

**OFFICE OF THE GOVERNOR**  
**BUDGET AND PROGRAM PLANNING**  
STATE OF MONTANA

GREG GIANFORTE  
GOVERNOR



PO Box 200802  
HELENA, MONTANA 59620-0802

**M E M O R A N D U M**

**TO:** Amy Carlson, Legislative Fiscal Analyst  
Legislative Fiscal Division

**FROM:** Ben Ternes, Senior Budget Analyst  
Aimee Franks, Senior Budget Analyst  
Governor's Office of Budget and Program Planning

**DATE:** September 15, 2023

**SUBJECT:** Fee accounts with balances exceeding the biennium appropriations – FY23

In accordance with 17-2-304, MCA, the report from the Office of Budget and Program Planning to the Legislative Finance Committee – via the Legislative Fiscal Analyst - on fee accounts with balances exceeding the biennium appropriations is attached.

The attached sheet lists for all state special revenue “charge for services” funds which exceed the limits of section 17-2-302(1) and are not exempt under 17-2-302(4): the agency and account, the fiscal year end 2022 balance, the amount the balance exceeds the limitation, and any certified exception to the limitation as allowed under 17-2-302(2).

Please let Ben or Aimee know if you have questions or wish additional information.

## Excess Fund Balance Report - Compliance with 17-2-302, MCA for Fiscal Year End 2023

| Agency | Fund  | Fund Name                         | Approp Authority | 7/1/22 Balance | Excess Cash Balance | Certified Exception/Explanation   |
|--------|-------|-----------------------------------|------------------|----------------|---------------------|---|
| 41100  | 02016 | Criminal Justice Info Network     | 1,190,378.52     | 1,853,248.19   | 662,869.67          | The excess balance in the Criminal Justice Information Network (CJIN) Fund (Fund 02016) of \$662,869 is necessary to cover costs of the administration of the criminal justice network statewide. The fund balance is needed to pay expenses associated with the replacement of the CJIN switch and workstations clients.   |
| 41100  | 02945 | DOJ Blood Draw MCA 61-8-402       | 571,509.34       | 921,827.47     | 350,318.13          | The excess balance in the DOJ Blood Draw Fund (Fund 02945) of \$350,318 is due to the timing of lease payments on equipment replacements. This funding is restricted and is being reviewed for future programmatic needs within the Forensic Science Division.  |
| 41100  | 02796 | MVD Real ID                       | 177,211.20       | 5,429,896.51   | 5,252,685.31        | The excess balance in the MVD Real ID Fund (Fund 02796) of \$5,252,685 is due the fee for Real IDs being adjusted via HB693 during the 2021 legislative session. As such, DOJ is monitoring adjusted revenue collections and once revenue streams have stabilized, the department plans on requesting appropriations necessary to fund operations.  |
| 52010  | 02328 | Parks OHV Fuel Safety/Education   | 26,411.54        | 141,372.10     | 114,960.56          | Agency didn't have dedicated staff to oversee the use of this fund so little expenses were paid. FWP will work with program manager to ensure these funds are spent appropriately and will realign authority to lower the cash balance.   |
| 52010  | 02331 | Motorboat Certification-Parks     | 24,683.52        | 110,751.12     | 86,067.60           | This fund is restricted to the use of pumpout equipment or other boat facilities at State Parks. FWP will monitor capital projects that meet this criteria and realign authority to expend if possible.   |
| 52010  | 02330 | Parks Snomo Fuel Tax Sfty/Educ    | 163,988.10       | 424,407.86     | 260,419.76          | Revenue in this fund continues to exceed appropriated authority. FWP will work with the program manager to ensure these funds are spent appropriately. FWP will realign authority if possible to lower the cash balance, however the appropriation is set at above the annual revenue.  |
| 52010  | 02558 | FAS - Vehicle Registration        | 355,977.64       | 687,390.72     | 331,413.08          | Revenue in this fund continues to exceed appropriated authority. FWP will adjust appropriations between FAS funds to expend excess cash in FY24.  |
| 52010  | 02059 | OHV Education                     | 14,398.72        | 49,009.93      | 34,611.21           | The excess balance in the OHV Education Fund (Fund 02059) of \$34,611.21 is due to HB355 in 2019 legislative session which removed this earmark. FWP is moving the cash to the other OHV education fund and will inactivate this fund.  |
| 66020  | 02679 | Board OfMassage Therapists        | 311,237.04       | 513,407.44     | 202,170.40          | At the end of FY23, the Board of Massage Therapy had a cash balance of \$513,407. The board's cash balance exceeded the allowable amount following the renewal cycle in August of 2021, and at the end of FY23 the excess balance was \$202,170. The board requires \$135,777 to cover expenses annually based on a five-year average. The board abated renewal fees 100% for FY24 which opened July 1, 2023, and will pursue a fee decrease before next year's renewal period begins.  |
| 66020  | 02820 | Architects/Landscape Architect    | 240,233.08       | 397,133.06     | 156,899.98          | The Board of Architects and Landscape Architects ended FY23 with an excess cash balance of \$156,900. Although the board started FY22 with excess cash and reduced fees in FY22, it was not sufficient to bring the cash balance down under the limit. The board abated 100% of renewal fees in FY23 and will abate again in FY24. The five-year average annual expenses for the board are \$91,592. Although a fee decrease was adopted in FY21, an additional fee decrease may be necessary to keep cash below the allowable limit.   |
| 66020  | 02824 | Board Of Medical Examiners        | 2,652,558.88     | 5,149,985.55   | 2,497,426.67        | The Board of Medical Examiner's cash balance of \$5,149,986 exceeded the allowable amount by \$2,497,427. The board requires \$1,301,082 to operate annually based on a five-year average. With an excess cash balance, the board abated renewal fees 100% in FY21 and again in FY22. The board also adopted a broad 25-30 % fee decrease in FY22 but revenue in FY23 continued to grow to \$2,555,401 for FY23 with expenses of \$1,213,162. The board is expecting extraordinarily high legal costs for FY24 due to a lengthy compliance case. These legal costs will result in a sizeable reduction of excess cash. The board will continue to monitor its cash balance with concern for the upcoming legal costs. An additional fee decrease will be needed if the number of licensees continues to grow. |
| 66020  | 02078 | Occupational Therapists           | 104,246.12       | 233,832.81     | 129,586.69          | The Board of Occupational Therapy exceeded the allowable amount of cash in June 2021. The board had an ending cash balance of \$233,833, which exceeded the allowable amount by \$129,587. The board's expenses, based on a five-year average, are \$48,797 and were \$25,353 for FY23. Revenue, with renewal fees abated 100%, totaled \$30,090 for FY23. The board is looking to abate fees again in FY24 and initiate a fee decrease to bring revenue in line with expenses.   |
| 66020  | 02831 | Board Of Optometrists             | 102,761.86       | 131,269.83     | 28,507.97           | The Board of Optometry exceeded the allowable limit in June of 2023 during the renewal period. At the end of FY23 the cash balance was \$131,270, or in excess by \$28,508. Based on a five-year average, the board requires \$33,360 to cover annual expenses. Revenues have remained steady for this fund, but expenditures have decreased in the last four years. The board will abate fees in FY24 and consider a fee decrease for FY25 to bring revenue commensurate with costs.   |
| 66020  | 02109 | Board Of Outfitters               | 712,370.62       | 1,002,935.46   | 290,564.84          | The Board of Outfitters ended FY23 with a cash balance of \$1,002,935, which is \$290,566 over the allowable amount. Annual expenses for the board total \$374,721 based on a five-year average. The board's cash has been in an excess status for several years leading the board to abate fees in FY22 and adopt a fee decrease in January of 2022. Even with the lower fees, revenue collected for FY23 continued to outpace expenses by over 37% adding to the board's excess cash balance. The board will abate fees again in FY24 and will plan to assess further fee reductions.   |
| 66020  | 02810 | Board Of Radiologic Technologists | 242,431.66       | 307,444.24     | 65,012.58           | The Board of Radiologic Technology has \$65,013 in excess cash. The board is allowed \$242,432 and this cash allowance was exceeded in December 2021. The board requires \$87,407 annually to cover expenses based on a five-year average. To reduce cash renewal fees were abated for FY23. The board will abate again in FY24 and adopt and complete a decrease prior to FY25.  |
| 66020  | 02854 | Board Of Real Estate Appraisers   | 646,144.78       | 1,332,866.65   | 686,721.87          | The Board of Real Estate Appraisers had a cash balance of \$1,332,867 which exceeded the allowable amount by \$686,722. The board's cash balance first exceeded the authorized limit in March of 2020. Based on a five-year average, the board requires \$268,791 to cover annual expenses. Renewal fees were abated 100% in FY22 and will be abated again in FY24. The board is also in the process of adopting a 50% fee decrease which will go into effect the second half of FY24. The new fee structure should greatly reduce revenue and bring it more in line with the board's expenses.   |

## Excess Fund Balance Report - Compliance with 17-2-302, MCA for Fiscal Year End 2023

| Agency | Fund  | Fund Name                        | Approp Authority | 7/1/22 Balance | Excess Cash Balance | Certified Exception/Explanation  |
|--------|-------|----------------------------------|------------------|----------------|---------------------|--|
| 66020  | 02834 | Board Of Veterinarians           | 471,928.66       | 530,201.34     | 58,272.68           | The Board of Veterinary Medicine exceeded the allowable cash balance of \$471,929 by \$58,273. The board's cash balance was exceeded in November of 2021 following the main half of the renewal cycle. Licensure for two new license types, Veterinary Technicians and Veterinary Dispensing Technicians, will add to growth in revenue. The board requires \$134,928 to cover annual expenses based on a five-year average. The board is planning to abate all renewal fees at 100% this year and abate renewal fees at 50% for FY25. Additionally, a fee decrease of 25% is in the process of being adopted and noticed by the board, which should become effective in the second half of FY24.  |
| 66020  | 02812 | Board of Physical Therapists     | 302,884.00       | 345,806.33     | 42,922.33           | The cash balance at the end of FY 23 for the Board of Physical Therapy was \$345,806, which exceeded the allowable amount by \$42,922. The board's cash exceeded the limitation in March 2023 during the annual renewal period. The board's five-year average for expenses is \$118,542. As revenue has increased over the last three years, expenses have remained constant causing the cash balance to increase. The board plans to abate fees for FY24 and will consider implementing a small fee reduction.  |
| 66020  | 02080 | Prescription Drug Registry       | 580,792.60       | 863,231.58     | 282,438.98          | The cash balance at the end of FY 23 for the Prescription Drug Monitoring Program was \$863,232 which exceed the allowable amount at the beginning of FY23 by \$282,439. Due to a significant increase in licensees, the revenue for the program has grown over 75% in the last five years to \$431,025 for FY23. The expenses have stayed relatively consistent with a five-year average of \$214,250. All renewal fees will be abated for the program for FY24 which should bring the cash balance to a desirable level. The program will look at reducing fees if expenses and the number of projected renewals remain the same.  |
| 66020  | 02852 | Board Of Alternative Health Care | 120,203.40       | 188,106.94     | 67,903.54           | The cash balance for Board of Alternative Healthcare at the start of FY23 was \$224,546. At the end of FY23 the cash balance was \$188,107, exceeding the allowed amount by \$67,904. The board has seen a 10% increase in revenue annually since 2019 and requires \$62,415 to cover annual expenses, based on a five-year average. The board abated all renewal fees for FY23 and plans to abate renewal fees again in FY24. The board is in the process of adopting and noticing a renewal fee decrease to bring revenue commensurate with costs which will be in effect by FY25.   |
| 66020  | 02816 | Board Of Sanitarians             | 101,274.54       | 130,835.61     | 29,561.07           | The cash balance for the Board of Sanitarians at the end of FY 23 was \$130,836. The cash balance exceeded the allowable amount by \$29,561. The board requires \$25,231 to cover expenses based on a five-year average and exceeded the allowable limit during the annual renewal period beginning in May of 2023. As the fund transitions from a board-run fund to a program in FY24, the department will look at abating fees for the upcoming renewal period beginning May 2024. A fee decrease will likely need to be completed as revenue has been nearly twice the amount of expenses for the last four years.  |
| 66020  | 02818 | Electrical Board                 | 960,495.82       | 1,021,525.07   | 61,029.25           | The Electrical Board's cash balance at the end of FY 23 was \$1,021,525, which exceeded the allowable amount by \$61,029. The board has been in an excess cash status since August of 2020 following the close of the FY20 renewal cycle. The board requires \$397,159 to cover expenses based on a five-year average. The board, which operates on a biennial renewal cycle, abated renewal fees in FY 20 by 50% and then again in FY22 by 100%. While the board plans to abate renewal fees by 100 % for FY24, the Division fiscal staff are working with the board's Executive Officer to notice a fee reduction of 30% to be in place before the end of FY24. The excess cash balance is attributable to the increased construction activity throughout the state.   |
| 66020  | 02830 | Board Of Dentistry               | 599,506.18       | 663,171.25     | 63,665.07           | The excess cash balance for Board of Dentistry at the end of FY23 was \$63,665. The fund exceeded the allowable limit during the renewal period in January 2023. The board requires \$329,742 to cover annual expenses based on a five-year average. With a growing cash balance, the board adopted and noticed a 25-30% fee reduction that went into effect following the renewal period in March of 2023. It will likely take a couple of renewal cycles to bring the cash balance within the allowable limit.   |
| 66020  | 02821 | Board Of Funeral Service         | 250,994.58       | 528,152.63     | 277,158.05          | The excess cash balance for Board of Funeral Services at the end of FY23 was \$277,158. The board first exceeded the allowable amount in FY22 with the addition of the death certificate revenue. Based on a five-year average, annual expenses total \$123,030 with FY23 expenses totaling \$91,170. The fund's revenue for the last five years less the death certificate revenue averages to be \$169,121. Death certificate revenue for FY23 totaled \$169,250. During the 2021 session, legislation passed allowing the board to receive revenue from the sale of copies of death certificates through county offices and DPHHS. The board, via the language of the legislation, is not allowed to lower or abate fees because of receiving this revenue. Due to legislation, revenue will remain high for this fund and the cash balance will only lower if expenses increase. |
| 66020  | 02855 | Board Of Respiratory Care        | 130,412.40       | 205,401.24     | 74,988.84           | The excess cash balance for the Board of Respiratory Care Practitioners at the end of FY23 was \$74,989. The board exceeded the allowed amount in October of 2021. Based on a five-year average, the board requires \$42,396 for annual expenses. In the last 4 years, the board has seen a large increase in revenue due to a significant increase in licensees while expenditures have remained around the five-year average. Renewal fees were abated 100% in FY23 and will be abated again in FY24. The board will work to draft a fee decrease that will be in place by the FY25 renewal cycle. The abatements and the fee reduction will bring the cash balance back into compliance.  |
| 66020  | 02079 | Fire Protection & Permitting     | 119,495.88       | 180,715.70     | 61,219.82           | The Fire Protection License Program had an ending cash balance of \$180,716, which exceeded the allowed amount by \$61,220. The fund first exceeded the allowed amount in July 2020 after the annual license renewals, and the program has abated fees in FY21-FY23 in an effort to reduce cash. A fee decrease was adopted in FY22. The program's five-year average for expenses is \$44,867 with expenses increasing by \$10,000 each year for the last two years. The Fire Protection License Program will abate again in FY24 to continue to reduce cash.  |
| 69010  | 02765 | Insurance Policies Fees SB278    | 2,855,328.78     | 2,991,988.82   | 136,660.04          | The excess cash is needed to meet the intended use of the revenue per 50-19-211 MCA for the statewide genetics program and will be expended by 6/30/2024.  |