

Agency Budget Comparison

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

Agency Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	7,009,191	7,974,175	964,984	13.77 %
Operating Expenses	2,880,322	2,079,330	(800,992)	(27.81)%
Debt Service	396,436	631,274	234,838	59.24 %
Total Expenditures	\$10,285,949	\$10,684,779	\$398,830	3.88 %
State/Other Special Rev. Funds	9,738,604	10,137,397	398,793	4.09 %
Federal Spec. Rev. Funds	547,345	547,382	37	0.01 %
Total Funds	\$10,285,949	\$10,684,779	\$398,830	3.88 %
Total Ongoing	\$9,161,867	\$10,638,706	\$1,476,839	16.12 %
Total OTO	\$1,124,082	\$46,073	(\$1,078,009)	(95.90)%

Agency Description

The Department of Public Service Regulation is comprised of a 5-member elected Public Service Commission supported by a professional staff that provide expert legal, regulatory, public policy, consumer relations, and operational support. It is the duty of the Montana Public Service Commission to supervise and regulate the operations of public utilities, common carriers, railroads, and other regulated industries listed in Title 69 (MCA). Such regulation and supervision is limited by and shall be in conformance with Title 69.

Agency Highlights

<p>Public Service Commission Major Budget Highlights</p>
<p>The legislature adopted the Public Service Commission's 2025 biennium budget at 3.9% or \$399,000 greater than the 2023 biennium budget. When compared to the FY 2023 base budget, the 2025 biennium increase is \$1.6 million. Significant biennial increases adopted by the legislature include:</p> <ul style="list-style-type: none"> • \$642,000 in statewide present law adjustments for personal services and fixed costs, and inflation with \$473,000 associated with personal service increases • \$461,000 for 2.00 FTE including an IT systems administrator and an attorney • \$308,000 for software modernization (REDDI) • \$80,000 for anticipated retirement payouts

Agency Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget 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	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	36.00	36.00	38.00	38.00
Personal Services	3,317,527	3,484,720	3,524,471	4,019,743	3,954,432
Operating Expenses	1,346,644	1,490,851	1,389,471	1,079,366	999,964
Debt Service	146,055	146,056	250,380	304,376	326,898
Total Expenditures	\$4,810,226	\$5,121,627	\$5,164,322	\$5,403,485	\$5,281,294
State/Other Special Rev. Funds	4,648,198	4,847,973	4,890,631	5,129,794	5,007,603
Federal Spec. Rev. Funds	162,028	273,654	273,691	273,691	273,691
Total Funds	\$4,810,226	\$5,121,627	\$5,164,322	\$5,403,485	\$5,281,294
Total Ongoing	\$4,391,302	\$4,604,926	\$4,556,941	\$5,340,336	\$5,298,370
Total OTO	\$418,924	\$516,701	\$607,381	\$63,149	(\$17,076)

Summary of Legislative Action

The legislature adopted an increase of approximately 17.2% or \$1.6 million when compared to the FY 2023 HB 2 base appropriations. Notable items funded by the legislature in addition to statewide present law adjustments include:

- \$461,000 - 2.00 FTE including one IT system's analyst to work full time with the new REDDI system and one new lawyer
- \$308,000 - implementation and ongoing licensing costs associated with REDDI
- \$130,000 - building lease increases
- \$80,000 - biennial appropriation provided for anticipated retirement payouts

Funding

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

Total Public Service Commission Funding by Source of Authority 2025 Biennium Budget Request - Public Service Commission						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0	0.00 %
State Special Total	10,091,324	46,073	0	0	10,137,397	94.88 %
Federal Special Total	547,382	0	0	0	547,382	5.12 %
Proprietary Total	0	0	0	0	0	0.00 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$10,638,706	\$46,073	\$0	\$0	\$10,684,779	
Percent - Total All Sources	99.57 %	0.43 %	0.00 %	0.00 %		

The PSC is funded with a combination of state and federal special revenue. State special revenue derived from fees paid by regulated utility companies is the primary source of funding in the 2025 biennium budget. Federal special revenue from a natural gas pipeline safety grant makes up the remainder of the funding.

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	0	0	0	0.00 %	4,556,941	4,556,941	9,113,882	85.30 %
SWPL Adjustments	0	0	0	0.00 %	346,886	322,451	669,337	6.26 %
PL Adjustments	0	0	0	0.00 %	141,499	86,182	227,681	2.13 %
New Proposals	0	0	0	0.00 %	358,159	315,720	673,879	6.31 %
Total Budget	\$0	\$0	\$0		\$5,403,485	\$5,281,294	\$10,684,779	

Other Legislation

HB 10 - This bill provides appropriations for the state's information technology capital projects. Authority provided to the PSC is associated with completing the software modernization project (REDDI) which was started with appropriations provided by the 2021 legislature. Ongoing licensing and implementation fees have been included in HB 2.

Executive Budget Comparison

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

Budget Item	Approp. Fiscal 2023	Executive Budget Fiscal 2024	Legislative Budget Fiscal 2024	Leg — Exec. Difference Fiscal 2024	Executive Budget Fiscal 2025	Legislative Budget Fiscal 2025	Leg — Exec. Difference Fiscal 2025	Biennium Difference Fiscal 24-25
FTE	36.00	40.00	38.00	(2.00)	40.00	38.00	(2.00)	(2.00)
Personal Services	3,524,471	4,225,073	4,019,743	(205,330)	4,160,042	3,954,432	(205,610)	(410,940)
Operating Expenses	1,389,471	1,106,833	1,079,366	(27,467)	1,024,896	999,964	(24,932)	(52,399)
Equipment & Intangible Assets	0	0	0	0	0	0	0	0
Debt Service	250,380	310,375	304,376	(5,999)	335,400	326,898	(8,502)	(14,501)
Total Costs	\$5,164,322	\$5,642,281	\$5,403,485	(\$238,796)	\$5,520,338	\$5,281,294	(\$239,044)	(\$477,840)
State/other Special Rev. Funds	4,890,631	5,368,590	5,129,794	(238,796)	5,246,647	5,007,603	(239,044)	(477,840)
Federal Spec. Rev. Funds	273,691	273,691	273,691	0	273,691	273,691	0	0
Total Funds	\$5,164,322	\$5,642,281	\$5,403,485	(\$238,796)	\$5,520,338	\$5,281,294	(\$239,044)	(\$477,840)
Total Ongoing	\$4,556,941	\$5,562,056	\$5,340,336	(\$221,720)	\$5,520,338	\$5,298,370	(\$221,968)	(\$443,688)
Total OTO	\$607,381	\$80,225	\$63,149	(\$17,076)	\$0	(\$17,076)	(\$17,076)	(\$34,152)

The legislature adopted total appropriations that are \$480,000 lower, all in state special revenue, than the executive's requested appropriations. The differences in the legislative budget compared to the executive budget include:

- (\$368,000) - The legislature funded 2.00 of the 4.00 new FTE requested including slightly reduced funding for the new lawyer position. Requests for one rail inspector and one administrative specialist were not funded
- (\$68,000) – The legislature adopted an additional 1.0% vacancy savings
- (\$28,000) - The legislature adopted a reduction to the statewide present law adjustment for inflation
- (\$15,000) - The legislature adopted lease increases at 90.0% of the executive request
- \$142 – The legislature adopted an additional increase to the state accounting, budgeting, and human resources system (SABHRS) rates

Language and Statutory Authority

The legislature adopted the following language in HB 2:

"The Public Service Regulation Program includes a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund."

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget 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	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	36.00	36.00	38.00	38.00
Personal Services	3,317,527	3,484,720	3,524,471	4,019,743	3,954,432
Operating Expenses	1,346,644	1,490,851	1,389,471	1,079,366	999,964
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Total Ongoing	\$4,391,302	\$4,604,926	\$4,556,941	\$5,340,336	\$5,298,370
Total OTO	\$418,924	\$516,701	\$607,381	\$63,149	(\$17,076)

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted 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	0	229,293	0	229,293	0.00	0	244,195	0	244,195
DP 2 - Fixed Costs	0.00	0	94,524	0	94,524	0.00	0	51,593	0	51,593
DP 3 - Inflation Deflation	0.00	0	23,069	0	23,069	0.00	0	26,663	0	26,663
DP 5 - Building Lease Increase	0.00	0	53,996	0	53,996	0.00	0	76,518	0	76,518
DP 10 - Retirement Payouts (RST/BIEN/OTO)	0.00	0	80,225	0	80,225	0.00	0	0	0	0
DP 11 - Computer Replacement	0.00	0	7,200	0	7,200	0.00	0	9,600	0	9,600
DP 20 - SABHRS Rate Adjustment	0.00	0	78	0	78	0.00	0	64	0	64
DP 222 - RMTD Adjustment	0.00	0	17,076	0	17,076	0.00	0	17,076	0	17,076
DP 223 - RMTD Adjustment (OTO)	0.00	0	(17,076)	0	(17,076)	0.00	0	(17,076)	0	(17,076)
Grand Total All Present Law Adjustments	0.00	\$0	\$488,385	\$0	\$488,385	0.00	\$0	\$408,633	\$0	\$408,633

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required 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.

DP 3 - Inflation Deflation -

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

DP 5 - Building Lease Increase -

The legislature adopted an increase of appropriation for lease costs.

DP 10 - Retirement Payouts (RST/BIEN/OTO) -

The legislature adopted one-time-only and restricted authority for anticipated staff retirement payouts in the 2025 biennium.

DP 11 - Computer Replacement -

The legislature adopted authority for the five-year replacement cycle on computers.

DP 20 - SABHRS Rate Adjustment -

The legislature adopted an increase to proposed SABHRS rates.

DP 222 - RMTD Adjustment -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package eliminates the reduction included in DP 2. This change is necessary to designate the reduction as one-time-only in the budgeting system.

DP 223 - RMTD Adjustment (OTO) -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package designates the reduction as one-time-only.

New Proposals

The "New Proposals" table shows new changes to 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 4 - Software Modernization Project (REDDI) (BIEN)	0.00	0	170,000	0	170,000	0.00	0	138,000	0	138,000
DP 7 - IT Systems Administrator 2	1.00	0	114,164	0	114,164	1.00	0	110,546	0	110,546
DP 9 - Lawyer 2	1.00	0	120,046	0	120,046	1.00	0	116,433	0	116,433
DP 333 - Adjustment to Inflation	0.00	0	(12,345)	0	(12,345)	0.00	0	(15,396)	0	(15,396)
DP 555 - Additional Vacancy Savings	0.00	0	(33,706)	0	(33,706)	0.00	0	(33,863)	0	(33,863)
Total	2.00	\$0	\$358,159	\$0	\$358,159	2.00	\$0	\$315,720	\$0	\$315,720

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

DP 4 - Software Modernization Project (REDDI) (BIEN) -

The legislature adopted annual ongoing licensing fee authority for the REDDI system. In FY 2024, the request includes implementation costs and licensing fees. The cost in FY 2025 is the ongoing licensing fee for the system.

DP 7 - IT Systems Administrator 2 -

The legislature adopted 1.00 FTE for an IT systems administrator 2. The new position will be focused full-time on REDDI.

DP 9 - Lawyer 2 -

The legislature adopted 1.00 FTE for a lawyer position. The attorney is requested for the review of regulatory documents, drafting of Commission orders, contract review, and litigation of contested cases on appeal.

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.