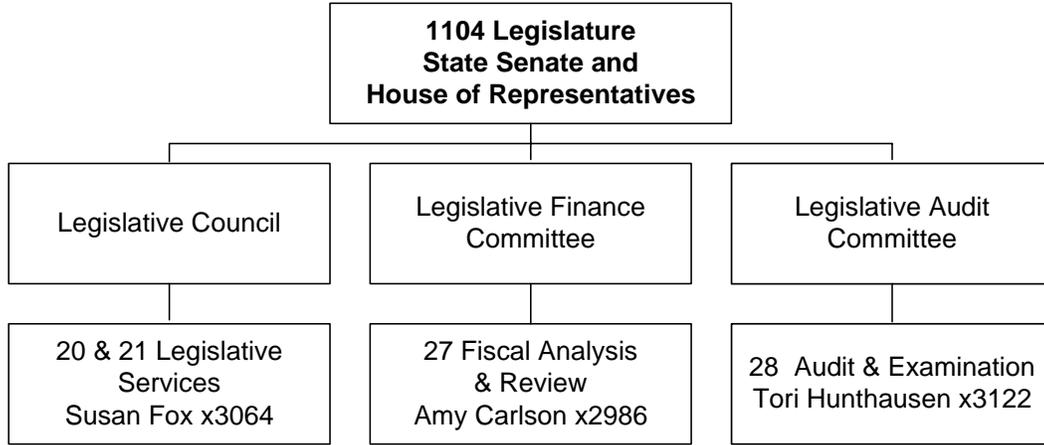


LEGISLATIVE BRANCH-1104



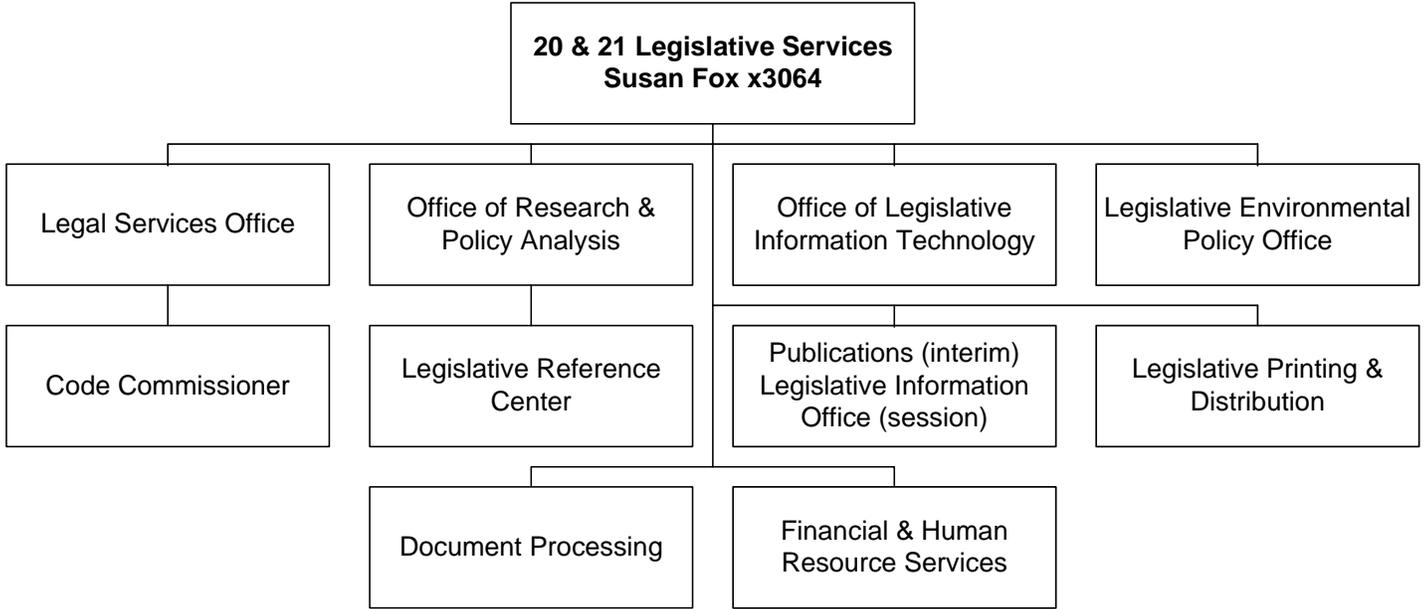
Mission Statement - The mission of the Legislature is to exercise the legislative power of state government vested in the Legislature by The Constitution of the State of Montana. The mission of the Legislative Branch, i.e., the consolidated legislative agency, is to provide the administrative structure to support accomplishment of the mission of the Legislature.

Statutory Authority - Principal statutory authority for the Legislative Services Division is found in Title 1, Chapter 11, and Title 5, Chapters 5 and 11, MCA. Principal statutory authority for the Legislative Fiscal Division is found in The Legislative Finance Act, Title 5, Chapter 12, MCA. The post-audit function of the Legislative Audit Committee is constitutionally required in Article V, section 10, of the Montana Constitution, and supported by the Legislative Audit Division with principal statutory authority in The Legislative Audit Act, Title 5, Chapter 13, MCA.

In accordance with 17-7-122, MCA, the budget for the Legislative Branch is presented as submitted to the Governor with no changes.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	134.97	0.00	0.00	134.97	0.00	0.00	140.14
Personal Services	9,975,053	898,237	0	10,873,290	883,253	0	10,858,306
Operating Expenses	2,926,260	237,490	319,722	3,483,472	224,237	79,722	3,230,219
Equipment & Intangible Assets	133,233	(58,233)	0	75,000	(58,233)	0	75,000
Benefits & Claims	250	(250)	0	0	(250)	0	0
Total Costs	\$13,034,796	\$1,077,244	\$319,722	\$14,431,762	\$1,049,007	\$79,722	\$14,163,525
General Fund	10,671,264	772,568	319,722	11,763,554	1,389,735	79,722	12,140,721
State/Other Special	2,363,532	304,676	0	2,668,208	(340,728)	0	2,022,804
Total Funds	\$13,034,796	\$1,077,244	\$319,722	\$14,431,762	\$1,049,007	\$79,722	\$14,163,525

LEGISLATIVE BRANCH-1104 LEGISLATIVE SERVICES DIVISION-20



Program Description - The Legislative Services Division provides objective research, reference, legal, technical, information technology, and business services to the House, Senate, and other divisions of the Legislative Branch. Division services include: 1) bill and amendment drafting, preparation of bills for introduction, and engrossing and enrolling bills; 2) publication of legislative documents of record; 3) provision of legislative research and reference services; 4) legal counseling on legislative matters and agency legal support; 5) personnel and business services; 6) planning, installation, and maintenance of agency information technology; 7) legislative committee staffing and support; 8) preparation, publication, and distribution of the Montana Code Annotated text and annotations; 9) review of the text of proposed ballot measures; 10) broadcasting of state government and public policy events; and 11) provision of legislative information to the public. The Legislative Council provides policy guidance to the Legislative Services Division.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	59.00	0.00	0.00	59.00	0.00	0.00	64.17
Personal Services	4,606,243	374,371	0	4,980,614	440,529	0	5,046,772
Operating Expenses	2,342,462	59,184	240,000	2,641,646	213,355	0	2,555,817
Equipment & Intangible Assets	133,233	(58,233)	0	75,000	(58,233)	0	75,000
Total Costs	\$7,081,938	\$375,322	\$240,000	\$7,697,260	\$595,651	\$0	\$7,677,589
General Fund	6,197,641	352,305	240,000	6,789,946	1,149,491	0	7,347,132
State/Other Special	884,297	23,017	0	907,314	(553,840)	0	330,457
Total Funds	\$7,081,938	\$375,322	\$240,000	\$7,697,260	\$595,651	\$0	\$7,677,589

**LEGISLATIVE BRANCH-1104
LEGISLATIVE SERVICES DIVISION-20**

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$17,080	\$8,450
FY 2013	\$28,771	\$320,675

PL- 201 - LSD Cyclical Program Operations -

All increases and decreases contained in this proposal reflect the cyclical nature of the legislative business cycle. An \$8,000 general fund increase each year supports the work of the Districting & Apportionment Commission following the national census. A \$9,000 special revenue fund increase in Montana Code Annotated costs in the first year is more than offset by a second year reduction of \$292,348 related to the production and publication of the MCA. Other second year changes, totaling \$321,000, fund costs of the 2013 legislative session which are not included in the base year or which increase during a session year. Such costs include streaming legislative proceedings over the internet, production costs of TVMT, temporary staff support of House and Senate secretaries, and contracted services for support of the LAWS system, session network buildup, and computer-related assistance to legislators.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$240,000	\$240,000
FY 2013	\$0	\$0

NP- 206 - Retro-Commissioning the Capitol Building -

During the 2011 biennium, the LSD contracted for an analysis and the development of a Capitol Building Master Plan as it relates to the Legislature's needs and the needs of the public within legislative space. The work provides a long-term guideline to use in conjunction with the Capitol Campus Master Plan and considers the historic character of the building while looking at public accessibility, public participation in the legislative process, efficiency in the delivery of services, and provision of a safe and healthy work environment. Funding for the Capitol Building Master Plan will be considered in the arena of long-term building requests in a future session.

This proposal provides one-time biennial funding for shorter-term options related to a healthy work environment and includes retro-commissioning the mechanical system and controls within the Capitol building and the central plant, upgrading lighting, and opening window wells closed over during Capitol renovation.

LEGISLATIVE BRANCH-1104 LEGISLATIVE COMMITTEES & ACTIVITIES-21

Program Description - The Legislative Committees and Activities Program supports the activities of standing and interim legislative committees that are conducted during the interim between legislative sessions. Program expenditures support: 1) interim study activities as defined in 5-5-202 through 5-5-217, MCA; 2) cooperative interstate, international and intergovernmental activities as outlined in 5-11-303 through 5-11-305, MCA; and 3) other legislative activities for which appropriations are made.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	0.97	0.00	0.00	0.97	0.00	0.00	0.97
Personal Services	99,245	26,477	0	125,722	(50,870)	0	48,375
Operating Expenses	352,826	161,210	79,722	593,758	(53,187)	79,722	379,361
Total Costs	\$452,071	\$187,687	\$79,722	\$719,480	(\$104,057)	\$79,722	\$427,736
General Fund	452,071	187,687	79,722	719,480	(104,057)	79,722	427,736
Total Funds	\$452,071	\$187,687	\$79,722	\$719,480	(\$104,057)	\$79,722	\$427,736

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$149,585	\$149,585
FY 2013	(\$35,104)	(\$35,104)

PL- 211 - Interim Committees Cyclical Program Operations -

Adjustments from base, including the \$25,742 reduction to personal services in statewide present law, total \$88,739. An operational increase of \$49,134 relates to decennial work of the Districting & Apportionment Commission, a \$25,354 reduction "pools" organizational dues, a \$8,785 increase relates to personal car mileage, and a \$50,000 increase relates to re-establishment of the Legislative Council's discretionary fund for emerging issues which was not expended in the base year. The emerging issues fund is the same amount approved in the last two biennia and is not an increase when comparing biennium to biennium.

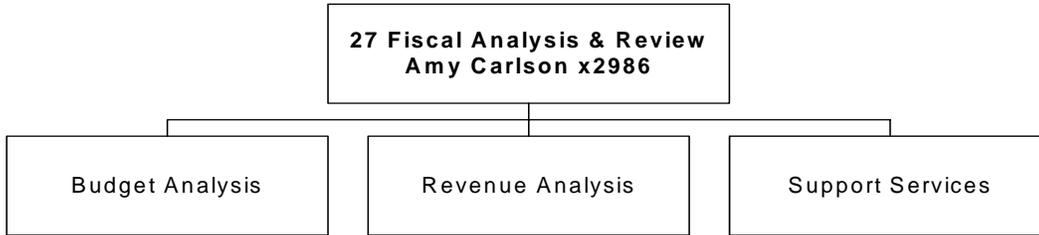
-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$79,722	\$79,722
FY 2013	\$79,722	\$79,722

NP- 212 - Interstate Organization Dues -

This proposal provides funding for interstate organizational dues in an amount equal to 30% of the total dues for the 2013 biennium for four interstate organizations including the National Conference of Commissioners on Uniform State Law (NCCUSL), the Pacific Northwest Economic Region (PNWER), the National Conference of State Legislatures (NCSL) and the Council of State Governments (CSG). The program's present law budget contains funding sufficient to pay 50% of the dues--this proposal would increase the total funding to 80% of the anticipated cost.

LEGISLATIVE BRANCH-1104 FISCAL ANALYSIS & REVIEW-27



Program Description - The Legislative Fiscal Division provides the legislature with objective fiscal information and analysis relevant to Montana public policy and budget determination. Division services include: 1) fiscal analysis of state government and the furnishing of information bearing upon the financial matters of the state; 2) identification of ways to effect economy and efficiency in state government; 3) estimation of revenue and analysis of tax policy; 4) analysis of the executive budget; 5) compiling and analyzing fiscal information for legislators and legislative committees; and 6) staffing and support for legislative committees, including the preparation and processing of the appropriation bills for the legislative, judicial, and executive agencies. The Legislative Finance Committee provides guidance to the Legislative Fiscal Division.

Program Proposed Budget	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
Budget Item							
FTE	20.50	0.00	0.00	20.50	0.00	0.00	20.50
Personal Services	1,771,252	8,688	0	1,779,940	5,707	0	1,776,959
Operating Expenses	54,931	428	0	55,359	41,474	0	96,405
Total Costs	\$1,826,183	\$9,116	\$0	\$1,835,299	\$47,181	\$0	\$1,873,364
General Fund	1,826,183	9,116	0	1,835,299	47,181	0	1,873,364
Total Funds	\$1,826,183	\$9,116	\$0	\$1,835,299	\$47,181	\$0	\$1,873,364

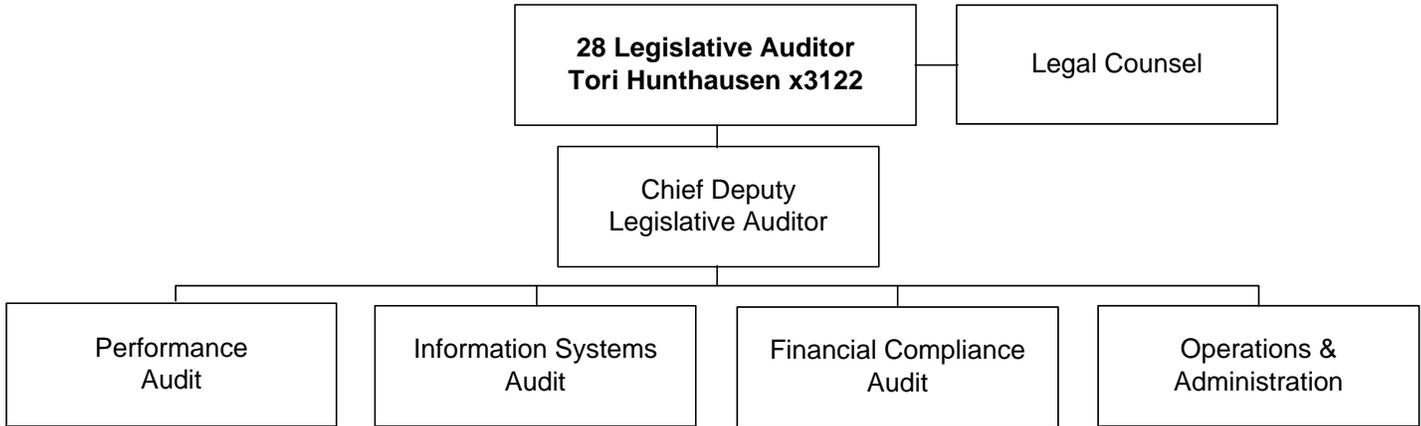
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$0
FY 2013	\$45,000	\$45,000

PL- 271 - LFD Cyclical Program Operations -

This proposal increases the fiscal year 2013 budget by \$45,000 general fund in the categories of overtime, temporary services, printing, photocopy, and office supplies due to cyclical legislative session costs which are not captured in the base year. This is the same amount approved in the previous two biennia, and is not an increase when comparing biennium to biennium.

LEGISLATIVE BRANCH-1104 AUDIT & EXAMINATION-28



Program Description - The Legislative Audit Division conducts independent audits and provides factual and objective information to the legislative and executive managers of the public trust. Division services include: 1) conducting and reporting of biennial financial-compliance audits, performance audits, information systems audits, and special audits of state agency operations; 2) reporting of violation of penal statutes, instances of misfeasance, malfeasance, or nonfeasance, and shortages discovered in an audit that are covered by surety; 3) auditing records of entities under contract with the state; and 4) assisting the legislature, its committees, and its members by providing information related to the fiscal affairs of state government. The Legislative Auditor consults with the Legislative Audit Committee.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	54.50	0.00	0.00	54.50	0.00	0.00	54.50
Personal Services	3,498,313	488,701	0	3,987,014	487,887	0	3,986,200
Operating Expenses	176,041	16,668	0	192,709	22,595	0	198,636
Benefits & Claims	250	(250)	0	0	(250)	0	0
Total Costs	\$3,674,604	\$505,119	\$0	\$4,179,723	\$510,232	\$0	\$4,184,836
General Fund	2,195,369	223,460	0	2,418,829	297,120	0	2,492,489
State/Other Special	1,479,235	281,659	0	1,760,894	213,112	0	1,692,347
Total Funds	\$3,674,604	\$505,119	\$0	\$4,179,723	\$510,232	\$0	\$4,184,836

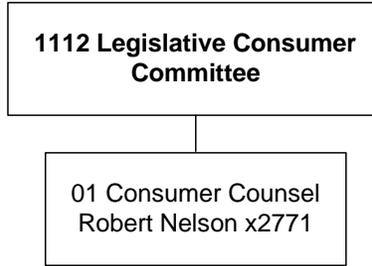
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$16,300	\$9,250
FY 2013	\$12,800	\$5,750

PL- 281 - LAD Cyclical Program Operations -

Changes from the adjusted base include cyclical costs associated with a Peer Review required by Governmental Auditing Standards, the biennial Legislative Branch audit, and contract services for the potential use of actuarial expertise during the division's audits of the retirement systems and the Montana State Fund.

CONSUMER COUNSEL-1112 ADMINISTRATION PROGRAM-01



Mission Statement - To represent the utility and transportation consuming public of the State of Montana in hearings before the Public Service Commission or any other successor agency, and before state and federal courts and administrative agencies.

Statutory Authority - Article XIII, Section 2, 1972 Montana Constitution
Title 5, Chapter 15 MCA and
Title 69, Chapters 1 and 2 MCA

Program Description - The Office of the Consumer Counsel is charged with the duty of representing consumer interests in hearings before the Public Service Commission or any other successor agency. The agency also may initiate, intervene in, or participate in appropriate proceedings in the court systems or administrative agencies on behalf of the public of Montana.

In accordance with 17-7-122, MCA, the budget for the Legislative Branch is presented as submitted to the Governor with no changes.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	5.54	0.00	0.00	5.54	0.00	0.00	5.54
Personal Services	453,709	119,222	0	572,931	120,909	0	574,618
Operating Expenses	485,539	578,749	0	1,064,288	580,716	0	1,066,255
Total Costs	\$939,248	\$697,971	\$0	\$1,637,219	\$701,625	\$0	\$1,640,873
State/Other Special	939,248	697,971	0	1,637,219	701,625	0	1,640,873
Total Funds	\$939,248	\$697,971	\$0	\$1,637,219	\$701,625	\$0	\$1,640,873

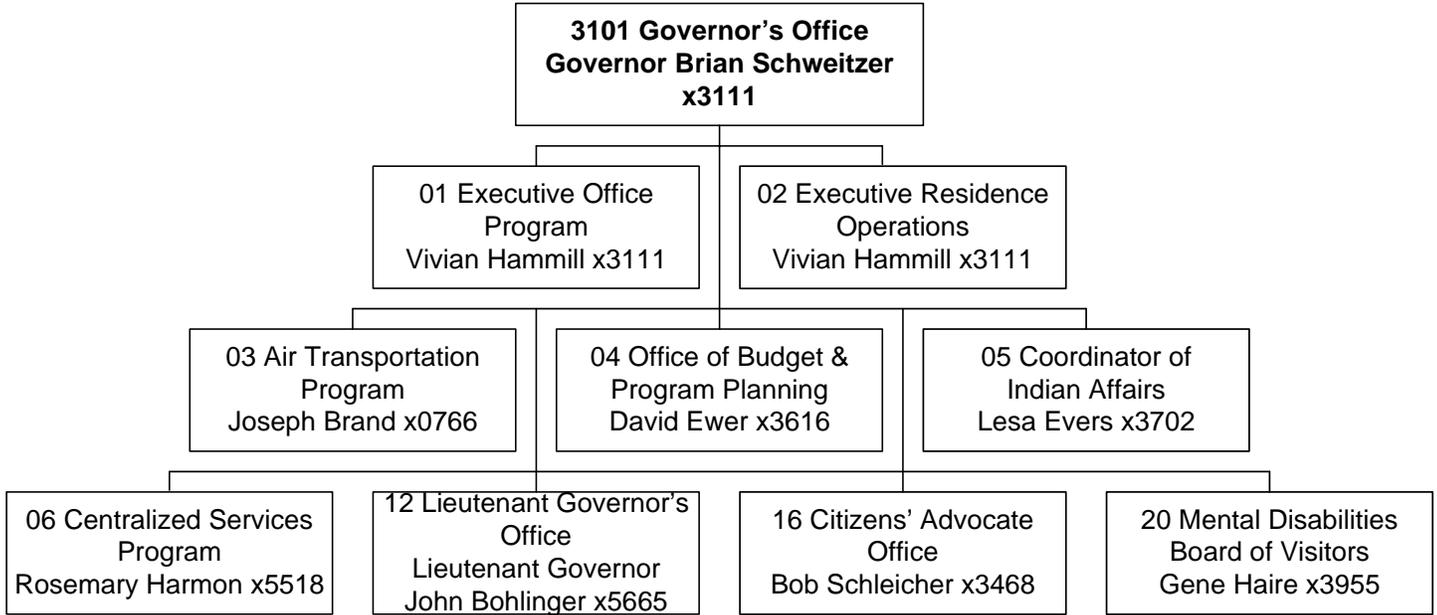
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$557,546	\$0
FY 2013	\$559,032	\$0

PL- 1 - Present Law Base Adjustments -

The Consumer Council's budget includes \$250,000 contingency each year of the 2013 biennium for cost associated with unanticipated caseload, consistent with appropriations in prior biennia. The remaining adjustments are attributed to contract amounts and unanticipated workload.

GOVERNOR'S OFFICE-3101

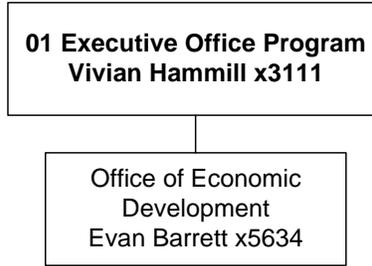


Mission Statement - To oversee and direct the activities of the Executive Branch of Montana state government, consistent with statutory and constitutional mandates, in a manner that provides necessary and affordable services to the citizens of Montana.

Statutory Authority - Primary authority is Article VI, Montana Constitution

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	60.07	0.00	0.00	60.07	0.00	0.00	60.07
Personal Services	4,465,074	37,497	0	4,502,571	35,165	0	4,500,239
Operating Expenses	1,507,560	51,427	8,865	1,567,852	(10,174)	6,603	1,503,989
Total Costs	\$5,972,634	\$88,924	\$8,865	\$6,070,423	\$24,991	\$6,603	\$6,004,228
General Fund	5,946,921	102,163	8,865	6,057,949	38,295	6,603	5,991,819
State/Other Special	25,713	(13,239)	0	12,474	(13,304)	0	12,409
Total Funds	\$5,972,634	\$88,924	\$8,865	\$6,070,423	\$24,991	\$6,603	\$6,004,228

**GOVERNOR'S OFFICE-3101
EXECUTIVE OFFICE PROGRAM-01**



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. Special 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.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	21.63	0.00	0.00	21.63	0.00	0.00	21.63
Personal Services	1,787,970	(107,482)	0	1,680,488	(111,802)	0	1,676,168
Operating Expenses	828,389	16,395	0	844,784	17,121	0	845,510
Total Costs	\$2,616,359	(\$91,087)	\$0	\$2,525,272	(\$94,681)	\$0	\$2,521,678
General Fund	2,616,359	(91,087)	0	2,525,272	(94,681)	0	2,521,678
Total Funds	\$2,616,359	(\$91,087)	\$0	\$2,525,272	(\$94,681)	\$0	\$2,521,678

**GOVERNOR'S OFFICE-3101
EXECUTIVE RESIDENCE OPERATIONS-02**

02 Executive Residence Operations Vivian Hammill x3111

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

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2010	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
	Fiscal 2010	Fiscal 2012	Fiscal 2012	Fiscal 2012	Fiscal 2013	Fiscal 2013	Fiscal 2013
FTE	1.50	0.00	0.00	1.50	0.00	0.00	1.50
Personal Services	69,750	(5,689)	0	64,061	(5,807)	0	63,943
Operating Expenses	50,564	895	0	51,459	1,639	0	52,203
Total Costs	\$120,314	(\$4,794)	\$0	\$115,520	(\$4,168)	\$0	\$116,146
General Fund	120,314	(4,794)	0	115,520	(4,168)	0	116,146
Total Funds	\$120,314	(\$4,794)	\$0	\$115,520	(\$4,168)	\$0	\$116,146

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$6,492	\$6,492
FY 2013	\$6,492	\$6,492

PL- 201 - Adjust Budget for Actual Pay Rate -

The Governor's Office requests additional personal services funding. The program has hired a 0.50 FTE Custodian at a higher hourly rate than was captured in the personal services snapshot used for budgeting purposes. The Residence Operations program is therefore underfunded by \$6,492 each year. It is requested that the programs be provided this additional funding, sufficient to cover the actual personal service costs which this very small program is committed to pay.

**GOVERNOR'S OFFICE-3101
AIR TRANSPORTATION PROGRAM-03**

03 Air Transportation Program Joseph Brand x0766

Program Description - The Air Transportation Program provides the Governor with air transportation.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	1.50	0.00	0.00	1.50	0.00	0.00	1.50
Personal Services	113,734	5,944	0	119,678	5,683	0	119,417
Operating Expenses	193,988	6,080	0	200,068	14,633	0	208,621
Total Costs	\$307,722	\$12,024	\$0	\$319,746	\$20,316	\$0	\$328,038
General Fund	306,417	12,024	0	318,441	20,316	0	326,733
State/Other Special	1,305	0	0	1,305	0	0	1,305
Total Funds	\$307,722	\$12,024	\$0	\$319,746	\$20,316	\$0	\$328,038

Language: "The Air Transportation is appropriated up to \$45,000 for the 2013 biennium from the air transportation state special revenue fund to be used for aircraft maintenance and operating expenses."

**GOVERNOR'S OFFICE-3101
OFFICE OF BUDGET & PROGRAM PLANNING-04**

04 Office of Budget & Program Planning David Ewer x3616
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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.

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2010	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2012	Fiscal 2012	Fiscal 2012	Fiscal 2013	Fiscal 2013	Fiscal 2013
FTE	19.00	0.00	0.00	19.00	0.00	0.00	19.00
Personal Services	1,324,041	173,573	0	1,497,614	175,569	0	1,499,610
Operating Expenses	208,859	(3,428)	0	205,431	(12,985)	0	195,874
Total Costs	\$1,532,900	\$170,145	\$0	\$1,703,045	\$162,584	\$0	\$1,695,484
General Fund	1,532,900	170,145	0	1,703,045	162,584	0	1,695,484
Total Funds	\$1,532,900	\$170,145	\$0	\$1,703,045	\$162,584	\$0	\$1,695,484

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$513	\$513
FY 2013	\$8,476	\$8,476

PL- 4001 - Global Insight Contract and Session Costs -

The budget for the Office of Budget and Program Planning contains funding to pay for the subscription to IHS Global Insight. This subscription provides economic data that is used by both the Legislative Fiscal Division staff and OBPP staff in developing revenue estimates and in conducting other analyses. The cost of the contract for the economic data will increase 2% per year in the next biennium. This increased cost is approximately \$513 in FY 2012 and \$976 in FY 2013. This decision package also includes \$7,500 in FY 2013 only to cover the increased costs related to the preparation and publication of the executive budget. This is a standard request that occurs every biennium as the costs do not occur in the base year. The total biennial cost is \$8,989 from general fund.

**GOVERNOR'S OFFICE-3101
COORDINATOR OF INDIAN AFFAIRS-05**

**05 Coordinator of
Indian Affairs
Lesia Evers x3702**

Program Description - The Coordinator of Indian Affairs Program 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 Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	2.00	0.00	0.00	2.00	0.00	0.00	2.00
Personal Services	152,841	(5,830)	0	147,011	(6,206)	0	146,635
Operating Expenses	27,953	884	0	28,837	926	0	28,879
Total Costs	\$180,794	(\$4,946)	\$0	\$175,848	(\$5,280)	\$0	\$175,514
General Fund	180,794	(4,946)	0	175,848	(5,280)	0	175,514
Total Funds	\$180,794	(\$4,946)	\$0	\$175,848	(\$5,280)	\$0	\$175,514

**GOVERNOR'S OFFICE-3101
CENTRALIZED SERVICES DIVISION-06**

06 Centralized Services Program Rosemary Harmon x5518
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Program Description - The Centralized Services Program provides business services to all programs within the Governor's Office. Services include payroll and personnel, accounting, central asset management and computer replacement, data processing, and budget preparation and monitoring for the entire office.

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2010	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
	Fiscal 2010	Fiscal 2012	Fiscal 2012	Fiscal 2012	Fiscal 2013	Fiscal 2013	Fiscal 2013
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00
Personal Services	298,318	(20,310)	0	278,008	(19,684)	0	278,634
Operating Expenses	65,549	49,166	8,865	123,580	(13,123)	6,603	59,029
Total Costs	\$363,867	\$28,856	\$8,865	\$401,588	(\$32,807)	\$6,603	\$337,663
General Fund	363,867	28,856	8,865	401,588	(32,807)	6,603	337,663
Total Funds	\$363,867	\$28,856	\$8,865	\$401,588	(\$32,807)	\$6,603	\$337,663

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$44,600	\$44,600
FY 2013	\$21,800	\$21,800

PL- 6001 - Computer Replacement - 5 year replacement cycle -

Because the Governor's Office is not funded in the agency base budget for computer replacements, the agency has historically requested OTO funding in each executive budget for the number of computers that will need to be replaced during that biennium. Starting in FY 2011, the computer replacement cycle will move to 5 years. This request includes funding for replacing computer equipment that will exceed their 5 year expected life cycle in FY 2012 and FY 2013.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$8,865	\$8,865
FY 2013	\$6,603	\$6,603

NP- 6002 - Relocate Governor's Office Servers to SMDC -

The budget includes general fund of \$6,865 in FY 2012 and \$6,603 in FY 2013 to pay the costs to SITSD of co-locating the Governor's Office servers at the new State of Montana Data Center (SMDC). In addition, the request includes \$2,000 general fund in FY 2012 only to purchase a KVM Console which is a keyboard and monitor unit which fits in the storage rack and allows staff to work on the server.

**GOVERNOR'S OFFICE-3101
 LIEUTENANT GOVERNOR'S OFFICE-12**

12 Lieutenant Governor's Office Lieutenant Governor John Bohlinger x5665
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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 Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	3.94	0.00	0.00	3.94	0.00	0.00	3.94
Personal Services	301,872	1,237	0	303,109	372	0	302,244
Operating Expenses	47,052	(18,206)	0	28,846	(18,128)	0	28,924
Total Costs	\$348,924	(\$16,969)	\$0	\$331,955	(\$17,756)	\$0	\$331,168
General Fund	348,924	(16,969)	0	331,955	(17,756)	0	331,168
Total Funds	\$348,924	(\$16,969)	\$0	\$331,955	(\$17,756)	\$0	\$331,168

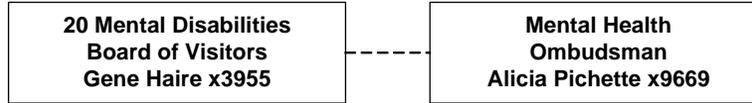
**GOVERNOR'S OFFICE-3101
CITIZENS' ADVOCATE OFFICE-16**

16 Citizens' Advocate Office Bob Schleicher x3468
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Program Description - The Citizens' Advocate Office exists to provide access to state government for Montana citizens. The office provides information to citizens and functions as a referral service for public comments, suggestions, and requests for information. The office provides a toll-free number to the public.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	1.50	0.00	0.00	1.50	0.00	0.00	1.50
Personal Services	93,580	(4,228)	0	89,352	(4,158)	0	89,422
Operating Expenses	10,602	880	0	11,482	920	0	11,522
Total Costs	\$104,182	(\$3,348)	\$0	\$100,834	(\$3,238)	\$0	\$100,944
General Fund	79,774	9,891	0	89,665	10,066	0	89,840
State/Other Special	24,408	(13,239)	0	11,169	(13,304)	0	11,104
Total Funds	\$104,182	(\$3,348)	\$0	\$100,834	(\$3,238)	\$0	\$100,944

GOVERNOR'S OFFICE-3101 MENTAL DISABILITIES BOARD OF VISITORS-20



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 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 1.5 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 Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00
Personal Services	322,968	282	0	323,250	1,198	0	324,166
Operating Expenses	74,604	(1,239)	0	73,365	(1,177)	0	73,427
Total Costs	\$397,572	(\$957)	\$0	\$396,615	\$21	\$0	\$397,593
General Fund	397,572	(957)	0	396,615	21	0	397,593
Total Funds	\$397,572	(\$957)	\$0	\$396,615	\$21	\$0	\$397,593

-----Present Law Adjustments-----

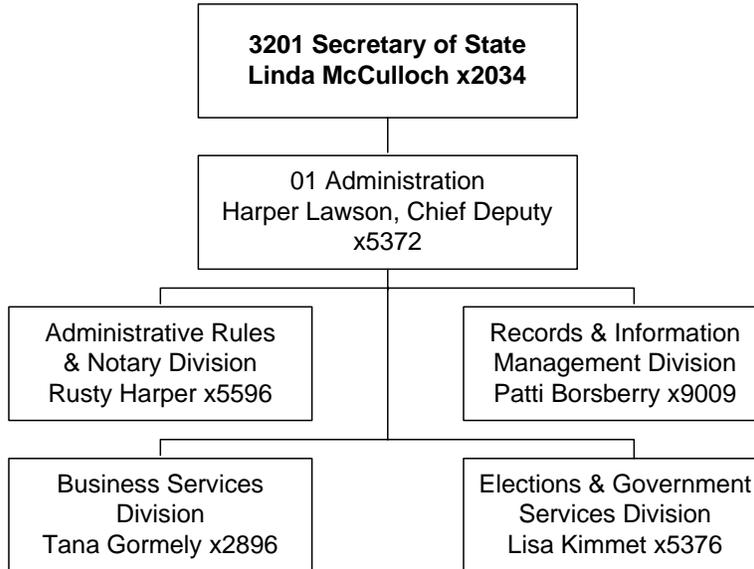
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$5,166	\$5,166
FY 2013	\$5,166	\$5,166

PL- 2000 - Adjust Budget for Actual Pay Rate -

The Governor's Office requests additional personal services funding. The program has hired a 0.50 FTE Legal Assistant at a higher hourly rate than was captured in the personal services snapshot used for budgeting purposes. The Mental Disabilities Board of Visitors is therefore underfunded by \$5,166 each year. It is requested that the programs be provided this additional funding, sufficient to cover the actual personal service costs which this very small program is committed to pay.

SECRETARY OF STATES OFFICE-3201 BUSINESS & GOVERNMENT SERVICES-01

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement - The Secretary of State's Office is committed to better positioning Montana for the future by embracing innovative ideas and technology to:

- Foster greater public confidence and participation in the electoral process
- Promote business activities by providing prompt and accurate service
- Act as the steward of state government records by educating agencies on the management and preservation of public documents
- Enhance the security of business transactions through the notary process

It is the mission of the Secretary of State to improve services to Montana's voters, business community, and governmental agencies through open communications, effective use of technology, and transparent accountability.

Statutory Authority - Article VI, Section 1, Montana Constitution; 2-4-311-312, 2-6-203, and 2-15-401, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants	0	0	550,000	550,000	0	0	0
Total Costs	\$0	\$0	\$550,000	\$550,000	\$0	\$0	\$0
Federal Special	0	0	550,000	550,000	0	0	0
Total Funds	\$0	\$0	\$550,000	\$550,000	\$0	\$0	\$0

**SECRETARY OF STATES OFFICE-3201
BUSINESS & GOVERNMENT SERVICES-01**

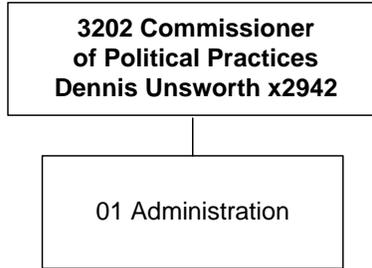
-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$550,000	\$0
FY 2013	\$0	\$0

NP- 2 - HAVA (Biennial) OTO –

The Secretary of State's Office requests \$550,000 of federal authority related to Help America Vote Act (HAVA) be established as a biennial appropriation. The HAVA funds will be spent as grants to counties for continued voting equipment improvements. HAVA was initially awarded in 2003. Authority requested includes remaining HAVA funds and interest income during the 2013 biennium.

**COMMISSIONER OF POLITICAL PRACTICES-3202
ADMINISTRATION-01**



Mission Statement - To monitor and to enforce in a fair and impartial manner; campaign practices and campaign finance disclosure, lobbying disclosure, business interest disclosure of statewide and state district candidates, elected state officials and state department directors; ethical standards of conduct for legislators, public officers and state employees; and to investigate legitimate complaints that arise concerning any of the above.

Statutory Authority - Title 13, Chapter 37 and Title 2, Chapter 2, MCA.

Program Description - The Commissioner of Political Practices is provided for in 13-37-102, MCA, which was enacted in 1975 as part of a campaign finance and practice law reform package, with duties and responsibilities set forth in Title 13, Chapter 37, part 1, MCA. Additional responsibilities for the office were created through passage of an initiative in 1980 which provided for both lobbying disclosure and disclosure of business interests of elected officials. In 1995 the legislature enacted the code of ethics and assigned to the Commissioner the responsibility for administering ethical standards of conduct for legislators, public officers and state employees.

Program Proposed Budget	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	6.00	0.00	0.00	6.00	0.00	0.00	6.00
Personal Services	259,692	47,082	0	306,774	47,336	0	307,028
Operating Expenses	174,125	40,956	50,000	265,081	35,463	50,000	259,588
Transfers	0	0	0	0	0	0	0
Total Costs	\$433,817	\$88,038	\$50,000	\$571,855	\$82,799	\$50,000	\$566,616
General Fund	433,817	88,038	50,000	571,855	82,799	50,000	566,616
Total Funds	\$433,817	\$88,038	\$50,000	\$571,855	\$82,799	\$50,000	\$566,616

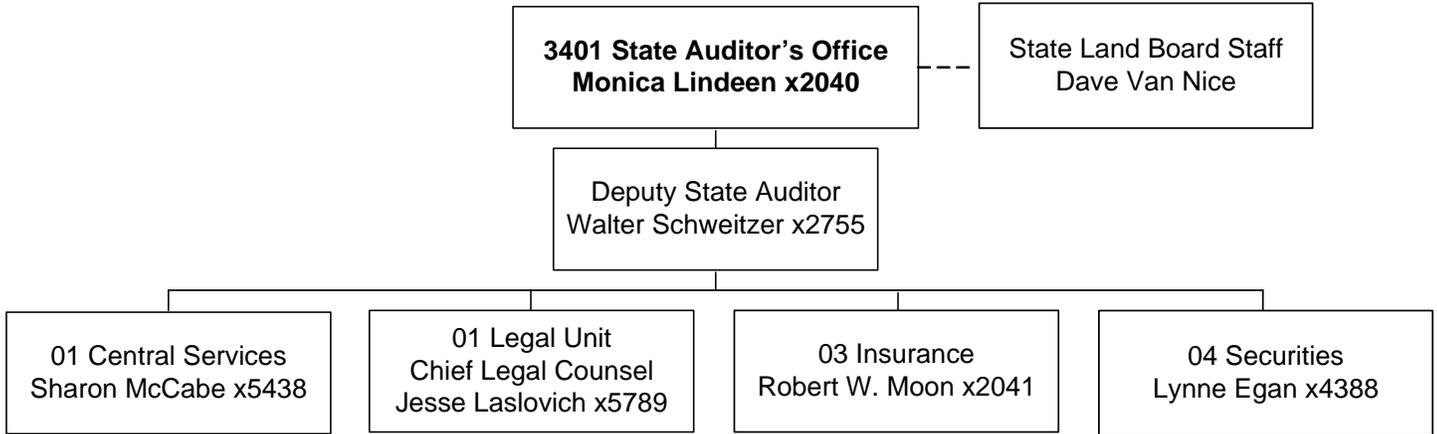
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$50,000	\$50,000
FY 2013	\$50,000	\$50,000

NP- 32001 - Legal Budget Request -

The number of complaints, complex lawsuits, and investigations has increased over the past decade. As a result, the agency has a backlog and delayed resolution that hurts the credibility and effectiveness of the enforcement program. For many reasons, contracted services make more sense than FTE. This request is for \$100,000 for the biennium for contracted legal services in order to meet the legal needs of the agency.

STATE AUDITOR'S OFFICE-3401

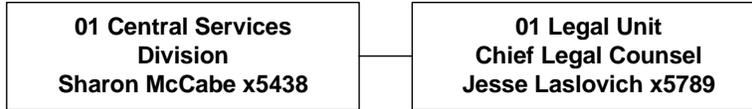


Mission Statement - The mission of the State Auditor's Office is to assure compliance with the Montana insurance and securities laws, promote captive insurance formations, administer the Insure Montana program, and assist consumers with complaints involving the securities and insurance industries. In addition, the office strives to keep abreast of regional and national developments in those industries in order to inform state policy makers about needed statutory changes and to answer inquiries.

Statutory Authority - Title 30, Chapter 10, MCA, Securities Regulation, and Title 33, MCA, Insurance.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	82.50	0.00	2.00	84.50	0.00	2.00	84.50
Personal Services	4,744,653	334,232	137,831	5,216,716	333,297	137,481	5,215,431
Operating Expenses	1,743,953	1,053,710	0	2,797,663	710,074	0	2,454,027
Equipment & Intangible Assets	13,751	0	0	13,751	0	0	13,751
Benefits & Claims	10,253,392	941,377	0	11,194,769	941,377	0	11,194,769
Total Costs	\$16,755,749	\$2,329,319	\$137,831	\$19,222,899	\$1,984,748	\$137,481	\$18,877,978
State/Other Special	16,755,749	2,329,319	137,831	19,222,899	1,984,748	137,481	18,877,978
Proprietary	0	0	0	0	0	0	0
Total Funds	\$16,755,749	\$2,329,319	\$137,831	\$19,222,899	\$1,984,748	\$137,481	\$18,877,978

**STATE AUDITOR'S OFFICE-3401
CENTRAL MANAGEMENT-01**



Program Description - The Central Management Division is responsible for the administrative, personnel, budgeting, and accounting functions for the State Auditor's Office. The division also provides support to the Commissioner in fulfilling the duties as a member of the Land Board and Crop Hail Insurance Board.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	17.00	0.00	0.00	17.00	0.00	0.00	17.00
Personal Services	946,396	78,307	0	1,024,703	77,773	0	1,024,169
Operating Expenses	186,251	21,703	0	207,954	14,418	0	200,669
Equipment & Intangible Assets	2,800	0	0	2,800	0	0	2,800
Total Costs	\$1,135,447	\$100,010	\$0	\$1,235,457	\$92,191	\$0	\$1,227,638
State/Other Special	1,135,447	100,010	0	1,235,457	92,191	0	1,227,638
Total Funds	\$1,135,447	\$100,010	\$0	\$1,235,457	\$92,191	\$0	\$1,227,638

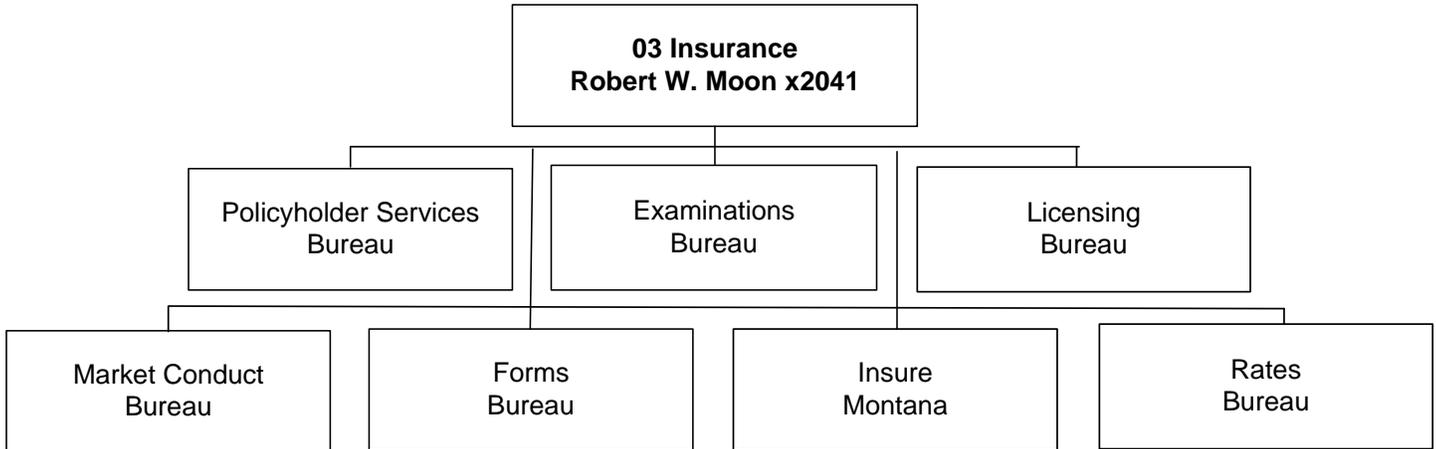
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$21,929	\$0
FY 2013	\$21,929	\$0

PL- 101 - Rent Increase -

In February 2010, the State Auditor's Office entered into a five year lease. The leased office is located at 840 Helena Ave. The request is for an additional \$21,929 of state special revenue authority each fiscal year to cover the increased cost of the lease.

STATE AUDITOR'S OFFICE-3401 INSURANCE-03



Program Description - The Insurance Division regulates the insurance industry in Montana. The Policyholder Services Unit is responsible for resolving insurance consumer inquiries and complaints involving agents, coverage, and companies. The Examinations Bureau is responsible for monitoring the financial solvency of insurance companies, collecting premium taxes and company fees, and auditing insurance company annual statements. Also housed in this bureau is the Captive Insurance program, which promotes and regulates captive insurers in the state. The Rates Bureau and the Forms Bureau are responsible for reviewing form filings and rate filings to ensure compliance with the applicable insurance code. The Licensing Bureau is responsible for licensing and providing continuing education to insurance agents, agencies, and adjustors. The Insure Montana Bureau administers the Small Business Health Insurance Purchasing Pool and Tax Credit program. The Legal Unit, which serves both the Insurance and Securities Divisions, provides legal support to the divisions. The Investigations staff, which is under the Legal Unit, investigate code and rule violations, including possible criminal violations, and recommend referral of cases to county attorneys for prosecution.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	54.00	0.00	1.00	55.00	0.00	1.00	55.00
Personal Services	3,158,219	190,461	45,789	3,394,469	188,574	45,682	3,392,475
Operating Expenses	1,376,367	955,459	0	2,331,826	624,459	0	2,000,826
Equipment & Intangible Assets	9,057	0	0	9,057	0	0	9,057
Benefits & Claims	10,253,392	941,377	0	11,194,769	941,377	0	11,194,769
Total Costs	\$14,797,035	\$2,087,297	\$45,789	\$16,930,121	\$1,754,410	\$45,682	\$16,597,127
State/Other Special	14,797,035	2,087,297	45,789	16,930,121	1,754,410	45,682	16,597,127
Proprietary	0	0	0	0	0	0	0
Total Funds	\$14,797,035	\$2,087,297	\$45,789	\$16,930,121	\$1,754,410	\$45,682	\$16,597,127

**STATE AUDITOR'S OFFICE-3401
INSURANCE-03**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$86,593	\$0
FY 2013	\$86,593	\$0

PL- 301 - Rent Increase -

In February 2010, the State Auditor's Office entered into a five year lease. The leased office is located at 840 Helena Ave. The request is for an additional \$86,593 of state special revenue authority each fiscal year to cover the increased cost of the lease.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$956,596	\$0
FY 2013	\$956,596	\$0

PL- 302 - Insure Montana Present Law Request -

The Insure Montana program is requesting \$956,596 in state special revenue authority each year of the 2013 Biennium to approximate the FY 2010 original appropriation. The program expended approximately 91% of the appropriated base budget in FY 2010 and anticipates expending 95% of the budget in FY 2011 since the program is restricted from expending more than 95% of the appropriated budget in 33-22-2008(3)(a) MCA.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$747,605	\$0
FY 2013	\$435,605	\$0

PL- 305 - Contract Examinations - Biennial -

The State Auditor requests state special revenue of \$747,605 in FY 2012 and \$435,605 in FY 2013 to accommodate the projected schedule of contract examinations. An exam fee is billed to the companies being examined. A biennial appropriation is requested.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$32,630	\$0
FY 2013	\$28,830	\$0

PL- 306 - Financial Regulation - Captive Insurance Companies -

The budget includes an increase of \$61,460 state special revenue for the biennium for examinations of capture insurance companies as required in 33-28-120, MCA. Exam travel expenses are reimbursed by the companies being examined.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$10,713	\$0
FY 2013	\$10,713	\$0

PL- 307 - Financial Regulation of Insurance Companies -

An increase of \$10,713 state special revenue each fiscal year is requested to cover the estimated increased cost of exams of insurance companies for solvency and claims payment ability. The examinations are performed by employees and the exam travel is charged to the companies being examined.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$32,423	\$0
FY 2013	\$40,423	\$0

**STATE AUDITOR'S OFFICE-3401
INSURANCE-03**

PL- 308 - Captives Insurance Regulatory and Supervision -

Additional state special revenue authority is requested to administer the requirements of 33-28-120, MCA, which established a captive insurance regulatory and supervision account. The purpose of the captive account is to provide the financial means for the commissioner to administer the captive insurance program and for reimbursement of reasonable expenses incurred in promoting the program. The account is funded through retention of 5% of the premium tax collected from captive insurance companies and all fees. The increase of \$72,846 state special revenue for the biennium is reflective of the estimated growth in the captive insurance program and the related increase in premium tax collection.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$34,000	\$0
FY 2013	\$34,000	\$0

PL- 309 - Establish Surplus Lines Regulation In-House -

This request is for authority to provide funding for the surplus lines regulatory activity which has been brought in-house. The office no longer contracts with a private entity for this purpose. The budget includes \$34,000 state special revenue each year for oversight of surplus lines activity.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$45,789	\$0
FY 2013	\$45,682	\$0

NP- 304 - Continuation of Forms Analyst -

The 2009 Legislature approved 1.00 FTE Forms Analyst and associated funding as an OTO. The position allows the bureau to meet the statutory requirements of 33-1-501, MCA, which includes a "deemer" provision. This provision states that if after 60 days from the date of receipt (of a filing) by the commissioner's office; the commissioner has not approved or disapproved the form by a notice; the form can be considered approved by the insurer. Without this position the 60 day time frame to complete the forms review will not be met. The budget includes approximately \$45,000 state special revenue each year to continue the forms analyst position.

STATE AUDITOR'S OFFICE-3401 SECURITIES-04

04 Securities
Lynne Egan x4388

Program Description - The Securities Division is responsible for the administration and enforcement of the Securities Act of Montana and, in particular, for the registration of securities issuers, salespeople, broker-dealers, investment advisers, investment adviser representatives and multi-level marketing companies. The division also is responsible for the investigation of unregistered and fraudulent securities transactions. The division has sole jurisdiction for investment advisor firms with assets of under \$100 million. The division investigates securities code and rule violations, including possible criminal violations, takes appropriate administrative action and refers criminal cases to either federal authorities or county attorneys for prosecution.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013	
FTE	11.50	0.00	1.00	12.50	0.00	1.00	12.50	
Personal Services	640,038	65,464	92,042	797,544	66,950	91,799	798,787	
Operating Expenses	181,335	76,548	0	257,883	71,197	0	252,532	
Equipment & Intangible Assets	1,894	0	0	1,894	0	0	1,894	
Total Costs	\$823,267	\$142,012	\$92,042	\$1,057,321	\$138,147	\$91,799	\$1,053,213	
State/Other Special	823,267	142,012	92,042	1,057,321	138,147	91,799	1,053,213	
Total Funds	\$823,267	\$142,012	\$92,042	\$1,057,321	\$138,147	\$91,799	\$1,053,213	

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$31,348	\$0
FY 2013	\$31,348	\$0

PL- 401 - Rent Increase -

In February 2010, the State Auditor's Office entered into a five year lease. The leased office is located at 840 Helena Ave. The request is for an additional \$31,348 of state special revenue authority each fiscal year to cover the increased cost of the lease.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$41,392	\$0
FY 2013	\$41,392	\$0

PL- 403 - Securities Contract Examination-Biennial -

In order to meet statutory requirements, the Securities Division estimates it will need to contract for at least 20 examinations of broker-dealer and investment advisory firms annually in the 2013 biennium. The incremental cost for these exams is \$41,392 state special revenue each year. Exam fees are billed to companies being examined. Funding is requested as a biennial appropriation.

-----**New Proposals**-----

**STATE AUDITOR'S OFFICE-3401
SECURITIES-04**

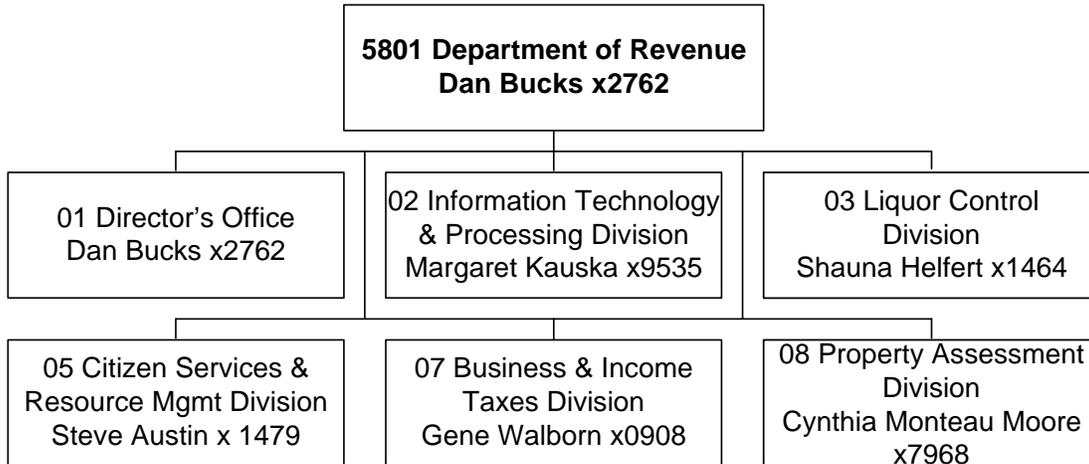
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$92,042	\$0
FY 2013	\$91,799	\$0

NP- 402 - Continuation of Legal FTE -

This request is for the continuance of state special revenue authority for the Legal FTE which was approved as an OTO in the last legislative session. The 2009 legislature approved 1.00 FTE legal staff and associated funding for the Securities Division as an OTO. This decision package request continues authorization of this 1.00 FTE and approximately \$92,000 state special revenue each year. This position is necessary due to the continued substantial demand for legal services by the Securities Division.

DEPARTMENT OF REVENUE-5801

Please note that this agency also contains proprietary funding (see Section P).

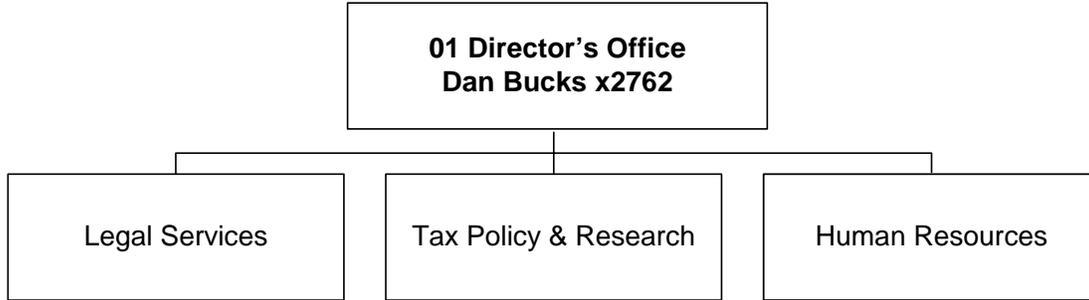


Mission Statement - The quality of life for all Montanans is better because we excel at public service and effective administration of the tax and liquor laws of Montana. We do this by ensuring that revenues intended by the legislature to be raised are collected to serve Montanans; advancing equity and integrity in taxation; providing innovative and respectful service; protecting the public health and safety, and achieving efficiency in liquor administration; and improving public understanding of Montana's revenue system.

Statutory Authority - Titles 2, 15, 16, 39, MCA

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	657.53	1.00	14.00	672.53	1.00	14.00	672.53
Personal Services	34,802,579	1,588,060	780,280	37,170,919	1,667,877	778,463	37,248,919
Operating Expenses	17,778,349	(1,580,544)	(6,818)	16,190,987	(1,695,531)	(4,829)	16,077,989
Equipment & Intangible Assets	383,777	(52,799)	0	330,978	(52,799)	0	330,978
Total Costs	\$52,964,705	(\$45,283)	\$773,462	\$53,692,884	(\$80,453)	\$773,634	\$53,657,886
General Fund	49,569,692	(450,746)	490,287	49,609,233	(489,437)	490,176	49,570,431
State/Other Special	761,721	137,928	283,175	1,182,824	134,578	283,458	1,179,757
Federal Special	204,942	65,268	0	270,210	66,276	0	271,218
Proprietary	2,428,350	202,267	0	2,630,617	208,130	0	2,636,480
Total Funds	\$52,964,705	(\$45,283)	\$773,462	\$53,692,884	(\$80,453)	\$773,634	\$53,657,886

**DEPARTMENT OF REVENUE-5801
DIRECTOR'S OFFICE-01**



Program Description - The Director's Office is responsible for overall efficient and effective management of the department to support and ensure success of the revenue collections and property valuation responsibilities of the operating divisions. To achieve this, the Director's Office is composed of four primary sections.

The Executive Office is responsible for the general guidance and management of the agency. This office assists the director with administrative functions and communication to the public, other agencies, and elected officials and includes the Office of Taxpayer Assistance.

The Legal Services Office is responsible for the overall legal efforts of the department including legal representation before various courts, legislation development and review, filing bankruptcy claims, and developing policy and administrative rules. This office oversees the Security and Disclosure Office that is responsible for ensuring that all taxpayer information is secure. The office also oversees the Office of Dispute Resolution that reviews, facilitates, and resolves taxpayer disputes internally through a variety of means including hearings and mediation.

Tax Policy and Research provides accurate and timely information for the Governor, the Legislature, and Montana citizens including the compilation of basic tax data and the publication of the Biennial Report and other documents; conducts tax, economic, and compliance studies; prepares legislative fiscal notes that affect revenue; provides analysis of legislative proposals affecting the department; and provides department economic and compliance data analysis.

Human Resources and Organizational Development is responsible for the human resources, payroll and benefits, and education and training functions of the department.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	51.48	0.00	0.00	51.48	0.00	0.00	51.48
Personal Services	3,774,894	116,535	0	3,891,429	187,609	0	3,962,503
Operating Expenses	1,956,810	28,579	(1,310)	1,984,079	(154,251)	(1,310)	1,801,249
Total Costs	\$5,731,704	\$145,114	(\$1,310)	\$5,875,508	\$33,358	(\$1,310)	\$5,763,752
General Fund	5,534,250	115,990	(1,310)	5,648,930	2,158	(1,310)	5,535,098
State/Other Special	107,326	4,451	0	111,777	5,613	0	112,939
Federal Special	1,000	0	0	1,000	0	0	1,000
Proprietary	89,128	24,673	0	113,801	25,587	0	114,715
Total Funds	\$5,731,704	\$145,114	(\$1,310)	\$5,875,508	\$33,358	(\$1,310)	\$5,763,752

**DEPARTMENT OF REVENUE-5801
DIRECTOR'S OFFICE-01**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$0
FY 2013	\$70,000	\$70,000

PL- 101 - Overtime Pay for Timely Legislative Fiscal Notes -

The Department of Revenue, Director's Office requests \$70,000 in general fund in the 2013 biennium to cover necessary overtime expenditures in the Tax Policy and Research Office created by the staff time required for fiscal note preparation in the 2013 legislative session.

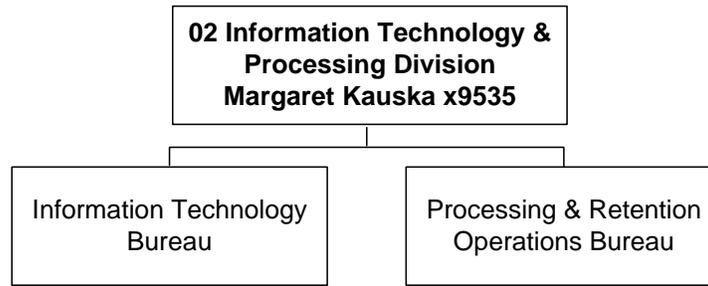
-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$1,310)	(\$1,310)
FY 2013	(\$1,310)	(\$1,310)

NP- 102 - Sustainable Reductions from 17-7-140, MCA -

The Department of Revenue, Director's Office reduces its operating expense budget by \$2,620 in general fund in the 2013 biennium as a result of the operating efficiencies achieved through the 17-7-140, MCA, budget reduction.

**DEPARTMENT OF REVENUE-5801
INFORMATION TECHNOLOGY & PROCESSING-02**



Program Description - The Information Technology and Processing Division serves as the operational foundation for the department's business units. Timely refunds and other key services for taxpayers, effective tax compliance collections, accurate valuation of property, and the timely certification of property values to local governments all depend on the effective operation of this division. The division's timely deposit of and accurate accounting for over \$1.7 billion dollars in taxpayer payments annually enhances the investment earnings of the state and helps ensure the fiscal integrity of the state. These services are provided while ensuring the security and protection of confidential taxpayer information, facilitating the department's mission to serve the citizens of Montana.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	85.75	0.00	0.00	85.75	0.00	0.00	85.75
Personal Services	4,043,708	270,327	0	4,314,035	272,702	0	4,316,410
Operating Expenses	8,401,719	(1,345,226)	(6,321)	7,050,172	(1,327,487)	(6,321)	7,067,911
Equipment & Intangible Assets	238,120	0	0	238,120	0	0	238,120
Total Costs	\$12,683,547	(\$1,074,899)	(\$6,321)	\$11,602,327	(\$1,054,785)	(\$6,321)	\$11,622,441
General Fund	12,476,399	(1,135,965)	(6,321)	11,334,113	(1,115,969)	(6,321)	11,354,109
State/Other Special	131,279	0	0	131,279	0	0	131,279
Proprietary	75,869	61,066	0	136,935	61,184	0	137,053
Total Funds	\$12,683,547	(\$1,074,899)	(\$6,321)	\$11,602,327	(\$1,054,785)	(\$6,321)	\$11,622,441

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$26,675	\$26,675
FY 2013	\$40,415	\$40,415

PL- 201 - Present Law Base Adjustment - Rent -

The Department of Revenue, Information Technology and Processing Division requests \$67,090 in general fund for the 2013 biennium to pay for rent increases for existing lease obligations at the Donovan Building.

**DEPARTMENT OF REVENUE-5801
INFORMATION TECHNOLOGY & PROCESSING-02**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$5,060)	(\$5,060)
FY 2013	(\$5,060)	(\$5,060)

PL- 203 - Vehicle Reduction -

The Executive Budget reduces the department's operating expense budget by \$10,120 in general fund in the 2013 biennium from vehicle savings. As part of a comprehensive analysis of the department's vehicle fleet, it was determined that this division could return one leased vehicle to the Montana Department of Transportation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$150,000	\$150,000
FY 2013	\$150,000	\$150,000

PL- 205 - Ongoing Maintenance of Imaging and Scanning -

The Department of Revenue, Information Technology and Processing Division requests \$300,000 general fund in the 2013 biennium for ongoing vendor maintenance and support for the hardware and software used for imaging and scanning of several hundred thousand tax returns, payments, and other documents annually.

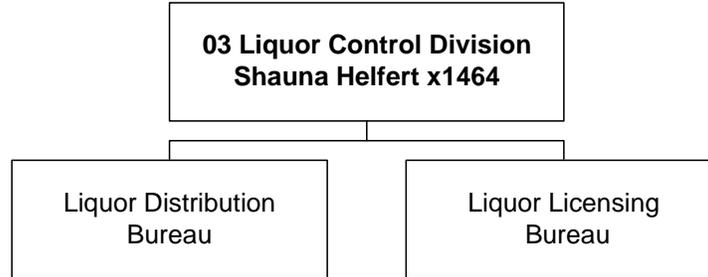
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$6,321)	(\$6,321)
FY 2013	(\$6,321)	(\$6,321)

NP- 202 - Sustainable Reductions from 17-7-140, MCA -

The Department of Revenue, Information Technology and Processing Division reduces its operating expense budget by \$12,642 in general fund in the 2013 biennium as a result of the operating efficiencies achieved through the 17-7-140, MCA, budget reduction.

**DEPARTMENT OF REVENUE-5801
LIQUOR CONTROL DIVISION-03**



Program Description - The Liquor Control Division provides effective and efficient administration of the Montana alcoholic beverage code with an emphasis on customer service and public safety. This is accomplished by applying uniform and fair regulations while ensuring an orderly system for the convenient distribution and responsible consumption of alcoholic beverages. The division consists of the Liquor Distribution Bureau, which efficiently maintains a regulated channel of distribution to fulfill the public demand for distilled spirits and fortified wine through agency liquor stores; and the Liquor Licensing Bureau, which protects the welfare and safety of the public by regulating liquor licensing laws in a uniform and fair manner.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	29.00	0.00	0.00	29.00	0.00	0.00	29.00
Personal Services	1,573,175	214,841	0	1,788,016	215,936	0	1,789,111
Operating Expenses	612,911	(90,931)	0	521,980	(87,225)	0	525,686
Equipment & Intangible Assets	26,700	0	0	26,700	0	0	26,700
Total Costs	\$2,212,786	\$123,910	\$0	\$2,336,696	\$128,711	\$0	\$2,341,497
Proprietary	2,212,786	123,910	0	2,336,696	128,711	0	2,341,497
Total Funds	\$2,212,786	\$123,910	\$0	\$2,336,696	\$128,711	\$0	\$2,341,497

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$50,000	\$0
FY 2013	\$50,000	\$0

PL- 303 - Personal Services for Termination Payouts -

The Department of Revenue, Liquor Control Division is requesting additional funding of \$100,000 in proprietary funds for the 2013 biennium for accrued leave termination payouts. This request has been made and approved by several previous legislatures; however, due to budgetary rules, it must be requested each legislative session.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$55,000	\$0
FY 2013	\$55,000	\$0

PL- 304 - Personal Services for Overtime and Temporary Staff -

The Department of Revenue, Liquor Control Division is requesting additional funding of \$110,000 in proprietary funds for the 2013 biennium to meet the required statutory service levels for liquor. This request has been made and approved by several previous legislatures; however, due to budgetary rules related to overtime pay, it must be requested each legislative session.

**DEPARTMENT OF REVENUE-5801
LIQUOR CONTROL DIVISION-03**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$60,000)	\$0
FY 2013	(\$60,000)	\$0

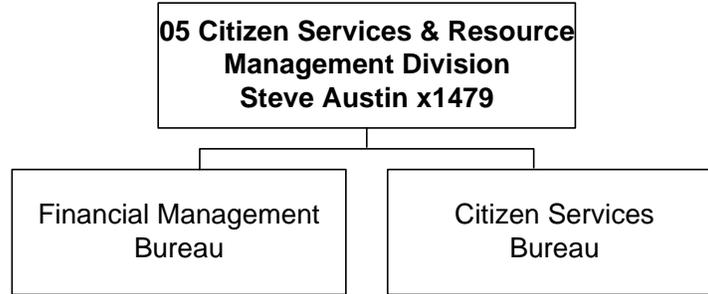
PL- 305 - Reduce Base Budget -

The Department of Revenue, Liquor Control Division reduces its base budget by \$120,000 in proprietary funds in the 2013 biennium. In FY 2010, the division moved budget authority into its operating expenses budget to cover purchases incurred by the department in relation to the Liquor Warehouse Renovation project. To maintain the base budget at the level appropriated by the last legislature, this amount should be removed from the division's base budget.

Language Recommendations -

Liquor Control Division is requesting language appropriation from the liquor enterprise funds not to exceed \$124,000,000 in FY 2012 and \$130,000,000 in FY 2013 to maintain adequate inventories necessary to meet statutory requirements, to pay freight costs and to transfer profits and taxes to appropriate accounts. This proposal is necessary as well to generate annual profits of \$9,200,000 for the state general fund.

**DEPARTMENT OF REVENUE-5801
CITIZEN SERVICES & RESOURCE MANAGEMENT-05**



Program Description - The Citizen Services and Resource Management Division integrates the department's accounting, purchasing, safety and security, and statewide facility functions through the Financial and Asset Management Bureau. This bureau ensures state tax collections and department expenses are properly accounted for, supports the efficient and safe operation of department facilities, and conducts disaster and emergency preparedness and continuity of government activities. The division's Citizen Services Bureau assists taxpayers by answering questions through the department's call center, coordinates the one-stop business licensing program to create efficiencies and reduced costs to businesses, returns unclaimed property that has been remitted to the state to the rightful owners, and strives to create tax forms and instructions that are thorough and understandable. The division focuses on providing services to citizens, including the advancement of free electronic filing, and support services to the other divisions of the department.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	28.00	0.00	0.00	28.00	0.00	0.00	28.00
Personal Services	1,475,880	51,598	0	1,527,478	51,203	0	1,527,083
Operating Expenses	642,166	(10,427)	(398)	631,341	(8,515)	(398)	633,253
Total Costs	\$2,118,046	\$41,171	(\$398)	\$2,158,819	\$42,688	(\$398)	\$2,160,336
General Fund	1,919,257	1,861	(398)	1,920,720	3,765	(398)	1,922,624
State/Other Special	148,222	46,692	0	194,914	46,275	0	194,497
Proprietary	50,567	(7,382)	0	43,185	(7,352)	0	43,215
Total Funds	\$2,118,046	\$41,171	(\$398)	\$2,158,819	\$42,688	(\$398)	\$2,160,336

-----**New Proposals**-----

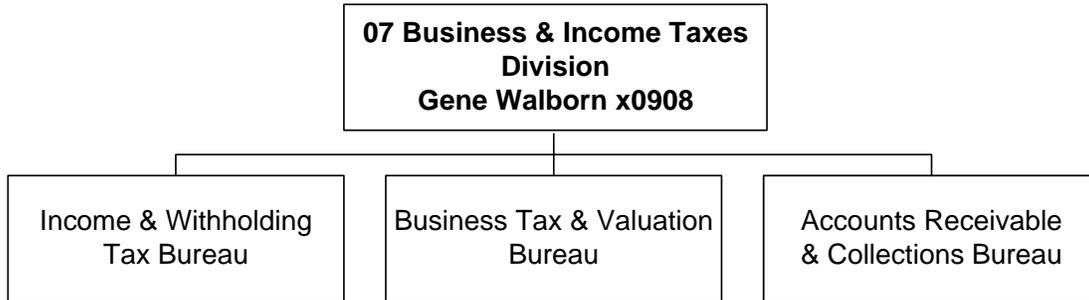
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$398)	(\$398)
FY 2013	(\$398)	(\$398)

NP- 502 - Sustainable Reductions from 17-7-140, MCA -

The Department of Revenue, Citizen Services and Resource Management Division reduces its operating expense budget by \$796 in general fund in the 2013 biennium as a result of the operating efficiencies achieved through the 17-7-140, MCA, budget reduction.

**DEPARTMENT OF REVENUE-5801
BUSINESS & INCOME TAXES DIVISION-07**

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Business and Income Taxes Division is responsible for the administration of and collection of over \$1.3 billion annually for 38 Montana taxes and fees including but not limited to corporation license, natural resource, withholding, individual income, lodging facilities, cigarette and tobacco products, contractor's gross receipts, and telecommunications taxes. The division also values all industrial and centrally assessed property in the state which generates \$225 million in state and local revenue annually. The division is responsible for ensuring that citizens and businesses pay their fair share of Montana taxes. Some of the duties associated with administration include: tax type expertise, taxpayer education, auditing, identification of non-filers, delinquent account collection, and overall tax compliance. The Accounts Receivable and Collections Bureau, the Business Tax and Valuation Bureau, and the Income and Withholding Tax Bureau handle these functions for the department.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	156.95	0.00	13.00	169.95	0.00	13.00	169.95
Personal Services	8,593,301	431,652	731,803	9,756,756	433,128	730,097	9,756,526
Operating Expenses	1,944,528	28,626	48,961	2,022,115	39,847	50,950	2,035,325
Equipment & Intangible Assets	52,799	(52,799)	0	0	(52,799)	0	0
Total Costs	\$10,590,628	\$407,479	\$780,764	\$11,778,871	\$420,176	\$781,047	\$11,791,851
General Fund	10,028,704	308,678	497,589	10,834,971	319,469	497,589	10,845,762
State/Other Special	357,982	33,533	283,175	674,690	34,431	283,458	675,871
Federal Special	203,942	65,268	0	269,210	66,276	0	270,218
Total Funds	\$10,590,628	\$407,479	\$780,764	\$11,778,871	\$420,176	\$781,047	\$11,791,851

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$5,060)	(\$5,060)
FY 2013	(\$5,060)	(\$5,060)

PL- 703 - Vehicle Reduction -

The Department of Revenue, Business and Income Taxes Division reduces its operating expense budget by \$10,120 in general fund in the 2013 biennium. As part of a comprehensive analysis of the department's vehicle fleet, it was determined that this division could return one leased vehicle to the Montana Department of Transportation.

**DEPARTMENT OF REVENUE-5801
BUSINESS & INCOME TAXES DIVISION-07**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$66,020	\$0
FY 2013	\$66,020	\$0

PL- 704 - Additional Federal Royalty Audit Authority -

The Department of Revenue, Business and Income Taxes Division requests \$132,040 in federal special revenue authority for the 2013 biennium to match spending authority to monies available for the Federal Royalty Audit Program. This increase is requested for operating costs associated with the program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$52,799)	(\$52,799)
FY 2013	(\$52,799)	(\$52,799)

PL- 709 - Reduce Base Budget -

The budget includes a base budget reduction of \$105,598 in general fund in the 2013 biennium. In FY 2010, the division moved budget authority into its equipment budget to implement video conferencing. Increased use of video conferencing helps to make the department more efficient by using staff time to accomplish work and provide services to citizens instead of engaging in travel; more cost conscious by decreasing travel expenses; more environmentally friendly by reducing travel by department employees; and more safe by reducing the risk to department employees from travelling across the state.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$2,411)	(\$2,411)
FY 2013	(\$2,411)	(\$2,411)

NP- 702 - Sustainable Reductions from 17-7-140, MCA -

The Department of Revenue, Business and Income Taxes Division reduces its operating expense budget by \$4,822 in general fund in the 2013 biennium as a result of the operational efficiencies identified in the 17-7-140, MCA, budget reduction.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$112,066	\$0
FY 2013	\$112,771	\$0

NP- 706 - Modified FTE into Permanent - Abandoned Property -

This decision package requests \$224,837 in state special revenue authority and 2.00 FTE in the 2013 biennium to continue the Abandoned Property Compliance Program. For the 2011 biennium, the legislature approved spending authority on a one-time-only basis with no FTE for this program. The department used 2.00 modified FTE to implement the program; however due to the restrictions on the spending authority (OTO), expenditures were removed from a department's base budget and therefore must be requested again.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$171,109	\$0
FY 2013	\$170,687	\$0

NP- 707 - Modified FTE into Permanent-Tobacco Tax Revenues -

The Department of Revenue, Business and Income Taxes Division requests \$341,796 in state special revenue authority and 3.00 FTE in the 2013 biennium to continue the Tobacco Tax Compliance Program. For the 2011 biennium, the legislature approved spending authority for this program but with no FTE. The department used 3.00 modified FTE to continue the program; however funds spent on modified FTE are removed from a department's base budget and therefore must be requested again.

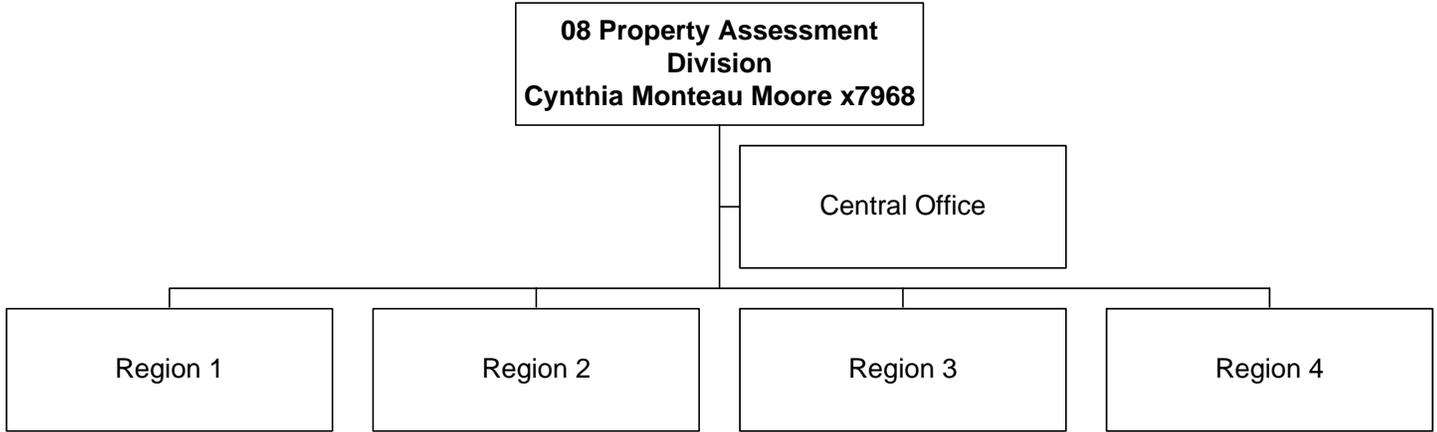
**DEPARTMENT OF REVENUE-5801
BUSINESS & INCOME TAXES DIVISION-07**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$500,000	\$500,000
FY 2013	\$500,000	\$500,000

NP- 708 - Increase Revenues via Fair Share Tax Compliance. -

The Department of Revenue, Business and Income Taxes Division (BITD) requests \$1,000,000 in general fund and 8.00 FTE in the 2013 biennium for additional staff to continue to close Montana's tax gap. Approval of this proposal will better ensure that Montana receives the tax that is due based on Montana statute. This proposal will generate additional revenues estimated at \$5 million for the 2013 biennium. Generally, the tax gap is measured as the difference between taxes owed on legitimate, legal activities and taxes paid voluntarily and in a timely manner. Recent compliance data shows that a disproportionate share of this tax gap is owed by non-residents and out-of-state companies. If the tax gap remains unaddressed, it imposes an unfair burden on those who pay on time and accurately; erodes public confidence in the voluntary tax system; encourages further non-compliance with tax law; and reduces revenue needed for the state to provide essential services. Understandably, the tax gap is subject to increased scrutiny when budgets are challenged by declining revenues, because it represents an opportunity to increase revenue collections without raising taxes. The department has estimated Montana's tax gap to be approximately \$300 million annually. Of this amount, the department believes that \$50 million can be reasonable collected in the near term through a combination of additional staff and statutory changes.

**DEPARTMENT OF REVENUE-5801
PROPERTY ASSESSMENT DIVISION-08**



Program Description - The Property Assessment Division effectively and efficiently administers the state's real and personal property tax laws while emphasizing customer service. It accomplishes this through uniform and equitable valuation and assessment regulations for residential, commercial, agricultural, forestland, and business equipment property. The division discovers, appraises, and assesses real and personal property for the local governing bodies that include about 1,200 levy districts and another 1,200 individual taxing jurisdictions. The division provides accurate and proficient tax billing information to the local county treasurers for their generation of more than a half million tax bills and \$1 billion in taxes for all classes of property. The division consists of the Central Office Bureau and four regions. The Central Office Bureau provides technical and administrative support to the department's local office staff in each of the four regions. The department's local office staff provides the property taxpayers with information and assistance.

Program Proposed Budget	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	306.35	1.00	1.00	308.35	1.00	1.00	308.35
Personal Services	15,341,621	503,107	48,477	15,893,205	507,299	48,366	15,897,286
Operating Expenses	4,220,215	(191,165)	(47,750)	3,981,300	(157,900)	(47,750)	4,014,565
Equipment & Intangible Assets	66,158	0	0	66,158	0	0	66,158
Total Costs	\$19,627,994	\$311,942	\$727	\$19,940,663	\$349,399	\$616	\$19,978,009
General Fund	19,611,082	258,690	727	19,870,499	301,140	616	19,912,838
State/Other Special	16,912	53,252	0	70,164	48,259	0	65,171
Total Funds	\$19,627,994	\$311,942	\$727	\$19,940,663	\$349,399	\$616	\$19,978,009

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$62,219	\$62,219
FY 2013	\$79,569	\$79,569

PL- 801 - Present Law Base Adjustment - Rent -

The Department of Revenue, Property Assessment Division requests \$141,788 in general fund for the 2013 biennium to pay for rent increases for existing lease obligations. The division employs over 300 employees and maintains offices in all 56 Montana counties. This proposal pays rent for space the Property Assessment Division currently occupies for its staff throughout the state. This proposal incorporates \$48,975 of savings for the 2013 biennium from the renegotiation, by the Governor's office, of an office leased for use by the department.

**DEPARTMENT OF REVENUE-5801
PROPERTY ASSESSMENT DIVISION-08**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$21,685)	(\$21,685)
FY 2013	(\$21,685)	(\$21,685)

PL- 803 - Vehicle Reduction -

The Department of Revenue, Property Assessment Division reduces its operating expense budget by \$43,370 in general fund in the 2013 biennium. As part of a comprehensive analysis of the department's vehicle fleet, it was determined that this division could return four leased vehicles to the Montana Department of Transportation. In addition, the division had previously eliminated and surplused all seven remaining vehicles owned by the department.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$53,252	\$0
FY 2013	\$48,259	\$0

PL- 804 - Increase in Spending Authority - Hail & Livestock -

The budget includes a request for \$101,511 in state special revenue authority for the 2013 biennium to pay for personal services required to administer the Hail Insurance and Livestock programs. This request includes 1.00 FTE.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$47,750)	(\$47,750)
FY 2013	(\$47,750)	(\$47,750)

NP- 802 - Sustainable Reductions from 17-7-140, MCA -

This decision package reduces the operating expense budget by \$95,500 in general fund in the 2013 biennium as a result of the efficiency reductions made in the 17-7-140, MCA, budget reduction.

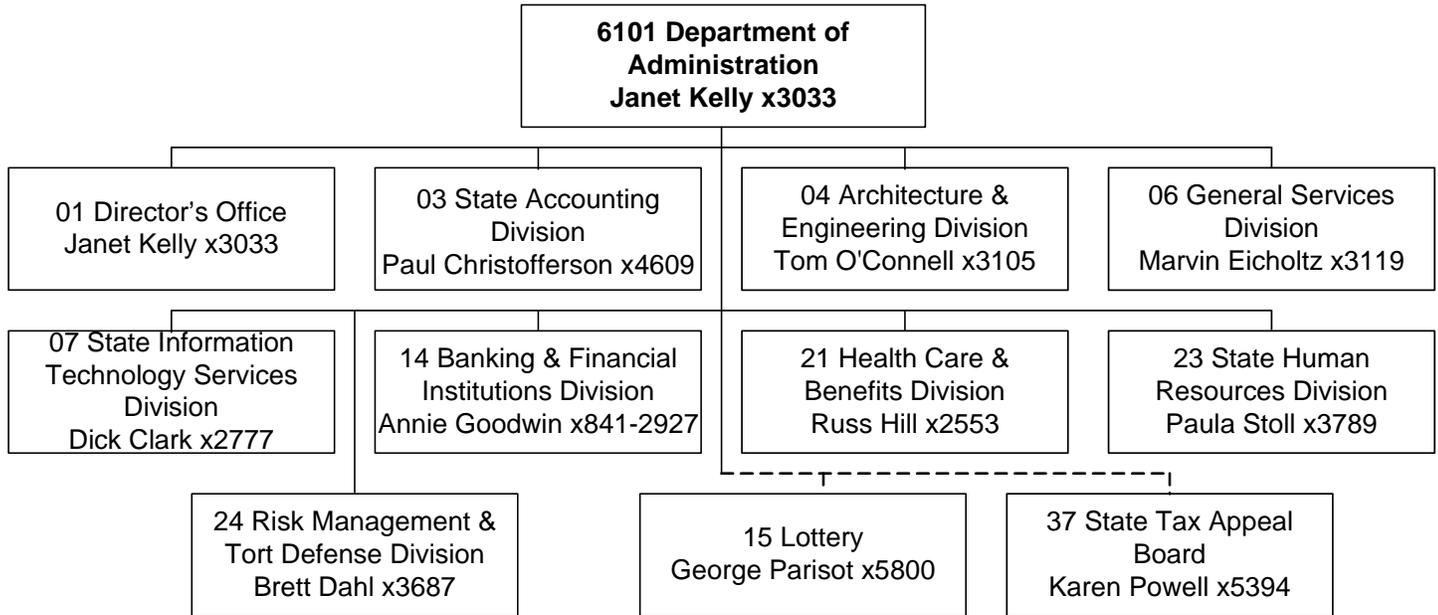
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$48,477	\$48,477
FY 2013	\$48,366	\$48,366

NP- 805 - Modified FTE into Permanent - Co. Assessor -

The Department of Revenue, Property Assessment Division (PAD) requests \$96,843 in general fund and 1.00 FTE in the 2013 biennium to address the retirement of the County Assessor in Granite County. Under an agreement with Granite County, the department contracted for the services of the County Assessor. Upon this assessor's retirement, the county has decided not to retain a separate office of county assessor so the responsibility for performing these duties has reverted to the State of Montana.

DEPARTMENT OF ADMINISTRATION-6101

Please note that this agency also contains proprietary funding (see Section P).



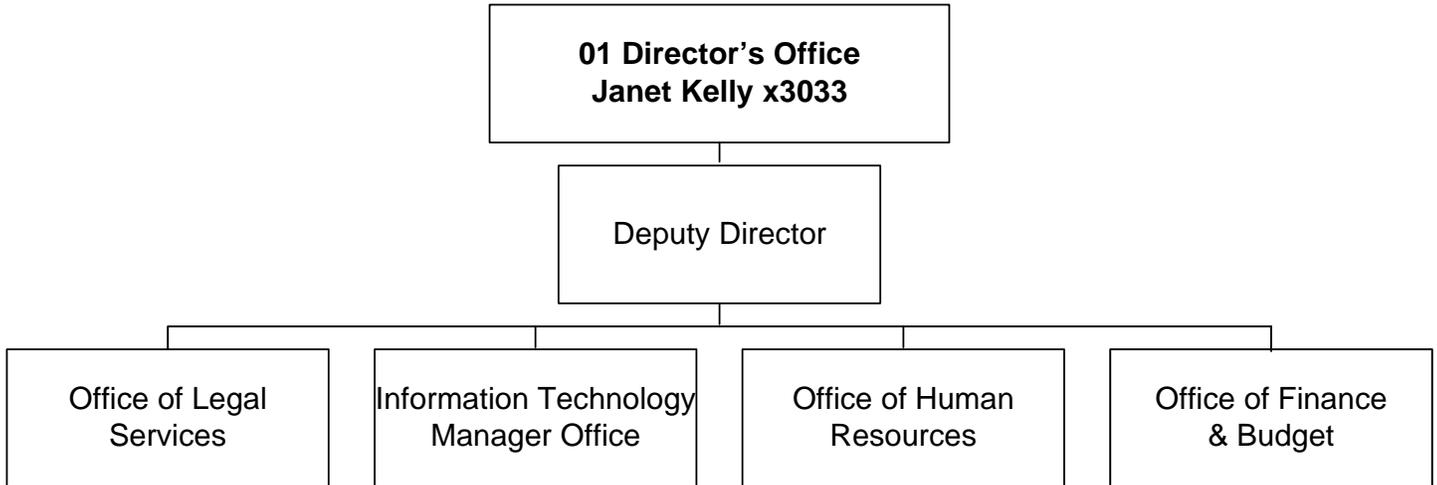
Mission Statement - The Department of Administration's mission is to serve, satisfy, and support our customers.

Statutory Authority - Title 2, Chapters 7, 15, 17 and 18; Title 15, Chapter 2; Title 17; Title 18; Title 23, Chapter 7, Title 47, Chapter 1 MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	155.12	0.00	(1.49)	153.63	0.00	(1.49)	153.63
Personal Services	9,395,163	974,421	(81,725)	10,287,859	1,019,961	(85,856)	10,329,268
Operating Expenses	9,553,673	363,707	(131,356)	9,786,024	166,140	(132,356)	9,587,457
Equipment & Intangible Assets	42,077	0	0	42,077	0	0	42,077
Local Assistance	39,206	0	4,000	43,206	0	3,000	42,206
Grants	838,563	0	0	838,563	0	0	838,563
Debt Service	32,050	0	144,225	176,275	0	(32,050)	0
Total Costs	\$19,900,732	\$1,338,128	(\$64,856)	\$21,174,004	\$1,186,101	(\$247,262)	\$20,839,571
General Fund	6,054,826	499,546	(128,217)	6,426,155	454,147	(310,464)	6,198,509
State/Other Special	6,508,794	545,814	63,361	7,117,969	539,973	63,202	7,111,969
Federal Special	42,043	0	0	42,043	0	0	42,043
Proprietary	7,295,069	292,768	0	7,587,837	191,981	0	7,487,050
Total Funds	\$19,900,732	\$1,338,128	(\$64,856)	\$21,174,004	\$1,186,101	(\$247,262)	\$20,839,571

**DEPARTMENT OF ADMINISTRATION-6101
DIRECTOR'S OFFICE-01**

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Director's Office (office) provides overall leadership and management support to the Department of Administration's divisions and offers administrative support to attached boards and commissions. The office acts as a liaison among the agency's divisions, administratively attached boards and commissions, the Cabinet, the legislature, and the Governor's Office.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	1.17	0.00	0.00	1.17	0.00	0.00	1.17
Personal Services	56,835	5,323	0	62,158	6,017	0	62,852
Operating Expenses	65,611	23,951	0	89,562	(43,401)	0	22,210
Local Assistance	37,133	0	0	37,133	0	0	37,133
Total Costs	\$159,579	\$29,274	\$0	\$188,853	(\$37,384)	\$0	\$122,195
General Fund	121,869	29,274	0	151,143	(37,384)	0	84,485
State/Other Special	577	0	0	577	0	0	577
Federal Special	37,133	0	0	37,133	0	0	37,133
Total Funds	\$159,579	\$29,274	\$0	\$188,853	(\$37,384)	\$0	\$122,195

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$0
FY 2013	\$1,500	\$1,500

PL- 101 - Presidential Electors -

This decision package requests \$1,500 general fund OTO in FY 2013 for compensation of presidential electors. The department must pay presidential electors and reimburse their travel costs as required by 13-25-106, MCA, in the year in which a president of the United States is to be elected.

**DEPARTMENT OF ADMINISTRATION-6101
DIRECTOR'S OFFICE-01**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$12,000	\$12,000
FY 2013	\$12,000	\$12,000

PL- 1003 - Burial Board -

The department requests \$12,000 per year general fund for costs associated with the Burial Preservation Board. This would fund two face-to-face meetings per year and two conference call meetings, along with travel reimbursement for member travel associated with reburial/repatriation of human remains.

**DEPARTMENT OF ADMINISTRATION-6101
GOVERNOR ELECT PROGRAM-02**

02 Governor Elect Program

Program Description - The Governor Elect Program pays start-up costs for the incoming Governor, as required by 2-15-221, MCA.

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2010	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2012	Fiscal 2012	Fiscal 2012	Fiscal 2013	Fiscal 2013	Fiscal 2013
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personal Services	0	0	0	0	44,000	0	44,000
Operating Expenses	0	0	0	0	6,000	0	6,000
Total Costs	\$0	\$0	\$0	\$0	\$50,000	\$0	\$50,000
General Fund	0	0	0	0	50,000	0	50,000
Total Funds	\$0	\$0	\$0	\$0	\$50,000	\$0	\$50,000

-----Present Law Adjustments-----

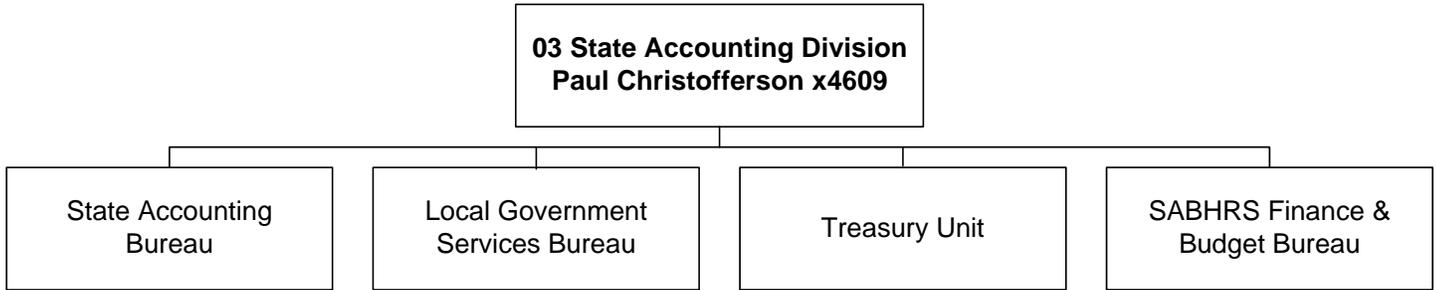
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$0
FY 2013	\$50,000	\$50,000

PL- 201 - Governor Elect -

This request of \$50,000 general fund authority in FY 2013 is for the Governor-Elect. Department of Administration is required by 2-15-221, MCA, to request the funds necessary to cover the Governor-Elect costs for the period between the general election and the inauguration.

**DEPARTMENT OF ADMINISTRATION-6101
STATE ACCOUNTING DIVISION-03**

Please note that this program also contains proprietary funding (see Section P).



Program Description - The State Accounting Division consists of several programs/activities funded from the general, federal special and proprietary funds.

The State Accounting Bureau is the process owner of the financial portion of the Statewide Budgeting, Accounting and Human Resource Systems (SABHRS), establishes state accounting policies and procedures, administers the federal Cash Management Improvement Act, prepares and negotiates the Statewide Cost Allocation Plan (SWCAP), and prepares the state Comprehensive Annual Financial Report (CAFR). Additionally, the bureau provides accounting assistance and training to state agencies. The warrant writer activity (internal service funded) which is part of the Accounting Bureau, is discussed in the proprietary fund section.

The Local Government Services Bureau provides technical assistance and training to local government accounting and financial personnel. The bureau maintains and publishes the local government Budgetary, Accounting and Reporting System (BARS) chart of accounts and the county collection and accounting manuals. The bureau provides local government financial information to the public, legislature, federal government, and other public entities. The audit function (Enterprise funded) is discussed in the proprietary fund section.

The Treasury Unit provides the central banking function for state agencies, reconciles the state bank accounts (approximately 60 banks), and insures the collateralization of these bank accounts is maintained at the proper level.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	18.67	0.00	(1.00)	17.67	0.00	(1.00)	17.67
Personal Services	1,043,760	77,724	(76,661)	1,044,823	78,586	(76,462)	1,045,884
Operating Expenses	267,682	7,580	0	275,262	5,890	0	273,572
Total Costs	\$1,311,442	\$85,304	(\$76,661)	\$1,320,085	\$84,476	(\$76,462)	\$1,319,456
General Fund	1,257,772	85,304	(76,661)	1,266,415	84,476	(76,462)	1,265,786
Federal Special	4,910	0	0	4,910	0	0	4,910
Proprietary	48,760	0	0	48,760	0	0	48,760
Total Funds	\$1,311,442	\$85,304	(\$76,661)	\$1,320,085	\$84,476	(\$76,462)	\$1,319,456

**DEPARTMENT OF ADMINISTRATION-6101
STATE ACCOUNTING DIVISION-03**

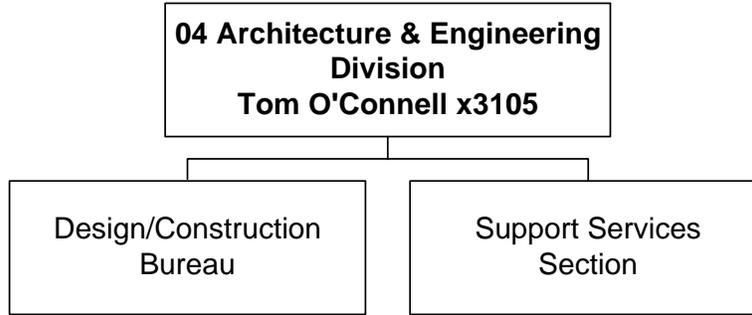
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$76,661)	(\$76,661)
FY 2013	(\$76,462)	(\$76,462)

NP- 55400 - 4% Personal Services Reduction -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces general fund in the State Accounting Program by \$76,661 in FY 2012 and \$76,462 in FY 2013 to implement the budget reduction. The reduction of 1.00 HB 2 FTE reflects a funding switch of the Local Government Services Bureau Chief position from the general fund to the Local Government Services enterprise fund.

**DEPARTMENT OF ADMINISTRATION-6101
ARCHITECTURE & ENGINEERING PROGRAM-04**

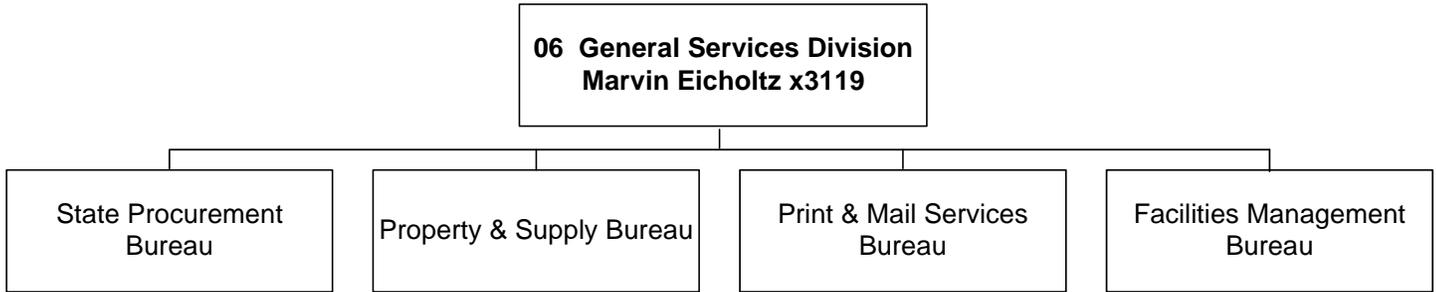


Program Description - The Architecture and Engineering Division (A&E) manages remodeling and construction of state buildings. Its functions include planning new projects and remodeling projects; advertising, bidding, and awarding construction contracts; administering contracts with architects, engineers, and contractors; disbursing building construction payments; and providing design services for small projects. The division also formulates a long-range building plan for legislative consideration each session. This division operates under the authority found in Titles 17 and 18, MCA, as well as other state mandates.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	17.00	0.00	0.00	17.00	0.00	0.00	17.00
Personal Services	1,283,732	19,043	0	1,302,775	21,303	0	1,305,035
Operating Expenses	659,066	5,951	0	665,017	5,738	0	664,804
Total Costs	\$1,942,798	\$24,994	\$0	\$1,967,792	\$27,041	\$0	\$1,969,839
State/Other Special	1,942,798	24,994	0	1,967,792	27,041	0	1,969,839
Total Funds	\$1,942,798	\$24,994	\$0	\$1,967,792	\$27,041	\$0	\$1,969,839

DEPARTMENT OF ADMINISTRATION-6101 GENERAL SERVICES PROGRAM-06

Please note that this program also contains proprietary funding (see Section P).



Program Description - The General Services Division is composed of four bureaus responsible for providing certain internal services to government agencies and the public.

The Facilities Management Bureau manages the following services for state agencies in the capitol complex and several state-owned buildings in the Helena area either directly or through the administration of service contracts: repair, maintenance, construction, energy consumption, disaster response and recovery, space allocation, lease negotiation, security, janitorial, recycling, pest control, grounds maintenance, and garbage collection.

The State Procurement Bureau procures or supervises the procurement of all supplies and services, and provides technical assistance to government agencies and the public to ensure compliance with the Montana Procurement Act. The bureau also manages the state's energy procurement, vehicle fueling, and procurement card programs.

The Print and Mail Services Bureau provides print and mail services to state agencies. Services include internal and external (contracted) printing, photocopy pool services, mail preparation, central mail operations, and inter-agency (deadhead) mail. The bureau also operates the United States post office in the Capitol and provides three quick copy locations on the Capitol Complex.

The Property and Supply Bureau manages the central stores program and the state and federal surplus property programs.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	11.25	0.00	0.00	11.25	0.00	0.00	11.25
Personal Services	637,187	32,389	0	669,576	31,498	0	668,685
Operating Expenses	1,461,448	54,522	(137,356)	1,378,614	28,094	(137,356)	1,352,186
Debt Service	32,050	0	144,225	176,275	0	(32,050)	0
Total Costs	\$2,130,685	\$86,911	\$6,869	\$2,224,465	\$59,592	(\$169,406)	\$2,020,871
General Fund	2,084,174	80,229	6,869	2,171,272	53,070	(169,406)	1,967,838
State/Other Special	46,511	6,682	0	53,193	6,522	0	53,033
Total Funds	\$2,130,685	\$86,911	\$6,869	\$2,224,465	\$59,592	(\$169,406)	\$2,020,871

**DEPARTMENT OF ADMINISTRATION-6101
GENERAL SERVICES PROGRAM-06**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$39,230	\$39,230
FY 2013	\$14,280	\$14,280

PL- 6010 - Close and Sell Old Corrections Building - OTO -

It is estimated to cost \$53,510 to close, maintain, and prepare to sell the old Department of Corrections building located at 1539 11th Avenue in Helena. The components of this cost are \$3,600 to board up the building, \$10,680 to maintain the building in a dormant state, \$3,600 for mechanical services, and \$21,350 for sale preparation including an appraisal and environmental assessment.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$144,225	\$144,225
FY 2013	(\$32,050)	(\$32,050)

NP- 601 - Purchase of 1227 11th Ave - OPI Building OTO -

The executive funds the final payments on the purchase of the OPI building located at 1227 11th Avenue.

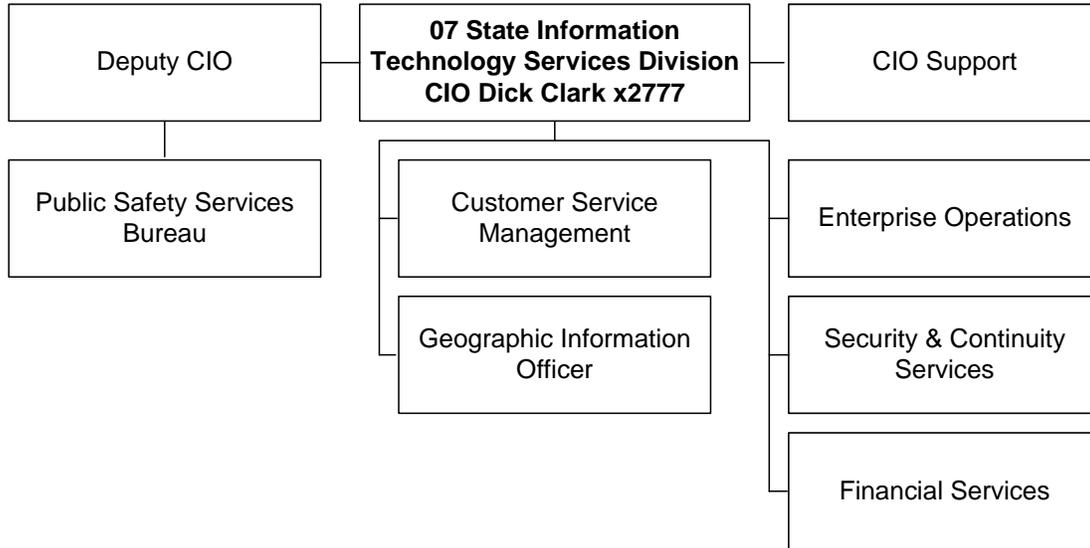
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$137,356)	(\$137,356)
FY 2013	(\$137,356)	(\$137,356)

NP- 603 - Make FY 2011 17-7-140, MCA, Reductions Permanent -

This request makes the FY 2011 general fund maintenance reductions that were made as part of the Governor's general fund reduction according to 17-7-140, MCA, permanent into the 2013 biennium.

DEPARTMENT OF ADMINISTRATION-6101 STATE INFORMATION TECHNOLOGY DIVISION-07

Please note that this program also contains proprietary funding (see Section P).



Program Description - The State Information Technology Services Division (SITSD) is a proprietary program that manages central computing and telecommunications services for state government. SITSD provides central mainframe and mid-tier computer services, and manages the statewide data network, SummitNet, used by all agencies located throughout the state. SITSD provides local and long distance telephone network services used by all agencies, including the university system, and manages the state's video network. SITSD coordinates electronic government services for the state, and manages the states Internet presence, mt.gov. SITSD also manages the Security and Continuity and IT Project Management Enterprise Offices.

The division coordinates Geographic Information Systems (GIS) development and manages the Public Safety Services Office that includes the state's 911 and public safety radio programs. These programs are funded by state special, federal special, and general funds.

Through the office of the Chief Information Officer, the division develops the Statewide Strategic IT Plan, coordinates information technology (IT) for the state, and reviews and approves IT acquisitions. The division also provides statewide IT training, and establishes hardware, software, and consulting services contracts used by agencies.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	9.50	0.00	0.00	9.50	0.00	0.00	9.50
Personal Services	775,175	(23,625)	0	751,550	(23,286)	0	751,889
Operating Expenses	273,735	79,680	0	353,415	81,822	0	355,557
Equipment & Intangible Assets	0	0	0	0	0	0	0
Grants	838,563	0	0	838,563	0	0	838,563
Transfers	0	0	0	0	0	0	0
Total Costs	\$1,887,473	\$56,055	\$0	\$1,943,528	\$58,536	\$0	\$1,946,009
General Fund	508,363	(25,389)	(63,361)	419,613	(22,730)	(63,202)	422,431
State/Other Special	1,379,110	81,444	63,361	1,523,915	81,266	63,202	1,523,578
Federal Special	0	0	0	0	0	0	0
Total Funds	\$1,887,473	\$56,055	\$0	\$1,943,528	\$58,536	\$0	\$1,946,009

**DEPARTMENT OF ADMINISTRATION-6101
STATE INFORMATION TECHNOLOGY DIVISION-07**

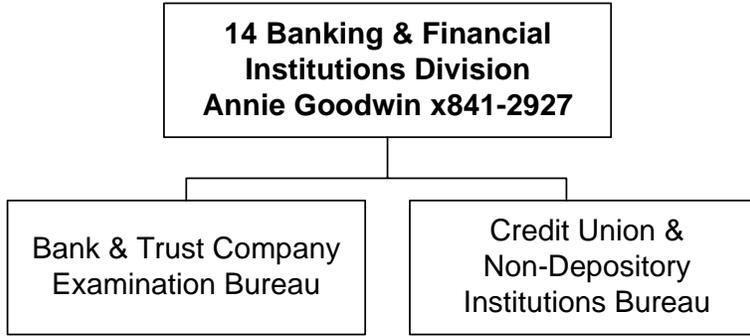
-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	(\$63,361)
FY 2013	\$0	(\$63,202)

NP- 55400 - 4% Person Services Reduction -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. A 0.50 FTE funding switch of the bureau chief position from the Information Technology Services Division (ITSD) - Public Safety Services Bureau general fund to the ITSD Statewide 9-1-1 state special revenue fund will occur. This decision package reduces general fund by \$63,361 in FY 2012 and \$63,202 in FY 2013.

**DEPARTMENT OF ADMINISTRATION-6101
BANKING & FINANCIAL DIVISION-14**

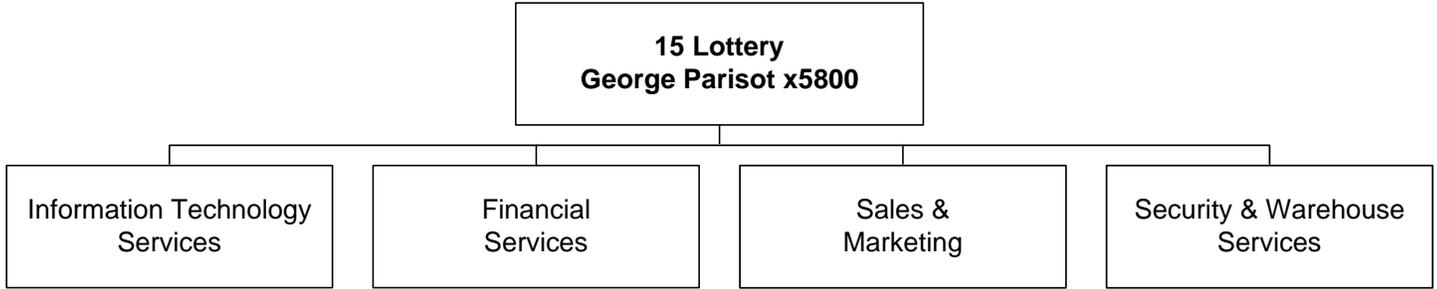


Program Description - The Division of Banking and Financial Institutions licenses, supervises, regulates, and examines financial institutions operating in and outside of Montana. Those institutions include 65 banks and trust companies, including 249 branch banks; 9 credit unions; 96 consumer finance companies; 121 sales finance companies; 95 deferred deposit lenders; 36 title loan companies; and 7 escrow companies. The division also licenses and examines 141 mortgage brokers and broker branch offices, 227 mortgage lender and lender branch offices, and 812 mortgage loan originators. All program functions are statutorily mandated in Title 32, Chapters 1-11 and Title 31, Chapter 1, Parts 7 & 8, MCA.

Supervision of regulated financial institutions is accomplished primarily through examinations. The safety and soundness of Montana State chartered banks and credit unions, which hold over \$19 billion in assets as of January, 2010, is under the supervision of the division. Banks are statutorily required to be examined at least once every 24 months. Credit unions are examined at least once in every 18-month interval. Consumer loan, mortgage broker, deferred deposit loan and title loan companies may be examined at any time. Escrow companies and sales finance companies may be examined as necessary.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	39.00	0.00	0.00	39.00	0.00	0.00	39.00
Personal Services	2,310,011	505,261	0	2,815,272	503,250	0	2,813,261
Operating Expenses	788,473	(31,253)	0	757,220	(36,792)	0	751,681
Total Costs	\$3,098,484	\$474,008	\$0	\$3,572,492	\$466,458	\$0	\$3,564,942
State/Other Special	3,098,484	474,008	0	3,572,492	466,458	0	3,564,942
Total Funds	\$3,098,484	\$474,008	\$0	\$3,572,492	\$466,458	\$0	\$3,564,942

**DEPARTMENT OF ADMINISTRATION-6101
MONTANA STATE LOTTERY-15**



Program Description - The Montana Lottery designs and markets lottery games that allow players to purchase chances to win prizes. The Lottery offers a variety of instant/scratch and lotto-style games, some in cooperation with other lotteries through the Multi-State Lottery Association. A five-member Lottery Commission, appointed by the Governor, sets policy and oversees program activities and procedures. The net revenue, after prizes, sales commissions and operating expenses, is deposited in the state general fund on a quarterly basis.

The Montana Lottery is attached to the Department of Administration for administrative purposes only.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	31.50	0.00	0.00	31.50	0.00	0.00	31.50
Personal Services	1,753,693	46,408	0	1,800,101	47,212	0	1,800,905
Operating Expenses	5,450,539	246,360	0	5,696,899	144,769	0	5,595,308
Equipment & Intangible Assets	42,077	0	0	42,077	0	0	42,077
Total Costs	\$7,246,309	\$292,768	\$0	\$7,539,077	\$191,981	\$0	\$7,438,290
Proprietary	7,246,309	292,768	0	7,539,077	191,981	0	7,438,290
Total Funds	\$7,246,309	\$292,768	\$0	\$7,539,077	\$191,981	\$0	\$7,438,290

-----Present Law Adjustments-----

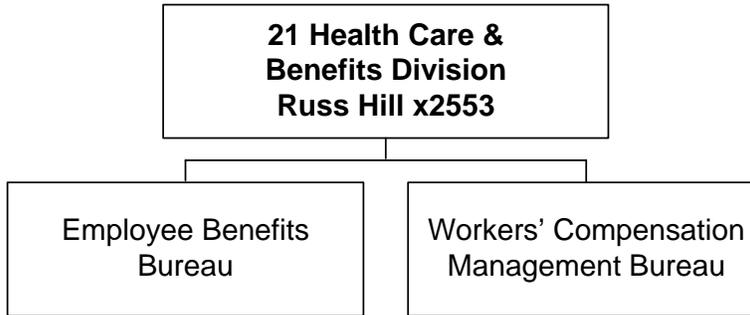
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$225,000	\$0
FY 2013	\$225,000	\$0

PL- 7701 - Vendor Fee Increase -

The Lottery is requesting a decision package of \$225,000 for both FY 2012 and FY 2013. This request is for the increase in additional vendor fees the Lottery has had to pay due to the increase in sales, as they are directly related. In the past two to three years, the Lottery's sales have increased from prior years by \$3-4 million. This equates to an increase in approximately \$225,000 in vendor fees.

**DEPARTMENT OF ADMINISTRATION-6101
HEALTH CARE & BENEFITS DIVISION-21**

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Health Care and Benefits Division provides state employees, retirees, members of the Legislature, judges and judicial branch employees, and their dependents with group benefits in an efficient manner and at an affordable cost by administering a solvent, prudent benefits program. The division administers benefits plans including health, dental, prescription drug, life, long-term care, vision coverage, long-term disability, flexible spending accounts, a sick leave fund, employee assistance services, health promotion, and a voluntary employee benefit health care expense trust. The division administers a lease and contract to provide daycare services for Helena area state employees. Finally, the division is responsible for the centralized oversight and management of workers' compensation related matters impacting the state as an employer. These functions, except the state daycare, are discussed in the proprietary section.

Employee benefits are governed by 2-18-701 et seq., 2-18-801 et seq., 2-18-1101 et seq., 2-18-1301 et seq., and 33-2-712, MCA. The Montana Safety Culture Act as it applies to state government is found in 39-71-1501 et seq.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	41,314	(41,314)	0	0	(41,314)	0	0
Total Costs	\$41,314	(\$41,314)	\$0	\$0	(\$41,314)	\$0	\$0
State/Other Special	41,314	(41,314)	0	0	(41,314)	0	0
Total Funds	\$41,314	(\$41,314)	\$0	\$0	(\$41,314)	\$0	\$0

-----Present Law Adjustments-----

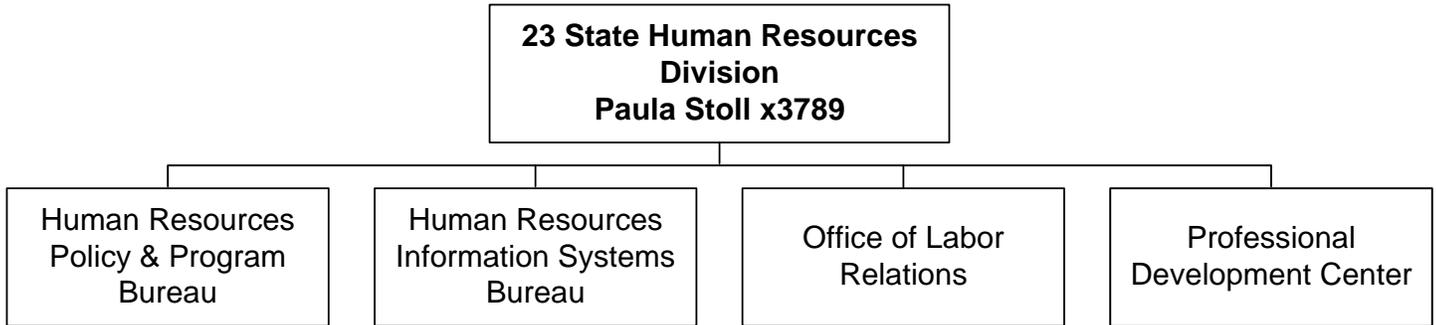
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$41,314)	\$0
FY 2013	(\$41,314)	\$0

PL- 213 - Elimination of the Daycare Program -

Elimination of the Daycare Program will result in an \$82,628 reduction of state special revenue authority for the biennium. The Daycare Program provided funding towards the rent payments to the school district for space within the Ray Bjork building. In return, the daycare provider guaranteed a certain number of slots to state employee children and grandchildren. The state was not able to renew the contract with the school district as this space was needed by the district. The state was not able to find an alternative space to continue the program. The decision package zeros out the spending authority left over from the daycare.

**DEPARTMENT OF ADMINISTRATION-6101
STATE HUMAN RESOURCES DIVISION-23**

Please note that this program also contains proprietary funding (see Section P).



Program Description - The State Human Resources Division provides statewide human resource services and programs under the authority of Title 2, Chapter 18, and 39-31-301, MCA. The division houses:

The Human Resources Policy and Programs (HRPP) Bureau establishes the human resource rules, policies, and standards for Montana’s executive branch.

The State Office of Labor Relations represents the Governor’s Office in all matters relating to collective bargaining.

The Professional Development Center (PDC) offers training and other professional development services to Montana state government and other organizations.

The Human Resources Information Services Bureau supplies payroll and other HR information systems for all branches of state government.

Program Proposed Budget	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	19.53	0.00	(0.49)	19.04	0.00	(0.49)	19.04
Personal Services	1,142,900	251,801	(19,064)	1,375,637	251,680	(19,394)	1,375,186
Operating Expenses	445,307	27,113	0	472,420	24,904	0	470,211
Total Costs	\$1,588,207	\$278,914	(\$19,064)	\$1,848,057	\$276,584	(\$19,394)	\$1,845,397
General Fund	1,588,207	278,914	(19,064)	1,848,057	276,584	(19,394)	1,845,397
Total Funds	\$1,588,207	\$278,914	(\$19,064)	\$1,848,057	\$276,584	(\$19,394)	\$1,845,397

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$19,064)	(\$19,064)
FY 2013	(\$19,394)	(\$19,394)

NP- 55400 - 4% Personal Services reduction -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. The State Human Resources Division (SHRD) is complying with a four percent reduction in general fund personal services budget in accordance to this budget directive. This reduction is approximately \$19,100 annually and will result in the loss of 0.49 FTE.

**DEPARTMENT OF ADMINISTRATION-6101
STATE TAX APPEAL BOARD-37**

37 State Tax Appeal Board Chairwoman Karen Powell x5394

Program Description - The State Tax Appeal Board, established by Article VIII, Section 7, of the Montana Constitution and 15-2-101, MCA, provides a tax appeal system for all actions of the Department of Revenue. It hears appeals from decisions of the 56 county tax appeal boards, primarily involving residential and commercial property valuation, and takes original jurisdiction in matters involving income taxes, corporate taxes, severance taxes, centrally-assessed property and new industry property, motor fuels taxes, vehicle taxes, and cabin site leases. The board travels throughout the state to hear appeals from decisions of the county tax appeal boards and to conduct informational meetings for the various county tax appeal boards. The State Tax Appeal Board directs the county tax appeal board secretaries, who are state employees, and pays their salaries and employee benefits from its personal services appropriation. The board also reviews and pays the expenses, including employee benefits, of those county tax appeal board secretaries who are county employees. In addition, the board pays the clerical-related expenses for all 56 county tax appeal boards, including supplies, postage and copies, but excluding office equipment.

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2010	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
	Fiscal 2010	Fiscal 2012	Fiscal 2012	Fiscal 2012	Fiscal 2013	Fiscal 2013	Fiscal 2013
FTE	7.50	0.00	0.00	7.50	0.00	0.00	7.50
Personal Services	391,870	60,097	14,000	465,967	59,701	10,000	461,571
Operating Expenses	100,498	(8,883)	6,000	97,615	(9,570)	5,000	95,928
Local Assistance	2,073	0	4,000	6,073	0	3,000	5,073
Total Costs	\$494,441	\$51,214	\$24,000	\$569,655	\$50,131	\$18,000	\$562,572
General Fund	494,441	51,214	24,000	569,655	50,131	18,000	562,572
Total Funds	\$494,441	\$51,214	\$24,000	\$569,655	\$50,131	\$18,000	\$562,572

-----**New Proposals**-----

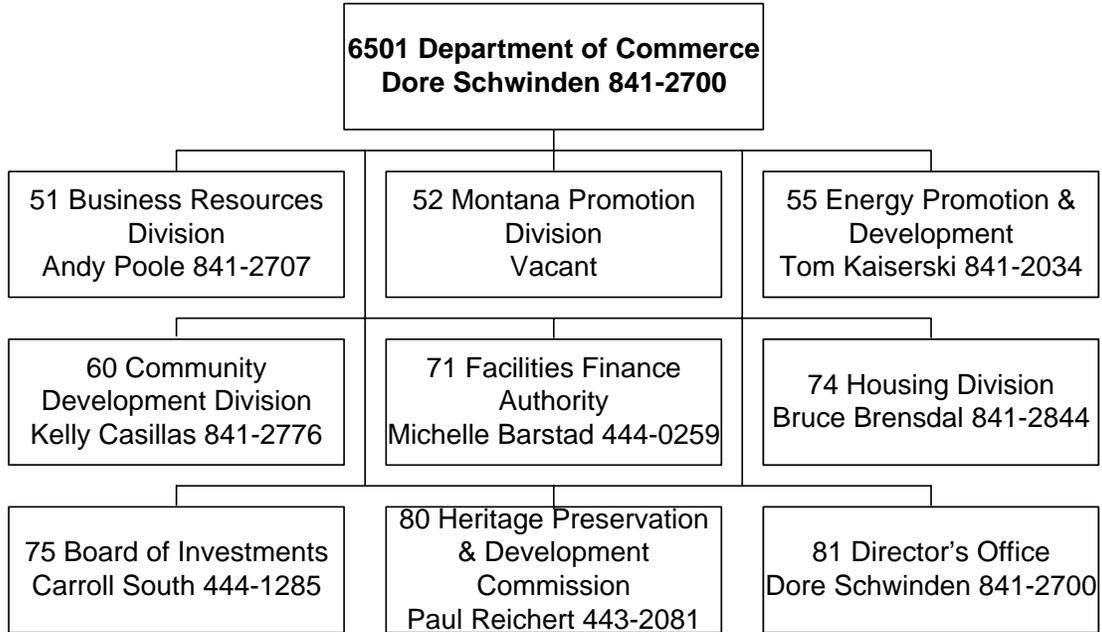
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$24,000	\$24,000
FY 2013	\$18,000	\$18,000

NP- 3701 - STAB 2009 Statewide Reappraisal of Property OTO -

This request funds a \$42,000 increase in the general fund for an anticipated increase in tax appeals due to the reappraisal of property for both fiscal years 2012 and 2013.

DEPARTMENT OF COMMERCE-6501

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement - The Department of Commerce through its employees, community partners, public outreach, and media contacts enhances economic prosperity in Montana; fosters community lead diversification and sustainability of a growing economy; maintains and improves our infrastructure, housing, and facilities; and promotes and enhances Montana's positive national and international image.

Statutory Authority - The Department is mandated in 2-15-18, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	50.66	0.00	5.34	56.00	0.00	5.34	56.00
Personal Services	3,014,479	237,775	312,553	3,564,807	237,930	312,855	3,565,264
Operating Expenses	3,310,301	2,555,890	597,535	6,463,726	2,848,537	595,748	6,754,586
Grants	14,505,844	2,474,352	1,402,660	18,382,856	2,847,638	1,402,944	18,756,426
Total Costs	\$20,830,624	\$5,268,017	\$2,312,748	\$28,411,389	\$5,934,105	\$2,311,547	\$29,076,276
General Fund	2,598,996	99,939	2,312,748	5,011,683	101,892	2,311,547	5,012,435
State/Other Special	4,216,567	3,116,464	0	7,333,031	3,084,170	0	7,300,737
Federal Special	14,015,061	2,051,614	0	16,066,675	2,748,043	0	16,763,104
Total Funds	\$20,830,624	\$5,268,017	\$2,312,748	\$28,411,389	\$5,934,105	\$2,311,547	\$29,076,276

**DEPARTMENT OF COMMERCE-6501
BUSINESS RESOURCES DIVISION-51**



Program Description - The Business Resources Division is comprised of a variety of programs aimed at improving, enhancing, and diversifying Montana's economic and business climate. Working closely with the private sector, the Governor's Office, the Legislature, economic and community development partners, other department divisions, state agencies, and federal and private programs; the division strives to enhance the economic base of Montana through business creation, expansion, and retention efforts.

Business Resources Division responsibilities are mandated primarily in Title 15, Chapter 35, Section 108; Title 30, Chapter 16; Title 17, Chapter 6; and Title 90, Chapters 1 and 3, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	25.16	0.00	0.34	25.50	0.00	0.34	25.50
Personal Services	1,515,117	177,416	(19,611)	1,672,922	176,776	(19,538)	1,672,355
Operating Expenses	1,808,937	2,247,022	481,964	4,537,923	2,579,087	480,198	4,868,222
Grants	2,448,507	900,000	1,402,660	4,751,167	900,000	1,402,944	4,751,451
Total Costs	\$5,772,561	\$3,324,438	\$1,865,013	\$10,962,012	\$3,655,863	\$1,863,604	\$11,292,028
General Fund	2,068,846	99,866	1,865,013	4,033,725	104,152	1,863,604	4,036,602
State/Other Special	112,474	2,092,374	0	2,204,848	2,091,401	0	2,203,875
Federal Special	3,591,241	1,132,198	0	4,723,439	1,460,310	0	5,051,551
Total Funds	\$5,772,561	\$3,324,438	\$1,865,013	\$10,962,012	\$3,655,863	\$1,863,604	\$11,292,028

**DEPARTMENT OF COMMERCE-6501
BUSINESS RESOURCES DIVISION-51**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$2,237,513	\$1,114
FY 2013	\$2,577,731	\$2,537

PL- 5108 - BRD ADMINISTRATIVE COSTS ADJUSTMENTS HB 2 -

The request adjusts for normal ongoing federal appropriations for grants that are received by the Business Resources Division. Included in this decision package are plans for offering National Development Council courses in Montana in FY 2012 and FY 2013 for economic developers to become Certified Economic Development Finance Professionals. It has been a number of years since this training was offered in Montana and persons new to this activity require training.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$900,000	\$0
FY 2013	\$900,000	\$0

PL- 5109 - BRD FEDERAL GRANTS ADJUSTMENTS HB 2 -

This decision package adjusts normal ongoing federal appropriations for grants received by the Business Resources Division to match available federal funds for the 2013 biennium.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,000,000	\$1,000,000
FY 2013	\$1,000,000	\$1,000,000

NP- 5101 - BRD Primary Business Sector Training HB 2 OTO -

The Primary Sector Business Training Program provides grant funds to new and existing Montana businesses to train new employees. This economic development tool is a catalyst for creating new, good jobs in Montana that pay benefits. A seven member Grant Review Committee consisting of both public and private members review applications and allocate funding through the Department of Commerce. This program has been funded in previous biennia as a one-time-only appropriation and therefore must be requested again.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$800,000	\$800,000
FY 2013	\$800,000	\$800,000

NP- 5102 - BRD Indian Country Economic Development HB 2 OTO -

The Tribal Economic Development Program provides resources to existing and new Tribal businesses to expand operations and facilities, train and employ new workers. The Tribal Economic Development Program assists by helping tribal members in Montana get hired into permanent full-time jobs, start their own businesses, and improve their economic circumstance. Projects funded will allow the Tribal Governments over the long term to provide more employment opportunities and greater wages to their citizens.

**DEPARTMENT OF COMMERCE-6501
BUSINESS RESOURCES DIVISION-51**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$125,000	\$125,000
FY 2013	\$125,000	\$125,000

NP- 5103 - BRD Main Street Program HB 2 OTO -

Helps communities strengthen and preserve their historic downtowns by focusing on economic development through organization, design, and promotion. The program provides downtown development and historic preservation technical assistance and expertise to communities of all sizes, based on their individual needs, without a requirement for paid staff.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$250,000	\$250,000
FY 2013	\$250,000	\$250,000

NP- 5112 - High Performance Computing - OTO -

This budget requests includes one-time-only funding of \$250,000 general fund each year of the 2013 biennium to provide operational support to high performance computing.

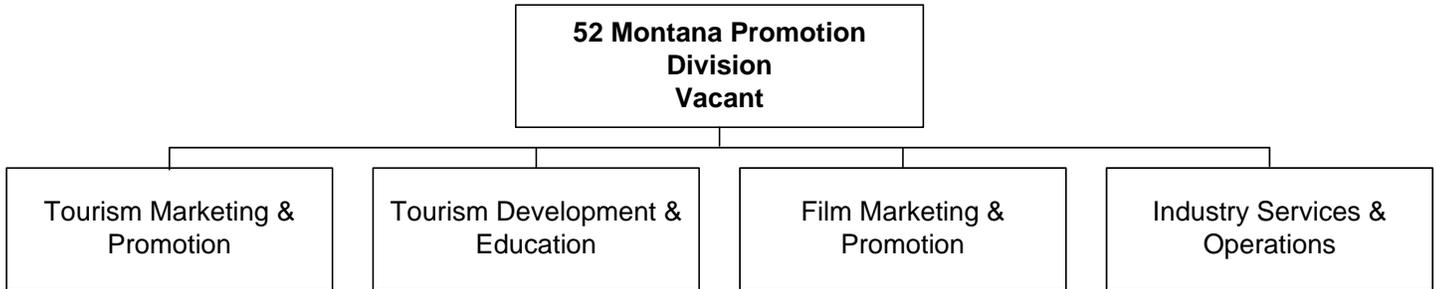
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$309,987)	(\$309,987)
FY 2013	(\$311,396)	(\$311,396)

NP- 55004 - 4% PERSONAL SERVICES REDUCTION -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Business Resources Division by \$309,987 in FY 2012 and \$311,396 in FY 2013 to implement the budget reduction. The reduction includes the elimination of 3.66 FTE.

This decision package removes the Regional Development Program. The regional development officer positions have worked within the department since the early 1990's as the outreach arm to the entire state of Montana to deliver our programs and services.

**DEPARTMENT OF COMMERCE-6501
MONTANA PROMOTION DIVISION-52**



Program Description - The Montana Promotion Division strives to strengthen Montana's economy through increased visitor travel, visitor expenditures, and film production in the state. The division is responsible for implementing and promoting a positive brand image for Montana as a vacation destination and works to ensure brand consistency amongst its marketing and promotional efforts. The division focuses on attracting high value, low impact geotraveler visitors who contribute to Montana's economic and social prosperity while respecting and appreciating Montana's authentic natural and cultural assets. This program goal is accomplished through various marketing efforts, networking with the state's public and private sector tourism and recreation industry and agencies, along with education and development assistance. The division works to project a positive image of the state through consumer advertising, electronic marketing, public relations efforts, international and domestic group travel marketing, printing and distribution of literature, staffing support and training of professional travel counselors, assisting in the development of tourism infrastructure and marketing to motion picture and television production companies. The division provides training and assistance to the Montana tourism industry, administers, and distributes event marketing and infrastructure grants and oversees expenditures of six regional non-profit corporations and the twelve qualified convention and visitors bureaus. The Montana Promotion Division is primarily funded by the statutorily appropriated lodging facility use tax. Montana Promotion Division responsibilities are mandated primarily in Title 15, Chapter 65, and Title 2, Chapter 15, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	621,696	157,612	0	779,308	128,304	0	750,000
Total Costs	\$621,696	\$157,612	\$0	\$779,308	\$128,304	\$0	\$750,000
State/Other Special	621,696	157,612	0	779,308	128,304	0	750,000
Total Funds	\$621,696	\$157,612	\$0	\$779,308	\$128,304	\$0	\$750,000

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$139,825	\$0
FY 2013	\$139,825	\$0

PL- 5208 - MPD PRIVATE FUNDS & AUDIT ADJUSTMENTS HB 2 -

The Montana Promotion Division has historically adjusted its HB 2 private funds appropriation to \$750,000 for each year of the biennium. This proposal continues the historically established trend.

**DEPARTMENT OF COMMERCE-6501
ENERGY PROMOTION & DEVELOPMENT DIVISION-55**

**55 Energy Promotion &
Development
Tom Kaiserski 841-2034**

Program Description - The Energy Promotion and Development Division (EPDD) was created in 2007 as a result of the state's commitment to 'clean and green' energy development in Montana. EPDD staff conducts the analysis of complex energy issues, balancing the interests of private developers with those of the public sector, and prepares and delivers written and oral communications that seek to resolve conflicts and achieve resolutions to problems that can delay or prevent energy development projects. The goal of this work is to create jobs and increase tax base statewide by facilitating the development of clean and responsible energy projects in Montana.

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2010	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2012	Fiscal 2012	Fiscal 2012	Fiscal 2013	Fiscal 2013	Fiscal 2013
FTE	0.00	0.00	5.00	5.00	0.00	5.00	5.00
Personal Services	0	0	332,164	332,164	0	332,393	332,393
Operating Expenses	0	7,265	115,571	122,836	7,057	115,550	122,607
Total Costs	\$0	\$7,265	\$447,735	\$455,000	\$7,057	\$447,943	\$455,000
General Fund	0	7,265	447,735	455,000	7,057	447,943	455,000
Total Funds	\$0	\$7,265	\$447,735	\$455,000	\$7,057	\$447,943	\$455,000

-----**New Proposals**-----

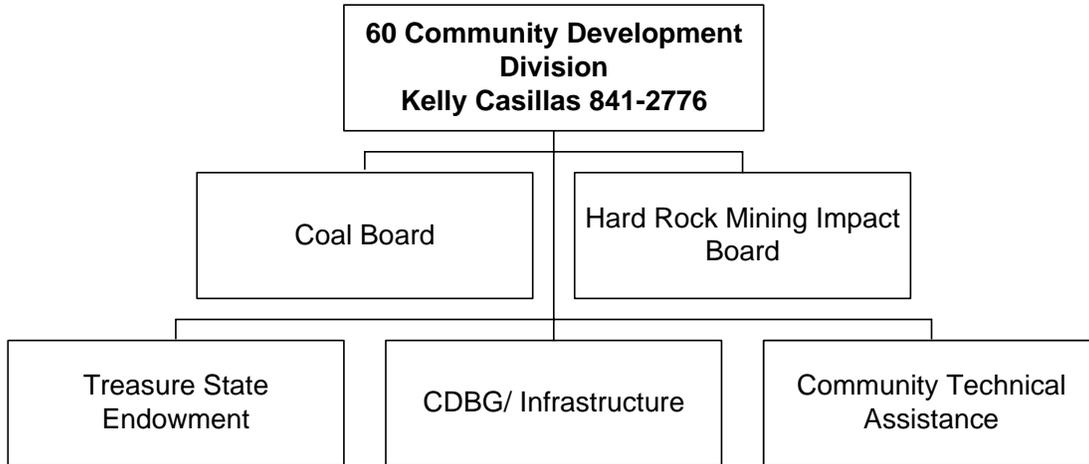
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$447,735	\$447,735
FY 2013	\$447,943	\$447,943

NP- 55001 - ENERGY PROMOTION AND DEVELOPMENT HB 2 -

The creation of the Energy Promotion and Development Division was funded with a one-time-only general fund appropriation by the 2007 and the 2009 Legislatures. This budget request reauthorizes the appropriation of \$455,000 for the 2013 biennium to continue the operation of the division as a permanent program.

The goals of Energy Promotion and Development Division (EPDD) are creating jobs for Montanans, securing economic future, and providing home-grown energy to growing populations. The \$400 million Glacier wind farm constructed in 2008/2009, the \$800 million Rim Rock wind farm set to be constructed in 2010/2011, and the \$200 million Montana Alberta Tie (transmission) Line currently under construction and set to be completed in 2010/2011 are all projects that EPDD provided project assistance key to the development.

**DEPARTMENT OF COMMERCE-6501
COMMUNITY DEVELOPMENT DIVISION-60**



Program Description - The missions of the Community Development Division (CDD) are set forth in Title 90, Chapters 1 and 6, MCA. CDD is funded primarily through federal funds and state-special revenue account grant programs with additional direct appropriations provided in HB 2.

The CDD administers four programs directly: the Community Development Block Grant Program (CDBG); the Community Technical Assistance Program (CTAP); the Neighborhood Stabilization Program (NSP); and the Treasure State Endowment Program (TSEP).

Two citizen boards, appointed by the Governor, are attached to CDD for administrative purposes. The division provides office facilities, staff, and administrative support for the two boards: the Montana Coal Board and the Montana Hard Rock Mining Impact Board

Overall, the six programs of the CDD seek to assure viable, sustainable communities and the provision of cost-effective and efficient community services and facilities by encouraging well-planned community growth and development

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	16.00	0.00	0.00	16.00	0.00	0.00	16.00
Personal Services	997,112	49,769	0	1,046,881	51,204	0	1,048,316
Operating Expenses	399,737	116,067	0	515,804	107,946	0	507,683
Grants	6,704,975	1,700,000	0	8,404,975	1,700,000	0	8,404,975
Total Costs	\$8,101,824	\$1,865,836	\$0	\$9,967,660	\$1,859,150	\$0	\$9,960,974
General Fund	530,150	(7,192)	0	522,958	(9,317)	0	520,833
State/Other Special	3,085,910	872,502	0	3,958,412	870,442	0	3,956,352
Federal Special	4,485,764	1,000,526	0	5,486,290	998,025	0	5,483,789
Total Funds	\$8,101,824	\$1,865,836	\$0	\$9,967,660	\$1,859,150	\$0	\$9,960,974

**DEPARTMENT OF COMMERCE-6501
COMMUNITY DEVELOPMENT DIVISION-60**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$822,228	\$319
FY 2013	\$819,965	(\$689)

PL- 6008 - CDD ADMINISTRATIVE COSTS ADJUSTMENTS HB 2 -

This adjustment includes per diem for the Hard Rock Mining Impact Board and Coal Board and the maintenance of a reserve account that is set forth in statute for the Hard Rock Mining Impact Board. Additional costs of the decision package include a rent adjustment, local impact grants for the Coal Board, and authority to disperse funds to the countries from the hard-rock mining impact trust account, as well as minor hardware equipment.

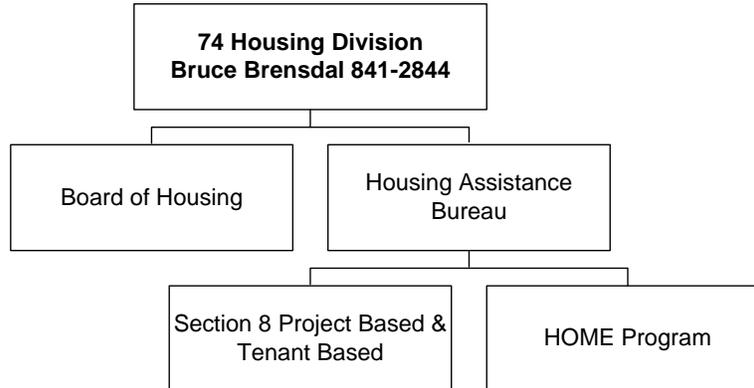
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$1,000,000	\$0
FY 2013	\$1,000,000	\$0

PL- 6009 - CDD FEDERAL GRANTS ADJUSTMENTS HB 2 -

This decision package adjusts normal ongoing federal appropriations for grants received by the Community Development Division to match available federal funds for the 2013 Biennium.

DEPARTMENT OF COMMERCE-6501 HOUSING DIVISION-74

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Housing Division established on July 1, 1995, consolidated housing programs within the Department of Commerce into one division. The division includes the Housing and Urban Development (HUD) HOME Investment Partnerships program, the HUD Tenant Based and Project Based Section 8 Housing programs, and the Board of Housing and its programs.

Housing Division responsibilities are mandated primarily in Title 2, Chapter 15; Title 90, Chapter 1, and Chapter 6, MCA; 24 CFR 91, and 92; 24 CFR 5, 792, 813, 887, 982, and 984; and the Governor's Executive Order 27-81.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	5.50	0.00	0.00	5.50	0.00	0.00	5.50
Personal Services	278,480	31,267	0	309,747	30,534	0	309,014
Operating Expenses	333,014	13,271	0	346,285	11,536	0	344,550
Grants	4,626,714	0	0	4,626,714	373,286	0	5,000,000
Total Costs	\$5,238,208	\$44,538	\$0	\$5,282,746	\$415,356	\$0	\$5,653,564
State/Other Special	25,800	0	0	25,800	0	0	25,800
Federal Special	5,212,408	44,538	0	5,256,946	415,356	0	5,627,764
Total Funds	\$5,238,208	\$44,538	\$0	\$5,282,746	\$415,356	\$0	\$5,653,564

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$10,612	\$0
FY 2013	\$12,294	\$0

PL- 7406 - HD ADMINISTRATIVE COSTS ADJUSTMENTS HB 2 -

This decision package annualized the cost of charges for annual maintenance fees for HOME programs, lease agreements, and indirect costs to the Director's Office.

**DEPARTMENT OF COMMERCE-6501
HOUSING DIVISION-74**

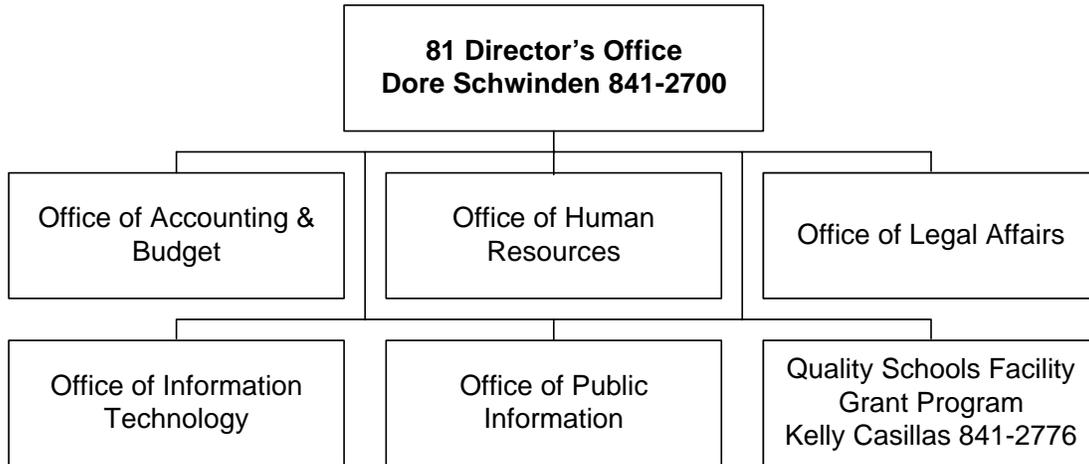
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$0	\$0
FY 2013	\$373,286	\$0

PL- 7407 - HD FEDERAL GRANTS ADJUSTMENTS HB 2 -

This decision package adjusts normal ongoing federal appropriations for grants received by the Housing Assistance Bureau's HOME Program to match available federal funds for the 2013 biennium.

DEPARTMENT OF COMMERCE-6501 DIRECTOR'S OFFICE-81

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Director's Office consists of three programs:

The Director's Office provides overall leadership, communication, and management support to the Department of Commerce 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 to ensure a positive image of the department. The office works closely with economic and community development organizations, businesses, communities, governmental entities, elected official and the public to diversify and expand the state's economic base. The office 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.

The Quality Schools Grant Program (Quality Schools) is a competitive grant program created to provide infrastructure grants, matching planning grants, and emergency grants to public school districts in Montana. The statute creating the program was passed by the 61st Legislature and signed into law by Governor Schweitzer in 2009.

The Montana Council on Developmental Disabilities is a citizen based advocacy group. Its members, appointed by the Governor work to provide increased independence, integration, and productivity for persons with developmental disabilities.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00
Personal Services	223,770	(20,677)	0	203,093	(20,584)	0	203,186
Operating Expenses	146,917	14,653	0	161,570	14,607	0	161,524
Grants	725,648	(125,648)	0	600,000	(125,648)	0	600,000
Total Costs	\$1,096,335	(\$131,672)	\$0	\$964,663	(\$131,625)	\$0	\$964,710
State/Other Special	370,687	(6,024)	0	364,663	(5,977)	0	364,710
Federal Special	725,648	(125,648)	0	600,000	(125,648)	0	600,000
Total Funds	\$1,096,335	(\$131,672)	\$0	\$964,663	(\$131,625)	\$0	\$964,710

**DEPARTMENT OF COMMERCE-6501
DIRECTOR'S OFFICE-81**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$10,575	\$0
FY 2013	\$11,217	\$0

PL- 8108 - DO QUALITY SCHOOLS ADMINISTRATIVE COSTS HB 2 -

This decision package makes minor adjustments to the Quality School administrative funding to restore overtime; cover additional printing, travel and rent expense, and reduce other one-time cost areas incurred in the base year. The approximate \$11,000 per year is funded with state special revenue.

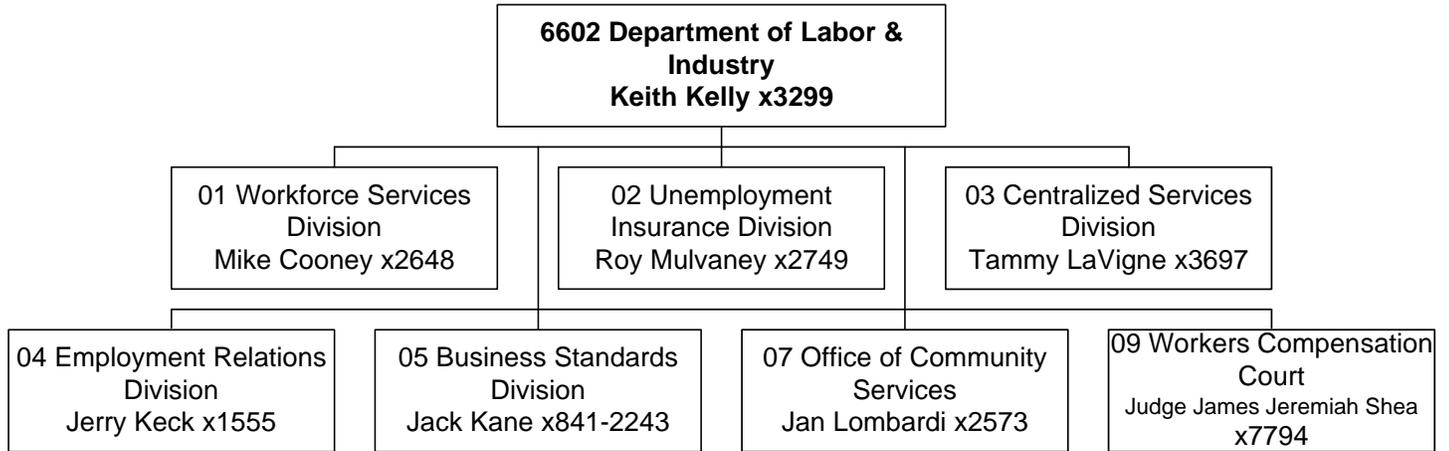
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$125,648)	\$0
FY 2013	(\$125,648)	\$0

PL- 8109 - DO FEDERAL GRANTS ADJUSTMENTS HB 2 -

This decision package adjusts normal ongoing federal appropriations for grants received by the Director's Office for the Montana Council on Developmental Disabilities to match available federal funds for the 2013 biennium.

DEPARTMENT OF LABOR & INDUSTRY-6602

Please note that this agency also contains proprietary funding (see Section P).



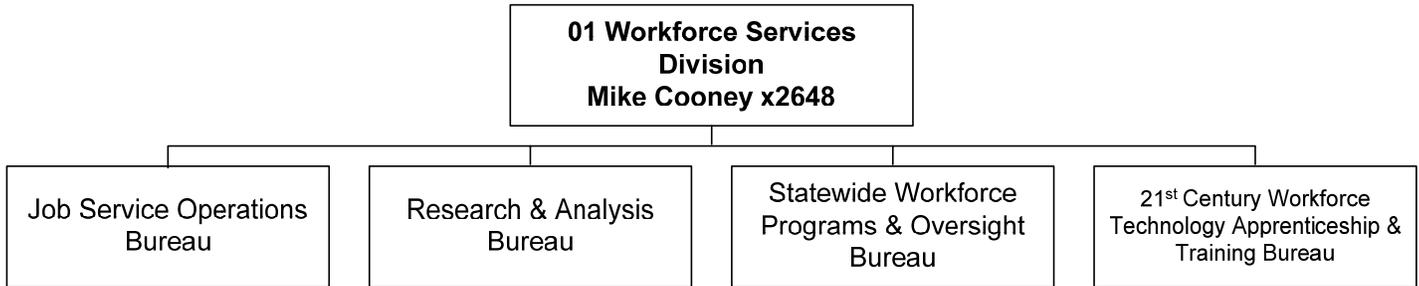
Mission Statement - The purpose of the Department of Labor and Industry is to promote the well-being of Montana's workers, employers, and citizens, and to uphold their rights and responsibilities.

Statutory Authority - Primarily Titles 18, 30, 37, 39, 49, 50, and 90, MCA, and the federal Corporation for National Service.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	755.10	0.00	2.12	757.22	0.00	2.12	757.22
Personal Services	37,392,570	4,856,926	91,959	42,341,455	4,849,055	91,742	42,333,367
Operating Expenses	20,324,240	2,778,396	15,973	23,118,609	2,870,884	15,851	23,210,975
Equipment & Intangible Assets	274,234	0	0	274,234	0	0	274,234
Grants	10,452,612	591,486	735,000	11,779,098	591,486	735,000	11,779,098
Benefits & Claims	103,300	0	0	103,300	0	0	103,300
Transfers	438,265	(186,358)	0	251,907	(186,358)	0	251,907
Debt Service	3,775	0	0	3,775	0	0	3,775
Total Costs	\$68,988,996	\$8,040,450	\$842,932	\$77,872,378	\$8,125,067	\$842,593	\$77,956,656
General Fund	2,308,627	187,036	(78,558)	2,417,105	197,719	(78,358)	2,427,988
State/Other Special	35,856,229	4,478,293	0	40,334,522	4,603,552	0	40,459,781
Federal Special	30,767,415	3,343,436	921,490	35,032,341	3,292,004	920,951	34,980,370
Proprietary	56,725	31,685	0	88,410	31,792	0	88,517
Total Funds	\$68,988,996	\$8,040,450	\$842,932	\$77,872,378	\$8,125,067	\$842,593	\$77,956,656

**DEPARTMENT OF LABOR & INDUSTRY-6602
WORK FORCE SERVICES DIVISION-01**

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Workforce Services Division (WSD) is a gateway to government services that include retraining and reemployment services for laid-off workers and employment and training services for people transitioning from welfare to work, as well as for youth, veterans, seasonal/migrant farm workers, and general job seekers. WSD operates through four bureaus. The Job Services Operations Bureau coordinates and guides the delivery of workforce development services to communities through a network of 25 Job Service Centers across the state. The 21st Century Workforce Technology, Apprenticeship & Training Bureau administers the Apprenticeship and Training Program, Jobs for Montana Graduates, Incumbent Worker Training Program, and the State Workforce Investment Board (SWIB). The Statewide Workforce Programs and Oversight Bureau performs oversight, regulatory, fiscal, tracking, registration, and support functions statewide for both State and Federal programs such as the State Displaced Homemaker Program, Employee Protection Act, Workforce Investment Act (WIA), Trade Adjustment Assistance (TAA) and MontanaWorks which is the automated system for Labor Exchange and Program Management. Finally, the Research and Analysis Bureau works in partnership with the US Department of Labor to provide labor market information that is used at the national and state level by businesses, policy makers, and educators. The bureau also provides k-adult career resources for use by educators, students, workforce development agencies, and job seekers.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	294.96	0.00	(0.88)	294.08	0.00	(0.88)	294.08
Personal Services	12,208,560	3,699,956	(78,558)	15,829,958	3,691,924	(78,358)	15,822,126
Operating Expenses	5,340,350	1,261,271	0	6,601,621	1,202,360	0	6,542,710
Equipment & Intangible Assets	50,261	0	0	50,261	0	0	50,261
Grants	7,993,376	591,486	735,000	9,319,862	591,486	735,000	9,319,862
Transfers	171,867	0	0	171,867	0	0	171,867
Total Costs	\$25,764,414	\$5,552,713	\$656,442	\$31,973,569	\$5,485,770	\$656,642	\$31,906,826
General Fund	763,335	149,965	(78,558)	834,742	153,060	(78,358)	838,037
State/Other Special	7,203,658	2,644,461	0	9,848,119	2,674,828	0	9,878,486
Federal Special	17,797,421	2,758,287	735,000	21,290,708	2,657,882	735,000	21,190,303
Total Funds	\$25,764,414	\$5,552,713	\$656,442	\$31,973,569	\$5,485,770	\$656,642	\$31,906,826

**DEPARTMENT OF LABOR & INDUSTRY-6602
WORK FORCE SERVICES DIVISION-01**

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$654,251	\$20,960
FY 2013	\$645,735	\$20,664

PL- 101 - WSD Indirect Rate Adjustment -

The Workforce Services Division is requesting \$654,251 for FY 2012 and \$645,735 for FY 2013 from general fund and state and federal special revenue to meet anticipated adjusted costs for the negotiated cost allocation plan and the Office of Information Technology (OIT) network support indirect cost rates.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$560,980	\$0
FY 2013	\$560,980	\$0

PL- 102 - Incumbent Worker Program -

This request is to restore the appropriation for the Incumbent Worker Program. The 21st Century Bureau experienced a delay in implementing the program; the amount requested equals the estimated unspent authority. The total amount requested is \$560,980 state special revenue in each year of the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$37,000	\$0
FY 2013	\$37,000	\$0

PL- 105 - Displaced Homemaker Increase -

Workforce Services Division is requesting \$37,000 state special revenue in each year of the 2013 biennium to expand the existing Displaced Homemaker Program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$7,429)	\$0
FY 2013	(\$7,429)	\$0

PL- 106 - Motor Pool Reduction -

The budget includes a cost reduction of \$7,429 state special and federal revenue in each year of the biennium to offset costs for one leased vehicle returned to Motor Pool in FY 2010.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$735,000	\$0
FY 2013	\$735,000	\$0

NP- 107 - Increased Federal Grant TAA -

The Workforce Services Division projects an increase to their initial federal award for Trade Adjustment Assistance (TAA) of \$735,000 over TAA base expenditures of \$3,512,367 in FY 2010. The initial TAA allocation has grown steadily over the last few biennia and most recently is estimated to show a 21 % increase for the federal FY 2011 grant.

**DEPARTMENT OF LABOR & INDUSTRY-6602
WORK FORCE SERVICES DIVISION-01**

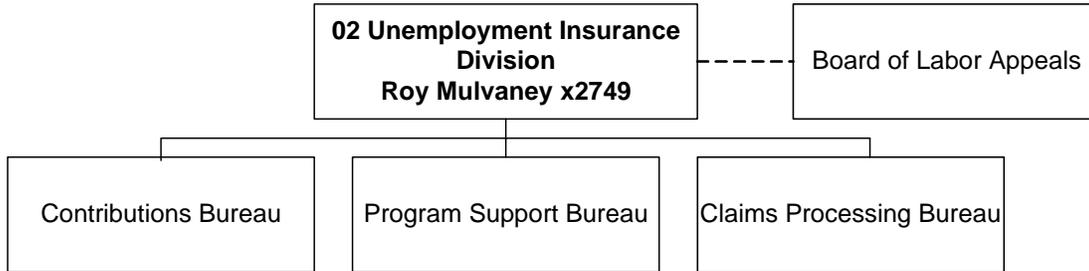
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$78,558)	(\$78,558)
FY 2013	(\$78,358)	(\$78,358)

NP- 55400 - 4% Personal Services Reduction -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Workforce Services Division by \$78,558 in FY 2012 and \$78,358 in FY 2013 to implement the budget reduction. The reduction includes the elimination of 0.88 FTE.

DEPARTMENT OF LABOR & INDUSTRY-6602 UNEMPLOYMENT INSURANCE DIVISION-02

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Unemployment Insurance (UI) Division administers the state unemployment insurance law and related federal programs, which provide temporary, partial wage replacement to unemployed workers. The bureaus are: Contributions, Claims Processing, and Program Support. The Contributions Bureau is responsible for UI employer registration, contribution rate assignments, tax and wage report collection, wage revisions, and employer audits. The Claims Processing Bureau has two claims processing centers (Billings and Helena) that file and process claims (monetary eligibility, issue investigation, adjudication, and employer charging), and respond to all UI claim related inquires. The Claims Processing Bureau is also responsible for Trade Readjustment Assistance, military, federal, and multi-state claims. The Program Support Bureau manages the information technology systems and infrastructure, the division budget and accounting, and the UI trust fund. They also provide management analysis and research for economic, program management, reporting, and legislative purposes in addition to operating tax and benefit quality control, benefit payment control, and integrity programs.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	153.00	0.00	3.00	156.00	0.00	3.00	156.00
Personal Services	7,734,008	263,709	170,517	8,168,234	268,021	170,100	8,172,129
Operating Expenses	4,396,957	705,457	15,973	5,118,387	749,132	15,851	5,161,940
Transfers	186,358	(186,358)	0	0	(186,358)	0	0
Debt Service	3,775	0	0	3,775	0	0	3,775
Total Costs	\$12,321,098	\$782,808	\$186,490	\$13,290,396	\$830,795	\$185,951	\$13,337,844
State/Other Special	3,444,602	271,822	0	3,716,424	274,025	0	3,718,627
Federal Special	8,876,496	510,986	186,490	9,573,972	556,770	185,951	9,619,217
Total Funds	\$12,321,098	\$782,808	\$186,490	\$13,290,396	\$830,795	\$185,951	\$13,337,844

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$106,158	\$0
FY 2013	\$102,276	\$0

PL- 201 - UI Indirect Rate Adjustment -

The Unemployment Insurance Division (UID) is requesting \$106,158 for FY 2012 and \$102,276 for FY 2013 from state and federal special revenue to meet anticipated adjusted costs for the negotiated cost allocation plan and the Office of Information Technology (OIT) network support indirect cost rates.

**DEPARTMENT OF LABOR & INDUSTRY-6602
UNEMPLOYMENT INSURANCE DIVISION-02**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$61,358)	\$0
FY 2013	(\$61,358)	\$0

PL- 202 - UI Operating Increase -

The Unemployment Insurance Division is requesting base adjustments in overtime and an increase related to workload which includes legal fees, interpreter services, Secretary of State Web access changes and bank service charges. This request also eliminates the funding for the UI bond payment. Final payment was made in FY 2011. The total decision package is a reduction in funding of (\$61,358) in FY 2012 and (\$61,358) in FY 2013. The increase in operating is funded by federal and state authority and the elimination of the bond payment is a reduction in federal authority.

-----**New Proposals**-----

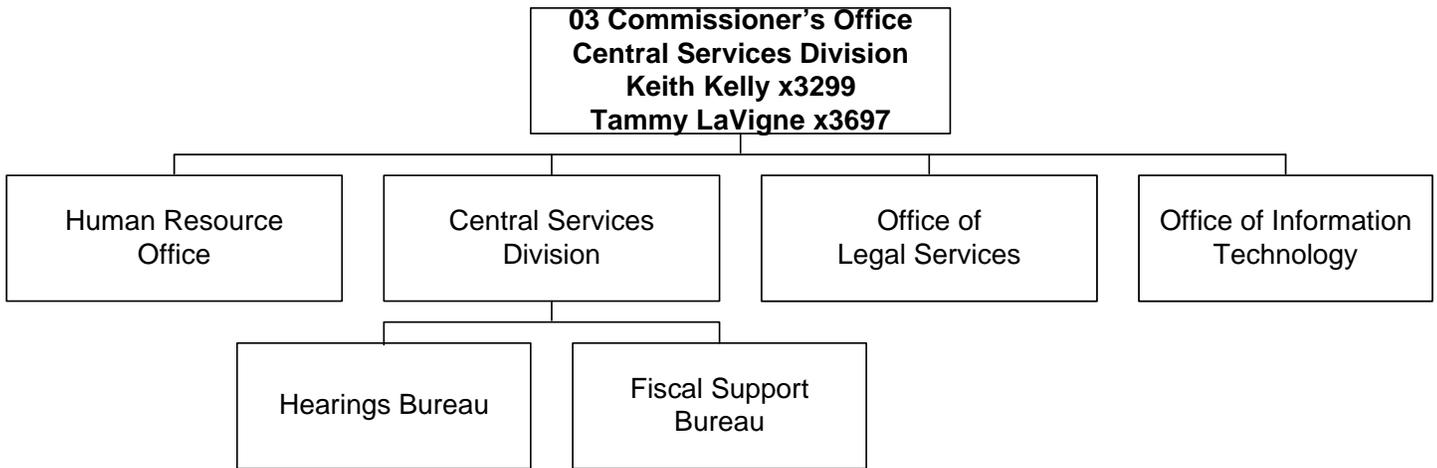
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$186,490	\$0
FY 2013	\$185,951	\$0

NP- 203 - UI Modernization -3 FTE -

The 2009 Legislature implemented new Unemployment Insurance law for Alternate Base Period, part time work, and 26 weeks of training. This decision package is requesting 3.00 permanent FTE and personal services funding of \$170,517 for FY 2012 and \$170,100 for FY 2013. The request includes operating and indirect costs totaling \$15,973 for FY 2012 and \$15,851 for FY 2013. The total request of the decision package for the biennium is \$372,441 of federal special funds. The law changes require ongoing fact finding and adjudication to make decisions pertinent to these laws.

**DEPARTMENT OF LABOR & INDUSTRY-6602
COMMISSIONER'S OFFICE/CSD-03**

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Commissioner's Office and the Centralized Services Division provide program direction, legal, administration, and support services to the department's five programs and two administratively attached entities.

Program Proposed Budget	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	17.00	0.00	0.00	17.00	0.00	0.00	17.00
Personal Services	1,113,947	111,129	0	1,225,076	113,849	0	1,227,796
Operating Expenses	352,356	53,145	0	405,501	53,298	0	405,654
Total Costs	\$1,466,303	\$164,274	\$0	\$1,630,577	\$167,147	\$0	\$1,633,450
General Fund	259,598	18,575	0	278,173	19,709	0	279,307
State/Other Special	618,326	65,270	0	683,596	67,012	0	685,338
Federal Special	531,654	48,744	0	580,398	48,634	0	580,288
Proprietary	56,725	31,685	0	88,410	31,792	0	88,517
Total Funds	\$1,466,303	\$164,274	\$0	\$1,630,577	\$167,147	\$0	\$1,633,450

-----Present Law Adjustments-----

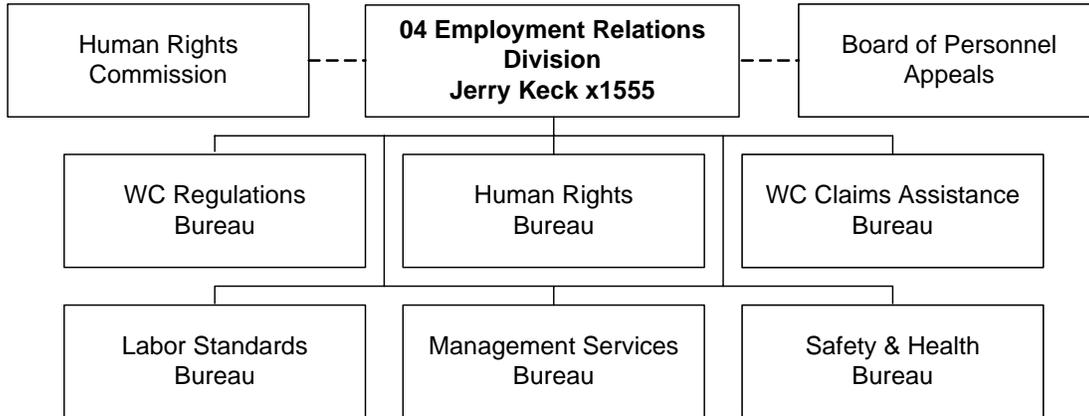
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$43,823	\$6,385
FY 2013	\$43,666	\$6,361

PL- 301 - CSD Indirect Rate Adjustment -

The Centralized Services Division (CSD) is requesting \$43,823 for FY 2012 and \$43,666 for FY 2013 to meet anticipated adjusted costs for the negotiated cost allocation plan and the Office of Information Technology (OIT) network support indirect cost rates.

DEPARTMENT OF LABOR & INDUSTRY-6602 EMPLOYMENT RELATIONS DIVISION-04

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Employment Relations Division (ERD) provides five service areas to the public: 1) Workers' Compensation (WC) Regulation Bureau, which regulates WC insurance coverage requirements, policy compliance, medical regulations, contractor registration, and independent contractor exemptions; 2) WC Claims Assistance Bureau, which assists organizations and individuals to arrive at early, less expensive settlements of their disputes, and provides management information on the workers' compensation system; 3) Labor Standards Bureau (and administratively attached Board of Personnel Appeals), which enforces state and federal labor laws related to the payment of wages and provides collective bargaining mediation; 4) Safety and Health Bureau, which administers federal and state industrial safety laws; and 5) Human Rights Bureau (and administratively attached Human Rights Commission), which enforces the Montana Human Rights Act and Governmental Code of Fair Practices through investigations, conciliation, hearings, and education. ERD also has one bureau, Management Services Bureau, which provides administrative and IT support to the other five bureaus.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	129.10	0.00	0.00	129.10	0.00	0.00	129.10
Personal Services	7,594,217	201,941	0	7,796,158	200,447	0	7,794,664
Operating Expenses	4,226,224	254,202	0	4,480,426	275,068	0	4,501,292
Benefits & Claims	103,300	0	0	103,300	0	0	103,300
Total Costs	\$11,923,741	\$456,143	\$0	\$12,379,884	\$475,515	\$0	\$12,399,256
General Fund	1,162,774	17,753	0	1,180,527	23,948	0	1,186,722
State/Other Special	10,049,157	437,066	0	10,486,223	446,196	0	10,495,353
Federal Special	711,810	1,324	0	713,134	5,371	0	717,181
Total Funds	\$11,923,741	\$456,143	\$0	\$12,379,884	\$475,515	\$0	\$12,399,256

**DEPARTMENT OF LABOR & INDUSTRY-6602
EMPLOYMENT RELATIONS DIVISION-04**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$78,654	\$9,491
FY 2013	\$75,296	\$9,274

PL- 401 - ERD indirect rate adjustment -

The Employment Relations Division (ERD) is requesting \$78,654 for FY 2012 and \$75,296 for FY 2013 from general fund and special revenue funds to meet anticipated adjusted costs for the negotiated cost allocation plan and the Office of Information Technology (OIT) network support indirect cost rates.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$131,000	\$0
FY 2013	\$131,000	\$0

PL- 402 - Utilization and Treatment Guidelines -

The Employment Relations Division is requesting \$131,000 in state special revenue for each year of the biennium which will provide funding for a contract to maintain a web-based utilization and treatment guideline. These guidelines will be used by medical providers and workers' compensation insurers in determining best evidence based treatments for injured workers. Implementation of the utilization and treatment guidelines will provide substantial reductions in the costs of medical care for injured workers while insuring that the most appropriate care is delivered in a timely manner.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$3,016	\$0
FY 2013	\$18,985	\$0

PL- 404 - ERD General Operating Increase -

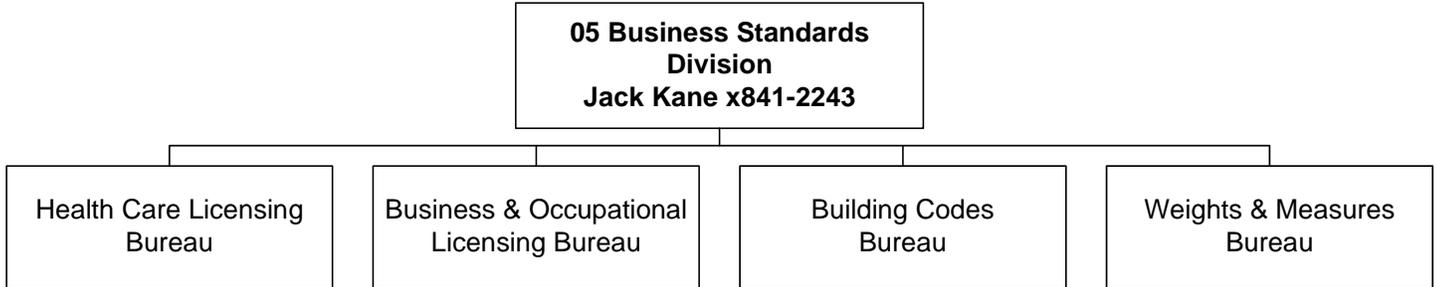
The budget includes \$3,016 in FY 2012 and \$18,985 in FY 2013 in state special and federal revenues for off campus rent increase.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$5,803)	\$0
FY 2013	(\$5,803)	\$0

PL- 405 - Motor Pool Reduction -

This decision package reflects a reduction of \$5,803 in each year of the biennium in state special revenue to offset costs for one vehicle returned in FY 2010 to Motor Pool. This is a scaled cost savings and the result of a newly implemented auto sharing policy for the division.

**DEPARTMENT OF LABOR & INDUSTRY-6602
BUSINESS STANDARDS DIVISION-05**



Program Description - The Business Standards Division consists of four bureaus: Building Codes Bureau, Weights & Measures Bureau, Health Care Licensing Bureau (HCLB), and Business & Occupational Licensing Bureau (BOLB). The Building Codes Bureau establishes and enforces minimum building, plumbing, mechanical, electrical, energy, elevator, and boiler codes throughout Montana. The bureau approves and certifies local government code enforcement programs adopted by the bureau and also assists the Board of Plumbers and State Electrical Board with license law enforcement by checking for proper licensing when inspecting projects for code compliance. The bureau also provides administrative, clerical, and compliance support for 5 licensing programs. The Weights & Measures Bureau is responsible for licensing, inspecting, testing, and certifying all weighing and measuring devices used in making commercial transactions in Montana and enforces laws and regulations pertaining to the quantity control of prepackaged goods, the quality control of petroleum products, and is responsible for maintaining the state standards of mass and volume applied when calibrating other mass and volume standards used in testing commercial devices. The HCLB provides administrative, clerical, and compliance support for 22 licensing boards and 1 program that license professionals and individuals working in the health care field. The licensing boards and program in HCLB include 130 board members and 8 advisory council members appointed by the Governor. The BOLB provides administrative, clerical, and compliance support for 11 licensing boards and 1 licensing program that license professionals and individuals working in non-health-care-related professions and occupations. The licensing boards in BOLB include 78 board members appointed by the Governor.

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2010	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2012	Fiscal 2012	Fiscal 2012	Fiscal 2013	Fiscal 2013	Fiscal 2013
FTE	150.04	0.00	0.00	150.04	0.00	0.00	150.04
Personal Services	8,009,302	543,290	0	8,552,592	539,634	0	8,548,936
Operating Expenses	5,625,658	484,238	0	6,109,896	569,265	0	6,194,923
Equipment & Intangible Assets	223,973	0	0	223,973	0	0	223,973
Grants	15,136	0	0	15,136	0	0	15,136
Total Costs	\$13,874,069	\$1,027,528	\$0	\$14,901,597	\$1,108,899	\$0	\$14,982,968
State/Other Special	13,861,604	1,027,320	0	14,888,924	1,108,695	0	14,970,299
Federal Special	12,465	208	0	12,673	204	0	12,669
Total Funds	\$13,874,069	\$1,027,528	\$0	\$14,901,597	\$1,108,899	\$0	\$14,982,968

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$205,157	\$0
FY 2013	\$201,359	\$0

PL- 501 - BSD Indirect Rate Adjustment -

The Business Standards Division (BSD) is requesting \$205,157 for FY 2012 and \$201,359 for FY 2013 state special revenue to meet anticipated adjusted costs for the negotiated cost allocation plan and the Office of Information Technology (OIT) network support indirect cost rates.

**DEPARTMENT OF LABOR & INDUSTRY-6602
BUSINESS STANDARDS DIVISION-05**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$48,192	\$0
FY 2013	\$120,147	\$0

PL- 503 - BSD General Operating Increase -

The Business Standards Division is requesting \$48,192 in FY 2012 and \$120,147 in FY 2013 in state special revenue. All operating increases are needed to meet division's operational costs in the FY 2013 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$97,824	\$0
FY 2013	\$102,047	\$0

PL- 504 - BSD Consulting Increase -

The Business Standards Division is requesting \$97,824 in FY 2012 and \$102,047 in FY 2013 in state special revenue to cover the increase in consultant and professional services for the licensing boards. Total obligation for FY 2012 is \$621,140 and FY 2013 is \$625,363, of which \$523,316 is built into the base budget leaving an outstanding balance of \$97,824 in FY 2012 and \$102,047 in FY 2013.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$100,000	\$0
FY 2013	\$100,000	\$0

PL- 505 - BSD Data Base Maintenance -

This decision package requests \$100,000 for each year of the biennium state special revenue to cover the maintenance contract for the new Accela database system purchased in FY 2010. Total obligation for this contract is \$500,000 of which \$400,000 was built into base in FY 2010, leaving an outstanding obligation of \$100,000 for each year of the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$10,439)	\$0
FY 2013	(\$10,439)	\$0

PL- 506 - BSD Motor Pool Reduction -

The budget includes a reduction of \$10,439 each year of the biennium in state special revenue to offset costs for one vehicle returned in FY 2011 to Motor Pool.

**DEPARTMENT OF LABOR & INDUSTRY-6602
OFFICE OF COMMUNITY SERVICES-07**

**07 Office of Community
Services
Jan Lombardi x2573**

Program Description - The Office of Community Services provides administration for the Corporation for National and Community Service AmeriCorps State programs, community service, and volunteer efforts statewide. The office was created by the 1993 Legislature, at the request of the Governor, to engage citizens in service and support volunteer opportunities focused on critical community needs. The office works with the Montana Commission on Community Service to promote civic engagement, particularly among youth and older Montanans.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00
Personal Services	257,803	9,414	0	267,217	8,751	0	266,554
Operating Expenses	217,616	15,560	0	233,176	15,713	0	233,329
Grants	2,444,100	0	0	2,444,100	0	0	2,444,100
Transfers	80,040	0	0	80,040	0	0	80,040
Total Costs	\$2,999,559	\$24,974	\$0	\$3,024,533	\$24,464	\$0	\$3,024,023
General Fund	122,920	743	0	123,663	1,002	0	123,922
State/Other Special	39,070	344	0	39,414	319	0	39,389
Federal Special	2,837,569	23,887	0	2,861,456	23,143	0	2,860,712
Total Funds	\$2,999,559	\$24,974	\$0	\$3,024,533	\$24,464	\$0	\$3,024,023

**DEPARTMENT OF LABOR & INDUSTRY-6602
WORKERS' COMPENSATION COURT-09**

09 Workers Compensation Court Judge James Jeremiah Shea x7794
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Program Description - The Workers' Compensation Court provides a venue for Montana employees, employers, and the insurance industry to resolve disputes arising from work-related injuries and occupational diseases. The Court is attached to the department for administrative purposes only.

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2010	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2012	Fiscal 2012	Fiscal 2012	Fiscal 2013	Fiscal 2013	Fiscal 2013
FTE	7.00	0.00	0.00	7.00	0.00	0.00	7.00
Personal Services	474,733	27,487	0	502,220	26,429	0	501,162
Operating Expenses	165,079	4,523	0	169,602	6,048	0	171,127
Total Costs	\$639,812	\$32,010	\$0	\$671,822	\$32,477	\$0	\$672,289
State/Other Special	639,812	32,010	0	671,822	32,477	0	672,289
Total Funds	\$639,812	\$32,010	\$0	\$671,822	\$32,477	\$0	\$672,289

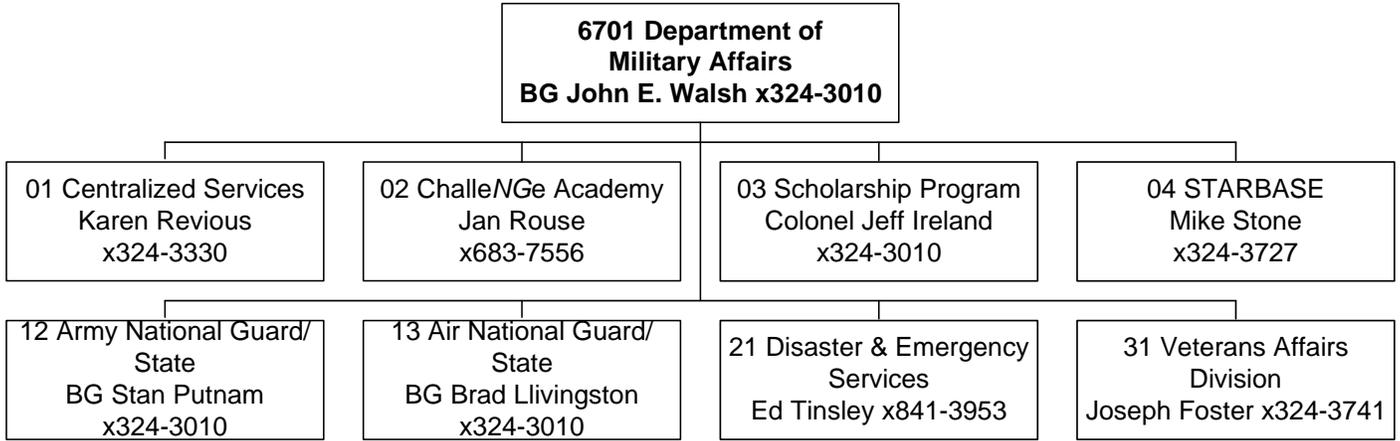
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$3,408	\$0
FY 2013	\$4,800	\$0

PL- 902 - WCC General Operating Increase -

The Workers' Compensation Court is requesting \$3,408 in FY 2012 and \$4,800 in FY 2013 in state special revenue for an off campus rent increase.

DEPARTMENT OF MILITARY AFFAIRS-6701

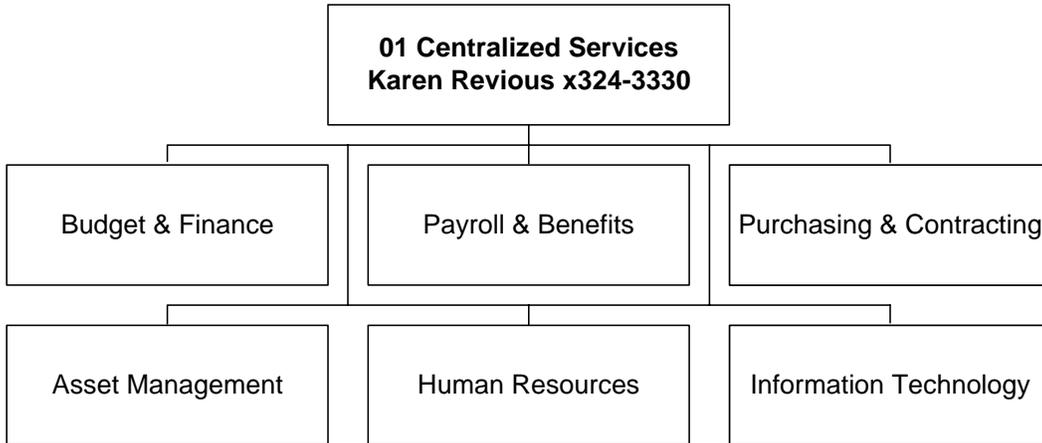


Mission Statement - To provide for safety and well being for citizens of Montana through mission-ready forces, for federal and state activations, emergency services as directed by the Governor, and services to Montana Veterans.

Statutory Authority - Article I, U.S. Constitution;
Article VI, Section 13, Montana Constitution;
Title 10, MCA

Agency Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2010	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2012	Fiscal 2012	Fiscal 2012	Fiscal 2013	Fiscal 2013	Fiscal 2013
FTE	192.66	0.00	1.16	193.82	0.00	1.16	193.82
Personal Services	10,767,265	265,508	151,595	11,184,368	281,276	161,440	11,209,981
Operating Expenses	14,815,955	791,586	3,000	15,610,541	743,673	3,000	15,562,628
Equipment & Intangible Assets	357,423	0	0	357,423	0	0	357,423
Grants	5,265,505	102,000	0	5,367,505	102,000	0	5,367,505
Benefits & Claims	2,280	0	0	2,280	0	0	2,280
Transfers	441,549	0	0	441,549	0	0	441,549
Total Costs	\$31,649,977	\$1,159,094	\$154,595	\$32,963,666	\$1,126,949	\$164,440	\$32,941,366
General Fund	5,612,637	121,941	(112,287)	5,622,291	113,623	(112,338)	5,613,922
State/Other Special	1,127,398	256,488	0	1,383,886	238,975	0	1,366,373
Federal Special	24,909,942	780,665	266,882	25,957,489	774,351	276,778	25,961,071
Total Funds	\$31,649,977	\$1,159,094	\$154,595	\$32,963,666	\$1,126,949	\$164,440	\$32,941,366

**DEPARTMENT OF MILITARY AFFAIRS-6701
CENTRALIZED SERVICES DIVISION-01**



Program Description - The Centralized Services Division provides departmental administration through the Office of the Adjutant General and department-wide support for accounting, fiscal management, personnel, labor relations, and purchasing and property management oversight. The program operates in accordance with Title 2, Chapter 15, part 12 and Title 10, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	12.20	0.00	(0.44)	11.76	0.00	(0.44)	11.76
Personal Services	792,410	108,140	(23,054)	877,496	109,395	(23,087)	878,718
Operating Expenses	90,224	2,120	0	92,344	(3,157)	0	87,067
Equipment & Intangible Assets	0	0	0	0	0	0	0
Benefits & Claims	2,280	0	0	2,280	0	0	2,280
Total Costs	\$884,914	\$110,260	(\$23,054)	\$972,120	\$106,238	(\$23,087)	\$968,065
General Fund	632,072	37,627	(23,054)	646,645	33,211	(23,087)	642,196
Federal Special	252,842	72,633	0	325,475	73,027	0	325,869
Total Funds	\$884,914	\$110,260	(\$23,054)	\$972,120	\$106,238	(\$23,087)	\$968,065

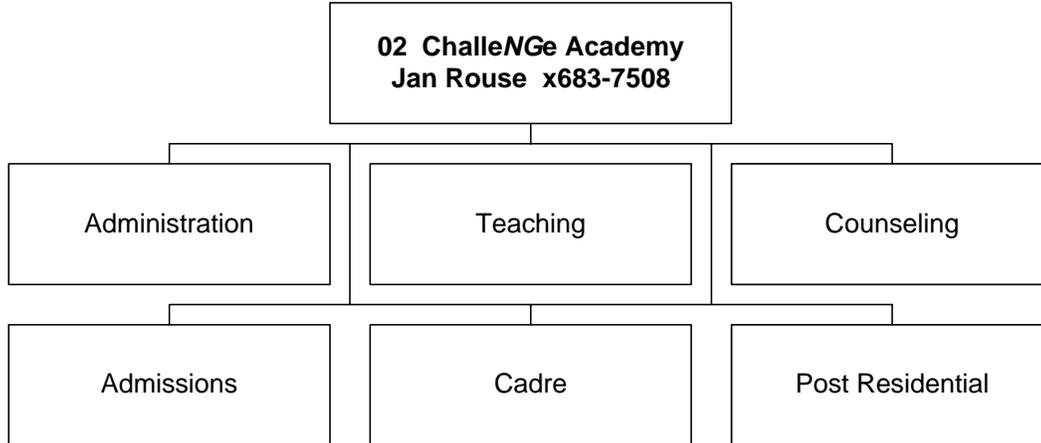
-----Other Legislation Required to Implement HB2-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$23,054)	(\$23,054)
FY 2013	(\$23,087)	(\$23,087)

NP- 55400 - 4% Personal Services Reduction Centralized Service -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Centralized Service program general fund by \$23,054 in FY 2012 and \$23,0887 in FY 2013 to implement the budget reduction. The reduction includes the elimination of 0.44 FTE.

**DEPARTMENT OF MILITARY AFFAIRS-6701
CHALLENGE PROGRAM-02**



Program Description - The Montana National Guard Youth Challenge Program is a volunteer program for youth ages 16 to 18 who have stopped attending secondary school before graduating. Challenge is a 17-month, voluntary two-phased military modeled training program targeting unemployed, drug-free, and crime-free high school dropouts. The program provides an opportunity for high school "at risk" youth to enhance their life skills, increase their educational levels, and their employment potential. Phase I of the program is a 22 week residential stay on the campus of Western Montana College of the University of Montana in Dillon focusing on physical training, classroom instruction, personal development, and life skills. Phase II is a year-long mentoring relationship with a specially-trained member of the community where the youth resides to provide a positive role model and to assist the student in gaining employment or enrolling in post-secondary schooling.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	49.15	0.00	(1.50)	47.65	0.00	(1.50)	47.65
Personal Services	2,166,300	(5,203)	(84,868)	2,076,229	(4,829)	(84,868)	2,076,603
Operating Expenses	1,092,570	219,713	0	1,312,283	215,612	0	1,308,182
Total Costs	\$3,258,870	\$214,510	(\$84,868)	\$3,388,512	\$210,783	(\$84,868)	\$3,384,785
General Fund	1,264,643	(408,800)	(21,217)	834,626	(409,729)	(21,218)	833,696
State/Other Special	0	0	0	0	0	0	0
Federal Special	1,994,227	623,310	(63,651)	2,553,886	620,512	(63,650)	2,551,089
Total Funds	\$3,258,870	\$214,510	(\$84,868)	\$3,388,512	\$210,783	(\$84,868)	\$3,384,785

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$40,000	\$10,000
FY 2013	\$40,000	\$10,000

PL- 201 - Funding for Challenge 24/7 overtime -

The Montana Youth Challenge Academy is requesting \$10,000 general fund and \$30,000 federal special revenue in each year of the biennium to support overtime and holiday salaries. These costs are zero based and not included in the program's base budget. These costs are caused because the program is required to have staff coverage 24 hours a day, 7 days a week.

**DEPARTMENT OF MILITARY AFFAIRS-6701
CHALLENGE PROGRAM-02**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$70,000	\$17,500
FY 2013	\$70,000	\$17,500

PL- 202 - Funding for increase in food service contract. -

The Montana Youth Challenge Academy is requesting funding to cover increased food service costs for students due to a \$ 70,000 increase in the annual maximum amount payable for food service to the University of Montana - Western. Due to an increase in the number of students this maximum will be reached. Funding for the request is \$17,500 general fund and \$52,500 federal funds each year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$50,000	\$0
FY 2013	\$50,000	\$0

PL- 203 - Federal spending authority for Challenge training -

The budget includes \$50,000 federal special revenue each year of the biennium for ChalleNGe employees to participate in essential training classes required by National Guard Bureau. These federal funds do not require any state matching funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$120,000	\$30,000
FY 2013	\$120,000	\$30,000

PL- 204 - Funding for increased enrollment and educational resources -

This decision package is includes \$30,000 general fund and \$90,000 federal funds each year of the biennium to cover costs of higher student enrollment, restoration of services to students, and increasing educational opportunities and classroom resources.

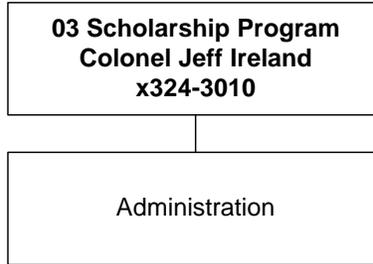
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$84,868)	(\$21,217)
FY 2013	(\$84,868)	(\$21,218)

NP- 55400 - 4% Personal Services Reduction ChalleNGe -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the ChalleNGe program general fund by \$21,217 in FY 2012 and \$21,218 in FY 2013 to implement the budget reduction. Federal funds will also be reduced by \$63,651 in FY 2012 and \$63,650 in FY 2013. The reduction includes the elimination of 1.50 FTE.

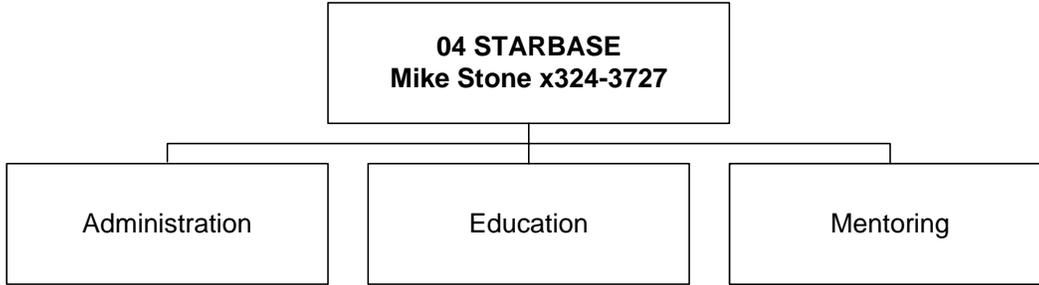
**DEPARTMENT OF MILITARY AFFAIRS-6701
SCHOLARSHIP PROGRAM-03**



Program Description - The Montana National Guard Scholarship Program provides scholarships to eligible Montana National Guard personnel enrolled as undergraduate students in Montana colleges, universities, or training programs. The program assists Montana in recruiting and retaining personnel in both the Army and Air National Guard and in enhancing its operational readiness to assume both state and federal active duty missions. Scholarships also reward guard members for their service to the state by helping defray their educational costs at Montana post-secondary institutions.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	209,408	0	0	209,408	0	0	209,408
Total Costs	\$209,408	\$0	\$0	\$209,408	\$0	\$0	\$209,408
General Fund	209,408	0	0	209,408	0	0	209,408
Total Funds	\$209,408	\$0	\$0	\$209,408	\$0	\$0	\$209,408

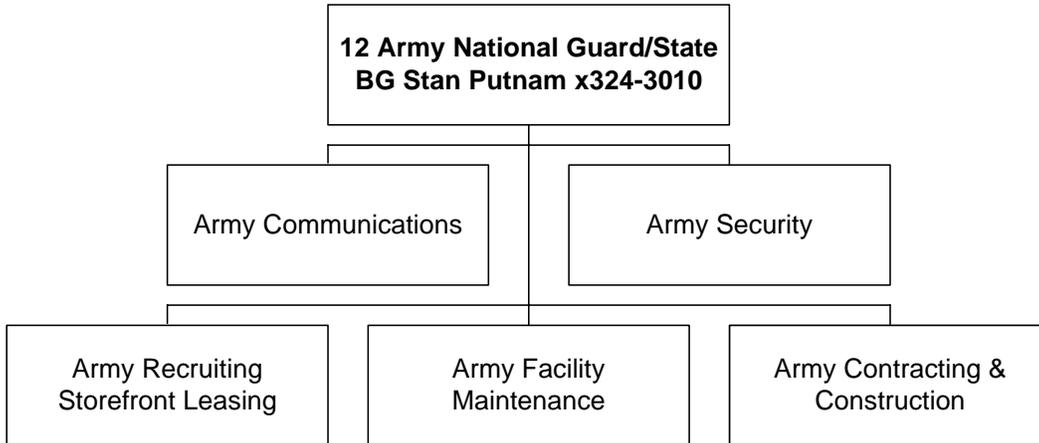
**DEPARTMENT OF MILITARY AFFAIRS-6701
STARBASE-04**



Program Description - The Montana STARBASE “Big Sky” Program is a program for elementary school aged children to raise the interest and improve the knowledge and skills of at-risk youth in math, science, and technology by exposing them and their teachers to real world applications of math and science through experimental learning, simulations, experiments in aviation and space-related fields as it deals with a technological environment and by utilizing the positive role models found on military bases and installations. The program also addresses drug use prevention, health, self esteem, and life skills with a math and science based program.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	2.00	0.00	0.00	2.00	0.00	0.00	2.00
Personal Services	118,498	17,459	0	135,957	17,931	0	136,429
Operating Expenses	180,312	(269)	0	180,043	(838)	0	179,474
Total Costs	\$298,810	\$17,190	\$0	\$316,000	\$17,093	\$0	\$315,903
Federal Special	298,810	17,190	0	316,000	17,093	0	315,903
Total Funds	\$298,810	\$17,190	\$0	\$316,000	\$17,093	\$0	\$315,903

**DEPARTMENT OF MILITARY AFFAIRS-6701
ARMY NATIONAL GUARD PROGRAM-12**



Program Description - The Army National Guard until federalized, is a state military organization which provides trained and equipped military units for use in the event of a state or national emergency. The federal/state cooperative agreement provides funding for facilities management, environmental, and communications support to the organization by: 1) providing professional and skilled personnel for the administration, planning, and execution of statewide repair and maintenance functions on facilities and training areas; 2) planning, programming and contracting for construction; 3) ensuring all activities and facilities comply with environmental regulations; and 4) providing state-wide communication services, security contracts, and leases for buildings and land used by the Army National Guard. The program is mandated by the U.S. and Montana constitutions and Title 10, Chapters 1-3, MCA.

Program Proposed Budget	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	42.31	0.00	(0.50)	41.81	0.00	(0.50)	41.81
Personal Services	2,550,228	55,439	(4,740)	2,600,927	59,912	(4,744)	2,605,396
Operating Expenses	10,719,283	468,243	0	11,187,526	452,269	0	11,171,552
Equipment & Intangible Assets	357,423	0	0	357,423	0	0	357,423
Total Costs	\$13,626,934	\$523,682	(\$4,740)	\$14,145,876	\$512,181	(\$4,744)	\$14,134,371
General Fund	1,224,762	407,585	(4,740)	1,627,607	406,225	(4,744)	1,626,243
Federal Special	12,402,172	116,097	0	12,518,269	105,956	0	12,508,128
Total Funds	\$13,626,934	\$523,682	(\$4,740)	\$14,145,876	\$512,181	(\$4,744)	\$14,134,371

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$343,016	\$68,658
FY 2013	\$343,016	\$68,658

PL- 1201 - Operational Support for New ARNG Facilities -

This request is for additional funding to support the operational costs of Army National Guard facilities which will come on line after the base year and for those which were not fully funded in the base year. This includes funds to provide a basic level of janitorial services in common use spaces such as latrines and in corridors. It also funds items such as utilities, ground maintenance, and code required inspections (such as fire sprinkler, fire alarm, and kitchen hood inspections).

For facilities that are replacements for buildings which already exist, this request only funds the difference between the old building costs and the estimated costs for the new building.

**DEPARTMENT OF MILITARY AFFAIRS-6701
ARMY NATIONAL GUARD PROGRAM-12**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$4,000	\$4,000
FY 2013	\$4,000	\$4,000

PL- 1202 - Operation & Maintenance of DES Generator -

The budget includes \$4,000 general fund each year for operations and maintenance of the original Disaster and Emergency Services (DES) emergency backup generator.

-----**New Proposals**-----

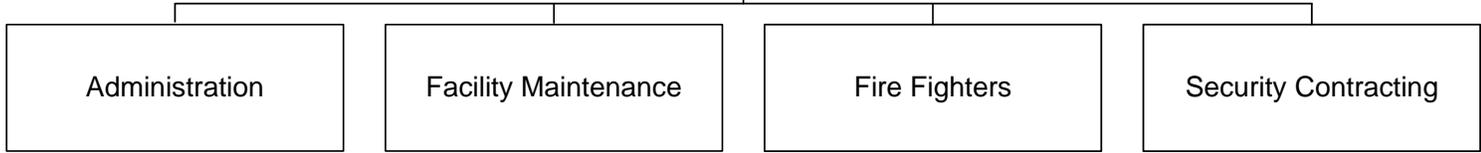
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$4,740)	(\$4,740)
FY 2013	(\$4,744)	(\$4,744)

NP- 55400 - 4% Personal Services Reduction Army Program -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Army National Guard general fund by \$4,740 in FY 2012 and \$4,744 in FY 2013 to implement the budget reduction. The reduction includes the elimination of 0.50 FTE.

**DEPARTMENT OF MILITARY AFFAIRS-6701
AIR NATIONAL GUARD PROGRAM-13**

13 Air National Guard/State
BG Brad Livingston
x324-3010



Program Description - The Air National Guard, until federalized, is a state military organization which provides trained and equipped military units for use in the event of a state or national emergency. The federal/state cooperative agreement provides for administrative, facilities maintenance, security, and fire protection support to the Air National Guard base at Gore Hill near Great Falls. The Air National Guard program operates under both federal and state mandates in accordance with its dual missions and is mandated by the United States and Montana Constitutions and Title 10, Chapter 1-3, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	34.00	0.00	5.60	39.60	0.00	5.60	39.60
Personal Services	2,125,758	154,055	349,607	2,629,420	162,834	359,505	2,648,097
Operating Expenses	1,740,739	3,056	3,000	1,746,795	9,980	3,000	1,753,719
Total Costs	\$3,866,497	\$157,111	\$352,607	\$4,376,215	\$172,814	\$362,505	\$4,401,816
General Fund	362,348	17,630	(5,575)	374,403	19,814	(5,579)	376,583
Federal Special	3,504,149	139,481	358,182	4,001,812	153,000	368,084	4,025,233
Total Funds	\$3,866,497	\$157,111	\$352,607	\$4,376,215	\$172,814	\$362,505	\$4,401,816

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$333,940	\$0
FY 2013	\$339,485	\$0

PL- 1301 - Federal Authority for 24/7 Firefighter Salaries -

The budget includes 100% federal spending authority of \$333,940 in FY 2012 and \$339,485 in FY 2013 for the overtime, regular hours over 40 per week and related benefit costs incurred by the Air National Guard Firefighters in Great Falls. Costs for overtime and regular hours over 40 per week are zero based and are not captured in the personnel services snapshot used for the initial budget preparation.

**DEPARTMENT OF MILITARY AFFAIRS-6701
AIR NATIONAL GUARD PROGRAM-13**

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$373,002	\$0
FY 2013	\$382,860	\$0

NP- 1302 - Federal Authority for New Fire FTEs -

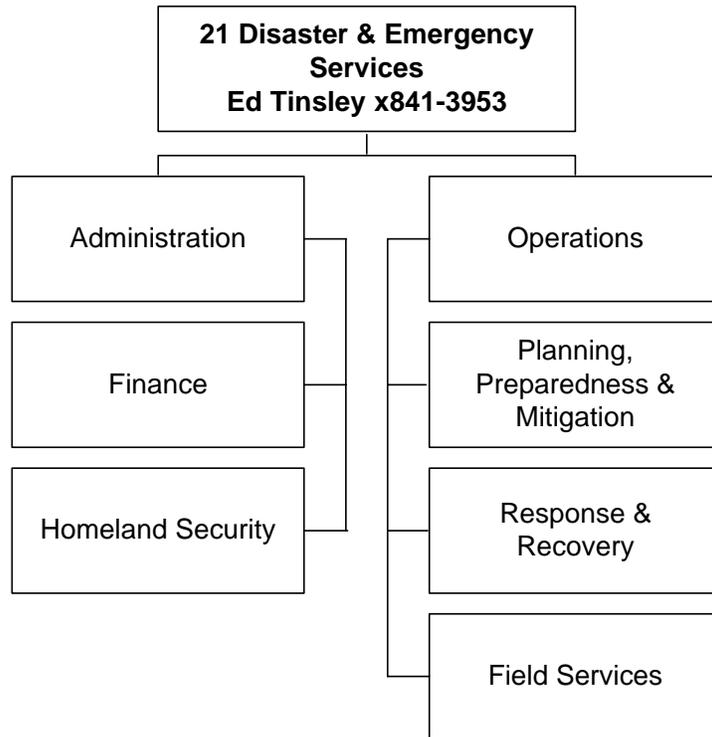
The Executive recommends an increase of \$373,002 in FY 2012 and \$382,860 in FY 2013 of 100% Federal spending authority to permanently increase Air National Guard firefighter staffing by 6.00 FTE. The National Guard Bureau notified the Montana Air National Guard in August 2010 that the manpower standard for the base has been permanently increased from 24 FTE to 30 FTE, effective 1 October 2010, in support of the Air National Guard mission and joint use requirements with the Great Falls International Airport.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$20,395)	(\$5,575)
FY 2013	(\$20,355)	(\$5,579)

NP- 55400 - 4% Personal Services Reduction Air Program -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Air National Guard general fund by \$5,575 in FY 2012 and \$5,579 in FY 2013 to implement the budget reduction. Federal funds will also be reduced by \$14,820 in FY 2012 and \$14,776 in FY 2013. The reduction includes the elimination of 0.40 FTE.

**DEPARTMENT OF MILITARY AFFAIRS-6701
DISASTER & EMERGENCY SERVICES-21**



Program Description - The Disaster and Emergency Services Division duties and responsibilities are provided for under Title 10, Chapter 3, MCA. The division is responsible for the coordination, development and implementation of emergency management planning, mitigation, response, and recovery statewide. This responsibility includes the administration and disbursement of federal Homeland Security and Emergency Management funds to eligible political subdivisions and tribal nations across the state. The division maintains a 24 hour a day point of contact to coordinate the volunteer, state, and federal response for assistance to political subdivisions and tribal nations in the event of an incident, emergency, or disaster.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	23.00	0.00	(1.00)	22.00	0.00	(1.00)	22.00
Personal Services	1,600,472	(159,102)	(55,298)	1,386,072	(158,857)	(55,312)	1,386,303
Operating Expenses	412,625	45,128	0	457,753	19,141	0	431,766
Grants	5,265,505	102,000	0	5,367,505	102,000	0	5,367,505
Transfers	441,549	0	0	441,549	0	0	441,549
Total Costs	\$7,720,151	(\$11,974)	(\$55,298)	\$7,652,879	(\$37,716)	(\$55,312)	\$7,627,123
General Fund	1,051,209	17,072	(27,649)	1,040,632	18,521	(27,656)	1,042,074
State/Other Special	211,200	159,000	0	370,200	139,000	0	350,200
Federal Special	6,457,742	(188,046)	(27,649)	6,242,047	(195,237)	(27,656)	6,234,849
Total Funds	\$7,720,151	(\$11,974)	(\$55,298)	\$7,652,879	(\$37,716)	(\$55,312)	\$7,627,123

**DEPARTMENT OF MILITARY AFFAIRS-6701
DISASTER & EMERGENCY SERVICES-21**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$38,976	\$19,488
FY 2013	\$38,976	\$19,488

PL- 2101 - DES Duty Officer Overtime -

The budget includes funding for the overtime salary and benefits costs incurred by the DES Duty Officers to provide 24 hour, 7 days a week disaster & emergency response. Overtime costs are zero based and are not captured in the personnel services snapshot used for the initial budget preparation. Requested funds include \$19,488 general fund and a like amount of federal funds each year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$159,000	\$0
FY 2013	\$139,000	\$0

PL- 2102 - State Special Revenue Spending Authority -

The division requests \$159,000 in FY 2012 and \$139,000 in FY 2013 of state special revenue authority. Funding will be used to fund original costs incurred prior to reimbursement from other states under the Emergency Management Assistance Compact (EMAC). Funding will also be used to reimburse county sheriffs and local search and rescue missions, training, and equipment. Funding is also requested to expend funds collected for the emergency preparedness summit and the DES training conference.

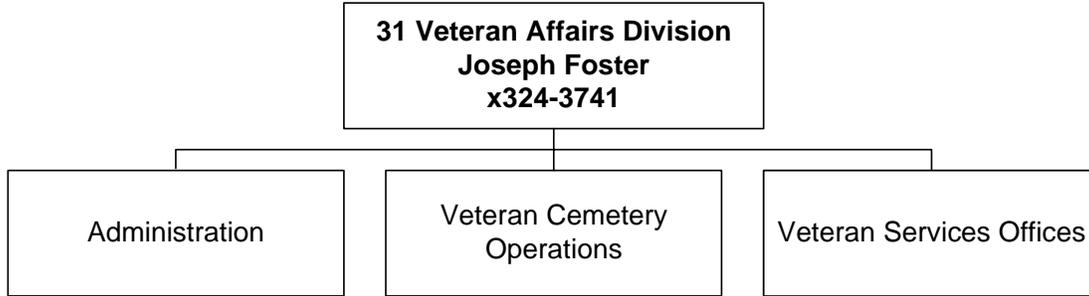
-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$55,298)	(\$27,649)
FY 2013	(\$55,312)	(\$27,656)

NP- 55400 - 4% Personal Services Reduction DES -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Disaster & Emergency Services general fund by \$27,649 in FY 2012 and \$27,656 in FY 2013 to implement the budget reduction. Federal funds will also be reduced by \$27,649 in FY 2012 and \$27,656 in FY 2013. The reduction includes the elimination of 1.00 FTE.

**DEPARTMENT OF MILITARY AFFAIRS-6701
VETERANS' AFFAIRS PROGRAM-31**



Program Description - The Veterans Affairs Division assists discharged veterans and their families, cooperates with state and federal agencies, promotes the general welfare of veterans, and provides information on veterans' benefits. The program also administers the veterans' cemeteries located at Miles City, Fort Harrison, in Helena and Missoula. The Board of Veterans' Affairs is administratively attached to the Department of Military Affairs, and operates under a state mandate provided in Title 10, Chapter 2, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013
FTE	30.00	0.00	(1.00)	29.00	0.00	(1.00)	29.00
Personal Services	1,413,599	94,720	(30,052)	1,478,267	94,890	(30,054)	1,478,435
Operating Expenses	370,794	53,595	0	424,389	50,666	0	421,460
Equipment & Intangible Assets	0	0	0	0	0	0	0
Total Costs	\$1,784,393	\$148,315	(\$30,052)	\$1,902,656	\$145,556	(\$30,054)	\$1,899,895
General Fund	868,195	50,827	(30,052)	888,970	45,581	(30,054)	883,722
State/Other Special	916,198	97,488	0	1,013,686	99,975	0	1,016,173
Total Funds	\$1,784,393	\$148,315	(\$30,052)	\$1,902,656	\$145,556	(\$30,054)	\$1,899,895

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	\$75,000	\$0
FY 2013	\$75,000	\$0

PL- 3101 - Spending authority for Patriotic Plates -

The division requests spending authority for the Patriot license plate special revenue account. The funding will be used for staff training, operational support, and state veterans service organization projects of mutual support including - homeless veteran stand downs and outreach programs.

**DEPARTMENT OF MILITARY AFFAIRS-6701
VETERANS' AFFAIRS PROGRAM-31**

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2012	(\$30,052)	(\$30,052)
FY 2013	(\$30,054)	(\$30,054)

NP- 55400 - 4% Personal Services Reduction Veterans Affairs -

The Governor has included a 4% reduction in general fund personal services budgets as a part of his budget recommendations. This decision package reduces the Veterans Affairs general fund by \$30,052 in FY 2012 and \$30,054 in FY 2013 to implement the budget reduction. The reduction includes the elimination of 1.00 FTE.