

**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	7,523,533	6,972,106	(551,427)	(7.33)%
Operating Expenses	1,741,099	2,560,834	819,735	47.08 %
Debt Service	12,160	12,160	0	0.00 %
<b>Total Expenditures</b>	<b>\$9,276,792</b>	<b>\$9,545,100</b>	<b>\$268,308</b>	<b>2.89 %</b>
State/Other Special Rev. Funds	8,729,436	8,997,718	268,282	3.07 %
Federal Spec. Rev. Funds	547,356	547,382	26	0.00 %
<b>Total Funds</b>	<b>\$9,276,792</b>	<b>\$9,545,100</b>	<b>\$268,308</b>	<b>2.89 %</b>
<b>Total Ongoing</b>	<b>\$9,076,792</b>	<b>\$8,421,018</b>	<b>(\$655,774)</b>	<b>(7.22)%</b>
<b>Total OTO</b>	<b>\$200,000</b>	<b>\$1,124,082</b>	<b>\$924,082</b>	<b>462.04 %</b>

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**Agency Highlights**

<b>Public Service Commission Major Budget Highlights</b>
<p>The Public Service Commission's 2023 biennium budget is 2.9% or \$268,308 higher than the 2021 biennium budget. Significant changes for the 2023 biennium include:</p> <ul style="list-style-type: none"> <li>• A reduction of approximately \$2.0 million in fixed costs for application development over the biennium removing the Electronic Database for Docket Information (EDDI System) associated with the agency's docketing and case management system</li> <li>• An increase of \$500,000 over the biennium for initial costs related to the software modernization system as one-time-only</li> <li>• An increase of \$421,000 over the biennium for fixed costs related to the software modernization system as one-time-only</li> <li>• An increase of \$167,000 over the biennium and 1.00 FTE for a utility rate analyst for the hearings examiner process</li> <li>• An increase of \$200,000 over the biennium as restricted and one-time-only for contract funding for hearings examiners to be utilized only with the Department of Justice</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	35.00	35.00	36.00	36.00	
Personal Services	3,368,999	3,745,645	3,777,888	3,481,419	3,490,687	
Operating Expenses	755,653	887,897	853,202	1,251,945	1,308,889	
Debt Service	2,557	6,080	6,080	6,080	6,080	
<b>Total Expenditures</b>	<b>\$4,127,209</b>	<b>\$4,639,622</b>	<b>\$4,637,170</b>	<b>\$4,739,444</b>	<b>\$4,805,656</b>	
State/Other Special Rev. Funds	3,987,529	4,365,957	4,363,479	4,465,753	4,531,965	
Federal Spec. Rev. Funds	139,680	273,665	273,691	273,691	273,691	
<b>Total Funds</b>	<b>\$4,127,209</b>	<b>\$4,639,622</b>	<b>\$4,637,170</b>	<b>\$4,739,444</b>	<b>\$4,805,656</b>	
<b>Total Ongoing</b>	<b>\$4,127,209</b>	<b>\$4,539,622</b>	<b>\$4,537,170</b>	<b>\$4,222,743</b>	<b>\$4,198,275</b>	
<b>Total OTO</b>	<b>\$0</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$516,701</b>	<b>\$607,381</b>	

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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	35.00	37.50	36.00	(1.50)	37.50	36.00	(1.50)	(1.50)
Personal Services	3,777,888	3,686,969	3,481,419	(205,550)	3,696,460	3,490,687	(205,773)	(411,323)
Operating Expenses	853,202	1,696,130	1,251,945	(444,185)	1,662,394	1,308,889	(353,505)	(797,690)
Equipment & Intangible Assets	0	0	0	0	0	0	0	0
Debt Service	6,080	6,080	6,080	0	6,080	6,080	0	0
<b>Total Costs</b>	<b>\$4,637,170</b>	<b>\$5,389,179</b>	<b>\$4,739,444</b>	<b>(\$649,735)</b>	<b>\$5,364,934</b>	<b>\$4,805,656</b>	<b>(\$559,278)</b>	<b>(\$1,209,013)</b>
State/other Special Rev. Funds	4,363,479	5,115,488	4,465,753	(649,735)	5,091,243	4,531,965	(559,278)	(1,209,013)
Federal Spec. Rev. Funds	273,691	273,691	273,691	0	273,691	273,691	0	0
<b>Total Funds</b>	<b>\$4,637,170</b>	<b>\$5,389,179</b>	<b>\$4,739,444</b>	<b>(\$649,735)</b>	<b>\$5,364,934</b>	<b>\$4,805,656</b>	<b>(\$559,278)</b>	<b>(\$1,209,013)</b>
<b>Total Ongoing</b>	<b>\$4,537,170</b>	<b>\$5,389,179</b>	<b>\$4,222,743</b>	<b>(\$1,166,436)</b>	<b>\$5,364,934</b>	<b>\$4,198,275</b>	<b>(\$1,166,659)</b>	<b>(\$2,333,095)</b>
<b>Total OTO</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$516,701</b>	<b>\$516,701</b>	<b>\$0</b>	<b>\$607,381</b>	<b>\$607,381</b>	<b>\$1,124,082</b>

The legislature adopted ongoing appropriations that are approximately \$2.3 million less than the proposed appropriations for the 2023 biennium. The legislature adopted one-time-only appropriations that are approximately \$1.1 million higher than the proposed appropriations for the biennium. These differences are in state special revenue appropriations.

The major differences in the legislative budget compared to the proposed budget include:

- The legislature adopted a reduction in approximately \$2.0 million over the biennium in fixed costs for the EDDI System
- The legislature approved \$167,000 over the biennium and 1.00 FTE for a utility rate analyst for the contested cases per year that will require hearings examiner processes relating to HB 597 passed by the 2019 Legislature. This is compared to the executive request of \$515,000 over the biennium and 2.50 FTE for the hearings examiner process
- The legislature approved \$200,000 over the biennium as restricted and one-time-only for contract costs related to the hearings examiner process to be utilized only by the Public Service Commission to contract with the

Department of Justice for hearings examiners

- The legislature approved an increase of \$500,000 over the biennium for initial costs related to the software modernization system as one-time-only
- The legislature approved an increase of \$421,000 over the biennium for fixed costs related to the software modernization system as one-time-only
- The legislature approved an additional 1.0% vacancy savings at a reduction of \$64,000 in state special revenue over the biennium

**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	0	0	0	0	0	0.00 %
State Special Total	7,873,636	1,124,082	0	0	8,997,718	94.27 %
Federal Special Total	547,382	0	0	0	547,382	5.73 %
Proprietary Total	0	0	0	0	0	0.00 %
Other Total	0	0	0	0	0	0.00 %
<b>Total All Funds</b>	<b>\$8,421,018</b>	<b>\$1,124,082</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,545,100</b>	
<b>Percent - Total All Sources</b>	<b>88.22 %</b>	<b>11.78 %</b>	<b>0.00 %</b>	<b>0.00 %</b>		

The Public Service Commission is funded by a combination of state and federal special revenue. State special revenue comprises the majority of the Public Service Commission’s funding in the 2021 biennium. The majority of the state special revenue is derived from a fee that is levied on regulated companies. The amount of the fee is based on the level of funding appropriated by the legislature for a specific fiscal year and the percentage of the gross operating revenue from all activities regulated by the PSC for the calendar quarter of operation as outlined in 69-1-402, MCA.

**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	0	0	0	0.00 %	4,537,170	4,537,170	9,074,340	95.07 %
SWPL Adjustments	0	0	0	0.00 %	117,906	93,472	211,378	2.21 %
PL Adjustments	0	0	0	0.00 %	(35,983)	(36,077)	(72,060)	(0.75) %
New Proposals	0	0	0	0.00 %	120,351	211,091	331,442	3.47 %
<b>Total Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$4,739,444</b>	<b>\$4,805,656</b>	<b>\$9,545,100</b>	

**Language and Statutory Authority**

The Contract Funding for Hearing Examiner may only be used by the Public Service Commission to contract with the Department of Justice for hearings examiners.

It is the intent of the legislature that the Electronic Database for Docket Information (EDDI System) in the Public Service Commission be renamed Basic Information Listing, Law Index, and Electronic Docketing (BILLIE Docketing System).

The Public Service Commission may spend up to \$500,000 each year of the biennium for the software modernization system if funding is available from the Public Service Commission state special revenue fund. Funds used for the software modernization system out of the Public Service Commission state special revenue fund are not considered appropriations for the purpose of calculating rates.

The Public Service Regulation Program includes a reduction in state special revenue of \$31,733 in fiscal year 2022 and \$31,827 in fiscal year 2023. The reduction is the equivalent of an additional 1% vacancy savings. The agency may allocate this reduction in funding among programs when developing 2023 biennium operating plans.

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**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	(348,179)	0	(348,179)	0.00	0	(338,877)	0	(338,877)
DP 2 - Fixed Costs	0.00	0	948,731	0	948,731	0.00	0	914,339	0	914,339
DP 3 - Inflation Deflation	0.00	0	(1,760)	0	(1,760)	0.00	0	(1,104)	0	(1,104)
DP 4 - Service Now reduction	0.00	0	(4,250)	0	(4,250)	0.00	0	(4,250)	0	(4,250)
DP 50 - SWPLA Fixed Cost Reductions	0.00	0	(480,886)	0	(480,886)	0.00	0	(480,886)	0	(480,886)
DP 51 - Additional 1% Vacancy Savings	0.00	0	(31,733)	0	(31,733)	0.00	0	(31,827)	0	(31,827)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$81,923</b>	<b>\$0</b>	<b>\$81,923</b>	<b>0.00</b>	<b>\$0</b>	<b>\$57,395</b>	<b>\$0</b>	<b>\$57,395</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 adopted adjustments to the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required 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 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 - Service Now reduction -

The legislature adopted a decrease in funding because of the purchase of ServiceNow licenses and programs for the 2023 biennium. This reduced the operating budget by \$4,250 in FY 2022 and \$4,250 in FY 2023 due to the projected operating

efficiencies and other savings achieved using ServiceNow.

DP 50 - SWPLA Fixed Cost Reductions -

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

DP 51 - Additional 1% Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings reducing personal services by \$63,560 in state special revenue.

**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 5 - NRIS/GIS Fixed Costs	0.00	0	207	0	207	0.00	0	207	0	207
DP 6 - Software Modernization System Initial Costs (OTO)	0.00	0	251,701	0	251,701	0.00	0	251,701	0	251,701
DP 7 - Software Modernization System Fixed Costs (OTO)	0.00	0	165,000	0	165,000	0.00	0	255,680	0	255,680
DP 101 - HB 597 Hearings Examiner FTE - Utility Rate Analyst	1.00	0	83,443	0	83,443	1.00	0	83,503	0	83,503
DP 102 - Contract Funding for Hearing Examiner (RST/OTO)	0.00	0	100,000	0	100,000	0.00	0	100,000	0	100,000
DP 201 - Removal of the EDDI System from Fixed Costs	0.00	0	(480,000)	0	(480,000)	0.00	0	(480,000)	0	(480,000)
<b>Total</b>	<b>1.00</b>	<b>\$0</b>	<b>\$120,351</b>	<b>\$0</b>	<b>\$120,351</b>	<b>1.00</b>	<b>\$0</b>	<b>\$211,091</b>	<b>\$0</b>	<b>\$211,091</b>

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

DP 5 - NRIS/GIS Fixed Costs -

The 2019 Legislature enacted HB 633 requiring the Legislative Finance Committee (LFC) to conduct a study of the funding of digital library services. The LFC recommended that the Office of Budget and Program Planning include an assessment for the natural resource information system (NRIS) and the geographic information system (GIS) as a fixed cost to state agencies beginning in the 2023 biennium. The assessment is made to those agencies that utilize the NRIS/GIS.

DP 6 - Software Modernization System Initial Costs (OTO) -

The legislature approved an increase in state special revenue of \$251,701 in FY 2022 and \$251,701 in FY 2023 as one-time-only for initial costs related to the software modernization system in the Public Service Commission.

DP 7 - Software Modernization System Fixed Costs (OTO) -

The legislature approved an increase of state special revenue in the Public Service Commission by \$165,000 in FY 2022 and \$255,680 in FY 2023 as one-time-only.

DP 101 - HB 597 Hearings Examiner FTE - Utility Rate Analyst -

The legislature adopted funding and 1.00 FTE for a utility rate analyst for a hearings examiner for the roughly 80 contested

cases per year that will require hearings examiner processes relating to HB 597 passed by the 2019 Legislature.

DP 102 - Contract Funding for Hearing Examiner (RST/OTO) -

The legislature adopted state special revenue to be restricted and one-time-only for contract funding for a hearing examiner. This funding may only be used by the Public Service Commission to contract with the Department of Justice for hearings examiners.

DP 201 - Removal of the EDDI System from Fixed Costs -

The legislature approved the removal of the EDDI System from fixed costs.