

Program Biennium Comparison

The following table compares the 2023 biennium appropriated budget to the 2025 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 22-23	Requested Budget 24-25	Biennium Change	Biennium % Change
Personal Services	395,344	540,921	145,577	36.82 %
Operating Expenses	178,445	190,019	11,574	6.49 %
Local Assistance	28,592	28,592	0	0.00 %
Transfers	25,739,511	17,952,258	(7,787,253)	(30.25)%
Total Expenditures	\$26,341,892	\$18,711,790	(\$7,630,102)	(28.97)%
General Fund	26,316,478	18,686,376	(7,630,102)	(28.99)%
Federal Spec. Rev. Funds	25,414	25,414	0	0.00 %
Total Funds	\$26,341,892	\$18,711,790	(\$7,630,102)	(28.97)%
Total Ongoing	\$26,341,892	\$18,711,790	(\$7,630,102)	(28.97)%
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Director's Office provides overall leadership and management support to the Department of Administration's divisions and offers administrative support to attached boards and commissions. The office acts as a liaison among the agency's divisions, administratively attached boards and commissions, the cabinet, the legislature, and the Governor's Office.

The Director's Office has 2.50 FTE funded through HB 2 and 21.51 FTE funded by the revenues generated from the internal fees charged to the Department of Administration's divisions and its attached-to agencies. These FTE provide services in the areas of legal, human resources, financial management, project management and communications.

- The Office of Legal Services advises the divisions on legal matters
- The staff of the Office of Human Resources partner with DOA leadership and employees to enhance agency performance through strategic human resource programs and effective administrative processes (e.g., payroll administration, talent acquisition, policy development, etc.)
- The Office of Finance and Budget prepares and presents the biennial budget, processes budget change documents, monitors approved budgets for compliance with state law and legislative intent, and provides accounting assistance
- The Office of Program and Information Management provides communication and project management services

The customers served are internal to the department and its attached-to agencies.

Program Highlights

<p>Directors Office Major Budget Highlights</p>
<ul style="list-style-type: none"> • The Director’s Office 2025 biennium requested appropriations are approximately \$8.3 million in FY 2024 and \$7.9 million in FY 2025 less than the FY 2023 base appropriations • The Director’s Office 2025 biennium budget request includes present law increases in general fund of approximately \$15.0 million in FY 2024 and \$16.0 million in FY 2025 for the statutorily required transfer to the capital development account. However, the executive proposes reductions of \$23.0 million in FY 2024 and \$24.0 million in FY 2025, which eliminates the base budget and present law increase for this transfer (allowed by statute) • Proposed changes are those included in statewide present law adjustments for personal services, fixed costs, and inflation • The executive is proposing to move the State Continuity and Emergency Management Office (SCEMO) to the Department of Military Affairs. The request would reduce 2.00 FTE and approximately \$708,000 of internal service fund appropriations in the 2025 biennium • The Director’s Office has the management services internal service fund that is approved as a rate in HB 2. The executive is proposing an increase to this rate for the departments divisions utilizing the services
<p>Legislative Action Items</p>
<ul style="list-style-type: none"> • The annual transfer to the capital development fund is required under current law, and the reduction proposed in DP 109 will only be in effect for the 2025 biennium. The legislature may want to consider designating DP 109 as OTO, to ensure this statutory transfer is restored in the base budget for the 2027 biennium

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the expenditures requested for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Request Fiscal 2024	Request Fiscal 2025
FTE	0.00	2.50	2.50	2.50	2.50
Personal Services	94,134	96,888	298,456	270,285	270,636
Operating Expenses	57,373	121,831	56,614	150,416	39,603
Local Assistance	11,307	14,296	14,296	14,296	14,296
Transfers	8,589,879	8,589,879	17,149,632	8,697,468	9,254,790
Total Expenditures	\$8,752,693	\$8,822,894	\$17,518,998	\$9,132,465	\$9,579,325
General Fund	8,741,386	8,810,187	17,506,291	9,119,758	9,566,618
Federal Spec. Rev. Funds	11,307	12,707	12,707	12,707	12,707
Total Funds	\$8,752,693	\$8,822,894	\$17,518,998	\$9,132,465	\$9,579,325
Total Ongoing	\$8,752,693	\$8,822,894	\$17,518,998	\$9,132,465	\$9,579,325
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Discussion -

FY 2022 Appropriations Compared to FY 2022 Actual Expenditures

The Director’s Office HB 2 budget is primarily funded with general fund. The program expended 99.2% of its \$8.8 million budget as of the end of FY 2022.

Operating expense appropriations of approximately \$122,000 were 47.1% expended. Lower expenditures were due, in part, to the timing of legislative audit costs. This appropriation is biennial and can be used in both years of the biennium.

FY 2022 Appropriations Compared to FY 2023 Appropriations

The FY 2023 appropriation is approximately \$8.7 million or 98.6% higher than the FY 2022 appropriation. During the 2021 Session, the legislature approved a one-time-only reduction to the statutory general fund transfers to the capital development account in FY 2022 and FY 2023. Because this reduction was one-time-only, the FY 2023 base budget was increased to include the \$8.2 million that was temporarily reduced. This same adjustment was not applied to the FY 2022 appropriations and is the primary reason for the difference in the appropriations.

Executive Request

The Director’s Office is requesting a reduction of approximately \$8.3 million in FY 2024 and \$7.9 million in FY 2025 from the FY 2023 base appropriations. The executive is requesting a present law increase in general fund of approximately \$15.0 million in FY 2024 and \$16.0 million in FY 2025 for the statutorily required transfer to the capital development account. However, the executive proposes reductions of \$23.0 million in FY 2024 and \$24.0 million in FY 2025 to back out the present law transfers plus the FY 2023 base transfers to the capital development account, and to use the existing capital development fund balance to fund capital developments in the 2025 biennium.

Program Personal Services

Personal services were approximately \$298,000 or 1.7% of the FY 2023 base budget. The executive proposes a decrease of about \$28,000 in each fiscal year of the 2025 biennium. The decrease is due to the statewide present law adjustment for personal services.

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Administration, 01-Directors Office Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	18,888,695	0	0	207,766,535	226,452,911	83.04 %	
02077 Financial Institutions Div	0	0	0	0	0	0.00 %	
02858 Mineral Impact	0	0	0	14,835,000	14,835,000	100.00 %	
02997 911 Distribution	0	0	0	0	0	0.00 %	
02998 911 Grants	0	0	0	0	0	0.00 %	
02295 Budget Stabilization Reserve	0	0	0	0	0	0.00 %	
02368 2020H GO LRBP HB540 Bond Proc#	0	0	0	0	0	0.00 %	
02564 2020G GO Bonds HB652 #2	0	0	0	0	0	0.00 %	
State Special Total	\$0	\$0	\$0	\$14,835,000	\$14,835,000	5.44 %	
03095 Taylor Grazing Act Dist.	0	0	0	250,000	250,000	1.01 %	
03369 Flood Control Payments	25,414	0	0	0	25,414	0.10 %	
03425 Forest Reserve Shared Revenue	0	0	0	24,513,900	24,513,900	98.89 %	
03978 Federal Portion of State Divid	0	0	0	0	0	0.00 %	
03675 Coronavirus Relief Fund DOA	0	0	0	0	0	0.00 %	
Federal Special Total	\$25,414	\$0	\$0	\$24,763,900	\$24,789,314	9.09 %	
06534 Management Services	0	0	5,041,959	0	5,041,959	75.93 %	
06535 Continuity Emergency Mgmt	0	0	0	0	0	0.00 %	
06020 Office of Public Information Requests	0	0	598,614	0	598,614	9.01 %	
06504 Chief Data Office	0	0	1,000,000	0	1,000,000	15.06 %	
Proprietary Total	\$0	\$0	\$6,640,573	\$0	\$6,640,573	2.44 %	
Total All Funds	\$18,914,109	\$0	\$6,640,573	\$247,365,435	\$272,717,798		

HB 2 Appropriations

The general fund provides 99.9% of the ongoing funding for the Director’s Office in HB 2. This is primarily comprised of the transfer to the major repairs project account. General fund also supports the Burial Preservation Board.

Federal special revenue provides 0.1% of funding in HB 2 and supports the allocation of federal flood control payments. These funds are received by the department from the U.S. Army Corp. of Engineers. Funds are 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 U.S.C. .701c-3.

Non-Budgeted Proprietary Appropriations

A portion of the Director’s Office functions are supported by non-budgeted proprietary funds. These funds are discussed in the Proprietary Rates section of the narrative.

Statutory Appropriations

In the Director’s Office, statutory appropriations account for 90.7% of appropriations from all sources of authority. The executive proposes statutory appropriation authority of approximately \$131.5 million in FY 2024 and \$115.8 million in FY 2025. The figure below provides FY 2022 actual expenditures, FY 2023 appropriations, and current HJ 2 estimates for FY 2024 and FY 2025 appropriations.

Department of Administration				
Director's Office				
Statutory Appropriations				
	FY 2022	FY 2023	FY 2024	FY 2025
	Actual	Appropriated	Estimated	Estimated
General Fund				
Debt Service	\$ 14,427,918	\$ 15,132,470	\$ 15,655,673	\$ 14,963,535
Local Government PERD Contribution	570,047	583,057	1,307,255	1,343,615
School District PERS Contribution	669,881	686,289	718,305	743,445
TRS GABA Contribution	1,037,375	1,030,000	1,106,000	1,142,000
TRS Supplemental Contribution	46,962,150	46,950,000	48,859,000	49,837,000
State Fund Division	294,022	255,026	539,000	539,000
Public Employees Retirement Transfer	<u>34,633,570</u>	<u>34,979,900</u>	<u>35,329,705</u>	<u>35,683,002</u>
Total General Fund	98,594,963	99,616,742	103,514,938	104,251,597
State Special Revenue				
Mineral Impact Fees	3,824,075	6,486,000	8,071,000	6,764,000
Debt Service	-	-	-	-
Total State Special Revenue	3,824,075	6,486,000	8,071,000	6,764,000
Federal Special Revenue				
Taylor Grazing Fees	119,454	0	125,000	125,000
Forest Reserve Funds	<u>14,382,681</u>	<u>3,917,450</u>	<u>19,831,450</u>	<u>4,682,450</u>
Total Federal Special Revenue	14,502,135	3,917,450	19,956,450	4,807,450
Total Statutory Appropriations	<u>\$116,921,174</u>	<u>\$110,020,192</u>	<u>\$131,542,388</u>	<u>\$115,823,047</u>

Program 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.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	17,506,291	17,506,291	35,012,582	187.37 %	17,518,998	17,518,998	35,037,996	187.25 %
SWPL Adjustments	64,822	(45,640)	19,182	0.10 %	64,822	(45,640)	19,182	0.10 %
PL Adjustments	14,483,783	16,293,066	30,776,849	164.70 %	14,483,783	16,293,066	30,776,849	164.48 %
New Proposals	(22,935,138)	(24,187,099)	(47,122,237)	(252.17)%	(22,935,138)	(24,187,099)	(47,122,237)	(251.83)%
Total Budget	\$9,119,758	\$9,566,618	\$18,686,376		\$9,132,465	\$9,579,325	\$18,711,790	

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The executive requests a transfer from the general fund to the Capital Developments Long-Range Building Program account, as required by 17-7-208, MCA.

New Proposals

The “New Proposals” table shows new proposals for spending.

New Proposals	-----Fiscal 2024-----				-----Fiscal 2025-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 109 - Adjust Transfer for Capital Development Fund	0.00	(23,137,457)	0	0	(23,137,457)	0.00	(24,187,099)	0	0	(24,187,099)
Total	0.00	(\$23,137,457)	\$0	\$0	(\$23,137,457)	0.00	(\$24,187,099)	\$0	\$0	(\$24,187,099)

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

DP 109 - Adjust Transfer for Capital Development Fund -

The executive requests this change package to reverse the present law transfer as there is already sufficient fund balance in the capital development fund. Change package PL 105 provides for a transfer from the general fund to the Capital Developments Long-Range Building Program account as required by 17-7-208, MCA.

LFD ISSUE	The annual transfer to the capital development fund is required under current law, and the reduction proposed in DP 109 will only be in effect for the 2025 biennium. The legislature may want to consider designating DP 109 as OTO, to ensure this statutory transfer is restored in the base budget for the 2027 biennium.
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DP 108 - Establish Office of Public Information Requests -

The executive requests to establish the Office of Public Information Requests (OPIR) will provide support and assist agencies' efforts on record requests. The program will receive start up working capital via a one-time-only general fund transfer in FY 2024 of \$202,319.

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
- 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 – 06534

Proprietary Program Description

The Director’s Office provides the following functions with the management services fund:

- 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

The executive requests a transfer from the general fund to the Capital Developments Long-Range Building Program account, as required by 17-7-208, MCA.

New Proposals

The “New Proposals” table shows new proposals for spending.

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 108 - Establish Office of Public Information Requests	0.00	202,319	0	0	202,319	0.00	0	0	0	0
DP 109 - Adjust Transfer for Capital Development Fund	0.00	(23,137,457)	0	0	(23,137,457)	0.00	(24,187,099)	0	0	(24,187,099)
Total	0.00	(\$22,935,138)	\$0	\$0	(\$22,935,138)	0.00	(\$24,187,099)	\$0	\$0	(\$24,187,099)

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

DP 108 - Establish Office of Public Information Requests -

The executive is requesting funding for 3.00 FTE for the Office of Public Information Requests (OPIR).

OPIR will provide support and assist agencies’ efforts on record requests submitted by:

- Establishing common policies, standards, and procedures for handling public information requests
- Providing centralized intake and initial response to agency record requests
- Developing a cost estimate for records requests
- Collecting and allocating costs paid by requester
- Tracking record request status
- Coordinating with the requester
- Searching information technology systems maintained primarily by the State Information Technology Services Division (SITSD)
- Providing primary legal review and response
- Coordinating with the agency and the Governor’s Office on responses
- Providing a centralized output to requester
- Creating reports or dashboards about record requests
- Recommending potential enterprise-wide tools for searching, classifying, and identifying data as confidential or privileged, and assisting in record request litigation

Agencies will support the Office of Public Information Requests’ efforts by gathering records and information not readily available to the Department of Administration, advising on agencies’ mission-specific issues and legal constraints, providing final review of record requests prior to fulfillment, providing primary public relations/media response, assisting in record request litigation, including advising on the need to file a declaratory judgment action or obtain outside legal support, and reimbursing any SITSD fees associated with completing a record request that are not paid by the requester.

DP 109 - Adjust Transfer for Capital Development Fund -

The executive requests this change package to reverse the present law transfer as there is already sufficient fund balance in the capital development fund. Change package PL 105 provides for a transfer from the general fund to the Capital Developments Long-Range Building Program account as required by 17-7-208, MCA.

LFD ISSUE	The annual transfer to the capital development fund is required under current law, and the reduction proposed in DP 109 will only be in effect for the 2025 biennium. The legislature may want to consider designating DP 109 as
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