$289,993	0.00	\$137,667	\$21	\$143,635	\$281,323

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

New Proposals -

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2102 - Search and Rescue Funding	0.00	0	150,000	0	150,000	0.00	0	150,000	0	150,000
DP 2105 - DES Duty Officer Overtime	0.00	30,000	0	0	30,000	0.00	30,000	0	0	30,000
DP 2108 - Motorpool Funding	0.00	19,311	0	19,311	38,622	0.00	19,311	0	19,311	38,622
Total	0.00	\$49,311	\$150,000	\$19,311	\$218,622	0.00	\$49,311	\$150,000	\$19,311	\$218,622

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 2102 - Search and Rescue Funding -

The legislature adopted state special revenue authority in order to provide search and rescue grant funding. Due to the shift in reimbursement requests for search and rescue missions, the executive requests grant funding from a portion of off-road vehicle fees collected by the Department of Fish, Wildlife, and Parks. The reimbursement funding source would be based on what the type of search and rescue mission. Search and rescue missions involving hunting, fishing, or trapping would be funded with Fish, Wildlife, and Parks fees. Search and rescue missions involving hiking, boating, and other activities would be funded with the motor vehicle account.

DP 2105 - DES Duty Officer Overtime -

The legislature adopted general fund for duty officer overtime pay. The duty officer program assists local jurisdictions in assessing the impact of incidents and identifying resources to minimize the impact to communities.

DP 2108 - Motorpool Funding -

The legislature adopted ongoing general fund and federal special revenue for motorpool funding. The Disaster and Emergency Services Division has been able to use the United States General Services Administration (GSA) vehicles in the past, but those vehicles were required to be returned to the GSA facility. Due to the change in the budget starting point, costs of switching to using the state motorpool were not included in the base budget.

Program Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	3,359,620	3,730,025	370,405	11.03 %
Operating Expenses	458,245	739,180	280,935	61.31 %
Total Expenditures	\$3,817,865	\$4,469,205	\$651,340	17.06 %
General Fund	2,214,329	2,664,995	450,666	20.35 %
State/Other Special Rev. Funds	1,603,536	1,804,210	200,674	12.51 %
Total Funds	\$3,817,865	\$4,469,205	\$651,340	17.06 %
Total Ongoing	\$3,617,865	\$4,469,205	\$851,340	23.53 %
Total OTO	\$200,000	\$0	(\$200,000)	(100.00)%

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Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	25.09	25.09	25.09	25.09
Personal Services	1,589,214	1,666,729	1,692,891	1,864,652	1,865,373
Operating Expenses	178,188	199,838	258,407	370,444	368,736
Total Expenditures	\$1,767,402	\$1,866,567	\$1,951,298	\$2,235,096	\$2,234,109
General Fund	1,007,934	1,033,506	1,180,823	1,332,846	1,332,149
State/Other Special Rev. Funds	759,468	833,061	770,475	902,250	901,960
Total Funds	\$1,767,402	\$1,866,567	\$1,951,298	\$2,235,096	\$2,234,109
Total Ongoing	\$1,683,466	\$1,716,567	\$1,901,298	\$2,235,096	\$2,234,109
Total OTO	\$83,936	\$150,000	\$50,000	\$0	\$0

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Funding

HB 2 Funding

General Fund

- General fund is used to support functions throughout the program

State Special Revenue

- The Veterans Affairs SB 401 fund was created by the legislature during the 2003 regular session in SB 401, which allocated proceeds from the sale of veterans' specialty license plates

- The Patriotic License Plate fund receives revenue from a \$15 surcharge on original licensing and renewal of patriotic license plates issued in Montana

Statutory Funding

The Veterans' Affairs Division has a statutory appropriation for the operation of the Montana Veterans' Cemetery Program. The state special revenue funds are generated from cemetery plot allowances and donations. The State Veterans' Cemeteries Program statutory funding includes revenue derived primarily from cemetery donations and plot allowances. In addition to the revenue received from the sale of certain specialty license plates, this fund and the Veterans' Affairs Cemeteries fund receive a portion of all of the motor vehicle registration revenue that is deposited in the general fund each year. The 2013 Legislature increased the percentage of motor vehicle fees into this fund from 0.64% to 0.81%.

Program Budget Summary by Category

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	1,180,823	1,180,823	2,361,646	88.62 %	1,901,298	1,901,298	3,802,596	85.08 %
SWPL Adjustments	152,023	151,326	303,349	11.38 %	233,798	232,811	466,609	10.44 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	100,000	100,000	200,000	4.48 %
Total Budget	\$1,332,846	\$1,332,149	\$2,664,995		\$2,235,096	\$2,234,109	\$4,469,205	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	144,145	77,616	0	221,761	0.00	144,613	77,869	0	222,482
DP 2 - Fixed Costs	0.00	5,502	2,879	0	8,381	0.00	3,765	2,028	0	5,793
DP 3 - Inflation Deflation	0.00	2,376	1,280	0	3,656	0.00	2,948	1,588	0	4,536
Grand Total All Present Law Adjustments	0.00	\$152,023	\$81,775	\$0	\$233,798	0.00	\$151,326	\$81,485	\$0	\$232,811

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

New Proposals -

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 3101 - Patriotic License Plate	0.00	0	100,000	0	100,000	0.00	0	100,000	0	100,000
Total	0.00	\$0	\$100,000	\$0	\$100,000	0.00	\$0	\$100,000	\$0	\$100,000

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 3101 - Patriotic License Plate -

The legislature adopted an ongoing appropriation from the patriotic license plate state special revenue account. This funding would support the division's outreach services program and would fund veterans service officer training, field office operations, and servicing facilities' upkeep, functionality, and leasing expenses. The revenue for this account is derived from the issuance of patriotic vehicle license plates and is dedicated to veterans' services by 10-2-114, MCA.