

OFFICE OF THE GOVERNOR
BUDGET AND PROGRAM PLANNING
STATE OF MONTANA


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MEMORANDUM

TO: Amy Carlson, Legislative Fiscal Analyst
Legislative Fiscal Division

FROM: Dan Villa, Budget Director 
Office of Budget and Program Planning

DATE: September 15, 2017

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

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

The attached sheet lists for all state special revenue “charge for services” funds which exceed the limits of section 17-2-302(1) and are not exempt under 17-2-302(4): the agency and account, the fiscal year end 2017 balance, the amount the balance exceeds the limitation, and any certified exception to the limitation as allowed under 17-2-302(2).

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

CC: Affected Agency Centralized Services Administrators

Compliance with 17-2-302, MCA						
Agency Name	Fund	Fund Name	Approp Authority	7/1/17 Balance	Excess Cash Balance	Certified Exception/Explanation
DOJ	02200	Permits and Transfer Plates	0	36,026	36,026	The excess cash balance in the fund will be leveraged to defray program administration costs during the 2019 biennium.
FWP	02171	Smith R. Corridor Enhancement	673,876	786,156	112,280	This account has changed with the passage of SB 213 in the 17' session. The account will provide for the operations of the Smith River State Park as well as the enhancement of the corridor. Additionally, all revenue derived from the Smith River State Park fee schedule is deposited in this account.
FWP	02330	Parks Snomo Fuel Tax Sfty/Educ	249,496	311,155	61,659	Revenues in this fund continue to exceed appropriated authority. PL602, approved in the 17' session, has given the department additional authority and the balance will be spent down.
DOT	02440	Refunds/IFTA Suspense	0	723,639	723,639	These funds are initially collected from gas, diesel, and commercial motor vehicle taxes and use to be deposited directly into the "charge for service state funds" before being paid out as refunds. MDT will now deposit an amount equal to a three year average of gasoline tax refunds, special fuel tax refunds (mostly diesel), and moneys collected for international fuel tax agreements (IFTA), into the authorized suspense account to be paid back out as revenue abatements to authorized refund recipients. There is no appropriation in this account and after unearned revenues are paid back out of this account, cash will be zero or minimal at each FYE.
DNRC	02010	Oil & Gas Damage Mitigation	380,000	822,883	442,883	The agency has \$220,000 in outstanding contracts that will be completed before 6/30/18. Additionally, HB648 required \$195,000 in cash transfers from fund 02010 to the Department of Fish, Wildlife and Parks, and the Dept. of Environmental Quality's Hazardous Waste/CERLA account.
DNRC	02216	Water Storage St Sp Rev Acct	519,518	920,465	400,947	The agency has projected expenses of over \$1.0M for projects in the next biennium.
DNRC	02449	Forest Resources-Forest Improv	2,855,942	2,959,844	103,902	\$126,916 in outstanding accruals and payables from FY 2017 will reduce the cash balance to \$2,835,320, which is below the excess cash balance trigger.
Agriculture	02127	Food & Ag Development Program	8,310	74,998	66,688	The agency is currently waiting for approval of an AA BCD that will provide \$195,000 in appropriation each year for the Department of Agriculture fund 02127.
Commerce	02229	MT SSBCI Servicing Fees	0	410,446	410,446	The Department of Commerce accrued \$341,695.79 in expenditures during the FYE 2017 closing, which leaves a FYE 2017 ending cash/fund balance of \$68,750. The Department recently submitted, and the OBPP has approved and posted, BCD 65010 720 HA223 which reallocated existing HB 2 2019 biennium state special revenue authority to fund 02229.
Commerce	02671	Trade Growth thru AG	0	69,674	69,674	The Department has submitted a BCD which establishes an \$80,000 (\$40,000 each fiscal year) 2019 biennium administrative authorization for a Growth Thru Agriculture grant awarded to the Office of Tourism and Business Development Divisions (OTBD) Trade program by the Department of Agriculture.
Labor	02079	Fire Protection & Permitting	197,262	238,101	40,839	This program is currently working on a rule package to reduce fees for the May 2018 renewal period. This reduction of revenue should bring the cash balance into compliance with statutory requirements.
Labor	02764	Private Alt. Adol Programs	66,782	109,841	43,059	The board has partially abated fees in order to reduce revenues and bring the cash balance into compliance with statutory requirements.
Labor	02809	Board Of Speech Pathologists	134,616	173,993	39,377	The board is in the process of reducing fees. The resulting reduction in revenue should bring the cash balance into compliance with statutory requirements.
Labor	02814	Bd Of Hearing Aid Dispensers	95,374	165,801	70,427	The board abated fees for the FY2018 renewal period and expects the fee abatement to reduce revenues enough to bring the cash balance into compliance with statutory requirements.
Labor	02829	Private Investigator	462,421	491,535	29,114	The board is currently discussing abating fees in the January 2018 renewal cycle in order to bring their cash balance into compliance with statutory requirements.
Labor	02832	Board Of Pharmacy	1,903,039	2,199,409	296,370	The board is currently in the process to reduce renewal fees for the October 2017 renewal period. The board expects the fee reduction to reduce revenues enough to bring the cash balance into compliance with statutory requirements.

Labor	02833	Board Of Nursing	3,097,963	3,731,703	633,741	Because this board has a biennial renewal, the board will need approximately \$2,550,000 to operate through the next renewal period. The board's natural business cycle will reduce the cash balance to a satisfactory level.
DPHHS	02483	Adoption Services / SA	130,000	332,950	202,950	The Adoption Services fund has developed an excess cash balance due to getting a motor vehicle transfer "catch up" for prior years as well as current year late in the fiscal year. These excess funds will be spent in FY18.
DPHHS	02496	Family Preservation Conference	14,166	33,602	19,436	The Family Preservation Conference has developed an excess of funds due to getting funds from the Department of Justice to use as matching funds for the Child Advocacy Center in Great Falls. Administrative Appropriation was requested in July of 2017 to utilize the matching funds for Child Advocacy and the fund is no longer in excess cash.
DPHHS	02765	Insurance Policies Fees SB278	2,578,422	2,593,108	14,686	The program projects a prior year payment and obligations for SFY18 that will eliminate the excess cash. These funds will be spent in FY18.