

Agency 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.

Agency Biennium Comparison				
Budget Item	Appropriated Budget 22-23	Requested Budget 24-25	Biennium Change	Biennium % Change
Personal Services	11,443,482	11,919,051	475,569	4.16 %
Operating Expenses	3,175,852	3,252,745	76,893	2.42 %
Total Expenditures	\$14,619,334	\$15,171,796	\$552,462	3.78 %
General Fund	14,519,334	15,071,796	552,462	3.81 %
State/Other Special Rev. Funds	100,000	100,000	0	0.00 %
Total Funds	\$14,619,334	\$15,171,796	\$552,462	3.78 %
Total Ongoing	\$13,545,891	\$15,253,050	\$1,707,159	12.60 %
Total OTO	\$1,073,443	(\$81,254)	(\$1,154,697)	(107.57)%

Mission Statement

The mission of the Governor’s Office is to oversee and direct the activities of the Executive Branch of Montana state government, consistent with statutory and constitutional mandates, in a manner that provides necessary and affordable services to the citizens of Montana.

Please refer to the agency profile at <https://leg.mt.gov/lfd/appropriation-subcommittee-section-a/agency-governors-office/> for additional information about the agency’s organization structure, historical expenditures, goals and objectives, and recent studies and audits.

Agency Highlights

Governor’s Office Major Budget Highlights
<ul style="list-style-type: none"> • The Governor’s Office 2025 biennium requested ongoing appropriations are approximately \$1.7 million or 12.6% higher than the 2023 biennium. Significant proposals include: <ul style="list-style-type: none"> ◦ Increasing general fund appropriations by approximately \$459,000 each fiscal year for 4.00 FTE. This includes a position that will work on government efficiency initiatives, a policy position, an internal audit manager, and a budget analyst ◦ An increase in the statewide present law adjustment for fixed costs of approximately \$328,000 in FY 2024 and \$235,000 in FY 2025. This increase is primarily related to audit costs (FY 2024) and state information technology services costs (FY 2024 and FY 2025)

Agency 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.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Request Fiscal 2024	Request Fiscal 2025
FTE	0.00	56.57	56.57	60.57	60.57
Personal Services	4,946,455	5,634,940	5,808,542	5,907,194	6,011,857
Operating Expenses	1,199,322	1,548,841	1,627,011	1,668,854	1,583,891
Total Expenditures	\$6,145,777	\$7,183,781	\$7,435,553	\$7,576,048	\$7,595,748
General Fund	6,145,777	7,133,781	7,385,553	7,526,048	7,545,748
State/Other Special Rev. Funds	0	50,000	50,000	50,000	50,000
Total Funds	\$6,145,777	\$7,183,781	\$7,435,553	\$7,576,048	\$7,595,748
Total Ongoing	\$5,865,905	\$6,736,283	\$6,809,608	\$7,657,302	\$7,595,748
Total OTO	\$279,872	\$447,498	\$625,945	(\$81,254)	\$0

Agency Discussion

FY 2022 Appropriation Compared to FY 2022 Actual Expenditures

The HB 2 budget for the Governor’s Office is primarily funded with general fund. The FY 2022 HB 2 budget of approximately \$7.2 million was 85.6% expended as of the end of the fiscal year. Personal services appropriations of \$5.6 million were 87.8% expended. Lower personal services expenditures were due to vacant positions in FY 2022. Operating expense appropriations of \$1.5 million were 77.4% expended. Lower operating expenses were primarily due to lower expenditures in the Office of Economic Development in the Executive Office Program, lower audit and information technology services costs in the Office of Budget and Program Planning, and lower travel costs in the Mental Disabilities Board of Visitors and Mental Health Ombudsman.

FY 2022 Appropriations Compared to FY 2023 Appropriations

Overall, the FY 2023 appropriation is approximately \$252,000 or 3.5% higher than the FY 2022 appropriation. There are two primary reasons for the difference:

- The legislatively approved pay plan provided additional funding in FY 2023 of approximately \$41,000
- The 2021 Legislature approved one-time-only general fund appropriations of \$180,000 per fiscal year for administrative rules and government efficiency initiatives. In FY 2022, the Office of Budget and Program Planning transferred \$120,000 to the Department of Environmental Quality and \$60,000 to the Department of Commerce to assist with their efforts to update systems and processes within their agencies

Comparison of FY 2023 Legislative Budget to FY 2023 Base

The figure below illustrates the beginning FY 2023 budget as adopted by the 2021 Legislature compared to the FY 2023 base budget, which includes modifications as approved by the approving authority (as authorized in statute) during the interim. The FY 2023 base budget was agreed upon by the executive and legislative branches to be the point from which any changes would be recorded for the 2025 biennium budgeting process.

Governor's Office				
Comparison of the FY 2023 Legislative Budget to the FY 2023 Base Budget				
	Legislative Budget	Executive Modifications	Base Budget	% Change
Executive Office Program				
Personal Services	\$ 2,598,124		\$ 2,598,124	0.0%
Operating Expenses	754,415	(29,850)	724,565	-4.0%
Debt Service	3,750	(3,750)	-	-100.0%
Total	3,356,289	(33,600)	3,322,689	-1.0%
Executive Residence Operations				
Personal Services	109,598		109,598	0.0%
Operating Expenses	75,965	(20,000)	55,965	-26.3%
Total	185,563	(20,000)	165,563	-10.8%
Office of Budget and Program Planning				
Personal Services	2,192,272		2,192,272	0.0%
Operating Expenses	324,229	1,870	326,099	0.6%
Debt Service	1,870	(1,870)	-	-100.0%
Total	2,518,371	-	2,518,371	0.0%
Office of Indian Affairs				
Personal Services	181,911	-	181,911	0.0%
Operating Expenses	89,067	20,000	109,067	22.5%
Total	270,978	20,000	290,978	7.4%
Mental Disability Board of Visitors				
Personal Services	451,473	-	451,473	0.0%
Operating Expenses	59,294	1,240	60,534	2.1%
Debt Service	1,240	(1,240)	-	-100.0%
Total	512,007	-	512,007	0.0%
Governor's Office Total	\$ 6,843,208	\$ (33,600)	\$ 6,809,608	-0.5%

The Governor's Office had three budget modifications to the FY 2023 base budget. These modifications include:

- The Governor's Office transferred \$20,000 of general fund from the Executive Residence Operations Program to the Office of Indian Affairs. The vehicles that were associated with the executive residence were returned to the state motor pool because of the renovation, which reduced expenditures in the Executive Residence Operations Program. The associated funding for operating expenses was transferred into the Office of Indian Affairs to cover increased travel expenses being experienced in the program
- The Governmental Accounting Standards Board (GASB) changed its guidance for recording leased copiers. The threshold for capital leases is now \$100,000, so the expense for copier leases will be recorded as an operating expense rather than debt service. In total, the Executive Office Program, Office of Budget and Program Planning, and the Mental Disabilities Board of Visitors and Mental Health Ombudsman Program transferred approximately \$6,900 from debt service to operating expenses in FY 2023
- The Executive Office Program transferred general fund appropriation authority of approximately \$34,000 to the Department of Commerce in FY 2023. Moving forward, the Department of Commerce will be administering the Montana ambassador's program, the Montana site selector application, and the business navigator (checklist) application

Executive Request

The executive is requesting an increase of approximately \$766,000 in FY 2024 and \$786,000 in FY 2025 above the FY 2023 base appropriations. The increase is primarily due to the request for 2.00 FTE in the Executive Office Program and 2.00 FTE in the Office of Budget and Program Planning. Additionally increases from the statewide present law adjustment for fixed costs, primarily related to audit costs and state information technology services costs, are contributing to the proposed increase in appropriations.

These requests will be discussed in further detail at the program level.

5.0% Plan

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5.0%. The general fund reduction impact for the Governor's Office is approximately \$276,000. The 5.0% plan includes reductions in personal services and operating costs and could include reductions to staffing, travel, contracted services, and supplies.

A summary of the entire 2025 biennium 5.0% plan, submitted by the agency, is in the budget analysis appendix.

Right to Know Requests

The Governor's Office has four staff that have responsibilities related to 'right-to-know' requests. These staff complete electronic searches, filter data for duplicates and relevance, and remove personally identifiable information. It is estimated that staff spend an average of 304 hours per year on requests at a cost of approximately \$10,000. The Governor's Office does not charge for document requests. The information above does not apply to requests from press.

Agency Goals and Objectives

Statute requires that agencies submit a statement of the agency mission and a statement of goals and objectives for each program of the agency. The goals and objectives are required to be concise, specific, quantifiable, and measurable. Goals and objectives, submitted by the agency, are included in the agency profile webpage.

Agency Personal Services

In order to explain the factors influencing personal services changes, the proposed statewide personal services present law adjustment (DP 1) has been broken down into three categories, as follows:

- Legislatively approved changes – This category includes adjustments explicitly approved by the legislature, such as expected changes to annualize personal services costs included in the FY 2023 statewide pay plan adjustments, changes to benefit rates, increases in pay approved by the legislature, longevity adjustments required by statute, and changes in rates for workers' compensation and unemployment insurance
- Management decisions – This category includes agency management decisions that adjust personal services related to changes in pay. This includes changes such as hiring full time equivalent (FTE) at a lower rate to replace senior staff and broadband pay adjustments for recruitment and retention
- Budget modifications – This category includes other modifications to the FY 2023 personal services base budget such as management decisions to transfer personal services funding between programs within an agency or transfers to move personal funding to or from other expenditure category (e.g. moving funding from operating expenses to personal services)

The figure below shows the analysis of the executive budget for personal services for each program.

Statewide Present Law Adjustment for Personal Services FY 2024 Decision Package 1				
Program	Legislative Changes	Management Decisions	Budget Modifications	Decision Package 1
01 Executive Office Program	\$ 11,188	\$ (4,184)	\$ -	\$ 7,004
02 Executive Residence Operations	(7,335)	(21,009)	-	(28,344)
04 Office of Budget and Program Planning	23,649	36,893	-	60,542
05 Office of Indian Affairs	(8,826)	(6,493)	-	(15,319)
20 Mental Disabilities Bd Visitors	(7,029)	(10,302)	-	(17,331)
Total	\$ 11,647	\$ (5,095)	\$ -	\$ 6,552

Personal services appropriations were \$5.5 million or 81.3% of total FY 2023 base appropriations (note: the FY 2023 base appropriations for personal services do not include the one-time-only appropriations). The executive proposes an increase of \$374,000 in FY 2024 and \$478,000 in FY 2025 when compared to the FY 2023 base appropriations. The increase is primarily due to the request for funding for 2.00 FTE in the Executive Office Program and 2.00 FTE in the Office of Budget and Program Planning. Additional details of significant factors included in the statewide present law adjustment for personal services will be discussed at the program level.

Funding

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

Total Governor's Office Funding by Source of Authority 2025 Biennium Budget Request - Governor's Office						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	15,153,050	(81,254)	0	16,500,000	31,571,796	99.68 %
State Special Total	100,000	0	0	0	100,000	0.32 %
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	\$15,253,050	(\$81,254)	\$0	\$16,500,000	\$31,671,796	
Percent - Total All Sources	48.16 %	(0.26)%	0.00 %	52.10 %		

The Governor's Office is primarily funded with general fund. State special revenue funding provides a portion of funding for the Office of Indian Affairs. This state special revenue fund receives revenues through a fee for tribal relations training provided by the Office of Indian Affairs.

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	6,759,608	6,759,608	13,519,216	89.70 %	6,809,608	6,809,608	13,619,216	89.77 %
SWPL Adjustments	381,878	319,390	701,268	4.65 %	381,878	319,390	701,268	4.62 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	384,562	466,750	851,312	5.65 %	384,562	466,750	851,312	5.61 %
Total Budget	\$7,526,048	\$7,545,748	\$15,071,796		\$7,576,048	\$7,595,748	\$15,171,796	

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	5,418,817	5,698,554	279,737	5.16 %
Operating Expenses	1,813,640	1,181,827	(631,813)	(34.84)%
Total Expenditures	\$7,232,457	\$6,880,381	(\$352,076)	(4.87)%
General Fund	7,232,457	6,880,381	(352,076)	(4.87)%
Total Funds	\$7,232,457	\$6,880,381	(\$352,076)	(4.87)%
Total Ongoing	\$6,589,014	\$6,880,381	\$291,367	4.42 %
Total OTO	\$643,443	\$0	(\$643,443)	(100.00)%

Program Description

The Executive Office Program aids the Governor in overseeing and coordinating the activities of the Executive Branch of Montana state government. The program includes the Office of the Lieutenant Governor which is responsible for carrying out duties prescribed by statute and those delegated by the Governor.

The program provides administrative, legal, and press support for the Office of the Governor. The Executive Office Program also administers programs with special impact on the citizens and governmental concerns of Montana. This includes the Office of the Citizens' Advocate and the Office of Economic Development, which was created to strengthen the foundations of the state's business environment and diversify and expand existing economic endeavors to achieve long-term economic stability.

Program Highlights

Executive Office Program Major Budget Highlights
<ul style="list-style-type: none"> • The proposed Executive Office Program's 2025 biennium ongoing appropriations are approximately \$291,000 or 4.4% higher than the 2023 biennium. Significant proposals include: <ul style="list-style-type: none"> ◦ Increasing general fund appropriations by approximately \$122,000 each fiscal year for 1.00 FTE that will work on government efficiency initiatives ◦ Increasing general fund appropriations by approximately \$124,000 each fiscal year for 1.00 FTE for a policy staff member ◦ Reducing general fund appropriations by approximately \$171,000 each fiscal year because of fixed costs. The reduction is primarily related to the transfer of state information technology services costs to the Office of Budget and Program Planning and the elimination of insurance payments to the Risk Management and Tort Defense Division in the 2025 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	27.00	27.00	29.00	29.00
Personal Services	2,185,506	2,669,409	2,749,408	2,845,331	2,853,223
Operating Expenses	780,182	919,414	894,226	588,471	593,356
Total Expenditures	\$2,965,688	\$3,588,823	\$3,643,634	\$3,433,802	\$3,446,579
General Fund	2,965,688	3,588,823	3,643,634	3,433,802	3,446,579
Total Funds	\$2,965,688	\$3,588,823	\$3,643,634	\$3,433,802	\$3,446,579
Total Ongoing	\$2,756,787	\$3,266,325	\$3,322,689	\$3,433,802	\$3,446,579
Total OTO	\$208,901	\$322,498	\$320,945	\$0	\$0

Program Discussion -

FY 2022 Appropriation Compared to FY 2022 Actual Expenditures

The Executive Office Program is funded entirely with general fund. The HB 2 budget of approximately \$3.6 million was 82.6% expended as of the end of FY 2022.

Personal services appropriations made up the majority of the Executive Office Program’s budget in FY 2022. Appropriations of \$2.7 million were 81.9% expended at the end of the fiscal year and 83.2% of the total personal services hours budgeted were utilized. There are primarily two areas contributing to the lower percentage expended, which include:

- The Office of Economic Development was allocated personal services appropriations of approximately \$484,000 and expended \$156,000 or 32.3%. As of July 2022, 4.00 FTE of the 5.00 FTE were vacant. Following the close of FY 2022, a policy specialist was hired and started in September 2022 and a chief business development officer was hired and started in October 2022
- The 2021 Legislature approved one-time-only funding of approximately \$147,000 for personal services related to 1.50 FTE for the review of administrative rules and government efficiency initiatives. While the operating expenses were 100.0% expended, the personal services expenses were 22.6% expended. The program was able to hire one position, which was filled from October 2021 through June 2022. In addition to general challenges that currently exist with recruiting, the program has experienced difficulty recruiting for these positions because they received one-time-only funding in the 2023 biennium, and they cannot guarantee employment beyond June 30, 2023

Appropriations for operating expenses totaled approximately \$919,000 and were 84.9% expended at the end of the fiscal year. The lower percentage expended is primarily associated with the Office of Economic Development, which was appropriated approximately \$175,000 and expended \$58,000 or 33.4%.

FY 2022 Appropriations Compared to FY 2023 Appropriations

Overall, the FY 2023 appropriation is approximately \$55,000 or 1.5% higher than the FY 2022 appropriation. This is primarily because the legislature approved a reduction to FY 2022 appropriations of approximately \$53,000 for the elimination of the state share contribution for health insurance for two months.

Executive Request

The executive is requesting an increase of approximately \$111,000 in FY 2024 and \$124,000 in FY 2025 above the FY 2023 base appropriations. The increase is primarily due to the request for appropriations of \$247,000 in each year of the biennium for 2.00 FTE. The new FTE would include an additional policy position and a position that works on government efficiency initiatives. This increase is partially offset by a reduction in fixed costs, which is due to the transfer of state information technology services costs to the Office of Budget and Program Planning as well as the elimination of insurance payments to the Risk Management and Tort Defense Division in the 2025 biennium.

Program Personal Services

Personal services appropriations were \$2.6 million or 78.2% of total FY 2023 base appropriations (note: the FY 2023 base appropriations for personal services do not include the one-time-only appropriation of \$151,000 for the review of administrative rules and governmental efficiency initiatives). The executive proposes an increase of \$247,000 in FY 2024 and \$255,000 in FY 2025 when compared to the FY 2023 base appropriations. This increase is primarily due to two new proposals, which include:

- Approximately \$117,000 each fiscal year for 1.00 FTE for the review and implementation of changes to administrative rules
- Approximately \$122,000 each fiscal year for 1.00 FTE for an additional policy staff position

In addition to the new proposals, the statewide present law adjustment for personal services is requesting approximately \$7,000 in FY 2024 and \$15,000 in FY 2025. The table below shows the total adjustments for each personal service category in the statewide present law adjustment. The increase in the statewide present law adjustment for personal services is primarily due to the legislatively approved pay plan and the statutorily required change in pay for elected officials (2-16-405, MCA).

Governor's Office Executive Office Program FY 2024 Statewide Present Law Adjustment for Personal Services	
Legislative Changes	\$ 11,195
Management Changes	(4,191)
Total Budget Modifications	-
Total	\$ 7,004

Funding

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

Governor's Office, 01-Executive Office Program Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	6,880,381	0	0	0	6,880,381	100.00 %
State Special Total	\$0	\$0	\$0	\$0	\$0	0.00 %
03949 Coronavirus Relief Fund	0	0	0	0	0	0.00 %
03920 ARPA State Recovery Sec 602	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 %
Total All Funds	\$6,880,381	\$0	\$0	\$0	\$6,880,381	

The Executive Office is entirely funded with general fund.

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	3,322,689	3,322,689	6,645,378	96.58 %	3,322,689	3,322,689	6,645,378	96.58 %
SWPL Adjustments	(136,578)	(123,957)	(260,535)	(3.79)%	(136,578)	(123,957)	(260,535)	(3.79)%
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	247,691	247,847	495,538	7.20 %	247,691	247,847	495,538	7.20 %
Total Budget	\$3,433,802	\$3,446,579	\$6,880,381		\$3,433,802	\$3,446,579	\$6,880,381	

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.

Present Law Adjustments										
	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	7,004	0	0	7,004	0.00	14,740	0	0	14,740
DP 2 - Fixed Costs	0.00	(170,505)	0	0	(170,505)	0.00	(170,506)	0	0	(170,506)
DP 3 - Inflation Deflation	0.00	26,923	0	0	26,923	0.00	31,809	0	0	31,809
Grand Total All Present Law Adjustments	0.00	(\$136,578)	\$0	\$0	(\$136,578)	0.00	(\$123,957)	\$0	\$0	(\$123,957)

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

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2023 biennium

DP 2 - Fixed Costs -

The executive requests 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, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

LFD COMMENT

The Governor's Office is consolidating the budget for state information technology services into the Office of Budget and Program Planning. Of the total reduction included in this decision package, \$152,000 is associated with state information technology services.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

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 99 - New Fixed Costs	0.00	988	0	0	988	0.00	988	0	0	988
DP 101 - Government Efficiency Initiative	1.00	122,713	0	0	122,713	1.00	122,444	0	0	122,444
DP 102 - Policy Staff	1.00	123,990	0	0	123,990	1.00	124,415	0	0	124,415
Total	2.00	\$247,691	\$0	\$0	\$247,691	2.00	\$247,847	\$0	\$0	\$247,847

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

DP 99 - New Fixed Costs -

The executive requests general fund appropriations for the agency to provide funding for a new fixed cost for the State Management Training Center. The rates charged for this service are approved in the section of the budget that provides the services.

DP 101 - Government Efficiency Initiative -

The executive requests general fund appropriations for personal services for 1.00 FTE and operating expenses. The 2021 Legislature provided one-time-only funding for efficiency initiatives. This change package requests ongoing funding to continue work on these initiatives. The requested position would assist the Lieutenant Governor in continuing the review and implementation of changes to administrative rules in cabinet agencies as well as assist with the directive for a top-down efficiency review of cabinet agencies.

DP 102 - Policy Staff -

The executive requests general fund appropriations for 1.00 exempt FTE and associated operating expenses. This request is for a policy staff position. The number of exempt staff will not exceed 15 per elected official per 2-18-104 (2), MCA.

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	213,532	81,473	(132,059)	(61.85)%
Operating Expenses	111,810	100,706	(11,104)	(9.93)%
Total Expenditures	\$325,342	\$182,179	(\$143,163)	(44.00)%
General Fund	325,342	182,179	(143,163)	(44.00)%
Total Funds	\$325,342	\$182,179	(\$143,163)	(44.00)%
Total Ongoing	\$325,342	\$263,433	(\$61,909)	(19.03)%
Total OTO	\$0	(\$81,254)	(\$81,254)	100.00%

Program Description

The Executive Residence Operations Program provides for the day-to-day operations of the official state executive residence.

Program Highlights

Executive Residence Operations Program Major Budget Highlights
<ul style="list-style-type: none"> • The Executive Residence Operations Program's 2025 biennium requested appropriations are approximately \$143,000 or 44.0% lower than the 2023 biennium • The executive is requesting a one-time-only reduction in personal services expenditures of \$81,000 in FY 2024 because staff are not needed in the executive residence until renovations are complete

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	1.57	1.57	1.57	1.57
Personal Services	63,766	103,934	109,598	0	81,473
Operating Expenses	35,465	55,845	55,965	50,268	50,438
Total Expenditures	\$99,231	\$159,779	\$165,563	\$50,268	\$131,911
General Fund	99,231	159,779	165,563	50,268	131,911
Total Funds	\$99,231	\$159,779	\$165,563	\$50,268	\$131,911
Total Ongoing	\$99,231	\$159,779	\$165,563	\$131,522	\$131,911
Total OTO	\$0	\$0	\$0	(\$81,254)	\$0

Program Discussion -

FY 2022 Appropriation Compared to FY 2022 Actual Expenditures

The Executive Residence Operations Program is funded entirely with general fund. The HB 2 budget of approximately \$160,000 was 62.1% expended as of the end of FY 2022.

Personal services appropriations of \$104,000 made up 65.0% of the total program’s budget in FY 2022 and were 61.4% expended at the end of the fiscal year. The total personal services hours budgeted were 65.9% utilized. The Executive Residence Operations Program has 1.57 FTE and these positions have been vacant since October and November of 2021. The executive residence is in the process of being renovated so staff are not currently needed.

Appropriations for operating expenses totaled \$56,000 in FY 2022 and were 63.5% expended at the end of the fiscal year. The executive residence is not currently in use, so operating expenses were lower in FY 2022. The Governor’s personal residence has been used for business events. Caterers and contracted staff have been used, as needed, for these events.

FY 2022 Appropriations Compared to FY 2023 Appropriations

Overall, the FY 2023 appropriation is approximately \$6,000 or 3.6% higher than the FY 2022 appropriation. This is primarily because the legislature approved a reduction to FY 2022 appropriations of approximately \$4,000 for the elimination of the state share contribution for health insurance for two months. Additionally, the legislatively approved pay plan increased FY 2023 appropriations by \$1,000.

Executive Request

The executive is requesting a decrease from the FY 2023 base of approximately \$115,000 in FY 2024 and \$34,000 in FY 2025. The decrease is primarily due to the requested reduction in appropriations in FY 2024 of \$81,000 because staff are not needed at the executive residence until renovations are complete. Reductions because of the statewide present law adjustment for personal services and fixed costs are also contributing to the decrease in appropriations. The reduction in fixed costs is primarily due to the transfer of state information technology services costs to the Office of Budget and Program Planning.

Program Personal Services

Personal services appropriations were \$110,000 or 66.2% of total FY 2023 base appropriations. The executive proposes a decrease of \$110,000 in FY 2024 and \$28,000 in FY 2025 when compared to the FY 2023 base appropriations. This decrease in FY 2024 is primarily due to a new proposal to reduce funding, one-time-only, for 1.57 FTE because staff are not needed in the executive residence while it is being renovated. In addition to the new proposal, the statewide present law adjustment for personal services is requesting a reduction of approximately \$28,000 each fiscal year. The table below shows the total adjustments for each personal service category in the statewide present law adjustment.

Governor's Office Executive Residence Operations FY 2024 Statewide Present Law Adjustment for Personal Services	
Legislative Changes	\$ (7,335)
Management Changes	(21,009)
Total Budget Modifications	<u>-</u>
Total	<u>\$ (28,344)</u>

The Executive Residence Operations Program’s statewide present law adjustment for personal services was impacted by legislative and management changes. Reasons for these changes include:

- The legislative changes are primarily because 1.57 FTE are vacant. These positions no longer have longevity in the current snapshot and there is also a reduction in benefits
- The management decisions are mainly due to the rates for the vacant FTE being less than when these positions were filled

Funding

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

Governor's Office, 02-Executive Residence Operations Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	263,433	(81,254)	0	0	182,179	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 %
Total All Funds	\$263,433	(\$81,254)	\$0	\$0	\$182,179	

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

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 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	165,563	165,563	331,126	181.76 %	165,563	165,563	331,126	181.76 %
SWPL Adjustments	(34,041)	(33,652)	(67,693)	(37.16)%	(34,041)	(33,652)	(67,693)	(37.16)%
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	(81,254)	0	(81,254)	(44.60)%	(81,254)	0	(81,254)	(44.60)%
Total Budget	\$50,268	\$131,911	\$182,179		\$50,268	\$131,911	\$182,179	

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.

Present Law Adjustments	Fiscal 2024				Fiscal 2025					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(28,344)	0	0	(28,344)	0.00	(28,125)	0	0	(28,125)
DP 2 - Fixed Costs	0.00	(8,269)	0	0	(8,269)	0.00	(8,272)	0	0	(8,272)
DP 3 - Inflation Deflation	0.00	2,572	0	0	2,572	0.00	2,745	0	0	2,745
Grand Total All Present Law Adjustments	0.00	(\$34,041)	\$0	\$0	(\$34,041)	0.00	(\$33,652)	\$0	\$0	(\$33,652)

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

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2023 biennium

DP 2 - Fixed Costs -

The executive requests 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, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

LFD COMMENT	The Governor's Office is consolidating the budget for state information technology services into the Office of Budget and Program Planning. Of the total reduction included in this decision package, approximately \$6,700 is associated with state information technology services.
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DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

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 201 - Personal Services Reduction (OTO)	0.00	(81,254)	0	0	(81,254)	0.00	0	0	0	0
Total	0.00	(\$81,254)	\$0	\$0	(\$81,254)	0.00	\$0	\$0	\$0	\$0

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

DP 201 - Personal Services Reduction (OTO) -

The executive requests a one-time-only reduction in general fund in FY 2024 for personal services. The executive residence is undergoing a renovation authorized by the 2019 Legislature. During the renovation, the residence is unoccupied, but occupation is anticipated in FY 2025.

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	4,564,723	4,935,617	370,894	8.13 %
Operating Expenses	914,269	1,686,083	771,814	84.42 %
Total Expenditures	\$5,478,992	\$6,621,700	\$1,142,708	20.86 %
General Fund	5,478,992	6,621,700	1,142,708	20.86 %
Total Funds	\$5,478,992	\$6,621,700	\$1,142,708	20.86 %
Total Ongoing	\$5,048,992	\$6,621,700	\$1,572,708	31.15 %
Total OTO	\$430,000	\$0	(\$430,000)	(100.00)%

Program Description

The Office of Budget and Program Planning (OBPP) assists the Governor in preparing the Governor's executive budget and administering the state government budget. In addition, the OBPP prepares and monitors revenue estimates and collections, prepares and publishes fiscal notes on proposed legislation and initiatives, and acts as the approving authority for operational plan changes, program transfers, and budget amendments in the Executive Branch, in accordance with Title 17, Chapter 7, MCA. The OBPP acts as the lead Executive Branch agency for compliance with the federal Single Audit Act. The office also provides accounting, budgeting, human resource, procurement, safety, and information technology support for the entire Governor's Office.

Program Highlights

Office of Budget and Program Planning Major Budget Highlights
<ul style="list-style-type: none"> • The Office of Budget and Program Planning’s 2025 biennium requested appropriations are approximately \$1.1 million or 20.9% higher than the 2023 biennium. Significant proposals include: <ul style="list-style-type: none"> ◦ Increasing general fund appropriations for the statewide present law adjustment for fixed costs by \$541,000 in FY 2024 and \$448,000 in FY 2025. This increase is primarily due to audit costs (FY 2024) and an increase in state information technology services costs (FY 2024 and FY 2025). The increase in state information technology services costs is partially due to the consolidation of this budget from other programs in the Governor’s Office into the Office of Budget and Program Planning ◦ Increasing general fund appropriations by approximately \$106,000 each fiscal year for 1.00 FTE for an internal audit manager ◦ Increasing general fund appropriations by approximately \$106,000 each fiscal year for 1.00 FTE for a budget analyst

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	21.00	21.00	23.00	23.00
Personal Services	2,173,006	2,248,571	2,316,152	2,461,129	2,474,488
Operating Expenses	292,725	407,050	507,219	888,789	797,294
Total Expenditures	\$2,465,731	\$2,655,621	\$2,823,371	\$3,349,918	\$3,271,782
General Fund	2,465,731	2,655,621	2,823,371	3,349,918	3,271,782
Total Funds	\$2,465,731	\$2,655,621	\$2,823,371	\$3,349,918	\$3,271,782
Total Ongoing	\$2,394,760	\$2,530,621	\$2,518,371	\$3,349,918	\$3,271,782
Total OTO	\$70,971	\$125,000	\$305,000	\$0	\$0

Program Discussion -

FY 2022 Appropriation Compared to FY 2022 Actual Expenditures

The Office of Budget and Program Planning is funded entirely with general fund. The HB 2 budget of approximately \$2.7 million was 92.8% expended as of the end of FY 2022.

Personal services appropriations made up the majority of OBPP's budget in FY 2022. Appropriations of \$2.2 million were 96.6% expended at the end of the fiscal year and 95.8% of the total personal services hours budgeted were utilized. This is in line with anticipated expenditures at the end of the fiscal year.

Appropriations for operating expenses totaled approximately \$407,000 and were 71.9% expended at the end of the fiscal year. The lower percentage expended is partially due to lower legislative audit expenditures, which are biennial and may be used in FY 2023, and lower information technology expenditures.

FY 2022 Appropriations Compared to FY 2023 Appropriations

Overall, the FY 2023 appropriation is approximately \$168,000 or 6.3% higher than the FY 2022 appropriation. The difference is primarily associated with the one-time-only appropriation of \$180,000 approved by 2021 Legislature for administrative rules and government efficiency initiatives. In FY 2022, the Office of Budget and Program Planning transferred \$120,000 to the Department of Environmental Quality and \$60,000 to the Department of Commerce to assist with their efforts to update systems and processes with their agencies, which reduced OBPP's FY 2022 appropriations.

Executive Request

The executive is requesting an increase of approximately \$832,000 in FY 2024 and \$753,000 in FY 2025 above the FY 2023 base appropriations. The increase is primarily due to the statewide present law adjustment for fixed costs. Information technology services costs increased by approximately \$453,000 in each fiscal year. Part of this increase is due to the consolidation of these costs into OBPP's budget and there was a corresponding reduction of \$192,000 each fiscal year within other programs in the Governor's Office.

In addition to the increase in the statewide present law adjustment for fixed costs, the Office of Budget and Program Planning had two new proposals that increased appropriations by \$212,000 in FY 2024 and \$213,000 in FY 2025 for 2.00 FTE. The requested funding for FTE includes an internal audit manager and budget analyst.

Program Personal Services

Personal services appropriations were \$2.2 million or 87.1% of total FY 2023 base appropriations (note: the FY 2023 base appropriations for personal services do not include the one-time-only appropriation of \$125,000 for an internal audit manager). The executive proposes an increase of \$269,000 in FY 2024 and \$282,000 in FY 2025 when compared to the FY 2023 base appropriations. This increase is primarily due to two new proposals, which include:

- Approximately \$104,000 each fiscal year for 1.00 FTE for an internal audit manager
- Approximately \$105,000 each fiscal year for 1.00 FTE for a budget analyst

In addition to the new proposal, the statewide present law adjustment for personal services is requesting approximately \$61,000 in FY 2024 and \$73,000 in FY 2025. The table below shows the total adjustments for each personal service category in the statewide present law adjustment.

Governor's Office Office of Budget and Program Planning FY 2024 Statewide Present Law Adjustment for Personal Services	
Legislative Changes	\$ 23,633
Management Changes	36,909
Total Budget Modifications	<u>-</u>
Total	<u>\$ 60,542</u>

The Office of Budget and Program Planning’s statewide present law adjustment for personal services was impacted by legislative and management changes. Reasons for these changes include:

- The legislative changes are primarily related to pay increases related to the legislatively approved pay plan and statutorily required longevity
- The management decisions are mainly related to pay rate increases for retention, career ladder, and performance adjustments. These increases are slightly offset by the reduction in pay rate for 2.00 FTE, which were vacant at the time of the snapshot

Funding

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

Governor's Office, 04-Ofc Budget & Program Planning Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	6,621,700	0	0	16,500,000	23,121,700	100.00 %	
02038 Governor's Office SSR	0	0	0	0	0	0.00 %	
State Special Total	\$0	\$0	\$0	\$0	\$0	0.00 %	
03001 Governor's Office FSR	0	0	0	0	0	0.00 %	
03949 Coronavirus Relief Fund	0	0	0	0	0	0.00 %	
03989 Gov Emergency Education Relief	0	0	0	0	0	0.00 %	
03920 ARPA State Recovery Sec 602	0	0	0	0	0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	\$0	0.00 %	
06510 Personal Services Contingency	0	0	0	0	0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$6,621,700	\$0	\$0	\$16,500,000	\$23,121,700		

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

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	2,518,371	2,518,371	5,036,742	76.06 %	2,518,371	2,518,371	5,036,742	76.06 %
SWPL Adjustments	613,677	534,763	1,148,440	17.34 %	613,677	534,763	1,148,440	17.34 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	217,870	218,648	436,518	6.59 %	217,870	218,648	436,518	6.59 %
Total Budget	\$3,349,918	\$3,271,782	\$6,621,700		\$3,349,918	\$3,271,782	\$6,621,700	

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.

Present Law Adjustments										
	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	60,542	0	0	60,542	0.00	73,193	0	0	73,193
DP 2 - Fixed Costs	0.00	541,360	0	0	541,360	0.00	448,311	0	0	448,311
DP 3 - Inflation Deflation	0.00	11,775	0	0	11,775	0.00	13,259	0	0	13,259
Grand Total All Present Law Adjustments	0.00	\$613,677	\$0	\$0	\$613,677	0.00	\$534,763	\$0	\$0	\$534,763

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

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2023 biennium

DP 2 - Fixed Costs -

The executive requests 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, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

LFD COMMENT

The Governor's Office is consolidating the budget for state information technology services into the Office of Budget and Program Planning. Of the total increase included in this decision package, \$192,000 is associated with costs for state information technology services being transferred from other programs in the Governor's Office to OBPP.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

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 99 - New Fixed Costs	0.00	4,415	0	0	4,415	0.00	4,415	0	0	4,415
DP 401 - Internal Audit Management	1.00	105,638	0	0	105,638	1.00	105,990	0	0	105,990
DP 402 - Subscription Increase	0.00	1,640	0	0	1,640	0.00	1,710	0	0	1,710
DP 403 - Budget Analyst	1.00	106,177	0	0	106,177	1.00	106,533	0	0	106,533
Total	2.00	\$217,870	\$0	\$0	\$217,870	2.00	\$218,648	\$0	\$0	\$218,648

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

DP 99 - New Fixed Costs -

The executive requests general fund appropriations for the agency to provide funding for a new fixed cost for the Chief Data Officer and State Management Training Center. The rates charged for this service are approved in the section of the budget that provides the services.

DP 401 - Internal Audit Management -

The executive requests general fund appropriations for 1.00 FTE and associated operating expenses for an internal audit manager. The 2021 Legislature provided one-time-only general fund appropriations of \$125,000 per year for a position to oversee internal audit management and internal controls across state agencies. OBPP has filled this position and requests to make the position permanent.

DP 402 - Subscription Increase -

The executive requests general fund appropriations for subscription costs related to economic data. The Office of Budget and Program Planning maintains a contract for an economic data service on behalf of the OBPP, the Department of Transportation and the Legislative Fiscal Division. An annual increase of 4.0% is anticipated.

DP 403 - Budget Analyst -

The executive requests general fund appropriations for 1.00 FTE and associated operating expenses for a budget analyst. The Office of Budget and Program planning is experiencing increased workloads associated with expanded legislative interim committees, legislative policies and agendas, and increased need and demand for data analytical work.

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	359,878	333,732	(26,146)	(7.27)%
Operating Expenses	215,175	189,104	(26,071)	(12.12)%
Total Expenditures	\$575,053	\$522,836	(\$52,217)	(9.08)%
General Fund	475,053	422,836	(52,217)	(10.99)%
State/Other Special Rev. Funds	100,000	100,000	0	0.00%
Total Funds	\$575,053	\$522,836	(\$52,217)	(9.08)%
Total Ongoing	\$575,053	\$522,836	(\$52,217)	(9.08)%
Total OTO	\$0	\$0	\$0	0.00%

Program Description

The Director of Indian Affairs serves as the Governor's liaison with state Indian tribes, provides information and policy support on issues confronting the Indians of Montana, and advises and makes recommendations on these issues to the Legislative and Executive Branches. The director also serves the Montana congressional delegation as an advisor and intermediary in the field of Indian affairs and acts as spokesperson for representative Native American organizations and groups, both public and private, whenever that support is requested. The program is mandated by 2-15-217 and 90-11-101, MCA.

Program Highlights

Office of Indian Affairs Major Budget Highlights
<ul style="list-style-type: none"> • The Office of Indian Affairs' 2025 biennium requested appropriations are approximately \$52,000 or 9.1% lower than the 2023 biennium. Significant proposals include: <ul style="list-style-type: none"> ◦ Reducing general fund appropriations by approximately \$18,000 each fiscal year because of fixed costs. The reduction is related to the transfer of state information technology services costs to the Office of Budget and Program Planning and the elimination of insurance payments to the Risk Management and Tort Defense Division in the 2025 biennium ◦ Reducing general fund appropriations by approximately \$15,000 each fiscal year because of the statewide present law adjustment for personal services

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	2.00	2.00	2.00	2.00
Personal Services	117,592	177,967	181,911	166,592	167,140
Operating Expenses	47,899	106,108	109,067	94,020	95,084
Total Expenditures	\$165,491	\$284,075	\$290,978	\$260,612	\$262,224
General Fund	165,491	234,075	240,978	210,612	212,224
State/Other Special Rev. Funds	0	50,000	50,000	50,000	50,000
Total Funds	\$165,491	\$284,075	\$290,978	\$260,612	\$262,224
Total Ongoing	\$165,491	\$284,075	\$290,978	\$260,612	\$262,224
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Discussion -

FY 2022 Appropriation Compared to FY 2022 Actual Expenditures

The Office of Indian Affairs is primarily funded with general fund. The HB 2 budget of approximately \$284,000 was 58.3% expended as of the end of FY 2022.

Personal services appropriations of approximately \$178,000 were 66.1% expended at the end of the fiscal year and 57.9% of the total personal services hours budgeted were utilized. Personal services expenditures were lower than anticipated in the budget due to vacancies. The Office of Indian Affairs has 2.00 FTE. Of these, 1.00 FTE was filled for all of FY 2022 and 1.00 FTE was filled from February through June 2022.

Appropriations for operating expenses totaled approximately \$106,000 and were 45.1% expended at the end of the fiscal year. The lower percentage expended is primarily due to the Office of Indian Affairs not administering a tribal relations training in FY 2022 because of concerns with training in person during the ongoing pandemic. The office provided this training in November of FY 2023.

FY 2022 Appropriations Compared to FY 2023 Appropriations

Overall, the FY 2023 appropriation is approximately \$7,000 or 2.4% higher than the FY 2022 appropriation. This is primarily due to:

- An increase in appropriations of approximately \$3,000 for fixed costs in FY 2023, primarily related to information technology
- The legislatively approved reduction to FY 2022 appropriations of approximately \$2,000 for the elimination of the state share contribution for health insurance for two months
- The legislatively approved pay plan, which increased personal services appropriations by approximately \$1,600

Executive Request

The executive is requesting a decrease of approximately \$30,000 in FY 2024 and \$29,000 in FY 2025 below the FY 2023 base appropriations. The decrease is due to the statewide present law adjustment for personal services (discussed in more detail below) and fixed costs. The reduction in fixed costs is due to the transfer of state information technology services costs to the Office of Budget and Program Planning as well as the elimination of insurance payments to the Risk Management and Tort Defense Division in the 2025 biennium.

Program Personal Services

Personal services appropriations were \$182,000 or 62.5% of total FY 2023 base appropriations. The executive proposes a decrease of \$15,000 in FY 2024 and FY 2025 when compared to the FY 2023 base appropriations. This decrease is due to the statewide present law adjustment for personal services. The table below shows the total adjustments for each personal service category in the statewide present law adjustment.

Governor's Office Office of Indian Affairs FY 2024 Statewide Present Law Adjustment for Personal Services	
Legislative Changes	\$ (8,826)
Management Changes	(6,493)
Total Budget Modifications	-
Total	\$ (15,319)

The Office of Indian Affairs' statewide present law adjustment for personal services was impacted by legislative and management changes. Reasons for these changes include:

- The legislative changes are primarily related to the reduction in retirement expenditures because 1.00 FTE was exempt at the time of the snapshot
- The management decisions are mainly related to pay rate decreases because 1.00 FTE was vacant at the time of the snapshot and is included in the budget at 85.0% of the rate at the market mid-point

Funding

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

Governor's Office, 05-Office of Indian Affairs Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	422,836	0	0	0	422,836	80.87 %
02038 Governor's Office SSR	100,000	0	0	0	100,000	100.00 %
State Special Total	\$100,000	\$0	\$0	\$0	\$100,000	19.13 %
Federal Special Total	\$0	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$522,836	\$0	\$0	\$0	\$522,836	

The majority of the Office of Indian Affairs is funded with general fund. The remaining funding is comprised of state special revenue funds generated by fees associated with tribal relations training administered by the Office of Indian Affairs.

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	240,978	240,978	481,956	113.98 %	290,978	290,978	581,956	111.31 %
SWPL Adjustments	(30,438)	(28,826)	(59,264)	(14.02)%	(30,438)	(28,826)	(59,264)	(11.34)%
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	72	72	144	0.03 %	72	72	144	0.03 %
Total Budget	\$210,612	\$212,224	\$422,836		\$260,612	\$262,224	\$522,836	

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.

Present Law Adjustments										
	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(15,319)	0	0	(15,319)	0.00	(14,771)	0	0	(14,771)
DP 2 - Fixed Costs	0.00	(18,120)	0	0	(18,120)	0.00	(18,127)	0	0	(18,127)
DP 3 - Inflation Deflation	0.00	3,001	0	0	3,001	0.00	4,072	0	0	4,072
Grand Total All Present Law Adjustments	0.00	(\$30,438)	\$0	\$0	(\$30,438)	0.00	(\$28,826)	\$0	\$0	(\$28,826)

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

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2023 biennium

DP 2 - Fixed Costs -

The executive requests 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, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

LFD COMMENT	The Governor's Office is consolidating the budget for state information technology services into the Office of Budget and Program Planning. Of the total reduction included in this decision package, \$17,800 is associated with state information technology services.
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DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

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 99 - New Fixed Costs	0.00	72	0	0	72	0.00	72	0	0	72
Total	0.00	\$72	\$0	\$0	\$72	0.00	\$72	\$0	\$0	\$72

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

DP 99 - New Fixed Costs -

The executive requests general fund appropriations for the agency to provide funding for a new fixed cost for the State Management Training Center. The rates charged for this service are approved in the section of the budget that provides the services.

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	886,532	869,675	(16,857)	(1.90)%
Operating Expenses	120,958	95,025	(25,933)	(21.44)%
Total Expenditures	\$1,007,490	\$964,700	(\$42,790)	(4.25)%
General Fund	1,007,490	964,700	(42,790)	(4.25)%
Total Funds	\$1,007,490	\$964,700	(\$42,790)	(4.25)%
Total Ongoing	\$1,007,490	\$964,700	(\$42,790)	(4.25)%
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Mental Disabilities Board of Visitors is charged with formally reviewing patient care and assisting people who have complaints about services at Montana's licensed mental health centers, community hospital psychiatric units, children's residential treatment programs, and at the state facilities that serve people with mental illnesses and developmental disabilities. The board provides legal services to patients at Montana State Hospital. The Governor appoints six board members who represent recipients of services and their families, and the mental health and developmental disability professions. The board employs administrative and legal staff and contracts with mental health and developmental disability professionals to carry out its responsibilities for patient representation and facility review. The Mental Disabilities Board of Visitors Program was created by the Developmental Disabilities Act of 1975 and the Mental Commitment and Treatment Act of 1975 and exists as a state mandate.

The Mental Health Ombudsman is statutorily directed to "represent the interests of individuals with regard to need for public mental health services". The office functions with 1.50 FTE responding to statewide requests for service. The Office of the Ombudsman was created by the legislature in 1999 and is appointed by the Governor for a four-year term.

Program Highlights

Mental Disabilities Board of Visitors and Mental Health Ombudsman Major Budget Highlights
<ul style="list-style-type: none"> • The Mental Disabilities Board of Visitors and the Mental Health Ombudsman's 2025 biennium requested appropriations are approximately \$43,000 or 4.3% lower than the 2023 biennium. Significant proposals include: <ul style="list-style-type: none"> ◦ Reducing general fund appropriations by approximately \$16,000 each fiscal year because of fixed costs. The reduction is related to the transfer of state information technology services costs to the Office of Budget and Program Planning and the elimination of insurance payments to the Risk Management and Tort Defense Division in the 2025 biennium ◦ Reducing general fund appropriations by approximately \$17,000 in FY 2024 and \$16,000 in FY 2025 because of the statewide present law adjustment for personal services

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	5.00	5.00	5.00	5.00
Personal Services	406,585	435,059	451,473	434,142	435,533
Operating Expenses	43,051	60,424	60,534	47,306	47,719
Total Expenditures	\$449,636	\$495,483	\$512,007	\$481,448	\$483,252
General Fund	449,636	495,483	512,007	481,448	483,252
Total Funds	\$449,636	\$495,483	\$512,007	\$481,448	\$483,252
Total Ongoing	\$449,636	\$495,483	\$512,007	\$481,448	\$483,252
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Discussion -

FY 2022 Appropriation Compared to FY 2022 Actual Expenditures

The Mental Disabilities Board of Visitors and Mental Health Ombudsman is funded with general fund. The HB 2 budget of approximately \$495,000 was 90.7% expended as of the end of FY 2022.

Personal services appropriations of approximately \$435,000 were 93.5% expended at the end of the fiscal year and 91.8% of the total personal services hours budgeted were utilized. Personal services expenditures were slightly lower than anticipated in the budget due to 0.50 vacant FTE, which has been vacant since 2017.

Appropriations for operating expenses totaled approximately \$60,000 and were 71.2% expended at the end of the fiscal year. Lower travel expenses primarily contributed to the lower operating expenses and were due to meetings and inspections held virtually and some travel costs being reimbursed by other entities.

FY 2022 Appropriations Compared to FY 2023 Appropriations

Overall, the FY 2023 appropriation is approximately \$17,000 or 3.3% higher than the FY 2022 appropriation. This is primarily due to:

- The legislatively approved reduction to FY 2022 appropriations of approximately \$11,000 for the elimination of the state share contribution for health insurance for two months
- The legislatively approved pay plan, which increased personal services appropriations by approximately \$4,000

Executive Request

The executive is requesting a decrease of approximately \$31,000 in FY 2024 and \$29,000 in FY 2025 below the FY 2023 base appropriations. The decrease is due to the statewide present law adjustment for personal services (discussed in more detail below) and fixed costs. The reduction in fixed costs is due to the transfer of state information technology services costs to the Office of Budget and Program Planning as well as the elimination of insurance payments to the Risk Management and Tort Defense Division in the 2025 biennium.

Program Personal Services

Personal services appropriations were \$451,000 or 88.2% of total FY 2023 base appropriations. The executive proposes a decrease of \$17,000 in FY 2024 and \$16,000 in FY 2025 when compared to the FY 2023 base appropriations. The decrease is due to the statewide present law adjustment for personal services. The table below shows the total adjustments for each personal service category in the statewide present law adjustment.

Governor's Office Mental Disabilities Board of Visitors / Mental Health Ombudsman FY 2024 Statewide Present Law Adjustment for Personal Services	
Legislative Changes	\$ (7,028)
Management Changes	(10,303)
Total Budget Modifications	-
Total	\$ (17,331)

The Mental Disabilities Board of Visitors and Mental Health Ombudsman’s statewide present law adjustment for personal services was impacted by legislative and management changes. Reasons for these changes include:

- The legislative changes are primarily related to a reduction in longevity for two positions that were hired with less uninterrupted years of state service than staff that previously held those positions
- The management decisions are mainly related to hiring 1.00 FTE at a lower rate than the predecessor in that position, and 0.50 FTE included at a lower rate because the position is vacant. This reduction is partially offset by a position that was hired at an increased rate

Funding

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

Governor's Office, 20-Mental Disabilities Bd Vistors Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	964,700	0	0	0	964,700	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 %
Total All Funds	\$964,700	\$0	\$0	\$0	\$964,700	

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

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	512,007	512,007	1,024,014	106.15 %	512,007	512,007	1,024,014	106.15 %
SWPL Adjustments	(30,742)	(28,938)	(59,680)	(6.19)%	(30,742)	(28,938)	(59,680)	(6.19)%
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	183	183	366	0.04 %	183	183	366	0.04 %
Total Budget	\$481,448	\$483,252	\$964,700		\$481,448	\$483,252	\$964,700	

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.

Present Law Adjustments										
	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(17,331)	0	0	(17,331)	0.00	(15,940)	0	0	(15,940)
DP 2 - Fixed Costs	0.00	(16,028)	0	0	(16,028)	0.00	(16,046)	0	0	(16,046)
DP 3 - Inflation Deflation	0.00	2,617	0	0	2,617	0.00	3,048	0	0	3,048
Grand Total All Present Law Adjustments	0.00	(\$30,742)	\$0	\$0	(\$30,742)	0.00	(\$28,938)	\$0	\$0	(\$28,938)

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

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2023 biennium

DP 2 - Fixed Costs -

The executive requests 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, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

LFD COMMENT	The Governor's Office is consolidating the budget for state information technology services into the Office of Budget and Program Planning. Of the total reduction included in this decision package, \$15,000 is associated with state information technology services.
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DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

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 99 - New Fixed Costs	0.00	183	0	0	183	0.00	183	0	0	183
Total	0.00	\$183	\$0	\$0	\$183	0.00	\$183	\$0	\$0	\$183

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

DP 99 - New Fixed Costs -

The executive requests general fund appropriations for the agency to provide funding for a new fixed cost for the State Management Training Center. The rates charged for this service are approved in the section of the budget that provides the services.