

**Agency Biennium Comparison**

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

Agency Biennium Comparison				
Budget Item	Appropriated Budget 18-19	Requested Budget 20-21	Biennium Change	Biennium % Change
Personal Services	10,033,672	11,228,827	1,195,155	11.91 %
Operating Expenses	2,631,492	2,825,874	194,382	7.39 %
Equipment & Intangible Assets	71,250	0	(71,250)	(100.00)%
<b>Total Expenditures</b>	<b>\$12,736,414</b>	<b>\$14,054,701</b>	<b>\$1,318,287</b>	<b>10.35 %</b>
General Fund	12,336,414	14,054,701	1,718,287	13.93 %
State/Other Special Rev. Funds	400,000	0	(400,000)	(100.00)%
<b>Total Funds</b>	<b>\$12,736,414</b>	<b>\$14,054,701</b>	<b>\$1,318,287</b>	<b>10.35 %</b>
<b>Total Ongoing</b>	<b>\$12,336,414</b>	<b>\$14,054,701</b>	<b>\$1,718,287</b>	<b>13.93 %</b>
<b>Total OTO</b>	<b>\$400,000</b>	<b>\$0</b>	<b>(\$400,000)</b>	<b>(100.00)%</b>

**Mission Statement**

The Governor’s Office mission is to oversee and direct the activities of the Executive Branch of Montana state government, consistent with statutory and constitutional mandates. The Governor appoints all military and civilian officers of the state whose appointments are provided for by statute or the constitution. The Governor approves or vetoes legislation, reports to the legislature on the condition of the state, and submits a biennial executive budget.

For additional information, please refer to the agency profile found at: <https://leg.mt.gov/lfd/publications/>.

**Agency Highlights**

<b>Governor’s Office Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The Governor’s Office 2021 biennium ongoing budget request is approximately \$1.7 million or 13.9% higher than the 2019 biennium ongoing budget</li> <li>• Overall, the Governor’s Office proposes general fund increases in statewide present law adjustments for personal services, fixed costs, and inflation/deflation</li> <li>• The Governor’s Office proposes a decrease in general fund for personal services appropriations related to 1.00 FTE. This request combines the positions of the Executive Director of the Mental Disabilities Board of Visitors and the Mental Health Ombudsman and eliminates the funding for 1.00 FTE. This request is contingent on legislation</li> </ul>

**Agency Actuals and Budget Comparison**

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

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Request Fiscal 2020	Request Fiscal 2021
FTE	0.00	58.07	58.07	57.07	57.07
Personal Services	4,778,880	4,886,910	5,146,762	5,618,870	5,609,957
Operating Expenses	999,621	1,151,554	1,479,938	1,441,630	1,384,244
Equipment & Intangible Assets	71,250	71,250	0	0	0
<b>Total Expenditures</b>	<b>\$5,849,751</b>	<b>\$6,109,714</b>	<b>\$6,626,700</b>	<b>\$7,060,500</b>	<b>\$6,994,201</b>
General Fund	5,715,960	5,909,714	6,426,700	7,060,500	6,994,201
State/Other Special Rev. Funds	133,791	200,000	200,000	0	0
<b>Total Funds</b>	<b>\$5,849,751</b>	<b>\$6,109,714</b>	<b>\$6,626,700</b>	<b>\$7,060,500</b>	<b>\$6,994,201</b>
<b>Total Ongoing</b>	<b>\$5,715,960</b>	<b>\$5,909,714</b>	<b>\$6,426,700</b>	<b>\$7,060,500</b>	<b>\$6,994,201</b>
<b>Total OTO</b>	<b>\$133,791</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$0</b>

**Agency Discussion***FY 2018 Appropriations Compared to FY 2018 Actual Expenditures*

The Governor's Office modified HB 2 budget of approximately \$6.1 million, comprised of general fund and state special revenue, was 95.7% expended as of the end of FY 2018. Personal services were 97.8% expended. Operating expenses were 86.8% expended. Lower operating expenditures were primarily due to the office not participating in trade shows, decreased advertising and travel expenses, reduced subscription expenditures, and lower operating costs associated with unfilled positions. Equipment and intangible assets were 100.0% expended.

*FY 2018 Appropriations Compared to FY 2019 Appropriations*

There are differences between the FY 2018 appropriation and FY 2019 appropriation in personal services, operating expenses, and equipment and intangible assets in the Governor's Office. Significant differences are due to:

- Personal Services
  - State share contribution reductions in FY 2018
  - Executive modifications to the FY 2018 and FY 2019 budget
  - SB 9 restorations in FY 2019
- Operating Expenses
  - Executive modifications in FY 2018 and FY 2019
  - SB 9 restorations in FY 2019
- Equipment and Intangible Assets
  - Executive modification in FY 2018 in the Air Transportation Program

*Executive Request*

Overall, the Governor's Office requests increases above the FY 2019 base in general fund of approximately \$634,000 in FY 2020 and \$568,000 in FY 2021. These proposed increases are due to statewide present law adjustments for personal services, fixed costs, and inflation/deflation. The increase in personal services appropriation in FY 2020 and FY 2021 is partially offset by a proposal to consolidate the Executive Director of the Mental Disabilities Board of Visitors and the Mental Health Ombudsman. This proposal would eliminate the funding for 1.00 FTE.

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

## Comparison of FY 2019 Legislative Budget to FY 2019 Base

Figure 1 illustrates the beginning FY 2019 budget as adopted by the 2017 Legislature compared to the finalized 2019 Base Budget, which includes modifications done by the executive (as authorized in statute) during the interim. The 2019 Base Budget was agreed upon by the executive and legislative branches to be the point from which any changes would be recorded for the 2021 biennium budgeting process.

Figure 1

FY 2019 Legislative Appropriations - Governor's Office				
	Legislative Action	Executive Modifications per Statutory Authority	Executive Base	% Change from Legislative Action
01 Executive Office Program				
61000 Personal Services	\$ 2,292,041	\$ (190,017)	\$ 2,102,024	-8.3%
62000 Operating Expenses	473,676	190,017	663,693	40.1%
Program Total	2,765,717	-	2,765,717	0.0%
02 Executive Residence Operations				
61000 Personal Services	105,672	(1,532)	104,140	-1.4%
62000 Operating Expenses	61,562	1,532	63,094	2.5%
Program Total	167,234	-	167,234	0.0%
03 Air Transportation Program				
61000 Personal Services	138,012	11,167	149,179	8.1%
62000 Operating Expenses	177,657	(11,167)	166,490	-6.3%
Program Total	315,669	-	315,669	0.0%
04 Ofc Budget & Program Planning				
61000 Personal Services	1,996,991	-	1,996,991	0.0%
62000 Operating Expenses	270,666	-	270,666	0.0%
Program Total	2,267,657	-	2,267,657	0.0%
05 Office Of Indian Affairs				
61000 Personal Services	166,841	(3,368)	163,473	-2.0%
62000 Operating Expenses	22,563	3,368	25,931	14.9%
Program Total	189,404	-	189,404	0.0%
12 Lieutenant Governor'S Office				
61000 Personal Services	309,972	(12,309)	297,663	-4.0%
62000 Operating Expenses	23,666	12,309	35,975	52.0%
Program Total	333,638	-	333,638	0.0%
20 Mental Disabilities Bd Vistors				
61000 Personal Services	345,544	(12,252)	333,292	-3.5%
62000 Operating Expenses	41,837	12,252	54,089	29.3%
Program Total	387,381	-	387,381	0.0%
Grand Total	\$ 6,426,700	\$ -	\$ 6,426,700	0.0%

The legislative action budget includes the FY 2019 budget as adopted during the November 2017 Special Session, specific other house and senate bills, and SB 9 restorations. SB 9 restored general fund appropriations of approximately \$426,000 to the Governor's Office in FY 2019. Additionally, there was one executive modification that transferred appropriation authority from personal services to operating expenses in several programs and appropriation authority from operating expenses to personal services in the Air Transportation Program.

5.0% Plan

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5.0%. The Governor's Office has provided a plan for general fund reductions of approximately \$272,000. The plan includes reductions in personal services and operating costs, which could impact staffing, travel, contracted services, and supplies. A summary of the 2021 biennium 5.0% Plan submitted for this agency is in the appendix.

### **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 four categories, as follows:

#### *1. Formula Based*

Formula based changes are calculated independent of agency choices, such as: annualize personal services costs including FY 2019 statewide pay plan adjustments, changes to benefit rates, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot, plus rate changes for workers' compensation and unemployment insurance.

A detailed illustration of this methodology is included in the Budget Analysis Appendix.

#### *2. Personal Services Management Decisions*

Any agency management decisions that adjusted employee pay or transferred personal services authority between programs. This includes raises or position changes that may increase or reduce a budget, such as hiring FTE at a lower rate to replace retired senior staff or moving FTE and funding between programs.

#### *3. Proposed Reinstatement of Personal Services Base Budget Reductions*

Most agencies requested reinstatement of personal services budget reductions taken last session. The single largest reinstatement is due to the lower vacancy savings rate requested by the executive. The FY 2019 personal services base included approximately 6.0% vacancy savings reduction as part of the funding adopted in HB 2. Generally, the executive requested a 2.0% vacancy savings reduction for 2021 biennium.

Agencies funded with general fund may have additional personal services reductions such as those reduced from the triggers in SB 261 from last session.

In some instances, the lower personal services budgets caused agencies to make management decisions that lowered the ongoing cost of personal services. When this occurred, the LFD reflected the lower reinstatement requested rather than the total of all personal services reductions made by the previous legislature.

#### *4. Budget Modifications*

This category includes modifications to the FY 2019 personal services budget such as transfer of personal services authority to operating expenses that occurred during the interim. These transfers may impact the overall size of the personal services present law adjustment (DP 1).

The following figure shows the analysis of the proposed changes.

Figure 2

Personal Services Present Law DP 1 - FY 2020					
Program	Formula Based	Management Decisions	Proposed Reinstatement of PS	Budget Modifications	DP1 SWPL
01 EXECUTIVE OFFICE PROGRAM	36,070	22,800	38,928	190,017	287,815
02 EXECUTIVE RESIDENCE OPERATIONS	1,784	(108)	(1,305)	1,532	1,903
03 AIR TRANSPORTATION PROGRAM	1,517	(94)	2,419	(11,167)	(7,325)
04 OFC BUDGET & PROGRAM PLANNING	22,778	76,945	39,156	-	138,879
05 COORDINATOR OF INDIAN AFFAIRS	2,624	10,932	(1,685)	3,368	15,239
12 LIEUTENANT GOVERNOR'S OFFICE	6,249	(2,020)	(2,230)	12,309	14,308
20 MENTAL DISABILITIES BD VISITORS	4,211	(1,394)	87,495	12,252	102,564
<b>Agency Total</b>	<b>\$75,232</b>	<b>\$107,062</b>	<b>\$162,778</b>	<b>\$208,311</b>	<b>\$553,383</b>

Personal services were \$5.1 million or 77.7% of total FY 2019 appropriations. The executive proposes an increase of approximately \$553,000 in FY 2020 and \$545,000 in FY 2021. The proposed reinstatement of personal service base budget reductions and budget modifications are contributing to the statewide present law adjustment for personal services.

The proposed reinstatement of personal services base budget reductions is primarily due to the reinstatement of reductions from SB 261 and the additional 2.0% vacancy savings approved during 2017 Legislative Session. The modifications to the personal services base are primarily due to how reductions approved during the November 2017 Special Session were applied when restored and executive modifications to the budget during the interim.

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 by source of authority.

Total Governor's Office Funding by Source of Authority 2021 Biennium Budget Request - Governor's Office						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	14,054,701	0	0	0	14,054,701	100.00 %
State Special Total	0	0	0	0	0	0.00 %
Federal Special Total	0	0	0	0	0	0.00 %
Proprietary Total	0	0	0	0	0	0.00 %
Other Total	0	0	0	0	0	0.00 %
<b>Total All Funds</b>	<b>\$14,054,701</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,054,701</b>	
<b>Percent - Total All Sources</b>	<b>100.00 %</b>	<b>0.00 %</b>	<b>0.00 %</b>	<b>0.00 %</b>		

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

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	6,426,700	6,426,700	12,853,400	91.45 %	6,426,700	6,426,700	12,853,400	91.45 %
SWPL Adjustments	715,075	648,836	1,363,911	9.70 %	715,075	648,836	1,363,911	9.70 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	(81,275)	(81,335)	(162,610)	(1.16)%	(81,275)	(81,335)	(162,610)	(1.16)%
<b>Total Budget</b>	<b>\$7,060,500</b>	<b>\$6,994,201</b>	<b>\$14,054,701</b>		<b>\$7,060,500</b>	<b>\$6,994,201</b>	<b>\$14,054,701</b>	

**Program Biennium Comparison**

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

Program Biennium Comparison				
Budget Item	Appropriated Budget 18-19	Requested Budget 20-21	Biennium Change	Biennium % Change
Personal Services	4,118,135	4,773,994	655,859	15.93 %
Operating Expenses	1,476,761	1,406,852	(69,909)	(4.73)%
<b>Total Expenditures</b>	<b>\$5,594,896</b>	<b>\$6,180,846</b>	<b>\$585,950</b>	<b>10.47 %</b>
General Fund	5,194,896	6,180,846	985,950	18.98 %
State/Other Special Rev. Funds	400,000	0	(400,000)	(100.00)%
<b>Total Funds</b>	<b>\$5,594,896</b>	<b>\$6,180,846</b>	<b>\$585,950</b>	<b>10.47 %</b>
<b>Total Ongoing</b>	<b>\$5,194,896</b>	<b>\$6,180,846</b>	<b>\$985,950</b>	<b>18.98 %</b>
<b>Total OTO</b>	<b>\$400,000</b>	<b>\$0</b>	<b>(\$400,000)</b>	<b>(100.00)%</b>

**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 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. Programs include 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, as well as the Office of the Citizens' Advocate.

**Program Highlights**

<b>Executive Office Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The Executive Office Program's 2021 biennium budget request is approximately \$586,000 or 10.5% higher than the 2019 biennium budget. Significant changes include:                             <ul style="list-style-type: none"> <li>◦ Proposed increases in general fund due to statewide present law adjustments for personal services, fixed costs, and inflation/deflation</li> </ul> </li> <li>• A one-time-only fund switch to state special revenue in the 2019 biennium is funded with ongoing general fund through SB 9 restorations in the 2021 biennium</li> </ul>

**Program Actuals and Budget Comparison**

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Request Fiscal 2020	Request Fiscal 2021
FTE	0.00	24.00	24.00	24.00	24.00
Personal Services	1,934,655	2,016,111	2,102,024	2,389,839	2,384,155
Operating Expenses	555,004	613,068	863,693	701,792	705,060
<b>Total Expenditures</b>	<b>\$2,489,659</b>	<b>\$2,629,179</b>	<b>\$2,965,717</b>	<b>\$3,091,631</b>	<b>\$3,089,215</b>
General Fund	2,355,868	2,429,179	2,765,717	3,091,631	3,089,215
State/Other Special Rev. Funds	133,791	200,000	200,000	0	0
<b>Total Funds</b>	<b>\$2,489,659</b>	<b>\$2,629,179</b>	<b>\$2,965,717</b>	<b>\$3,091,631</b>	<b>\$3,089,215</b>
<b>Total Ongoing</b>	<b>\$2,355,868</b>	<b>\$2,429,179</b>	<b>\$2,765,717</b>	<b>\$3,091,631</b>	<b>\$3,089,215</b>
<b>Total OTO</b>	<b>\$133,791</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$0</b>

**Program Discussion -**

*FY 2018 Appropriations Compared to FY 2018 Actual Expenditures*

The HB 2 budget for the Executive Office was 94.7% expended in FY 2018. Personal services were 96.0% expended and operating expenses were 90.5% expended. Slightly lower operating expenses are due to lower expenditures related to the one-time-only state special revenue funding of \$200,000 for economic development. This appropriation was 66.9% expended at fiscal year-end because the office did not participate in trade shows, decreased advertising and travel expenses, and decreased rent due to an eliminated position.

*FY 2018 Appropriations Compared to FY 2019 Appropriations*

There are differences between FY 2018 and FY 2019 appropriations in personal services and operating expenses. Significant differences include:

- Personal Services
  - There was a decrease in the FY 2018 appropriation resulting from legislative action that reduced the state share contribution by approximately \$46,000
  - There were decreases in the FY 2018 appropriation resulting from executive modifications. These changes decreased personal services appropriations by approximately \$58,000 to realign the reductions in the budget across programs
  - There was a decrease in the FY 2019 appropriation resulting from an executive modification. This change decreased personal services by approximately \$28,000 to realign reductions in the budget
- Operating expenses
  - There was an increase in the FY 2019 appropriation resulting from legislative action. SB 9 restorations of approximately \$184,000 were applied to operating expenses

*Executive Request*

The Executive Office Program is requesting an increase above the FY 2019 base in general fund appropriations of approximately \$326,000 in FY 2020 and \$323,000 in FY 2021. These proposed increases are due to statewide present law adjustments for personal services, fixed costs, and inflation/deflation. Additional information on these proposed adjustments are included in the Present Law Adjustments section below.

<b>LFD ISSUE</b>	The 2017 Legislature approved a fund switch of \$200,000 from ongoing general fund to one-time-only state special revenue in the Office of Economic Development for the 2019 biennium. There is no change package requesting this funding in the 2021 biennium.
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During 2017 November Special Session the legislature approved reductions of approximately \$184,000, which included reductions of \$162,000 to personal services and \$21,000 to operating expenses. All SB 9 general fund restorations, totaling approximately \$184,000, were applied to operating expenses. The \$162,000 reduction to personal services was restored through the statewide present law adjustment for personal services.

According to the Governor's Office, the restoration of funds to operating expenses effectively restored all but \$20,000 of the Office of Economic Development's one-time-only funds, which negated the need to request these funds again.

The SB 9 restoration to operating expenses is both a fund switch, from state special revenue to general fund, and changing the designation of an appropriation from one-time-only to ongoing – both of which are generally considered new proposals. However, the overall result of the transactions was that the Office of Economic Development's funding was reverted back to the 2017 biennium appropriation of ongoing, general fund.

Legislative options:

1. Adopt the recommendations of the executive, resulting in restoration of the Office of Economic Development funds as an ongoing, general fund appropriation
2. Restore funding for the Office of Economic Development funds as adopted in the 2019 session, making the appropriation one-time-only, state special revenue funds
3. Consider this change as a new proposal

**Program Personal Services Narrative**

The figure below shows the analysis of the proposed statewide present law adjustment for personal services in FY 2020 and FY 2021.

Figure 3  
Governor's Office  
Executive Office Program  
Statewide Present Law Adjustment (SWPL) for Personal Services

	FY 2020	FY 2021
Formula Based	\$ 36,070	\$ 30,129
Management Decisions	22,800	23,177
Proposed Reinstatement of Personal Services	38,928	38,808
Budget Modifications	<u>190,017</u>	<u>190,017</u>
SWPL - Personal Services	<u>\$ 287,815</u>	<u>\$ 282,131</u>

Personal services were \$2.1 million or 70.9% of total FY 2019 appropriations. The executive proposes an increase of approximately \$288,000 in FY 2020 and \$282,000 in FY 2021. The majority of this increase is due to executive modifications. These modifications include:

- A decrease in the FY 2019 personal services appropriation of approximately \$28,000 to realign reductions in the budget. This executive modification has increased the statewide present law adjustment for personal services
- Reductions approved during the November 2017 Special Session were applied to personal services and totaled approximately \$162,000. These reductions were restored to operating expenses, which has increased the statewide present law adjustment for personal services

**Funding**

The following table shows proposed program funding by source 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	6,180,846	0	0	0	6,180,846	100.00 %	
02038 Governor's Office Ssr	0	0	0	0	0	0.00 %	
02249 Governor's Operations	0	0	0	0	0	0.00 %	
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$6,180,846</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,180,846</b>		

The Executive Office Program is funded entirely 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 section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	2,765,717	2,765,717	5,531,434	89.49 %	2,765,717	2,765,717	5,531,434	89.49 %
SWPL Adjustments	325,914	323,498	649,412	10.51 %	325,914	323,498	649,412	10.51 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
<b>Total Budget</b>	<b>\$3,091,631</b>	<b>\$3,089,215</b>	<b>\$6,180,846</b>		<b>\$3,091,631</b>	<b>\$3,089,215</b>	<b>\$6,180,846</b>	

**Present Law Adjustments**

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

Present Law Adjustments	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	287,815	0	0	287,815	0.00	282,131	0	0	282,131
DP 2 - Fixed Costs	0.00	36,836	0	0	36,836	0.00	39,800	0	0	39,800
DP 3 - Inflation Deflation	0.00	1,263	0	0	1,263	0.00	1,567	0	0	1,567
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$325,914</b>	<b>\$0</b>	<b>\$0</b>	<b>\$325,914</b>	<b>0.00</b>	<b>\$323,498</b>	<b>\$0</b>	<b>\$0</b>	<b>\$323,498</b>

\*\*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:

- Formula based
- Personal services management decisions
- Reinstatement of personal services previously reduced
- Modifications made to the personal services budget in the 2019 biennium

**DP 2 - Fixed Costs -**

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

**DP 3 - Inflation Deflation -**

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

**Program Biennium Comparison**

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

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

**Program Description**

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

**Program Highlights**

<b>Executive Residence Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The Executive Residence’s 2021 biennium budget request is approximately \$5,500 or 1.6% higher than the 2019 biennium budget</li> <li>• Proposed increases in general fund are due to statewide present law adjustments for personal services, fixed costs, and inflation/deflation</li> </ul>

**Program Actuals and Budget Comparison**

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

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

### Program Discussion -

#### *FY 2018 Appropriations Compared to FY 2018 Actual Expenditures*

The HB 2 budget for Executive Residence Operations of approximately \$174,000 was 97.3% expended in FY 2018. Personal services were 99.2% expended and operating expenses were 94.4% expended.

#### *FY 2018 Appropriations Compared to FY 2019 Appropriations*

There are differences between FY 2018 and FY 2019 appropriations, which are primarily in operating expenses. Significant differences in operating expenses include:

- An increase in the FY 2018 appropriation resulting from an executive modification. This change increased personal services by \$19,000 to realign reductions in the budget across programs
- An increase in the FY 2019 appropriation resulting from legislative action. SB 9 restorations of approximately \$11,000 were applied to operating expenses

#### *Executive Request*

The Executive Residence is requesting an increase above the FY 2019 base in general fund appropriations of approximately \$6,000 in FY 2020 and \$6,000 in FY 2021. These proposed increases are due to statewide present law adjustments for personal services, fixed costs, and inflation/deflation. Additional information on these proposed adjustments are included in the Present Law Adjustments section below.

### Program Personal Services Narrative

Personal services were approximately \$104,000 or 62.3% of total FY 2019 appropriations. The executive proposes an increase of approximately \$1,900 in FY 2020 and \$2,600 in FY 2021. The statewide present law adjustment for personal services is primarily comprised of minor adjustments for expected changes, proposed reinstatement of personal services funding and modifications to the personal services base.

### Funding

The following table shows proposed program funding by source of authority.

Governor's Office, 02-Executive Residence Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	346,386	0	0	0	346,386	100.00 %
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$346,386</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$346,386</b>	

The Executive Residence Operations Program is funded entirely 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 section of the Budget Analysis.

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

**Present Law Adjustments**

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

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

\*\*"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:

- Formula based
- Personal services management decisions
- Reinstatement of personal services previously reduced
- Modifications made to the personal services budget in the 2019 biennium

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

**Program Biennium Comparison**

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

Program Biennium Comparison				
Budget Item	Appropriated Budget 18-19	Requested Budget 20-21	Biennium Change	Biennium % Change
Personal Services	269,490	285,013	15,523	5.76 %
Operating Expenses	272,077	334,233	62,156	22.85 %
Equipment & Intangible Assets	71,250	0	(71,250)	(100.00)%
<b>Total Expenditures</b>	<b>\$612,817</b>	<b>\$619,246</b>	<b>\$6,429</b>	<b>1.05 %</b>
General Fund	612,817	619,246	6,429	1.05 %
<b>Total Funds</b>	<b>\$612,817</b>	<b>\$619,246</b>	<b>\$6,429</b>	<b>1.05 %</b>
<b>Total Ongoing</b>	<b>\$612,817</b>	<b>\$619,246</b>	<b>\$6,429</b>	<b>1.05 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Biennium Comparison -**

The biennium comparison table shows a total growth of 1.1%, which for the Air Transportation Program is influenced by the FY 2018 appropriation reductions. Compared to the FY 2019 base appropriation, the budget is reduced by 1.9%.

**Program Description**

The Air Transportation Program provides the Governor with air transportation.

**Program Highlights**

<b>Air Transportation Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The Air Transportation Program's 2021 biennium budget request is approximately \$6,400 or 1.1% higher than the 2019 biennium budget</li> <li>• The 2021 biennium budget, when compared to the 2019 base appropriation, is reduced by 1.9%. Proposed decreases are due to the statewide present law adjustment for personal services</li> </ul>

**Program Actuals and Budget Comparison**

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Request Fiscal 2020	Request Fiscal 2021
FTE	0.00	1.50	1.50	1.50	1.50
Personal Services	119,528	120,311	149,179	141,854	143,159
Operating Expenses	103,418	105,587	166,490	167,104	167,129
Equipment & Intangible Assets	71,250	71,250	0	0	0
<b>Total Expenditures</b>	<b>\$294,196</b>	<b>\$297,148</b>	<b>\$315,669</b>	<b>\$308,958</b>	<b>\$310,288</b>
General Fund	294,196	297,148	315,669	308,958	310,288
<b>Total Funds</b>	<b>\$294,196</b>	<b>\$297,148</b>	<b>\$315,669</b>	<b>\$308,958</b>	<b>\$310,288</b>
<b>Total Ongoing</b>	<b>\$294,196</b>	<b>\$297,148</b>	<b>\$315,669</b>	<b>\$308,958</b>	<b>\$310,288</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Program Discussion -**

*FY 2018 Appropriations Compared to FY 2018 Actual Expenditures*

The HB 2 budget for the Air Transportation Program of approximately \$297,000 was 99.0% expended in FY 2018. Personal services were 99.3% expended, operating expenses were 97.9% expended, and equipment and intangible assets were 100.0% expended.

*FY 2018 Appropriations Compared to FY 2019 Appropriations*

There are differences between FY 2018 and FY 2019 appropriations in personal services, operating expenses, and equipment and intangible assets. Significant differences include:

- Personal Services
  - There was a decrease of approximately \$15,000 in the FY 2018 appropriation and \$10,000 in the FY 2019 appropriation resulting from executive modifications. These changes decreased personal services to realign reductions in the budget
  - There was an increase in the FY 2019 appropriation resulting from legislative action. SB 9 restorations of approximately \$21,000 were applied to personal services
- Operating Expenses
  - There was a decrease in the FY 2018 appropriation resulting from an executive modification. This change transferred \$48,000 from operating expenses to equipment and intangible assets because of maintenance expenses
- Equipment and Intangible Assets
  - There was an increase in the FY 2018 appropriation resulting from an executive modification. This change increased equipment and intangible assets by approximately \$71,000 for maintenance expenses

*Executive Request*

The Air Transportation Program is requesting a decrease from the FY 2019 base in general fund appropriations of approximately \$7,000 in FY 2020 and \$5,000 in FY 2021. These proposed decreases are due to statewide present law adjustments for personal services. Additional information on these proposed adjustments are included in the Present Law Adjustments section below.

**Program Personal Services Narrative**

The figure below shows the analysis of the proposed statewide present law adjustment for personal services in FY 2020 and FY 2021.

Figure 4

Governor's Office Air Transportation Program Statewide Present Law Adjustment (SWPL) for Personal Services		
	FY 2020	FY 2021
Formula Based	\$ 1,517	\$ 2,843
Management Decisions	(94)	(142)
Proposed Reinstatement of Personal Services	2,419	2,446
Budget Modifications	<u>(11,167)</u>	<u>(11,167)</u>
SWPL - Personal Services	<u>\$ (7,325)</u>	<u>\$ (6,020)</u>

Personal services were \$149,000 or 47.3% of total FY 2019 appropriations. The executive proposes a decrease of approximately \$7,300 in FY 2020 and \$6,000 in FY 2021. The majority of this decrease is due to executive modifications.

Reductions approved during the November 2017 Special Session were applied to operating expenses and totaled approximately \$21,000. These reductions were restored to personal services, which decreased the statewide present law adjustment for personal services. This reduction to the present law adjustment is partially offset by an executive modification that moved personal services appropriations of approximately \$10,000 to operating expenses.

**Funding**

The following table shows proposed program funding by source of authority.

Governor's Office, 03-Air Transportation 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	619,246	0	0	0	619,246	100.00 %
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$619,246</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$619,246</b>	

The Air Transportation Program is funded entirely 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 section of the Budget Analysis.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	315,669	315,669	631,338	101.95 %	315,669	315,669	631,338	101.95 %
SWPL Adjustments	(6,711)	(5,381)	(12,092)	(1.95)%	(6,711)	(5,381)	(12,092)	(1.95)%
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
<b>Total Budget</b>	<b>\$308,958</b>	<b>\$310,288</b>	<b>\$619,246</b>		<b>\$308,958</b>	<b>\$310,288</b>	<b>\$619,246</b>	

**Present Law Adjustments**

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

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(7,325)	0	0	(7,325)	0.00	(6,020)	0	0	(6,020)
DP 2 - Fixed Costs	0.00	614	0	0	614	0.00	639	0	0	639
DP 3 - Inflation Deflation	0.00	0	0	0	0	0.00	0	0	0	0
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$6,711)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$6,711)</b>	<b>0.00</b>	<b>(\$5,381)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$5,381)</b>

\*\*\*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:

- Formula based
- Personal services management decisions
- Reinstatement of personal services previously reduced
- Modifications made to the personal services budget in the 2019 biennium

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

**Program Biennium Comparison**

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

Program Biennium Comparison				
Budget Item	Appropriated Budget 18-19	Requested Budget 20-21	Biennium Change	Biennium % Change
Personal Services	3,859,536	4,268,201	408,665	10.59 %
Operating Expenses	521,323	649,075	127,752	24.51 %
<b>Total Expenditures</b>	<b>\$4,380,859</b>	<b>\$4,917,276</b>	<b>\$536,417</b>	<b>12.24 %</b>
General Fund	4,380,859	4,917,276	536,417	12.24 %
<b>Total Funds</b>	<b>\$4,380,859</b>	<b>\$4,917,276</b>	<b>\$536,417</b>	<b>12.24 %</b>
<b>Total Ongoing</b>	<b>\$4,380,859</b>	<b>\$4,917,276</b>	<b>\$536,417</b>	<b>12.24 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Biennium Comparison -**

The biennium comparison table shows a total growth of 12.2%, which for the Office of Budget and Program Planning is influenced by the FY 2018 appropriation reductions. Compared to the FY 2019 base appropriation, the growth is 8.4%.

**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 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**

<b>Office of Budget and Program Planning Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The Office of Budget and Program Planning's 2021 biennium budget request is approximately \$536,000 or 12.2% higher than the 2019 biennium budget</li> <li>• Proposed increases in general fund are due to statewide present law adjustments for personal services, fixed costs, and inflation/deflation</li> </ul>

**Program Actuals and Budget Comparison**

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Request Fiscal 2020	Request Fiscal 2021
FTE	0.00	21.00	21.00	21.00	21.00
Personal Services	1,854,356	1,862,545	1,996,991	2,135,870	2,132,331
Operating Expenses	179,605	250,657	270,666	355,545	293,530
<b>Total Expenditures</b>	<b>\$2,033,961</b>	<b>\$2,113,202</b>	<b>\$2,267,657</b>	<b>\$2,491,415</b>	<b>\$2,425,861</b>
General Fund	2,033,961	2,113,202	2,267,657	2,491,415	2,425,861
<b>Total Funds</b>	<b>\$2,033,961</b>	<b>\$2,113,202</b>	<b>\$2,267,657</b>	<b>\$2,491,415</b>	<b>\$2,425,861</b>
<b>Total Ongoing</b>	<b>\$2,033,961</b>	<b>\$2,113,202</b>	<b>\$2,267,657</b>	<b>\$2,491,415</b>	<b>\$2,425,861</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### Program Discussion -

#### *FY 2018 Appropriations Compared to FY 2018 Actual Expenditures*

The HB 2 budget for the Office of Budget and Program Planning of \$2.1 million was 96.3% expended in FY 2018. Personal services were 99.6% expended and operating expenses were 71.7% expended. Lower operating expenses were due to reduced travel, reduced subscription expenditures, and lower operating costs associated with temporarily unfilled positions.

#### *FY 2018 Appropriations Compared to FY 2019 Appropriations*

There are differences between FY 2018 and FY 2019 appropriations in personal services and operating expenses. Significant differences include:

- Personal Services
  - There was a decrease in the FY 2018 appropriation of approximately \$42,000 resulting from legislative action that reduced the state share contribution
  - There was an increase in the FY 2019 appropriation resulting from legislative action. SB 9 restorations of approximately \$68,000 were applied to personal services
- Operating Expenses
  - The FY 2018 appropriation includes all audit fees for the Governor's Office. The appropriation for audit fees totaled approximately \$60,000
  - There was an increase in the FY 2019 appropriation resulting from legislative action. SB 9 restorations of approximately \$82,000 were applied to operating expenses

#### *Executive Request*

The Office of Budget and Program Planning is requesting an increase above the FY 2019 base in general fund appropriations of approximately \$224,000 in FY 2020 and \$158,000 in FY 2021. This proposed increase is due to statewide present law adjustments for personal services, fixed costs, and inflation/deflation. Additional information on these proposed adjustments are included in the Present Law Adjustments section below.

### Program Personal Services Narrative

The figure below shows the analysis of the proposed statewide present law adjustment for personal services in FY 2020 and FY 2021.

Figure 5

Governor's Office Office of Budget and Program Planning Statewide Present Law Adjustment (SWPL) for Personal Services		
	FY 2020	FY 2021
Formula Based	\$ 22,778	\$ 19,083
Management Decisions	76,945	77,173
Proposed Reinstatement of Personal Services	39,156	39,084
Budget Modifications	-	-
<b>SWPL - Personal Services</b>	<b>\$ 138,879</b>	<b>\$ 135,340</b>

Personal services were \$2.0 million or 88.1% of total FY 2019 appropriations. The executive proposes an increase of approximately \$139,000 in FY 2020 and \$135,000 in FY 2021. The majority of this increase is due to management decisions.

**Funding**

The following table shows proposed program funding by source of authority.

Governor's Office, 04-Office of 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	4,917,276	0	0	0	4,917,276	100.00 %	
02038 Governor's Office Ssr	0	0	0	0	0	0.00 %	
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
03001 Governors Office Federal Grnts	0	0	0	0	0	0.00 %	
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
06510 PERSONAL SERVICES CONTINGENCY	0	0	0	0	0	0.00 %	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$4,917,276</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,917,276</b>		

The Office of Budget and Program Planning is funded entirely 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 section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	2,267,657	2,267,657	4,535,314	92.23 %	2,267,657	2,267,657	4,535,314	92.23 %
SWPL Adjustments	223,758	158,204	381,962	7.77 %	223,758	158,204	381,962	7.77 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
<b>Total Budget</b>	<b>\$2,491,415</b>	<b>\$2,425,861</b>	<b>\$4,917,276</b>		<b>\$2,491,415</b>	<b>\$2,425,861</b>	<b>\$4,917,276</b>	

**Present Law Adjustments**

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

Present Law Adjustments	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	138,879	0	0	138,879	0.00	135,340	0	0	135,340
DP 2 - Fixed Costs	0.00	84,848	0	0	84,848	0.00	22,825	0	0	22,825
DP 3 - Inflation Deflation	0.00	31	0	0	31	0.00	39	0	0	39
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$223,758</b>	<b>\$0</b>	<b>\$0</b>	<b>\$223,758</b>	<b>0.00</b>	<b>\$158,204</b>	<b>\$0</b>	<b>\$0</b>	<b>\$158,204</b>

\*"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:

- Formula based
- Personal services management decisions
- Reinstatement of personal services previously reduced
- Modifications made to the personal services budget in the 2019 biennium

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

**Program Biennium Comparison**

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

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

**Program Biennium Comparison -**

The biennium comparison table shows total growth of 23.5% between the 2019 biennium and the 2021 biennium. This biennial growth is influenced by the executive modifications made to realign reductions in the budget in FY 2018 as well as SB 9 restorations in FY 2019. Compared to FY 2019 base appropriations, the growth is 11.6%.

**Program Description**

The Coordinator 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 coordinator 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**

<b>Office of Indian Affairs Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The Office of Indian Affairs' 2021 biennium budget request is approximately \$81,000 or 23.5% higher than the 2019 biennium budget</li> <li>• Proposed increases in general fund are due to statewide present law adjustments for personal services, fixed costs, and inflation/deflation</li> </ul>

**Program Actuals and Budget Comparison**

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

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

**Program Discussion -**

*FY 2018 Appropriations Compared to FY 2018 Actual Expenditures*

The HB 2 budget for the Office of Indian Affairs of approximately \$153,000 was 98.1% expended in FY 2018. Personal services were 99.4% expended and operating expenses were 92.7% expended.

*FY 2018 Appropriations Compared to FY 2019 Appropriations*

There are differences between FY 2018 and FY 2019 appropriations, which are primarily in personal services. Significant differences in personal services include:

- Decreases in the FY 2018 appropriation of approximately \$26,000 resulting from executive modifications. These changes decreased personal services to realign reductions in the budget across programs
- An increase in the FY 2019 appropriation resulting from legislative action. SB 9 restorations of approximately \$13,000 were applied to personal services

*Executive Request*

The Office of Indian Affairs is requesting an increase above the FY 2019 base in general fund appropriations of approximately \$22,000 in both FY 2020 and FY 2021. This proposed increase is due to statewide present law adjustments for personal services, fixed costs, and inflation/deflation. Additional information on these proposed adjustments are included in the Present Law Adjustments section below.

**Program Personal Services Narrative**

The figure below shows the analysis of the proposed statewide present law adjustment for personal services in FY 2020 and FY 2021.

Figure 6

Governor's Office Office of Indian Affairs Statewide Present Law Adjustment (SWPL) for Personal Services		
	FY 2020	FY 2021
Formula Based	\$ 2,624	\$ 2,154
Management Decisions	10,932	10,953
Proposed Reinstatement of Personal Services	(1,685)	(1,694)
Budget Modifications	<u>3,368</u>	<u>3,368</u>
SWPL - Personal Services	<u>\$ 15,239</u>	<u>\$ 14,781</u>

Personal services were \$163,000 or 86.3% of total FY 2019 appropriations. The executive proposes an increase of approximately \$15,000 in FY 2020 and \$15,000 in FY 2021. The majority of this increase is due to management decisions.

**Funding**

The following table shows proposed program funding by source 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	422,672	0	0	0	422,672	100.00 %
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$422,672</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$422,672</b>	

The Office of Indian Affairs 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 section of the Budget Analysis.

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

**Present Law Adjustments**

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

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

\*\*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:

- Formula based
- Personal services management decisions
- Reinstatement of personal services previously reduced
- Modifications made to the personal services budget in the 2019 biennium

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

**Program Biennium Comparison**

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

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

**Program Description**

The Office of the Lieutenant Governor is responsible for carrying out duties prescribed by statute established by Article VI, Section 4 of the Montana Constitution, as well as those delegated by the Governor. Statutory authority is Title 2, Chapter 15, part 3, MCA.

**Program Highlights**

<b>Lieutenant Governor's Office Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The Lieutenant Governor's Office's 2021 biennium budget request is \$41,000 or 6.2% higher than the 2019 biennium budget</li> <li>• Proposed increases in general fund are due to statewide present law adjustments for personal services, fixed costs, and inflation/deflation</li> </ul>

**Program Actuals and Budget Comparison**

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

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

**Program Discussion -**

*FY 2018 Appropriations Compared to FY 2018 Actual Expenditures*

The HB 2 budget for the Lieutenant Governor’s Office of approximately \$328,000 was 97.8% expended in FY 2018. Personal services were 97.9% expended and operating expenses were 97.5% expended.

*FY 2018 Appropriations Compared to FY 2019 Appropriations*

There are differences between FY 2018 and FY 2019 appropriations in personal services and operating expenses. Significant differences include:

- Personal Services
  - There was a decrease in the FY 2018 appropriation of approximately \$6,000 resulting from legislative action that reduced the state share contribution
  - There was a decrease in the FY 2019 appropriation of approximately \$12,000 resulting from an executive modification. This change decreased personal services to realign reductions in the budget
  - There was an increase in the FY 2019 appropriation resulting from legislative action. SB 9 restorations of approximately \$15,000 were applied to personal services
- Operating Expenses
  - There was an increase of approximately \$24,000 in the FY 2018 appropriation and \$12,000 in the FY 2019 appropriation resulting from executive modifications. These changes increased operating expenses to realign reductions in the budget
  - There was an increase in the FY 2019 appropriation resulting from legislative action. SB 9 restorations of approximately \$7,000 were applied to operating expenses

*Executive Request*

The Lieutenant Governor’s Office is requesting an increase above the FY 2019 base in general fund appropriations of approximately \$18,000 in both FY 2020 and FY 2021. This proposed increase is due to statewide present law adjustments for personal services, fixed costs, and inflation/deflation. Additional information on these proposed adjustments are included in the Present Law Adjustments section below.

**Program Personal Services Narrative**

The following figure shows the analysis of the proposed statewide present law adjustment for personal services in FY 2020 and FY 2021.

Figure 7

Governor's Office Lieutenant Governor's Office Statewide Present Law Adjustment (SWPL) for Personal Services		
	FY 2020	FY 2021
Formula Based	\$ 6,249	\$ 5,756
Management Decisions	(2,020)	(1,941)
Proposed Reinstatement of Personal Services	(2,230)	(2,239)
Budget Modifications	<u>12,309</u>	<u>12,309</u>
SWPL - Personal Services	<u>\$ 14,308</u>	<u>\$ 13,885</u>

Personal services were approximately \$298,000 or 89.2% of total FY 2019 appropriations. The executive proposes an increase of approximately \$14,000 in FY 2020 and \$14,000 in FY 2021. The majority of this increase is due to modifications to the personal services base. A decrease in the FY 2019 personal services appropriation of approximately \$12,000 to realign reductions in the budget has increased the statewide present law adjustment for personal services.

**Funding**

The following table shows proposed program funding by source of authority.

Governor's Office, 12-Lt Governor's Office Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	703,173	0	0	0	703,173	100.00 %
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$703,173</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$703,173</b>	

The Office of the Lieutenant Governor is funded entirely 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 section of the Budget Analysis.

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

**Present Law Adjustments**

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

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

\*\*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:

- Formula based
- Personal services management decisions
- Reinstatement of personal services previously reduced
- Modifications made to the personal services budget in the 2019 biennium

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

**Program Biennium Comparison**

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

Program Biennium Comparison				
Budget Item	Appropriated Budget 18-19	Requested Budget 20-21	Biennium Change	Biennium % Change
Personal Services	704,494	708,320	3,826	0.54 %
Operating Expenses	98,213	156,782	58,569	59.63 %
<b>Total Expenditures</b>	<b>\$802,707</b>	<b>\$865,102</b>	<b>\$62,395</b>	<b>7.77 %</b>
General Fund	802,707	865,102	62,395	7.77 %
<b>Total Funds</b>	<b>\$802,707</b>	<b>\$865,102</b>	<b>\$62,395</b>	<b>7.77 %</b>
<b>Total Ongoing</b>	<b>\$802,707</b>	<b>\$865,102</b>	<b>\$62,395</b>	<b>7.77 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Biennium Comparison -**

The biennium comparison table shows total growth of 7.8% between the 2019 biennium and the 2021 biennium. This biennial growth is influenced by an executive modification that increased personal services appropriations in FY 2018 because a position did not become vacant as early as anticipated. Growth of the 2021 biennium compared to FY 2019 base appropriations is 11.7%.

**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 the 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

<b>Mental Disabilities Board of Visitors/Mental Health Ombudsman Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The Mental Disabilities Board of Visitors/Mental Health Ombudsman's 2021 biennium budget is approximately \$62,000 or 7.8% higher than the 2019 biennium budget. Significant changes include:                             <ul style="list-style-type: none"> <li>◦ Proposed increases in general fund due to statewide present law adjustments for personal services, fixed costs, and inflation/deflation</li> <li>◦ A proposed decrease in general fund for personal services appropriations related to 1.00 FTE. This request combines the positions of the Executive Director of the Mental Disabilities Board of Visitors and the Mental Health Ombudsman and eliminates 1.00 FTE. This request is contingent on legislation</li> </ul> </li> </ul>

**Program Actuals and Budget Comparison**

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Request Fiscal 2020	Request Fiscal 2021
FTE	0.00	5.00	5.00	4.00	4.00
Personal Services	361,366	371,202	333,292	354,581	353,739
Operating Expenses	30,454	44,124	54,089	78,089	78,693
<b>Total Expenditures</b>	<b>\$391,820</b>	<b>\$415,326</b>	<b>\$387,381</b>	<b>\$432,670</b>	<b>\$432,432</b>
General Fund	391,820	415,326	387,381	432,670	432,432
<b>Total Funds</b>	<b>\$391,820</b>	<b>\$415,326</b>	<b>\$387,381</b>	<b>\$432,670</b>	<b>\$432,432</b>
<b>Total Ongoing</b>	<b>\$391,820</b>	<b>\$415,326</b>	<b>\$387,381</b>	<b>\$432,670</b>	<b>\$432,432</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Program Discussion -**

*FY 2018 Appropriations Compared to FY 2018 Actual Expenditures*

The HB 2 budget for the Mental Disabilities Board of Visitors/Mental Health Ombudsman of approximately \$415,000 was 94.3% expended in FY 2018. Personal services were 97.4% expended and operating expenses were 69.0% expended. Lower operating expenses were due to fewer site inspections due to vacant positions.

*FY 2018 Appropriations Compared to FY 2019 Appropriations*

There are differences between FY 2018 and FY 2019 appropriations in personal services and operating expenses. Significant differences include:

- Personal Services
  - There was a decrease in the FY 2018 appropriation of approximately \$11,000 resulting from legislative action that reduced the state share contribution
  - There were increases to the FY 2018 appropriation of approximately \$64,000 resulting from executive modifications. The increases in personal services appropriations were because a position did not become vacant as early as anticipated
  - There was an increase in the FY 2019 appropriation resulting from legislative action. SB 9 restorations of approximately \$13,000 were applied to personal services
- Operating Expenses
  - There was an increase in the FY 2019 appropriation resulting from legislative action. SB 9 restorations of approximately \$12,000 were applied to operating expenses

*Executive Request*

The Mental Disabilities Board of Visitors/Mental Health Ombudsman is requesting an increase above the FY 2019 base in general fund of approximately \$45,000 in both FY 2020 and FY 2021. This increase in general fund is due to statewide present law adjustments for personal services, fixed costs, and inflation/deflation. This increase is partially offset by a proposal to combine the Executive Director of the Mental Disabilities Board of Visitors and the Mental Health Ombudsman positions into 1.00 FTE. This proposal is discussed in further detail in the New Proposal section below.

**Program Personal Services Narrative**

The figure below shows the analysis of the proposed statewide present law adjustment for personal services in FY 2020 and FY 2021.

Figure 8  
Governor's Office  
Mental Disabilities Board of Visitors/Mental Health Ombudsman  
Statewide Present Law Adjustment (SWPL) for Personal Services

	FY 2020	FY 2021
Formula Based	\$ 4,211	\$ 3,390
Management Decisions	(1,394)	(1,338)
Proposed Reinstatement of Personal Services	87,495	87,478
Budget Modifications	<u>12,252</u>	<u>12,252</u>
SWPL - Personal Services	<u>\$ 102,564</u>	<u>\$ 101,782</u>

Personal services were approximately \$333,000 or 86.0% of total FY 2019 appropriations. The executive proposes an increase of approximately \$103,000 in FY 2020 and \$102,000 in FY 2021. The majority of this increase is due to proposed reinstatement of personal services base budget reductions. The Mental Disabilities Board of Visitors/Mental Health Ombudsman was affected by three trigger levels in SB 261, which included a 0.5% general fund reduction to the agency, a reduction of \$90,000 in each fiscal year, and the elimination of the general fund appropriation for the first year of the pay plan. These reductions were primarily allocated to personal services.

**Funding**

The following table shows proposed program funding by source of authority.

Governor's Office, 20-Ment Disb Bd of Visitors/mh Ombudsman Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	865,102	0	0	0	865,102	100.00 %
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$865,102</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$865,102</b>	

The Mental Disabilities Board of Visitors and Mental Health Ombudsman are funded entirely 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 section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	387,381	387,381	774,762	89.56 %	387,381	387,381	774,762	89.56 %
SWPL Adjustments	126,564	126,386	252,950	29.24 %	126,564	126,386	252,950	29.24 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	(81,275)	(81,335)	(162,610)	(18.80)%	(81,275)	(81,335)	(162,610)	(18.80)%
<b>Total Budget</b>	<b>\$432,670</b>	<b>\$432,432</b>	<b>\$865,102</b>		<b>\$432,670</b>	<b>\$432,432</b>	<b>\$865,102</b>	

**Present Law Adjustments**

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

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

\*\*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:

- Formula based
- Personal services management decisions
- Reinstatement of personal services previously reduced
- Modifications made to the personal services budget in the 2019 biennium

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

**New Proposals**

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

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 4 - Consolidate Board of Visitors and Mental Health Ombudsman	(1.00)	(81,275)	0	0	(81,275)	(1.00)	(81,335)	0	0	(81,335)
<b>Total</b>	<b>(1.00)</b>	<b>(\$81,275)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$81,275)</b>	<b>(1.00)</b>	<b>(\$81,335)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$81,335)</b>

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

DP 4 - Consolidate Board of Visitors and Mental Health Ombudsman -

The executive requests a reduction in general fund for personal services appropriations related to 1.00 FTE. This request combines the positions of the Executive Director of the Mental Disabilities Board of Visitors and the Mental Health Ombudsman and eliminates 1.00 FTE. This request is contingent on legislation that would allow for the combination of the two positions as they are currently distinct from each other in statute.