

**Agency Budget Comparison**

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	8,218,497	8,102,219	(116,278)	(1.41)%
Operating Expenses	9,598,832	11,860,569	2,261,737	23.56 %
Local Assistance	92,000	92,000	0	0.00 %
Grants	48,254,371	46,437,080	(1,817,291)	(3.77)%
Transfers	1,602,247	482,248	(1,119,999)	(69.90)%
Debt Service	2,753	0	(2,753)	(100.00)%
<b>Total Expenditures</b>	<b>\$67,768,700</b>	<b>\$66,974,116</b>	<b>(\$794,584)</b>	<b>(1.17)%</b>
General Fund	11,226,991	9,124,775	(2,102,216)	(18.72)%
State/Other Special Rev. Funds	14,386,989	15,968,274	1,581,285	10.99 %
Federal Spec. Rev. Funds	42,154,720	41,881,067	(273,653)	(0.65)%
<b>Total Funds</b>	<b>\$67,768,700</b>	<b>\$66,974,116</b>	<b>(\$794,584)</b>	<b>(1.17)%</b>
<b>Total Ongoing</b>	<b>\$63,055,154</b>	<b>\$64,143,289</b>	<b>\$1,088,135</b>	<b>1.73 %</b>
<b>Total OTO</b>	<b>\$4,713,546</b>	<b>\$2,830,827</b>	<b>(\$1,882,719)</b>	<b>(39.94)%</b>

**Page Reference**

LFD Budget Analysis A-228

**Agency Highlights**

<b>Department of Commerce Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The Department of Commerce's 2023 biennium budget request is approximately \$795,000 or 1.2% less than the 2021 biennium budget. The legislature's adopted budget includes:                             <ul style="list-style-type: none"> <li>◦ Decreases in general fund due to statewide present law adjustments for personal services and fixed costs</li> <li>◦ One-time-only appropriations for the following programs:                                     <ul style="list-style-type: none"> <li>▪ Primary sector workforce training grant program</li> <li>▪ Indian country economic development program</li> <li>▪ State trade and export promotion</li> </ul> </li> <li>◦ Reduction of general fund appropriations due to the transfer of the Montana Indian language preservation program from the Department of Commerce to the Office of Public Instruction</li> <li>◦ A decrease in state special revenue for the elimination of the HB 2 biofuels appropriation from the big sky trust fund paid to MSU Northern and an increase in state special revenue for the delivering local assistance program (DLA) and the historic preservation grant program</li> </ul> </li> </ul>

**Agency Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	46.05	46.05	50.05	50.05
Personal Services	3,273,554	4,079,355	4,139,142	4,020,623	4,081,596
Operating Expenses	2,637,637	4,654,264	4,944,568	6,005,982	5,854,587
Local Assistance	0	46,000	46,000	46,000	46,000
Grants	15,651,122	24,300,310	23,954,061	23,219,503	23,217,577
Transfers	800,000	801,123	801,124	241,124	241,124
Debt Service	2,754	2,753	0	0	0
<b>Total Expenditures</b>	<b>\$22,365,067</b>	<b>\$33,883,805</b>	<b>\$33,884,895</b>	<b>\$33,533,232</b>	<b>\$33,440,884</b>
General Fund	5,357,478	5,647,735	5,579,256	4,540,938	4,583,837
State/Other Special Rev. Funds	4,097,458	7,194,766	7,192,223	8,045,022	7,923,252
Federal Spec. Rev. Funds	12,910,131	21,041,304	21,113,416	20,947,272	20,933,795
<b>Total Funds</b>	<b>\$22,365,067</b>	<b>\$33,883,805</b>	<b>\$33,884,895</b>	<b>\$33,533,232</b>	<b>\$33,440,884</b>
<b>Total Ongoing</b>	<b>\$20,202,199</b>	<b>\$31,476,929</b>	<b>\$31,578,225</b>	<b>\$32,142,619</b>	<b>\$32,000,670</b>
<b>Total OTO</b>	<b>\$2,162,868</b>	<b>\$2,406,876</b>	<b>\$2,306,670</b>	<b>\$1,390,613</b>	<b>\$1,440,214</b>

### Page Reference

LFD Budget Analysis A-229

### Executive Budget Comparison

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2021	Executive Budget Fiscal 2022	Legislative Budget Fiscal 2022	Leg — Exec. Difference Fiscal 2022	Executive Budget Fiscal 2023	Legislative Budget Fiscal 2023	Leg — Exec. Difference Fiscal 2023	Biennium Difference Fiscal 22-23
FTE	46.05	50.05	50.05	0.00	50.05	50.05	0.00	0.00
Personal Services	4,139,142	4,040,623	4,020,623	(20,000)	4,101,596	4,081,596	(20,000)	(40,000)
Operating Expenses	4,944,568	5,267,618	6,005,982	738,364	5,117,519	5,854,587	737,068	1,475,432
Equipment & Intangible Assets	0	0	0	0	0	0	0	0
Local Assistance	46,000	46,000	46,000	0	46,000	46,000	0	0
Grants	23,954,061	23,932,003	23,219,503	(712,500)	23,930,077	23,217,577	(712,500)	(1,425,000)
Benefits & Claims	0	0	0	0	0	0	0	0
Transfers	801,124	241,124	241,124	0	241,124	241,124	0	0
Debt Service	0	0	0	0	0	0	0	0
<b>Total Costs</b>	<b>\$33,884,895</b>	<b>\$33,527,368</b>	<b>\$33,533,232</b>	<b>\$5,864</b>	<b>\$33,436,316</b>	<b>\$33,440,884</b>	<b>\$4,568</b>	<b>\$10,432</b>
General Fund	5,579,256	5,291,261	4,540,938	(750,323)	5,334,490	4,583,837	(750,653)	(1,500,976)
State/other Special Rev. Funds	7,192,223	7,285,400	8,045,022	759,622	7,164,332	7,923,252	758,920	1,518,542
Federal Spec. Rev. Funds	21,113,416	20,947,711	20,947,272	(439)	20,934,498	20,933,795	(703)	(1,142)
Other	0	2,996	0	(2,996)	2,996	0	(2,996)	(5,992)
<b>Total Funds</b>	<b>\$33,884,895</b>	<b>\$33,527,368</b>	<b>\$33,533,232</b>	<b>\$5,864</b>	<b>\$33,436,316</b>	<b>\$33,440,884</b>	<b>\$4,568</b>	<b>\$10,432</b>
<b>Total Ongoing</b>	<b>\$31,578,225</b>	<b>\$31,482,622</b>	<b>\$32,142,619</b>	<b>\$659,997</b>	<b>\$31,342,379</b>	<b>\$32,000,670</b>	<b>\$658,291</b>	<b>\$1,318,288</b>
<b>Total OTO</b>	<b>\$2,306,670</b>	<b>\$2,044,746</b>	<b>\$1,390,613</b>	<b>(\$654,133)</b>	<b>\$2,093,937</b>	<b>\$1,440,214</b>	<b>(\$653,723)</b>	<b>(\$1,307,856)</b>

The legislature adopted ongoing appropriations that are \$1.3 million higher than the proposed appropriations for the 2023 biennium. Significant changes include:

- Removal of funding for the MT Indian Language Preservation Program due to the program being moved to the Office of Public Instruction. This removal resulted in a decrease in one-time-only appropriations of \$20,000 for personal services, \$17,500 for operating expenses, and \$712,500 for grant funding each fiscal year
- The legislature approved DP 6002, historic preservation grant funding of approximately \$96,000, as one-time-only instead of as an ongoing appropriation
- A reduction in fixed costs for warehouses, storage rooms, and information technology of approximately \$1,000 in FY 2022 and \$2,000 in FY 2023
- The legislature approved funding to reestablish the Taipei, Taiwan Trade Office, which resulted in an increase in state special revenue
- An increase in state special revenue for maintenance of Nevada and Virginia Cities

**Funding**

The following table shows adopted agency funding by source of authority.

Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	6,846,942	2,277,833	0	3,573,439	12,698,214	4.09 %
State Special Total	15,415,280	552,994	0	88,663,686	104,631,960	33.73 %
Federal Special Total	41,881,067	0	0	2,085,498	43,966,565	14.18 %
Proprietary Total	0	0	144,704,496	4,160,902	148,865,398	48.00 %
Other Total	0	0	0	0	0	0.00 %
<b>Total All Funds</b>	<b>\$64,143,289</b>	<b>\$2,830,827</b>	<b>\$144,704,496</b>	<b>\$98,483,525</b>	<b>\$310,162,137</b>	
<b>Percent - Total All Sources</b>	<b>20.68 %</b>	<b>0.91 %</b>	<b>46.65 %</b>	<b>31.75 %</b>		

Approximately 75.0% of the overall funding for the Department of Commerce is not budgeted through HB 2, but provided as either non-budgeted proprietary funding or as statutory appropriations. HB 2 appropriations of general fund, state special revenue, and federal special revenues comprise the remaining funding for the Department of Commerce.

**Budget Summary by Category**

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the [glossary](#).

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	3,354,256	3,354,256	6,708,512	73.52 %	31,578,225	31,578,225	63,156,450	94.30 %
SWPL Adjustments	24,502	20,443	44,945	0.49 %	64,359	(32,307)	32,052	0.05 %
PL Adjustments	47,382	46,103	93,485	1.02 %	100,035	101,727	201,762	0.30 %
New Proposals	1,114,798	1,163,035	2,277,833	24.96 %	1,790,613	1,793,239	3,583,852	5.35 %
<b>Total Budget</b>	<b>\$4,540,938</b>	<b>\$4,583,837</b>	<b>\$9,124,775</b>		<b>\$33,533,232</b>	<b>\$33,440,884</b>	<b>\$66,974,116</b>	

**Program Budget Comparison**

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	3,677,250	3,648,101	(29,149)	(0.79)%
Operating Expenses	5,247,630	6,034,287	786,657	14.99 %
Local Assistance	92,000	92,000	0	0.00 %
Grants	5,261,529	3,421,576	(1,839,953)	(34.97)%
Transfers	1,602,247	482,248	(1,119,999)	(69.90)%
Debt Service	803	0	(803)	(100.00)%
<b>Total Expenditures</b>	<b>\$15,881,459</b>	<b>\$13,678,212</b>	<b>(\$2,203,247)</b>	<b>(13.87)%</b>
General Fund	9,373,406	7,238,648	(2,134,758)	(22.77)%
State/Other Special Rev. Funds	4,815,609	4,723,033	(92,576)	(1.92)%
Federal Spec. Rev. Funds	1,692,444	1,716,531	24,087	1.42 %
<b>Total Funds</b>	<b>\$15,881,459</b>	<b>\$13,678,212</b>	<b>(\$2,203,247)</b>	<b>(13.87)%</b>
<b>Total Ongoing</b>	<b>\$11,167,913</b>	<b>\$11,220,046</b>	<b>\$52,133</b>	<b>0.47 %</b>
<b>Total OTO</b>	<b>\$4,713,546</b>	<b>\$2,458,166</b>	<b>(\$2,255,380)</b>	<b>(47.85)%</b>

**Page Reference**

LFD Budget Analysis A-234

**Program Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	19.35	19.35	21.35	21.35
Personal Services	1,703,783	1,825,425	1,851,825	1,805,037	1,843,064
Operating Expenses	1,804,439	2,482,830	2,764,800	3,080,728	2,953,559
Local Assistance	0	46,000	46,000	46,000	46,000
Grants	2,585,776	2,830,389	2,431,140	1,711,751	1,709,825
Transfers	800,000	801,123	801,124	241,124	241,124
Debt Service	804	803	0	0	0
<b>Total Expenditures</b>	<b>\$6,894,802</b>	<b>\$7,986,570</b>	<b>\$7,894,889</b>	<b>\$6,884,640</b>	<b>\$6,793,572</b>
General Fund	4,449,145	4,723,097	4,650,309	3,603,959	3,634,689
State/Other Special Rev. Funds	1,637,955	2,424,472	2,391,137	2,420,421	2,302,612
Federal Spec. Rev. Funds	807,702	839,001	853,443	860,260	856,271
<b>Total Funds</b>	<b>\$6,894,802</b>	<b>\$7,986,570</b>	<b>\$7,894,889</b>	<b>\$6,884,640</b>	<b>\$6,793,572</b>
<b>Total Ongoing</b>	<b>\$4,731,934</b>	<b>\$5,579,694</b>	<b>\$5,588,219</b>	<b>\$5,671,802</b>	<b>\$5,548,244</b>
<b>Total OTO</b>	<b>\$2,162,868</b>	<b>\$2,406,876</b>	<b>\$2,306,670</b>	<b>\$1,212,838</b>	<b>\$1,245,328</b>

**Page Reference**

LFD Budget Analysis A-235

**Funding**

*HB 2 Authority*

General Fund

General fund appropriations comprise the majority of proposed HB 2 appropriations.

State Special Revenue

State special revenue appropriations include authority for microbusiness loans, primary business sector training, private contributions for joint private/state targeted tourism advertising campaigns, Big Sky Economic Development Program, and the State-Tribal Economic Development Program.

Federal Special Revenue

Federal special revenue appropriations are for small business development centers.

*Statutory Appropriations*

The majority of statutory appropriations are from lodging and facility taxes and are used to support tourism and film promotion in the state. Statutory appropriations also include funding for the Distressed Wood Products Program and the Big Sky Economic Development Program.

**Program Budget Summary by Category**

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	2,425,309	2,425,309	4,850,618	67.01 %	5,588,219	5,588,219	11,176,438	81.71 %
SWPL Adjustments	3,805	4,176	7,981	0.11 %	83,145	4,019	87,164	0.64 %
PL Adjustments	43,344	42,169	85,513	1.18 %	200,438	202,981	403,419	2.95 %
New Proposals	1,131,501	1,163,035	2,294,536	31.70 %	1,012,838	998,353	2,011,191	14.70 %
<b>Total Budget</b>	<b>\$3,603,959</b>	<b>\$3,634,689</b>	<b>\$7,238,648</b>		<b>\$6,884,640</b>	<b>\$6,793,572</b>	<b>\$13,678,212</b>	

**Present Law Adjustments -**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	993	44	91	1,128	0.00	5,045	222	460	5,727
DP 2 - Fixed Costs	0.00	3,554	75,876	3,329	82,759	0.00	(404)	194	(1,033)	(1,243)
DP 3 - Inflation Deflation	0.00	(742)	0	0	(742)	0.00	(465)	0	0	(465)
DP 4 - ServiceNow	0.00	(1,637)	(1,724)	(656)	(4,017)	0.00	(1,637)	(1,724)	(656)	(4,017)
DP 50 - SWPLA Fixed Cost Reductions	0.00	(55)	(37)	(52)	(144)	0.00	25	(12)	65	78
DP 5108 - OTBD ADMINISTRATIVE COSTS ADJUSTMENTS HB2	0.00	45,036	(4,542)	4,105	44,599	0.00	43,781	(853)	3,992	46,920
DP 5116 - OTBD Taipei Trade Office	0.00	0	160,000	0	160,000	0.00	0	160,000	0	160,000
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$47,149</b>	<b>\$229,617</b>	<b>\$6,817</b>	<b>\$283,583</b>	<b>0.00</b>	<b>\$46,345</b>	<b>\$157,827</b>	<b>\$2,828</b>	<b>\$207,000</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 legislature made adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include the following: warrant writer, motor pool, etc.

DP 3 - Inflation Deflation -

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

DP 4 - ServiceNow -

The legislature adopted a decrease in funding because of the purchase of ServiceNow licenses and programs for the 2023 biennium. The legislature is anticipating operating efficiencies and other savings by using ServiceNow.

DP 50 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warehouses, storage rooms, and information technology.

DP 5108 - OTBD ADMINISTRATIVE COSTS ADJUSTMENTS HB2 -

The legislature approved the Office of Tourism and Business Development administrative cost adjustments. This change package augments the 2023 biennium appropriation request for the Office of Tourism and Business Development to match the amount of anticipated private funds to be received as a result of more public/private partnerships and enhancements to the State Tribal Tourism Program. Adjustments are also made for computer equipment, and for indirect costs charged by the Director's Office for services provided to the division.

DP 5116 - OTBD Taipei Trade Office -

The legislature adopted an increase in state special revenue to reestablish the Taipei, Taiwan Trade Office.

**New Proposals -**

The New Proposals table shows new changes to spending

New Proposals	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 5101 - OTBD PRIMARY BUSINESS SECTOR TRAINING (OTO)	1.00	240,000	81,337	0	321,337	1.00	240,000	82,293	0	322,293
DP 5102 - OTBD INDIAN COUNTRY ECONOMIC DEVELOPMENT (OTO)	1.00	873,054	0	0	873,054	1.00	873,035	0	0	873,035
DP 5103 - OTBD MT INDIAN LANGUAGE PRESERVATION (BIEN/OTO)	0.00	750,000	0	0	750,000	0.00	750,000	0	0	750,000
DP 5105 - OTBD INCREASE EXPORT TRADE PROGRAM FUNDING (OTO)	0.00	50,000	0	0	50,000	0.00	50,000	0	0	50,000
DP 5107 - OTBD ELIMINATE MSUN BIOFUELS APPROPRIATION HB2	0.00	0	(200,000)	0	(200,000)	0.00	0	(200,000)	0	(200,000)
DP 5111 - SBDC PRIVATE REVENUE REDUCTION	0.00	0	0	0	0	0.00	0	(46,975)	0	(46,975)
DP 5113 - OTBD ELIMINATE MT INDIAN LANGUAGE PRESERVATION (OTO)	0.00	(750,000)	0	0	(750,000)	0.00	(750,000)	0	0	(750,000)
DP 5555 - Reduce GF Budget for State Share Holiday (OTO)	0.00	(31,553)	0	0	(31,553)	0.00	0	0	0	0
<b>Total</b>	<b>2.00</b>	<b>\$1,131,501</b>	<b>(\$118,663)</b>	<b>\$0</b>	<b>\$1,012,838</b>	<b>2.00</b>	<b>\$1,163,035</b>	<b>(\$164,682)</b>	<b>\$0</b>	<b>\$998,353</b>

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

DP 5101 - OTBD PRIMARY BUSINESS SECTOR TRAINING (OTO) -

The legislature adopted a one-time-only increase in general and state special revenue funds for the primary sector workforce training grant (WTG). The WTG is codified in Title 39, Chapter 11, MCA. The WTG is a state-funded program that provides grant funds to new and existing primary sector Montana businesses for training their employees in newly created full-time and part-time jobs.

DP 5102 - OTBD INDIAN COUNTRY ECONOMIC DEVELOPMENT (OTO) -

The legislature adopted a one-time-only general fund increase for the Indian Country Economic Development (ICED) Program. The program was established to fulfill statutory obligations denoted in 90-1-132, MCA. ICED provides small equity grants, business advisory host funds, and tribal government business planning resources. Funding is distributed to the eight tribal nations, tribal economic development organizations, and tribal member businesses.

DP 5103 - OTBD MT INDIAN LANGUAGE PRESERVATION (BIEN/OTO) -

The legislature adopted a one-time-only general fund increase for the Montana Indian Language Preservation Program (MILP). The MILP was established to address the rapid language loss of Native American languages in the state and to preserve this rich aspect of Montana and tribal heritage. Each tribal nation develops and makes accessible curricula, audio, and video recordings and reference materials to assist in preserving and perpetuating Indian languages.

DP 5105 - OTBD INCREASE EXPORT TRADE PROGRAM FUNDING (OTO) -

The legislature adopted a one-time-only increase in the general fund to leverage more state trade and export promotion (STEP) grant dollars from the Federal Small Business Administration (SBA) (a 3 federal:1 state match), subscription to international market data resources for consulting with clients on international markets, and increased professional development to improve staff's proficiency for counseling clients on international trade.

DP 5107 - OTBD ELIMINATE MSUN BIOFUELS APPROPRIATION HB2 -

The legislature adopts this change package to remove the 2023 biennium HB 2 base level biofuels appropriation from the big sky trust fund paid to MSU Northern. In the 2017 and 2019 sessions the legislature added HB 2 appropriations from the big sky trust fund (BSTF) for a biofuels project at MSU Northern. Because the fund balance in BSTF is projected to be exhausted by June 30, 2021 the legislature adopts an elimination of this appropriation.

DP 5111 - SBDC PRIVATE REVENUE REDUCTION -

The legislature approved the Small Business Development Center (SBDC) private revenue reduction. There is no new revenue coming into this fund. The department will deplete the fund balance in FY 2021.

DP 5113 - OTBD ELIMINATE MT INDIAN LANGUAGE PRESERVATION (OTO) -

The legislature adopted an elimination of funding for MT Indian Language Preservation in the Department of Commerce and request Section E, Education, include the program in the budget of the Office of Public Instruction.

DP 5555 - Reduce GF Budget for State Share Holiday (OTO) -

The legislature adopted an elimination of the state share contribution to the state employee group benefit plan for two months. This change package removes the general fund portion of the savings generated by the suspension of the contributions. Savings from other funding sources, if applicable, remain in agency personal services budgets. This decision is contingent on passage and approval of SB 110.



**Program Budget Comparison**

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	4,501,800	4,415,914	(85,886)	(1.91)%
Operating Expenses	3,988,617	4,263,086	274,469	6.88 %
Grants	41,842,842	41,815,504	(27,338)	(0.07)%
Debt Service	1,950	0	(1,950)	(100.00)%
<b>Total Expenditures</b>	<b>\$50,335,209</b>	<b>\$50,494,504</b>	<b>\$159,295</b>	<b>0.32 %</b>
General Fund	1,853,585	1,886,127	32,542	1.76 %
State/Other Special Rev. Funds	9,169,348	9,643,841	474,493	5.17 %
Federal Spec. Rev. Funds	39,312,276	38,964,536	(347,740)	(0.88)%
<b>Total Funds</b>	<b>\$50,335,209</b>	<b>\$50,494,504</b>	<b>\$159,295</b>	<b>0.32 %</b>
<b>Total Ongoing</b>	<b>\$50,335,209</b>	<b>\$50,121,843</b>	<b>(\$213,366)</b>	<b>(0.42)%</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$372,661</b>	<b>\$372,661</b>	<b>100.00 %</b>

**Page Reference**

LFD Budget Analysis A-243

**Program Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	25.45	25.45	27.45	27.45
Personal Services	1,562,011	2,234,942	2,266,858	2,196,455	2,219,459
Operating Expenses	740,885	1,990,137	1,998,480	2,143,652	2,119,434
Grants	12,628,987	20,919,921	20,922,921	20,907,752	20,907,752
Debt Service	1,950	1,950	0	0	0
<b>Total Expenditures</b>	<b>\$14,933,833</b>	<b>\$25,146,950</b>	<b>\$25,188,259</b>	<b>\$25,247,859</b>	<b>\$25,246,645</b>
General Fund	908,333	924,638	928,947	936,979	949,148
State/Other Special Rev. Funds	2,359,430	4,570,009	4,599,339	4,823,868	4,819,973
Federal Spec. Rev. Funds	11,666,070	19,652,303	19,659,973	19,487,012	19,477,524
<b>Total Funds</b>	<b>\$14,933,833</b>	<b>\$25,146,950</b>	<b>\$25,188,259</b>	<b>\$25,247,859</b>	<b>\$25,246,645</b>
<b>Total Ongoing</b>	<b>\$14,933,833</b>	<b>\$25,146,950</b>	<b>\$25,188,259</b>	<b>\$25,070,084</b>	<b>\$25,051,759</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$177,775</b>	<b>\$194,886</b>

**Page Reference**

LFD Budget Analysis A-244

**Funding**

HB 2 Authority

General Fund

General fund is used to provide matching funds for the Community Development Block Grant Program and support the Community Technical Assistance Program. Approximately 50.0% of the general fund appropriation is used to fund each program.

State Special Revenue

State special revenue appropriations are primarily comprised of funding for the Coal Board and the Treasure State Endowment Program (TSEP). The Coal Board provides grants to governmental units to assist them in providing governmental services or facilities that are needed as a direct consequence of an increase or decrease in coal development or in the consumption of coal by a coal using energy complex. The Treasure State Endowment Program is funded with interest earnings from the treasure state endowment fund, a sub-fund of the coal tax trust. Revenue from the income account within the trust is transferred to the state special revenue fund for administrative costs (appropriated in HB 2) and grants (typically appropriated in HB 11).

Federal Special Revenue

Federal special revenues comprise the majority of appropriations. The majority of the federal funds are community development block grants, Home Investment Partnership Program (HOME) grants, and the Housing Trust Fund (HTF) Program.

**Program Budget Summary by Category**

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	928,947	928,947	1,857,894	98.50 %	25,188,259	25,188,259	50,376,518	99.77 %
SWPL Adjustments	20,697	16,267	36,964	1.96 %	(127,328)	(144,968)	(272,296)	(0.54)%
PL Adjustments	4,038	3,934	7,972	0.42 %	9,153	8,468	17,621	0.03 %
New Proposals	(16,703)	0	(16,703)	(0.89)%	177,775	194,886	372,661	0.74 %
<b>Total Budget</b>	<b>\$936,979</b>	<b>\$949,148</b>	<b>\$1,886,127</b>		<b>\$25,247,859</b>	<b>\$25,246,645</b>	<b>\$50,494,504</b>	

**Present Law Adjustments -**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	Fiscal 2022					Fiscal 2023				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	3,491	(14,275)	(179,878)	(190,662)	0.00	5,516	(13,239)	(176,734)	(184,457)
DP 2 - Fixed Costs	0.00	17,315	22,020	24,976	64,311	0.00	10,820	17,046	12,236	40,102
DP 3 - Inflation Deflation	0.00	(109)	(519)	(349)	(977)	0.00	(69)	(326)	(218)	(613)
DP 4 - ServiceNow	0.00	(1,308)	(1,979)	(1,501)	(4,788)	0.00	(1,308)	(1,979)	(1,501)	(4,788)
DP 50 - SWPLA Fixed Cost Reductions	0.00	(268)	(341)	(387)	(996)	0.00	(678)	(1,068)	(768)	(2,514)
DP 6003 - CDD ADMINISTRATIVE COSTS ADJUSTMENTS HB2	0.00	5,614	25,145	(15,822)	14,937	0.00	5,920	25,314	(15,464)	15,770
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$24,735</b>	<b>\$30,051</b>	<b>(\$172,961)</b>	<b>(\$118,175)</b>	<b>0.00</b>	<b>\$20,201</b>	<b>\$25,748</b>	<b>(\$182,449)</b>	<b>(\$136,500)</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 legislature made adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include the following: warrant writer, motor pool, etc.

DP 3 - Inflation Deflation -

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

DP 4 - ServiceNow -

The legislature adopted a decrease in funding because of the purchase of ServiceNow licenses and programs for the 2023 biennium. The legislature is anticipating operating efficiencies and other savings by using ServiceNow.

DP 50 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warehouses, storage rooms, and information technology.

DP 6003 - CDD ADMINISTRATIVE COSTS ADJUSTMENTS HB2 -

The legislature approved the Community Development Division administrative cost adjustments. This change package includes adjustments for indirect costs paid to the Director's Office for support services provided to supported divisions, bureaus, and programs; and an adjustment for the fluctuation of federal grant amounts in Community Development Block Grant Program.

**New Proposals -**

The New Proposals table shows new changes to spending

New Proposals	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 5555 - Reduce GF Budget for State Share Holiday (OTO)	0.00	(16,703)	0	0	(16,703)	0.00	0	0	0	0
DP 6001 - CDD CONTINUE 1.00 HB652 DLA FTE (BIEN/OTO)	1.00	0	98,611	0	98,611	1.00	0	98,609	0	98,609
DP 6002 - CDD 1.00 HISTORIC PRESERVATION GRANT FTE (OTO)	1.00	0	95,867	0	95,867	1.00	0	96,277	0	96,277
<b>Total</b>	<b>2.00</b>	<b>(\$16,703)</b>	<b>\$194,478</b>	<b>\$0</b>	<b>\$177,775</b>	<b>2.00</b>	<b>\$0</b>	<b>\$194,886</b>	<b>\$0</b>	<b>\$194,886</b>

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

DP 5555 - Reduce GF Budget for State Share Holiday (OTO) -

The legislature adopted an elimination of the state share contribution to the state employee group benefit plan for two months. This change package removes the general fund portion of the savings generated by the suspension of the contributions. Savings from other funding sources, if applicable, remain in agency personal services budgets. This decision is contingent on passage and approval of SB 110.

DP 6001 - CDD CONTINUE 1.00 HB652 DLA FTE (BIEN/OTO) -

The legislature approved the continuation of funding for House Bill 652. House Bill 652 passed in the 2019 legislative session and appropriated \$21.5 million to the Community Development Division in the Department of Commerce for grants to local governments through the Delivering Local Assistance Program (DLA). The 1.00 FTE in this decision package will support the grant program through completion.

DP 6002 - CDD 1.00 HISTORIC PRESERVATION GRANT FTE (OTO) -

The Community Development Division was tasked by the 2019 Legislature with administering the Historic Preservation Grant Program. The legislature adopts a 1.00 FTE Historic Preservation Grant Program specialist position to standup/ staff the Historic Preservation Grant Program. The program is meant to preserve historic sites, historical societies or history museums.

**Program Budget Comparison**

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	625,047	625,412	365	0.06 %
Operating Expenses	416,557	437,711	21,154	5.08 %
Grants	660,000	300,000	(360,000)	(54.55)%
Transfers	82,000	70,000	(12,000)	(14.63)%
Debt Service	370	0	(370)	(100.00)%
<b>Total Expenditures</b>	<b>\$1,783,974</b>	<b>\$1,433,123</b>	<b>(\$350,851)</b>	<b>(19.67)%</b>
Proprietary Funds	1,783,974	1,433,123	(350,851)	(19.67)%
<b>Total Funds</b>	<b>\$1,783,974</b>	<b>\$1,433,123</b>	<b>(\$350,851)</b>	<b>(19.67)%</b>

**Page Reference**

LFD Budget Analysis A-249

**Program Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	3.00	3.00	3.00	3.00
Personal Services	303,975	310,350	314,697	311,772	313,640
Operating Expenses	175,706	216,173	200,384	227,571	210,140
Grants	136,139	330,000	330,000	150,000	150,000
Transfers	28,885	40,000	42,000	35,000	35,000
Debt Service	371	370	0	0	0
<b>Total Expenditures</b>	<b>\$645,076</b>	<b>\$896,893</b>	<b>\$887,081</b>	<b>\$724,343</b>	<b>\$708,780</b>
Proprietary Funds	645,076	896,893	887,081	724,343	708,780
<b>Total Funds</b>	<b>\$645,076</b>	<b>\$896,893</b>	<b>\$887,081</b>	<b>\$724,343</b>	<b>\$708,780</b>

**Page Reference**

LFD Budget Analysis A-250

**Funding**

The Facility Finance Authority is entirely supported through non-budgeted proprietary funds.

**Program Budget Summary by Category**

Budget Summary by Category									
Budget Item	-----General Fund-----				-----Total Funds-----				
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	
2021 Base Budget	0	0	0	0.00 %	887,081	887,081	1,774,162	123.80 %	
SWPL Adjustments	0	0	0	0.00 %	19,770	2,817	22,587	1.58 %	
PL Adjustments	0	0	0	0.00 %	(182,508)	(181,118)	(363,626)	(25.37)%	
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %	
<b>Total Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$724,343</b>	<b>\$708,780</b>	<b>\$1,433,123</b>		

**Present Law Adjustments -**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	0	(2,925)	0.00	0	0	0	(1,057)
DP 2 - Fixed Costs	0.00	0	0	0	22,749	0.00	0	0	0	3,908
DP 3 - Inflation Deflation	0.00	0	0	0	(54)	0.00	0	0	0	(34)
DP 4 - ServiceNow	0.00	0	0	0	(564)	0.00	0	0	0	(564)
DP 50 - SWPLA Fixed Cost Reductions	0.00	0	0	0	(352)	0.00	0	0	0	(245)
DP 7101 - FFA ADMINISTRATIVE COSTS ADJUSTMENTS NAPROP	0.00	0	0	0	(181,592)	0.00	0	0	0	(180,309)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$162,738)</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$178,301)</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 legislature reviewed adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

The legislature reviewed 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 the following: warrant writer, motor pool, etc.

DP 3 - Inflation Deflation -

The legislature reviewed 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.

DP 4 - ServiceNow -

The legislature reviewed a decrease in funding because of the purchase of ServiceNow licenses and programs for the 2023 biennium. The legislature is anticipating operating efficiencies and other savings by using ServiceNow.

DP 50 - SWPLA Fixed Cost Reductions -

The legislature reviewed reductions to fixed costs for warehouses, storage rooms, and information technology.

DP 7101 - FFA ADMINISTRATIVE COSTS ADJUSTMENTS NAPROP -

The legislature reviewed funding for the Facility Finance Authority administrative cost adjustments. The budget includes increases for rent, accounting software, and indirect costs paid to the Director's Office for support services provided to supported divisions, bureaus, and programs. There are reductions related to the expiration of certain grant programs, and support services provided by the Board of Investment.

**Program Budget Comparison**

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	8,580,669	8,594,495	13,826	0.16 %
Operating Expenses	6,665,484	7,040,284	374,800	5.62 %
Debt Service	2,099	0	(2,099)	(100.00)%
<b>Total Expenditures</b>	<b>\$15,248,252</b>	<b>\$15,634,779</b>	<b>\$386,527</b>	<b>2.53 %</b>
Proprietary Funds	15,248,252	15,634,779	386,527	2.53 %
<b>Total Funds</b>	<b>\$15,248,252</b>	<b>\$15,634,779</b>	<b>\$386,527</b>	<b>2.53 %</b>

**Page Reference**

LFD Budget Analysis A-256

**Program Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	32.00	32.00	33.00	33.00
Personal Services	4,089,325	4,248,536	4,332,133	4,292,466	4,302,029
Operating Expenses	2,977,251	3,381,160	3,284,324	3,538,629	3,501,655
Debt Service	2,100	2,099	0	0	0
<b>Total Expenditures</b>	<b>\$7,068,676</b>	<b>\$7,631,795</b>	<b>\$7,616,457</b>	<b>\$7,831,095</b>	<b>\$7,803,684</b>
Proprietary Funds	7,068,676	7,631,795	7,616,457	7,831,095	7,803,684
<b>Total Funds</b>	<b>\$7,068,676</b>	<b>\$7,631,795</b>	<b>\$7,616,457</b>	<b>\$7,831,095</b>	<b>\$7,803,684</b>

**Page Reference**

LFD Budget Analysis A-257

**Funding**

The Board of Investments is entirely supported through non-budgeted proprietary funds and statutory appropriations.

**Program Budget Summary by Category**



Budget Summary by Category									
Budget Item	-----General Fund-----				-----Total Funds-----				
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	
2021 Base Budget	0	0	0	0.00 %	7,616,457	7,616,457	15,232,914	97.43 %	
SWPL Adjustments	0	0	0	0.00 %	95,393	(37,546)	57,847	0.37 %	
PL Adjustments	0	0	0	0.00 %	120,523	226,066	346,589	2.22 %	
New Proposals	0	0	0	0.00 %	(1,278)	(1,293)	(2,571)	(0.02)%	
<b>Total Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$7,831,095</b>	<b>\$7,803,684</b>	<b>\$15,634,779</b>		

**Present Law Adjustments -**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	0	(38,389)	0.00	0	0	0	(28,811)
DP 2 - Fixed Costs	0.00	0	0	0	133,952	0.00	0	0	0	(8,629)
DP 3 - Inflation Deflation	0.00	0	0	0	(170)	0.00	0	0	0	(106)
DP 4 - ServiceNow	0.00	0	0	0	(6,208)	0.00	0	0	0	(6,208)
DP 50 - SWPLA Fixed Cost Reductions	0.00	0	0	0	(2,073)	0.00	0	0	0	541
DP 7502 - BOI ADMINISTRATIVE COSTS ADJUSTMENTS NAPROP	0.00	0	0	0	128,804	0.00	0	0	0	231,733
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$215,916</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$188,520</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 legislature reviewed adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

The legislature reviewed adjustments to fixed costs assessed by other agencies within state government for the services they provide. Examples include the following: warrant writer, motor pool, etc.

DP 3 - Inflation Deflation -

The legislature reviewed 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.

DP 4 - ServiceNow -

The legislature reviewed a decrease in funding because of the purchase of ServiceNow licenses and programs for the 2023 biennium. The legislature is anticipating operating efficiencies and other savings by using ServiceNow.

DP 50 - SWPLA Fixed Cost Reductions -

The legislature reviewed adjustments to fixed costs for warehouses, storage rooms, and information technology.

DP 7502 - BOI ADMINISTRATIVE COSTS ADJUSTMENTS NAPROP -

Based on historical trends, operational costs have increased 3.0% per year for items including contracted services, travel, rent, and indirect costs. The legislature reviewed authority to compensate for these increases.

**New Proposals -**

The New Proposals table shows new changes to spending

New Proposals	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 7501 - BOI 1.00 ADMINISTRATIVE ASSISTANT FTE NAPROP	1.00	0	0	0	(1,278)	1.00	0	0	0	(1,293)
<b>Total</b>	<b>1.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,278)</b>	<b>1.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,293)</b>

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

DP 7501 - BOI 1.00 ADMINISTRATIVE ASSISTANT FTE NAPROP -

Since June 30, 2018, the investment pool has increased by almost \$3.5 billion. In addition, the board's accounting and investment operations have continued to grow more and more complex. The size and diversity of the investment portfolio, participant transactions, reporting standards, outside regulatory requirements, and accounting standard changes all contribute to the increased complexity. The legislature reviewed the addition of 1.00 FTE to aid in complying with these requirements.

**Other Issues -**

**Investment Division – 06527**

*Proprietary Program Description*

The Investment Division proprietary fund, an internal service fund, funds the Investment Program. The Board of Investment's customers include state agencies, the university system, local governments, financial institutions, and local economic development organizations.

Expenses

Primary expenditures are for personal services and operating expenses.

Revenues

Nearly all Investment Program revenues are generated from charges to each account that the board invests. The revenue objective of the Investment Program is to fairly assess the costs of operations while maintaining a 60-day working capital reserve.

*Proprietary Rates*

The Board of Investments recovers its costs from the entities that use its services. Typically, this has been done by requesting a maximum level of expenditures and setting the fee at that level. The legislature adopted the following rates.

<b>Requested Rates for Internal Service Funds</b>				
<b>Fee/Rate Information</b>				
	Approved FY 20	Approved FY 21	Requested FY 22	Requested FY 23
BOI Administrative Fee Rate	7,198,414	7,198,414	7,471,401	7,695,543
Authority / Allocation Methodology: The revenue objective of the Board of Investments is to assess the costs of operations to each portfolio the Board invests while attempting to maintain a reasonable and prudent 60 day working capital reserve.				

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge.

**Program Budget Comparison**

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	39,447	38,204	(1,243)	(3.15)%
Operating Expenses	362,585	363,196	611	0.17%
<b>Total Expenditures</b>	<b>\$402,032</b>	<b>\$401,400</b>	<b>(\$632)</b>	<b>(0.16)%</b>
State/Other Special Rev. Funds	402,032	401,400	(632)	(0.16)%
<b>Total Funds</b>	<b>\$402,032</b>	<b>\$401,400</b>	<b>(\$632)</b>	<b>(0.16)%</b>
<b>Total Ongoing</b>	<b>\$402,032</b>	<b>\$401,400</b>	<b>(\$632)</b>	<b>(0.16)%</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00%</b>

**Page Reference**

LFD Budget Analysis A-265

**Program Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	1.25	1.25	1.25	1.25
Personal Services	7,760	18,988	20,459	19,131	19,073
Operating Expenses	92,313	181,297	181,288	181,602	181,594
<b>Total Expenditures</b>	<b>\$100,073</b>	<b>\$200,285</b>	<b>\$201,747</b>	<b>\$200,733</b>	<b>\$200,667</b>
State/Other Special Rev. Funds	100,073	200,285	201,747	200,733	200,667
<b>Total Funds</b>	<b>\$100,073</b>	<b>\$200,285</b>	<b>\$201,747</b>	<b>\$200,733</b>	<b>\$200,667</b>
<b>Total Ongoing</b>	<b>\$100,073</b>	<b>\$200,285</b>	<b>\$201,747</b>	<b>\$200,733</b>	<b>\$200,667</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Page Reference**

LFD Budget Analysis A-266

**Funding**

The Board of Horse Racing is funded entirely from state special revenue funds.

**Program Budget Summary by Category**

Budget Summary by Category									
Budget Item	-----General Fund-----				-----Total Funds-----				
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	
2021 Base Budget	0	0	0	0.00 %	201,747	201,747	403,494	100.52 %	
SWPL Adjustments	0	0	0	0.00 %	108,542	108,642	217,184	54.11 %	
PL Adjustments	0	0	0	0.00 %	(109,556)	(109,722)	(219,278)	(54.63)%	
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %	
<b>Total Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$200,733</b>	<b>\$200,667</b>	<b>\$401,400</b>		

**Present Law Adjustments -**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	108,542	0	108,542	0.00	0	108,642	0	108,642
DP 7801 - BOHR ADMINISTRATIVE COSTS ADJUSTMENTS HB2	0.00	0	(109,556)	0	(109,556)	0.00	0	(109,722)	0	(109,722)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>(\$1,014)</b>	<b>\$0</b>	<b>(\$1,014)</b>	<b>0.00</b>	<b>\$0</b>	<b>(\$1,080)</b>	<b>\$0</b>	<b>(\$1,080)</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 legislature made adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 7801 - BOHR ADMINISTRATIVE COSTS ADJUSTMENTS HB2 -

The legislature adopted the Board of Horse Racing administrative cost adjustments. This change package reduces the Board of Horse Racing's 2023 biennium personal services budget to current estimates for the 2023 biennium. The Board of Horse Racing currently is contracting for its executive secretary, which is funded through an operating expense category. This change package simply removes the 2023 biennium personal services funding for the position without removing the board's executive secretary position.

**Program Budget Comparison**

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Operating Expenses	0	1,200,000	1,200,000	0.00 %
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$1,200,000</b>	<b>\$1,200,000</b>	<b>0.00 %</b>
State/Other Special Rev. Funds	0	1,200,000	1,200,000	0.00 %
<b>Total Funds</b>	<b>\$0</b>	<b>\$1,200,000</b>	<b>\$1,200,000</b>	<b>0.00 %</b>
<b>Total Ongoing</b>	<b>\$0</b>	<b>\$1,200,000</b>	<b>\$1,200,000</b>	<b>100.00 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Page Reference**

LFD Budget Analysis MHC-1

**Program Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
Operating Expenses	0	0	0	600,000	600,000
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$600,000</b>	<b>\$600,000</b>
State/Other Special Rev. Funds	0	0	0	600,000	600,000
<b>Total Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$600,000</b>	<b>\$600,000</b>
<b>Total Ongoing</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$600,000</b>	<b>\$600,000</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Page Reference**

LFD Budget Analysis MHC-2

**Funding**

The Montana Heritage Commission is funded entirely with HB 2 and statutorily appropriated funding. The legislature approved appropriations of \$600,000 in each fiscal year from the lodging facility use tax in HB 2. The MHC also receives statutory appropriations from the lodging facility use tax, which is fixed at \$400,000 each fiscal year. The remainder of the funding includes revenues from Virginia and Nevada cities and Reeder’s Alley, as well as light vehicle registrations.

**Program Budget Summary by Category**

Budget Summary by Category									
Budget Item	-----General Fund-----				-----Total Funds-----				
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	
2021 Base Budget	0	0	0	0.00 %	0	0	0	0.00 %	
SWPL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %	
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %	
New Proposals	0	0	0	0.00 %	600,000	600,000	1,200,000	100.00 %	
<b>Total Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$600,000</b>	<b>\$600,000</b>	<b>\$1,200,000</b>		

**New Proposals -**

The New Proposals table shows new changes to spending

New Proposals										
	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 8002 - MHC VIRGINIA AND NEVADA CITIES MAINTENANCE (Rest/Bien)	0.00	0	600,000	0	600,000	0.00	0	600,000	0	600,000
<b>Total</b>	<b>0.00</b>	<b>\$0</b>	<b>\$600,000</b>	<b>\$0</b>	<b>\$600,000</b>	<b>0.00</b>	<b>\$0</b>	<b>\$600,000</b>	<b>\$0</b>	<b>\$600,000</b>

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

**DP 8002 - MHC VIRGINIA AND NEVADA CITIES MAINTENANCE (Rest/Bien) -**

The legislature approved an increase in state special revenue for the maintenance of Virginia and Nevada Cities.

**Program Budget Comparison**

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Grants	1,150,000	1,200,000	50,000	4.35 %
<b>Total Expenditures</b>	<b>\$1,150,000</b>	<b>\$1,200,000</b>	<b>\$50,000</b>	<b>4.35 %</b>
Federal Spec. Rev. Funds	1,150,000	1,200,000	50,000	4.35 %
<b>Total Funds</b>	<b>\$1,150,000</b>	<b>\$1,200,000</b>	<b>\$50,000</b>	<b>4.35 %</b>
<b>Total Ongoing</b>	<b>\$1,150,000</b>	<b>\$1,200,000</b>	<b>\$50,000</b>	<b>4.35 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Page Reference**

LFD Budget Analysis A-269

**Program Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
Grants	436,359	550,000	600,000	600,000	600,000
<b>Total Expenditures</b>	<b>\$436,359</b>	<b>\$550,000</b>	<b>\$600,000</b>	<b>\$600,000</b>	<b>\$600,000</b>
Federal Spec. Rev. Funds	436,359	550,000	600,000	600,000	600,000
<b>Total Funds</b>	<b>\$436,359</b>	<b>\$550,000</b>	<b>\$600,000</b>	<b>\$600,000</b>	<b>\$600,000</b>
<b>Total Ongoing</b>	<b>\$436,359</b>	<b>\$550,000</b>	<b>\$600,000</b>	<b>\$600,000</b>	<b>\$600,000</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Page Reference**

LFD Budget Analysis A-270

**Funding**

*HB 2 Authority*

The Montana Council on Developmental Disabilities is funded entirely with federal special revenues that pay for the contract for the nonprofit that carries out the responsibilities of Developmental Disabilities Planning and Advisory Council.

*Non-Budgeted Proprietary*

The Director’s Office is funded by an internal service type proprietary fund from indirect costs charged to programs in the



Department of Commerce. This fund will be discussed in further detail in the Proprietary Rates section below.

**Program Budget Summary by Category**

Budget Summary by Category									
Budget Item	-----General Fund-----				-----Total Funds-----				
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	
2021 Base Budget	0	0	0	0.00 %	600,000	600,000	1,200,000	100.00 %	
SWPL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %	
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>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$600,000</b>	<b>\$600,000</b>	<b>\$1,200,000</b>		

**Other Issues -**

**Proprietary Rates**

**Commerce Centralized Services – 06542**

*Proprietary Program Description*

The Director’s Office provides overall leadership, communication, and management support to the Department of Commerce’s staff, programs, bureaus, divisions, and administratively attached boards. The office provides executive, administrative, legal, and policy direction, along with offering problem-solving guidance. The office keeps abreast of department-related issues, and acts in a public relations and informational capacity. The office works closely with economic and community development organizations, businesses, communities, governmental entities, elected officials, and the public to diversify and expand the state’s economic base. The office also acts as the liaison with private business, local governments, administratively attached boards, public and private interest groups, the legislature, Indian tribes, individuals, other governmental agencies, and the Governor’s Office.

Services are provided by the Offices of Accounting and Budget, Legal Affairs, Human Resources, Information Technology, and Public Information.

Expenses

The legislature adopted increases due to statewide present law adjustments for personal services and operating expenses.

Revenues

The Director’s Office is funded by revenues from charges allocated to all divisions, bureaus, and programs supported by the division’s indirect cost plan. Indirect costs are allocated to supported programs based upon federally calculated, and legislatively approved, indirect cost rates applied to actual personal services expenditures.

*Proprietary Rates*

Indirect costs for the Director’s Office are allocated to supported programs via a federally calculated indirect cost plan for federally funded programs and a legislatively approved rate for state funded programs. Indirect cost rates are charged to supported programs based upon actual personal services expenditures.

The Director’s Office calculates a federal indirect cost rate on an annual basis. This rate is a fixed rate for federally funded programs. This rate is then applied against actual federally funded personal services expenditures within the department.

The federally calculated rate requires that a carry-forward amount be built into the rate. This carry-forward amount represents the amount the Director’s Office under-recovered or over-recovered in a given fiscal year. This computation compares what was originally calculated to what actually occurred. The difference is then carried forward into the following

year's rate.

<b>Requested Rates for Internal Service or Enterprise Funds Fee/Rate Information</b>				
	<b>Actual FY 20</b>	<b>Estimated FY 21</b>	<b>Proposed FY 22</b>	<b>Proposed FY 23</b>
Fee Description:	14.22%	14.22%	14.78%	14.78%

The legislature adopted increased rates for FY 2022 and FY 2023. The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge.