

OFFICE OF THE GOVERNOR
STATE OF MONTANA

STEVE BULLOCK
GOVERNOR



PO Box 200801
HELENA, MONTANA 59620-0801

TO: Amy Carlson, Legislative Fiscal Analyst
Legislative Fiscal Division

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

DATE: December 15, 2014

RE: Amendments to Governor Bullock's 2017 Biennium Executive Budget

In accordance with 17-7-112, MCA, I am submitting the following formal written amendments to my November 15 preliminary 2017 biennium Executive Budget. The changes are primarily technical in nature and only a few represent substantive changes to the budget. Changes are reflected in the H02 version in IBARS.

- The budget has been updated to include funding of \$8 million general fund to implement the Confederated Salish and Kootenai Tribe (CSKT) Water Compact.
- In Section F of Volume 1, the descriptions of HB 10 projects should reflect the JUD Court Technology Improvement Program should be \$834,000 and not \$490,000. The DOJ Court Data Exchange Enhancement project should be \$490,000 and not \$834,000. HB 10 legislation reflects the projects correctly.
- The Department of Administration HB 2 request for federal funds in the State Information Technology Services Division is increased by \$1,599,563 to reflect a total biennial appropriation request of \$1,626,415 for the File Net Planning Grant.
- In the Department of Administration, the proprietary fund table for the General Services Program was updated to include estimated non-budgeted adjustments for FY 2015 through FY 2017 that had caused the table to reflect an incorrect fund balance.
- In the Department of Administration, narrative revisions were made for the "Changes in Level of Fees and Charges" category for the Professional Development Center.
- In Section F of Volume 1, the project in the Treasure State Endowment Program for Denton was corrected to \$625,000 bringing the GO bond total to \$185,592,754. The correct amounts are reflected in the legislation.
- In Section R of Volume 1, the general fund appropriation to the Montana University System for the HB 13 pay proposal was decreased by \$489,192 in FY 2016 and \$1,146,597 in FY 2017 to reflect the correction of a calculation error. The correct amounts are reflected in the legislation.
- In HB 13, the general fund appropriation to the Executive Branch for personal services contingencies has been reduced from \$3.8 million to \$1.0 million. The bill will need to be amended to reflect this change.
- In the Office of the Commissioner of Higher Education, the Legislative Audit Costs were broken out into a separate line item in the Appropriation Distribution Program in IBARS.

- In the Office of the Commissioner of Higher Education, the Community College biennial appropriation was reduced \$736,908 to reflect updated numbers in the funding formula.
- In the Department of Public Health and Human Services, \$13,582 of general fund appropriation was moved between IBARS reporting levels 69020-01-01-03 and 69020-01-01-30. There is no net change in program funding.
- In the Department of Public Health and Human Services, \$460,432 of general fund and \$401,732 in federal fund appropriations were moved between IBARS reporting levels 69020-03-03-03 and 69020-03-03-06. There is no net change in program funding.
- In the Department of Commerce, \$100,000 per year is moved from the Hard Rock Mining Reserve restricted line item to the main program line item, leaving the Hard Rock Mining Reserve line item at \$100,000 per year.
- In the Department of Natural Resources and Conservation, expenditures and funding were increased for operating adjustment change packages 2102101, 2202201, 2302301, and 3535012 to account for rent expenditures in the next biennium.
- Change package narrative was added for the following change packages: 600607 and 600444 in the Department of Fish, Wildlife and Parks, 5005002 in the Department of Agriculture, 400444 in the Department of Labor and Industry and 100444 in the Department of Revenue.
- In the Department of Agriculture, NP 3003002 was added requesting FTE and funding for statewide noxious weed control coordination. The general fund cost for the biennium is approximately \$300,000.
- In the Department of Commerce, \$36,741 state special revenue was added to the Montana Promotion Division in FY 2016.
- A change package for the Secretary of State's Office was added for 1.00 FTE and associated proprietary funding.
- In DPHHS, CP PL 2222118- Aging Grant funding has been adjusted from a request of \$8,532,936 in federal funds each year to \$1,599,600 in federal funds each year.
- In DPHHS, CP NP 3333506 Suicide Prevention Grants (OTO/RST/Biennial) –general fund has been adjusted to remove \$250,000 each year from the Addictive and Mental Health Disorders Division and is transferred to Developmental Services Division within the Children's Mental Health Bureau.
- There have been minor balance sheet adjustments to the lines related to the Healthy Montana Act, the Build Montana Act, and non-budgeted transfers.

IBARS has been updated as needed to reflect these changes in the H02 version and an updated balance sheet is attached.

State of Montana Proposed FY 2015 and 2017 Biennium General Fund Balance Sheet (Millions \$)

December 15 Revisions

<u>Description</u>	<u>Actual FY 2014</u>	<u>Enacted/Proposed FY 2015</u>	<u>Proposed FY 2016</u>	<u>Proposed FY 2017</u>
Beginning Fund Balance	537.609	428.538	344.949	283.452
Revenue Estimate	2,077.044	2,143.841	2,294.004	2,433.777
Proposed Revenue Legislation				
Apprenticeship Tax Credit				(0.784)
Prior Year Revenue Adjustments	(2.060)			
Total Funds Available	2,612.593	2,572.379	2,638.953	2,716.445
HB 2 Disbursements				
HB 2 Funded Base + SWPLA's	1,780.974	1,846.569	1,811.324	1,811.140
Present Law Change Packages - Ongoing*			162.662	194.103
Present Law Change Packages - OTO			0.182	0.160
New Proposal Change Packages - Ongoing*			46.736	62.812
New Proposal Change Packages - OTO			22.975	18.204
Proposed Legislation and Non-HB 2 Initiatives				
HB 1 - Feed Bill	1.547	11.100	1.593	11.411
HB 3	13.512	31.594		
HB 10			12.000	
HB 13 - Pay Plan*			12.514	29.974
HB 13 - PS Contingency*			1.275	
Quality Schools Redirect			4.900	8.100
Healthy Montana Act*			(30.711)	(28.895)
Safe Child Initiative			1.500	1.500
Build Montana*			7.700	15.399
Broadband Bonds			0.572	1.143
CSKT Water Compact*			8.000	
Water Adjudication Transfer			0.800	3.388
Other Disbursements				
Statutory Appropriations - Ongoing	254.625	276.732	275.031	282.582
Statutory Appropriations - OTO			0.396	0.396
Transfers - Ongoing*	14.539	14.549	13.240	11.958
Transfers - OTO	81.425	21.700		
Fire Fund Transfer (HB 354)	39.779	3.653	9.900	
Other Appropriations	3.769	28.236		
Reversions		(6.702)	(7.088)	(7.270)
Prior Year Expenditure Adjustments	(2.690)			
Total Disbursements	2,187.481	2,227.431	2,355.501	2,416.104
Fund Balance Adjustments	3.426			
Ending Fund Balance	428.538	344.949	283.452	300.341
2017 Biennium Expenditure Growth		1.83%	5.75%	2.57%
2017 Biennium Revenue Growth		3.22%	7.00%	6.09%
Fund Balance as a % of Total Spend		15.49%	12.03%	12.43%
FY 2017 Structural Balance				6.75

*Change from November 15