



GOVERNOR  
STEVE BULLOCK

STATE OF MONTANA

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## SECTION A: GENERAL GOVERNMENT

Legislative Branch  
Consumer Counsel  
Governor's Office  
Secretary of State's Office  
Commissioner of Political Practices  
State Auditor's Office

Department of Revenue  
Department of Administration  
Department of Commerce  
Department of Labor & Industry  
Department of Military Affairs

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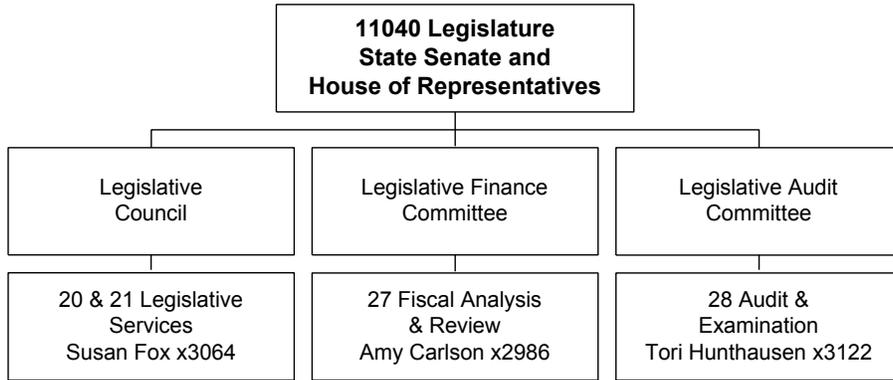
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GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

# Legislative Branch - 11040



**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.

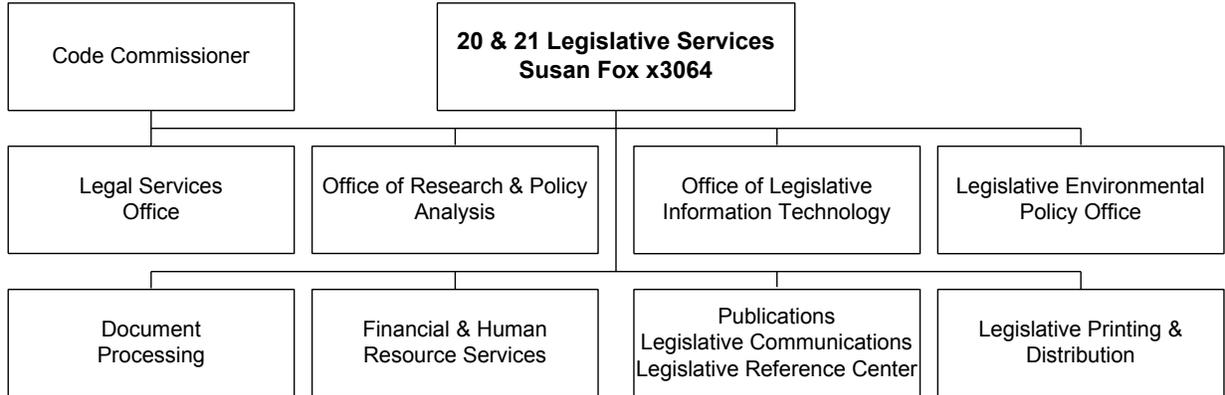
In accordance with 17-7-122, MCA, the budget for the Legislative Branch must be presented in the Executive Budget as submitted to the Governor with no changes.

Agency Proposed Budget	Total Exec. Budget Fiscal 2016	Total Exec. Budget Fiscal 2017	Total Exec. Budget 2017 Biennium
Budget Item			
FTE	133.22	138.39	
Personal Services	11,376,976	11,380,424	22,757,400
Operating Expenses	3,717,429	3,292,410	7,009,839
Equipment & Intangible Assets	80,000	20,000	100,000
Transfers	85,000	85,000	170,000
<b>Total Costs</b>	<b>\$15,259,405</b>	<b>\$14,777,834</b>	<b>\$30,037,239</b>
General Fund	12,666,333	12,740,290	25,406,623
State/Other Special	2,593,072	2,037,544	4,630,616
<b>Total Funds</b>	<b>\$15,259,405</b>	<b>\$14,777,834</b>	<b>\$30,037,239</b>

Agency Appropriated Biennium to Biennium Comparison								
Program	2015 Biennium Appropriated Budget		2017 Biennium Requested Budget		Biennium to Biennium Difference (dollars)		Biennium to Biennium Difference (percent)	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
20 - Legislative Services Division	15,213,393	16,439,006	15,210,239	16,277,930	(3,154)	(161,076)	(0.02)%	(0.98)%
21 - Legis. Committees & Activities	1,256,481	1,256,481	1,354,176	1,354,176	97,695	97,695	7.78 %	7.78 %
27 - Fiscal Analysis & Review	3,873,789	3,873,789	3,945,889	3,945,889	72,100	72,100	1.86 %	1.86 %
28 - Audit & Examination	4,976,938	8,472,645	4,896,319	8,459,244	(80,619)	(13,401)	(1.62)%	(0.16)%
<b>Agency Total</b>	<b>\$25,320,601</b>	<b>\$30,041,921</b>	<b>\$25,406,623</b>	<b>\$30,037,239</b>	<b>\$86,022</b>	<b>(\$4,682)</b>	<b>0.34 %</b>	<b>(0.02)%</b>

# Legislative Branch - 11040

## 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. Preparation, publication, and distribution of the Montana Code Annotated text and annotations;
4. Provision of legislative research and reference services;
5. Legal services and counseling on legislative matters and agency legal support;
6. Review of the text of proposed ballot measures;
7. Personnel and business services;
8. Planning, installation, and maintenance of agency information technology;
9. Broadcasting of state government and public policy events; and
10. Provision of legislative information to the public.

The Legislative Council provides policy guidance to the Legislative Services Division.

Program Proposed Budget	Base Budget Fiscal 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
FTE	59.00	0.00	59.00	5.17	64.17	
Personal Services	4,838,327	488,912	5,327,239	541,669	5,379,996	10,707,235
Operating Expenses	2,085,167	730,844	2,816,011	399,517	2,484,684	5,300,695
Equipment & Intangible Assets	35,837	44,163	80,000	(15,837)	20,000	100,000
Transfers	0	85,000	85,000	85,000	85,000	170,000
<b>Total Costs</b>	<b>\$6,959,331</b>	<b>\$1,348,919</b>	<b>\$8,308,250</b>	<b>\$1,010,349</b>	<b>\$7,969,680</b>	<b>\$16,277,930</b>
General Fund	6,169,775	1,328,075	7,497,850	1,542,614	7,712,389	15,210,239
State/Other Special	789,556	20,844	810,400	(532,265)	257,291	1,067,691
<b>Total Funds</b>	<b>\$6,959,331</b>	<b>\$1,348,919</b>	<b>\$8,308,250</b>	<b>\$1,010,349</b>	<b>\$7,969,680</b>	<b>\$16,277,930</b>

# Legislative Branch - 11040

## Legislative Services Division - 20

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	497,203	488,912	804,172	541,669
SWPL - 2 - Fixed Costs	181,402	199,874	250,493	266,866
<i>Total Statewide Present Law Adjustments</i>	<i>\$678,605</i>	<i>\$688,786</i>	<i>\$1,054,665</i>	<i>\$808,535</i>
<b>Present Law Adjustments</b>				
PL - 2020001 - LSD Cyclical & Operational Adjustments	564,470	575,133	402,949	116,814
<i>Total Present Law Adjustments</i>	<i>\$564,470</i>	<i>\$575,133</i>	<i>\$402,949</i>	<i>\$116,814</i>
<b>New Proposals</b>				
NP - 2020002 - Participation in Capitol Complex Security	85,000	85,000	85,000	85,000
<i>Total New Proposals</i>	<i>\$85,000</i>	<i>\$85,000</i>	<i>\$85,000</i>	<i>\$85,000</i>
<b>Total Budget Adjustments</b>	<b>\$1,328,075</b>	<b>\$1,348,919</b>	<b>\$1,542,614</b>	<b>\$1,010,349</b>

### -----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$497,203	\$488,912
FY 2017	\$804,172	\$541,669

#### SWPL - 1 - Personal Services -

The budget includes \$488,912 in FY 2016 and \$541,669 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$181,402	\$199,874
FY 2017	\$250,493	\$266,866

#### SWPL - 2 - Fixed Costs -

This request includes \$199,874 in FY 2016 and \$266,866 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

# Legislative Branch - 11040

## Legislative Services Division - 20

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$564,470	\$575,133
FY 2017	\$402,949	\$116,814

#### **PL - 2020001 - LSD Cyclical & Operational Adjustments -**

This proposal addresses increases related to several functions: 1) Contracted services to produce, broadcast, and stream the Legislature during session and the interim (TVMT), a general fund increase of \$199,110; 2) Increased costs to print the Montana Codes Annotated (all state special revenue) in FY 2016 of \$15,541, with a reduction in FY 2017 of \$305,255 related to the production and publication of the codes; 3) Increased costs related to supporting the legislative session in the second year of the biennium. Such costs include temporary staff support of House and Senate secretaries, contracted services for support of the LAWS system, session network buildup, and computer-related assistance to legislators. These costs represent a general fund increase of \$222,220; and 4) Other information technology related increases include replacement of declining hardware and software and information technology projects to improve functionality and security of the Legislative Branch's information technology environment to support the functions of the branch, a general fund increase of \$596,688. Other operations include a general fund decrease of \$36,361.

### -----New Proposals-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$85,000	\$85,000
FY 2017	\$85,000	\$85,000

#### **NP - 2020002 - Participation in Capitol Complex Security -**

This proposal provides for Legislative Branch participation in the Capitol Complex Security Plan. The branch participation is funded with general fund.

# Legislative Branch - 11040

## Legis. Committees & Activities - 21

**Program Description** - The Legislative Committees and Activities program supports the activities of legislators and legislative committees that are conducted during the interim between legislative sessions.

Program expenditures support :

1. The Legislative Council;
2. Interim study activities, as defined in 5-5-202 through 5-5-217, MCA;
3. Cooperative interstate, international, and intergovernmental activities, as outlined in 5-11-303 through 5-11-305, MCA; and
4. Other legislative activities for which appropriations are made.

Program Proposed Budget	Base Budget Fiscal 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
Budget Item						
FTE	0.97	0.00	0.97	0.00	0.97	
Personal Services	95,060	15,612	110,672	(23,612)	71,448	182,120
Operating Expenses	503,285	137,437	640,722	28,049	531,334	1,172,056
<b>Total Costs</b>	<b>\$598,345</b>	<b>\$153,049</b>	<b>\$751,394</b>	<b>\$4,437</b>	<b>\$602,782</b>	<b>\$1,354,176</b>
General Fund	598,345	153,049	751,394	4,437	602,782	1,354,176
<b>Total Funds</b>	<b>\$598,345</b>	<b>\$153,049</b>	<b>\$751,394</b>	<b>\$4,437</b>	<b>\$602,782</b>	<b>\$1,354,176</b>

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	45,859	45,859	(59,970)	(59,970)
SWPL - 3 - Inflation Deflation	(152)	(152)	(132)	(132)
<i>Total Statewide Present Law Adjustments</i>	<i>\$45,707</i>	<i>\$45,707</i>	<i>(\$60,102)</i>	<i>(\$60,102)</i>
<b>Present Law Adjustments</b>				
PL - 2121001 - Interim Comm. Activities Cyclical & Operational	100,213	100,213	59,786	59,786
PL - 2121002 - Interim Committee Additional Meeting	1,363	1,363	909	909
<i>Total Present Law Adjustments</i>	<i>\$101,576</i>	<i>\$101,576</i>	<i>\$60,695</i>	<i>\$60,695</i>
<b>New Proposals</b>				
NP - 2121003 - Joint ETIC/EQC Carbon Dioxide SubComm RST/OTO/BIEN	5,766	5,766	3,844	3,844
<i>Total New Proposals</i>	<i>\$5,766</i>	<i>\$5,766</i>	<i>\$3,844</i>	<i>\$3,844</i>
<b>Total Budget Adjustments</b>	<b>\$153,049</b>	<b>\$153,049</b>	<b>\$4,437</b>	<b>\$4,437</b>

### -----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$45,859	\$45,859
FY 2017	(\$59,970)	(\$59,970)

#### SWPL - 1 - Personal Services -

The budget includes an increase of \$45,859 in FY 2016 and a reduction of \$59,970 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

# Legislative Branch - 11040

## Legis. Committees & Activities - 21

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$152)	(\$152)
FY 2017	(\$132)	(\$132)

**SWPL - 3 - Inflation Deflation -**

This change package includes a reduction of \$152 in FY 2016 and \$132 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$100,213	\$100,213
FY 2017	\$59,786	\$59,786

**PL - 2121001 - Interim Comm. Activities Cyclical & Operational -**

Adjustments from base include: re-establishment of the Legislative Council's discretionary fund of \$45,000 for emerging issues that was not expended in the base year; cyclical adjustment for travel related to participation in organizational activities not expended in the base year (NCSL, CSG, etc.); increased travel related to interim committees; increase in cost of organizational dues above base expenditures; and increased attendance of the Pacific NorthWest Economic Region conference in Montana.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$1,363	\$1,363
FY 2017	\$909	\$909

**PL - 2121002 - Interim Committee Additional Meeting -**

This proposal includes personal services and operational costs related to adjustments of the Economic Affairs Interim Committee work schedule, as the committee deems necessary.

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

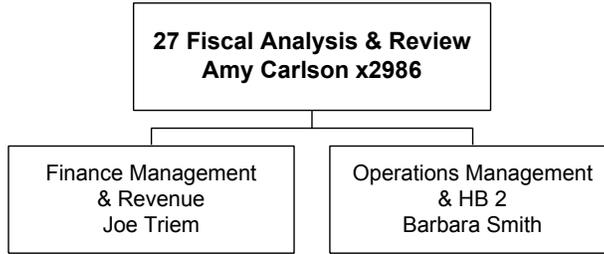
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$5,766	\$5,766
FY 2017	\$3,844	\$3,844

**NP - 2121003 - Joint ETIC/EQC Carbon Dioxide SubComm RST/OTO/BIEN -**

This new proposal provides for a joint sub-committee of the Energy and Telecommunications Interim Committee (ETIC) and Environmental Quality Council (EQC). The sub-committee will be comprised of eight members and will meet in conjunction with the ETIC and the EQC. The sub-committee will study the proposed Environmental Protection Agency rules requiring states to reduce carbon dioxide emissions.

# Legislative Branch - 11040

## 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 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
FTE	20.50	0.00	20.50	0.00	20.50	
Personal Services	1,750,207	148,847	1,899,054	144,687	1,894,894	3,793,948
Operating Expenses	61,964	989	62,953	27,024	88,988	151,941
<b>Total Costs</b>	<b>\$1,812,171</b>	<b>\$149,836</b>	<b>\$1,962,007</b>	<b>\$171,711</b>	<b>\$1,983,882</b>	<b>\$3,945,889</b>
General Fund	1,812,171	149,836	1,962,007	171,711	1,983,882	3,945,889
<b>Total Funds</b>	<b>\$1,812,171</b>	<b>\$149,836</b>	<b>\$1,962,007</b>	<b>\$171,711</b>	<b>\$1,983,882</b>	<b>\$3,945,889</b>

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	148,847	148,847	144,687	144,687
SWPL - 2 - Fixed Costs	1,110	1,110	1,129	1,129
SWPL - 3 - Inflation Deflation	(121)	(121)	(105)	(105)
<i>Total Statewide Present Law Adjustments</i>	<i>\$149,836</i>	<i>\$149,836</i>	<i>\$145,711</i>	<i>\$145,711</i>
<b>Present Law Adjustments</b>				
PL - 2727001 - LFD Cyclical Operations	0	0	26,000	26,000
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$0</i>	<i>\$26,000</i>	<i>\$26,000</i>
<b>Total Budget Adjustments</b>	<b>\$149,836</b>	<b>\$149,836</b>	<b>\$171,711</b>	<b>\$171,711</b>

# Legislative Branch - 11040

## Fiscal Analysis & Review - 27

### -----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$148,847	\$148,847
FY 2017	\$144,687	\$144,687

#### SWPL - 1 - Personal Services -

The budget includes \$148,847 in FY 2016 and \$144,687 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$1,110	\$1,110
FY 2017	\$1,129	\$1,129

#### SWPL - 2 - Fixed Costs -

This request includes \$1,110 in FY 2016 and \$1,129 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$121)	(\$121)
FY 2017	(\$105)	(\$105)

#### SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$121 in FY 2016 and \$105 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

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

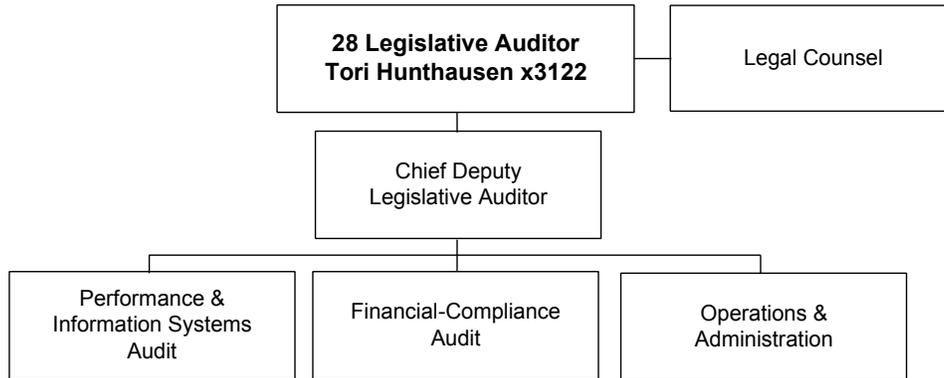
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$0
FY 2017	\$26,000	\$26,000

#### PL - 2727001 - LFD Cyclical Operations -

This proposal increases the fiscal year 2017 budget by \$26,000 general fund in the printing category, due to cyclical legislative session costs which are not captured in the base year.

# Legislative Branch - 11040

## 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 any instances of apparent violations of the state code of ethics discovered in an audit;
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 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
FTE	53.75	(1.00)	52.75	(1.00)	52.75	
Personal Services	3,299,746	740,265	4,040,011	734,340	4,034,086	8,074,097
Operating Expenses	162,674	35,069	197,743	24,730	187,404	385,147
<b>Total Costs</b>	<b>\$3,462,420</b>	<b>\$775,334</b>	<b>\$4,237,754</b>	<b>\$759,070</b>	<b>\$4,221,490</b>	<b>\$8,459,244</b>
General Fund	2,034,506	420,576	2,455,082	406,731	2,441,237	4,896,319
State/Other Special	1,427,914	354,758	1,782,672	352,339	1,780,253	3,562,925
<b>Total Funds</b>	<b>\$3,462,420</b>	<b>\$775,334</b>	<b>\$4,237,754</b>	<b>\$759,070</b>	<b>\$4,221,490</b>	<b>\$8,459,244</b>

# Legislative Branch - 11040

## Audit & Examination - 28

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	468,485	859,094	463,645	852,848
SWPL - 2 - Fixed Costs	4,704	8,111	5,800	10,000
SWPL - 3 - Inflation Deflation	(314)	(542)	(273)	(470)
<i>Total Statewide Present Law Adjustments</i>	<i>\$472,875</i>	<i>\$866,663</i>	<i>\$469,172</i>	<i>\$862,378</i>
<b>Present Law Adjustments</b>				
PL - 2828001 - LAD Cyclical Program Operations	16,622	27,500	6,294	15,200
<i>Total Present Law Adjustments</i>	<i>\$16,622</i>	<i>\$27,500</i>	<i>\$6,294</i>	<i>\$15,200</i>
<b>New Proposals</b>				
NP - 2828002 - LAD Personal Services Reduction	(68,921)	(118,829)	(68,735)	(118,508)
<i>Total New Proposals</i>	<i>(\$68,921)</i>	<i>(\$118,829)</i>	<i>(\$68,735)</i>	<i>(\$118,508)</i>
<b>Total Budget Adjustments</b>	<b>\$420,576</b>	<b>\$775,334</b>	<b>\$406,731</b>	<b>\$759,070</b>

### -----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$468,485	\$859,094
FY 2017	\$463,645	\$852,848

#### SWPL - 1 - Personal Services -

The budget includes \$859,094 in FY 2016 and \$852,848 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$4,704	\$8,111
FY 2017	\$5,800	\$10,000

#### SWPL - 2 - Fixed Costs -

This request includes \$8,111 in FY 2016 and \$10,000 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$314)	(\$542)
FY 2017	(\$273)	(\$470)

#### SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$542 in FY 2016 and \$470 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

# Legislative Branch - 11040

## Audit & Examination - 28

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$16,622	\$27,500
FY 2017	\$6,294	\$15,200

#### **PL - 2828001 - LAD Cyclical Program Operations -**

This proposal includes changes from the adjusted base for audit related travel, actuary services, and GAO required peer review. Changes also include new auditing requirements for TRS and all PERA-administered retirement systems to verify participating employers' submission of census data supporting the state's net pension obligations. The financial audit of the Legislative Branch is a biennial audit and FY 2017 audit fees are eliminated.

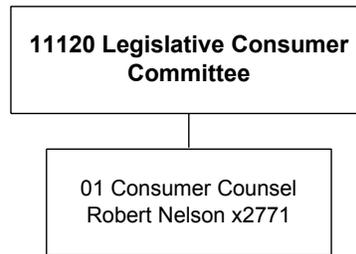
### -----New Proposals-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$68,921)	(\$118,829)
FY 2017	(\$68,735)	(\$118,508)

#### **NP - 2828002 - LAD Personal Services Reduction -**

This proposal reduces 1.00 FTE in the Legislative Audit Division, by eliminating position #11428103, an executive transition position vacant since 2008.

## Consumer Counsel - 11120



**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

# Consumer Counsel - 11120

## Administration Program - 01

**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.

Program Proposed Budget	Base Budget	Budget Adjustments	Total	Budget	Total	Executive
Budget Item	Fiscal 2014	Fiscal 2016	Exec. Budget Fiscal 2016	Adjustments Fiscal 2017	Exec. Budget Fiscal 2017	Budget Request 2017 Biennium
FTE	5.54	0.00	5.54	0.00	5.54	
Personal Services	552,168	85,953	638,121	86,607	638,775	1,276,896
Operating Expenses	768,482	293,828	1,062,310	307,008	1,075,490	2,137,800
<b>Total Costs</b>	<b>\$1,320,650</b>	<b>\$379,781</b>	<b>\$1,700,431</b>	<b>\$393,615</b>	<b>\$1,714,265</b>	<b>\$3,414,696</b>
State/Other Special	1,320,650	379,781	1,700,431	393,615	1,714,265	3,414,696
<b>Total Funds</b>	<b>\$1,320,650</b>	<b>\$379,781</b>	<b>\$1,700,431</b>	<b>\$393,615</b>	<b>\$1,714,265</b>	<b>\$3,414,696</b>

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	0	85,953	0	86,607
SWPL - 2 - Fixed Costs	0	2,902	0	2,844
SWPL - 3 - Inflation Deflation	0	(153)	0	(133)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$88,702</i>	<i>\$0</i>	<i>\$89,318</i>
<b>Present Law Adjustments</b>				
PL - 100001 - Present Law Base Adjustments	0	41,079	0	54,297
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$41,079</i>	<i>\$0</i>	<i>\$54,297</i>
<b>New Proposals</b>				
NP - 100002 - Caseload Contingency (RST/OTO)	0	250,000	0	250,000
<i>Total New Proposals</i>	<i>\$0</i>	<i>\$250,000</i>	<i>\$0</i>	<i>\$250,000</i>
<b>Total Budget Adjustments</b>	<b>\$0</b>	<b>\$379,781</b>	<b>\$0</b>	<b>\$393,615</b>

### -----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$85,953
FY 2017	\$0	\$86,607

#### SWPL - 1 - Personal Services -

The budget includes \$85,953 in FY 2016 and \$86,607 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$2,902
FY 2017	\$0	\$2,844

#### SWPL - 2 - Fixed Costs -

This request includes \$2,902 in FY 2016 and \$2,844 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

# Consumer Counsel - 11120

## Administration Program - 01

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$153)
FY 2017	\$0	(\$133)

### SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$153 in FY 2016 and \$133 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$41,079
FY 2017	\$0	\$54,297

### PL - 100001 - Present Law Base Adjustments -

The budget includes an increase of \$41,079 in FY 2016 and \$54,297 in FY 2017 to address anticipated costs in the agency, primarily in contracted services, rent, and other operating expenses.

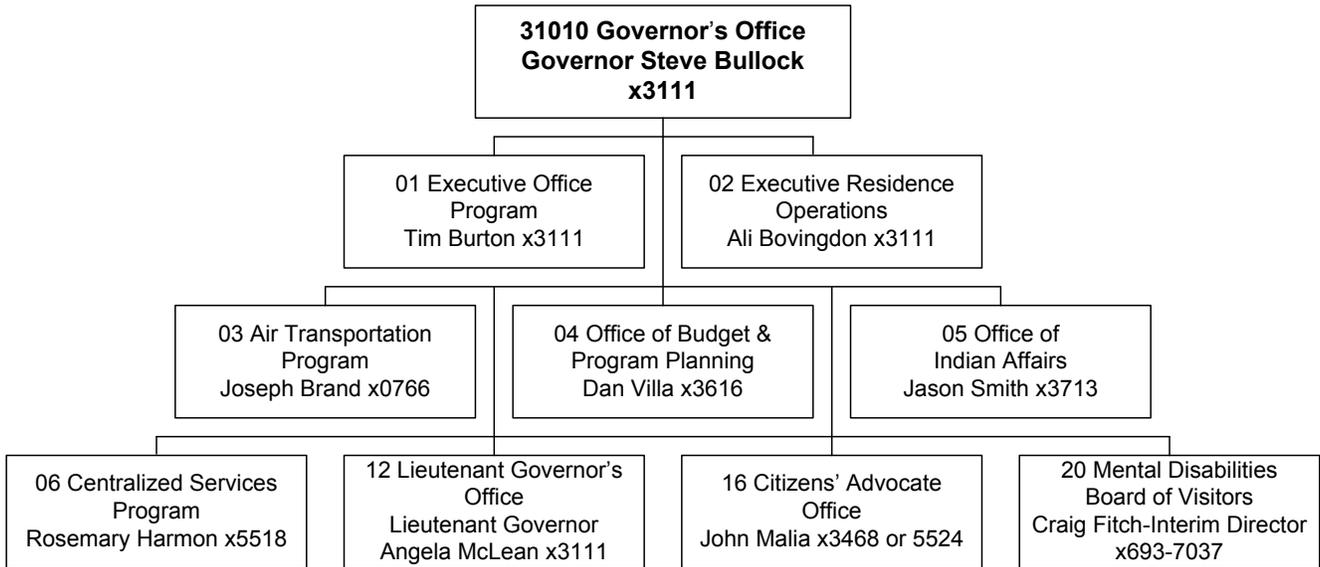
### -----New Proposals-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$250,000
FY 2017	\$0	\$250,000

### NP - 100002 - Caseload Contingency (RST/OTO) -

The budget includes a \$250,000 contingency each year for the 2017 biennium for costs associated with unanticipated caseload, consistent with appropriations in prior biennia.

# Governors Office - 31010



**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

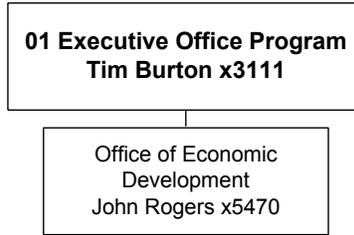
Agency Proposed Budget	Total Exec. Budget Fiscal 2016	Total Exec. Budget Fiscal 2017	Total Exec. Budget 2017 Biennium
Budget Item			
FTE	58.07	58.07	
Personal Services	5,306,730	5,300,775	10,607,505
Operating Expenses	1,346,419	1,303,424	2,649,843
<b>Total Costs</b>	<b>\$6,653,149</b>	<b>\$6,604,199</b>	<b>\$13,257,348</b>
General Fund	6,653,149	6,604,199	13,257,348
<b>Total Funds</b>	<b>\$6,653,149</b>	<b>\$6,604,199</b>	<b>\$13,257,348</b>

## Governors Office - 31010

Agency Appropriated Biennium to Biennium Comparison								
Program	2015 Biennium Appropriated Budget		2017 Biennium Requested Budget		Biennium to Biennium Difference (dollars)		Biennium to Biennium Difference (percent)	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
01 - Executive Office Program	5,049,152	5,049,152	5,353,682	5,353,682	304,530	304,530	6.03 %	6.03 %
02 - Executive Residence Operations	277,749	277,749	300,514	300,514	22,765	22,765	8.20 %	8.20 %
03 - Air Transportation Program	589,910	589,910	662,096	662,096	72,186	72,186	12.24 %	12.24 %
04 - Ofc Budget & Program Planning	3,425,595	3,425,595	3,881,666	3,881,666	456,071	456,071	13.31 %	13.31 %
05 - Office of Indian Affairs	359,360	359,360	381,550	381,550	22,190	22,190	6.17 %	6.17 %
06 - Centralized Services Division	817,772	817,772	861,252	861,252	43,480	43,480	5.32 %	5.32 %
12 - Lieutenant Governor's Office	642,691	642,691	631,963	631,963	(10,728)	(10,728)	(1.67)%	(1.67)%
16 - Citizens' Advocate Office	218,381	218,381	255,202	255,202	36,821	36,821	16.86 %	16.86 %
20 - Mental Disabilities Board of Visitors	862,370	862,370	929,423	929,423	67,053	67,053	7.78 %	7.78 %
<b>Agency Total</b>	<b>\$12,242,980</b>	<b>\$12,242,980</b>	<b>\$13,257,348</b>	<b>\$13,257,348</b>	<b>\$1,014,368</b>	<b>\$1,014,368</b>	<b>8.29 %</b>	<b>8.29 %</b>

# Governors Office - 31010

## 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	Base Budget	Budget Adjustments	Total Exec. Budget	Budget Adjustments	Total Exec. Budget	Executive Budget Request
Budget Item	Fiscal 2014	Fiscal 2016	Fiscal 2016	Fiscal 2017	Fiscal 2017	2017 Biennium
FTE	21.00	0.00	21.00	0.00	21.00	
Personal Services	1,738,769	264,585	2,003,354	259,309	1,998,078	4,001,432
Operating Expenses	755,698	(80,085)	675,613	(79,061)	676,637	1,352,250
<b>Total Costs</b>	<b>\$2,494,467</b>	<b>\$184,500</b>	<b>\$2,678,967</b>	<b>\$180,248</b>	<b>\$2,674,715</b>	<b>\$5,353,682</b>
General Fund	2,494,467	184,500	2,678,967	180,248	2,674,715	5,353,682
<b>Total Funds</b>	<b>\$2,494,467</b>	<b>\$184,500</b>	<b>\$2,678,967</b>	<b>\$180,248</b>	<b>\$2,674,715</b>	<b>\$5,353,682</b>

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	264,585	264,585	259,309	259,309
SWPL - 2 - Fixed Costs	(78,471)	(78,471)	(77,649)	(77,649)
SWPL - 3 - Inflation Deflation	(1,614)	(1,614)	(1,412)	(1,412)
<i>Total Statewide Present Law Adjustments</i>	<i>\$184,500</i>	<i>\$184,500</i>	<i>\$180,248</i>	<i>\$180,248</i>
<b>Total Budget Adjustments</b>	<b>\$184,500</b>	<b>\$184,500</b>	<b>\$180,248</b>	<b>\$180,248</b>

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$264,585	\$264,585
FY 2017	\$259,309	\$259,309

**SWPL - 1 - Personal Services -**

The budget includes \$264,585 in FY 2016 and \$259,309 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

# Governors Office - 31010

## Executive Office Program - 01

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$78,471)	(\$78,471)
FY 2017	(\$77,649)	(\$77,649)

### SWPL - 2 - Fixed Costs -

This request includes a reduction of \$78,471 in FY 2016 and \$77,649 in FY 2017 for fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$1,614)	(\$1,614)
FY 2017	(\$1,412)	(\$1,412)

### SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$1,614 in FY 2016 and \$1,412 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

# Governors Office - 31010

## Executive Residence Operations - 02

**02 Executive Residence  
Operations  
Ali Bovingdon 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 Fiscal 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
FTE	1.57	0.00	1.57	0.00	1.57	
Personal Services	79,854	11,425	91,279	11,218	91,072	182,351
Operating Expenses	57,167	1,632	58,799	2,197	59,364	118,163
<b>Total Costs</b>	<b>\$137,021</b>	<b>\$13,057</b>	<b>\$150,078</b>	<b>\$13,415</b>	<b>\$150,436</b>	<b>\$300,514</b>
General Fund	137,021	13,057	150,078	13,415	150,436	300,514
<b>Total Funds</b>	<b>\$137,021</b>	<b>\$13,057</b>	<b>\$150,078</b>	<b>\$13,415</b>	<b>\$150,436</b>	<b>\$300,514</b>

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	11,425	11,425	11,218	11,218
SWPL - 2 - Fixed Costs	100	100	96	96
SWPL - 3 - Inflation Deflation	1,532	1,532	2,101	2,101
<i>Total Statewide Present Law Adjustments</i>	<i>\$13,057</i>	<i>\$13,057</i>	<i>\$13,415</i>	<i>\$13,415</i>
<b>Total Budget Adjustments</b>	<b>\$13,057</b>	<b>\$13,057</b>	<b>\$13,415</b>	<b>\$13,415</b>

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$11,425	\$11,425
FY 2017	\$11,218	\$11,218

**SWPL - 1 - Personal Services -**

The budget includes \$11,425 in FY 2016 and \$11,218 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$100	\$100
FY 2017	\$96	\$96

**SWPL - 2 - Fixed Costs -**

This request includes \$100 in FY 2016 and \$96 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

# Governors Office - 31010

## Executive Residence Operations - 02

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$1,532	\$1,532
FY 2017	\$2,101	\$2,101

### **SWPL - 3 - Inflation Deflation -**

This change package includes \$1,532 in FY 2016 and \$2,101 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

# Governors Office - 31010

## 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	Base Budget Fiscal 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
FTE	1.50	0.00	1.50	0.00	1.50	
Personal Services	109,615	26,326	135,941	26,361	135,976	271,917
Operating Expenses	134,339	59,377	193,716	62,124	196,463	390,179
<b>Total Costs</b>	<b>\$243,954</b>	<b>\$85,703</b>	<b>\$329,657</b>	<b>\$88,485</b>	<b>\$332,439</b>	<b>\$662,096</b>
General Fund	243,954	85,703	329,657	88,485	332,439	662,096
<b>Total Funds</b>	<b>\$243,954</b>	<b>\$85,703</b>	<b>\$329,657</b>	<b>\$88,485</b>	<b>\$332,439</b>	<b>\$662,096</b>

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	26,326	26,326	26,361	26,361
SWPL - 2 - Fixed Costs	(485)	(485)	3,169	3,169
SWPL - 3 - Inflation Deflation	(5,138)	(5,138)	(6,045)	(6,045)
<i>Total Statewide Present Law Adjustments</i>	<i>\$20,703</i>	<i>\$20,703</i>	<i>\$23,485</i>	<i>\$23,485</i>
<b>New Proposals</b>				
NP - 300301 - Aircraft Maintenance - Biennial	65,000	65,000	65,000	65,000
<i>Total New Proposals</i>	<i>\$65,000</i>	<i>\$65,000</i>	<i>\$65,000</i>	<i>\$65,000</i>
<b>Total Budget Adjustments</b>	<b>\$85,703</b>	<b>\$85,703</b>	<b>\$88,485</b>	<b>\$88,485</b>

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$26,326	\$26,326
FY 2017	\$26,361	\$26,361

**SWPL - 1 - Personal Services -**

The budget includes \$26,326 in FY 2016 and \$26,361 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium. In addition, the request includes an adjustments due to the number of co-pilot hours expended in FY 2014.

# Governors Office - 31010

## Air Transportation Program - 03

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$485)	(\$485)
FY 2017	\$3,169	\$3,169

**SWPL - 2 - Fixed Costs -**

This request includes a reduction of \$485 in FY 2016 and an increase of \$3,169 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$5,138)	(\$5,138)
FY 2017	(\$6,045)	(\$6,045)

**SWPL - 3 - Inflation Deflation -**

This change package includes a reduction of \$5,138 in FY 2016 and \$6,045 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$65,000	\$65,000
FY 2017	\$65,000	\$65,000

**NP - 300301 - Aircraft Maintenance - Biennial -**

For the 2017 biennium, the Governor's Air Transportation Program requests a general fund biennial appropriation of \$130,000 to fund aircraft maintenance expenditures. Basic annual maintenance expenditures averaged \$59,200 over the three year period of FY 2012 to FY 2014, and prior to that time the average maintenance cost was around \$76,000. While no major maintenance projects, beyond the basic, periodically required maintenance and upkeep are foreseen at this time, an increase in the appropriation for maintenance is needed to ensure that the aircraft manager can keep the plane serviced in a safe and efficient operating state and in accordance with FAA standards. In past legislative sessions, aircraft maintenance funding has been provided as an OTO. The program is requesting that maintenance become part of the base budget.

# Governors Office - 31010

## Ofc Budget & Program Planning - 04

**04 Office of Budget &  
Program Planning  
Dan Villa x3616**

**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	Budget Adjustments	Total Exec. Budget	Budget Adjustments	Total Exec. Budget	Executive Budget Request
Budget Item	Fiscal 2014	Fiscal 2016	Fiscal 2016	Fiscal 2017	Fiscal 2017	2017 Biennium
FTE	18.00	0.00	18.00	0.00	18.00	
Personal Services	1,397,755	343,844	1,741,599	343,604	1,741,359	3,482,958
Operating Expenses	185,496	18,187	203,683	9,529	195,025	398,708
<b>Total Costs</b>	<b>\$1,583,251</b>	<b>\$362,031</b>	<b>\$1,945,282</b>	<b>\$353,133</b>	<b>\$1,936,384</b>	<b>\$3,881,666</b>
General Fund	1,583,251	362,031	1,945,282	353,133	1,936,384	3,881,666
<b>Total Funds</b>	<b>\$1,583,251</b>	<b>\$362,031</b>	<b>\$1,945,282</b>	<b>\$353,133</b>	<b>\$1,936,384</b>	<b>\$3,881,666</b>

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	343,844	343,844	343,604	343,604
SWPL - 2 - Fixed Costs	15,963	15,963	(1,844)	(1,844)
SWPL - 3 - Inflation Deflation	(32)	(32)	(27)	(27)
<i>Total Statewide Present Law Adjustments</i>	<i>\$359,775</i>	<i>\$359,775</i>	<i>\$341,733</i>	<i>\$341,733</i>
<b>Present Law Adjustments</b>				
PL - 400302 - IHS Economics Contract and Session Costs	2,256	2,256	11,400	11,400
<i>Total Present Law Adjustments</i>	<i>\$2,256</i>	<i>\$2,256</i>	<i>\$11,400</i>	<i>\$11,400</i>
<b>Total Budget Adjustments</b>	<b>\$362,031</b>	<b>\$362,031</b>	<b>\$353,133</b>	<b>\$353,133</b>

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$343,844	\$343,844
FY 2017	\$343,604	\$343,604

**SWPL - 1 - Personal Services -**

The budget includes \$343,844 in FY 2016 and \$343,604 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium. In addition, the request includes the impacts of turnover experienced in excess of the applied vacancy savings rate.

# Governors Office - 31010

## Ofc Budget & Program Planning - 04

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$15,963	\$15,963
FY 2017	(\$1,844)	(\$1,844)

**SWPL - 2 - Fixed Costs -**

This request includes \$15,963 in FY 2016 and a reduction of \$1,844 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$32)	(\$32)
FY 2017	(\$27)	(\$27)

**SWPL - 3 - Inflation Deflation -**

This change package includes a reduction of \$32 in FY 2016 and \$27 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$2,256	\$2,256
FY 2017	\$11,400	\$11,400

**PL - 400302 - IHS Economics Contract and Session Costs -**

The Office of Budget and Program Planning requests additional general fund of \$5,706 for the biennium to cover contractual rate increases in an annual subscription with IHS Economics, and \$7,950 to cover costs related to the preparation and printing of the executive budget in the odd-numbered year of the biennium. The subscription provides economic data used to develop revenue estimates and other economic analysis for the state, and is utilized by the Budget Office, the Legislative Fiscal Division, the Departments of Revenue, Labor and Industry, and Transportation.

# Governors Office - 31010

## Office of Indian Affairs - 05

**05 Office of  
Indian Affairs  
Jason Smith x3713**

**Program Description** - The Coordinator of Indian Affairs 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	Base Budget Fiscal 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
Budget Item						
FTE	2.00	0.00	2.00	0.00	2.00	
Personal Services	157,442	10,730	168,172	11,048	168,490	336,662
Operating Expenses	19,254	3,161	22,415	3,219	22,473	44,888
<b>Total Costs</b>	<b>\$176,696</b>	<b>\$13,891</b>	<b>\$190,587</b>	<b>\$14,267</b>	<b>\$190,963</b>	<b>\$381,550</b>
General Fund	176,696	13,891	190,587	14,267	190,963	381,550
<b>Total Funds</b>	<b>\$176,696</b>	<b>\$13,891</b>	<b>\$190,587</b>	<b>\$14,267</b>	<b>\$190,963</b>	<b>\$381,550</b>

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	10,730	10,730	11,048	11,048
SWPL - 2 - Fixed Costs	3,517	3,517	3,527	3,527
SWPL - 3 - Inflation Deflation	(356)	(356)	(308)	(308)
<i>Total Statewide Present Law Adjustments</i>	<i>\$13,891</i>	<i>\$13,891</i>	<i>\$14,267</i>	<i>\$14,267</i>
<b>Total Budget Adjustments</b>	<b>\$13,891</b>	<b>\$13,891</b>	<b>\$14,267</b>	<b>\$14,267</b>

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$10,730	\$10,730
FY 2017	\$11,048	\$11,048

**SWPL - 1 - Personal Services -**

The budget includes \$10,730 in FY 2016 and \$11,048 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

## Governors Office - 31010

### Office of Indian Affairs - 05

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$3,517	\$3,517
FY 2017	\$3,527	\$3,527

#### **SWPL - 2 - Fixed Costs -**

This request includes \$3,517 in FY 2016 and \$3,527 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$356)	(\$356)
FY 2017	(\$308)	(\$308)

#### **SWPL - 3 - Inflation Deflation -**

This change package includes a reduction of \$356 in FY 2016 and \$308 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others

# Governors Office - 31010

## Centralized Services Division - 06

**06 Centralized Services Program**  
**Rosemary Harmon x5518**

**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	Budget	Total	Budget	Total	Executive
Budget Item	Fiscal 2014	Adjustments Fiscal 2016	Exec. Budget Fiscal 2016	Adjustments Fiscal 2017	Exec. Budget Fiscal 2017	Budget Request 2017 Biennium
FTE	4.00	0.00	4.00	0.00	4.00	
Personal Services	303,235	33,092	336,327	33,818	337,053	673,380
Operating Expenses	102,356	11,330	113,686	(28,170)	74,186	187,872
<b>Total Costs</b>	<b>\$405,591</b>	<b>\$44,422</b>	<b>\$450,013</b>	<b>\$5,648</b>	<b>\$411,239</b>	<b>\$861,252</b>
General Fund	405,591	44,422	450,013	5,648	411,239	861,252
<b>Total Funds</b>	<b>\$405,591</b>	<b>\$44,422</b>	<b>\$450,013</b>	<b>\$5,648</b>	<b>\$411,239</b>	<b>\$861,252</b>

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	33,092	33,092	33,818	33,818
SWPL - 2 - Fixed Costs	11,335	11,335	(28,166)	(28,166)
SWPL - 3 - Inflation Deflation	(5)	(5)	(4)	(4)
<i>Total Statewide Present Law Adjustments</i>	<i>\$44,422</i>	<i>\$44,422</i>	<i>\$5,648</i>	<i>\$5,648</i>
<b>Total Budget Adjustments</b>	<b>\$44,422</b>	<b>\$44,422</b>	<b>\$5,648</b>	<b>\$5,648</b>

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$33,092	\$33,092
FY 2017	\$33,818	\$33,818

**SWPL - 1 - Personal Services -**

The budget includes \$33,092 in FY 2016 and \$33,818 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$11,335	\$11,335
FY 2017	(\$28,166)	(\$28,166)

**SWPL - 2 - Fixed Costs -**

This request includes \$11,335 in FY 2016 and a reduction of \$28,166 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

# Governors Office - 31010

## Centralized Services Division - 06

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$5)	(\$5)
FY 2017	(\$4)	(\$4)

### **SWPL - 3 - Inflation Deflation -**

This change package includes a reduction of \$5 in FY 2016 and \$4 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

# Governors Office - 31010

## Lieutenant Governor's Office - 12

**12 Lieutenant Governor's  
Office  
Lieutenant Governor  
Angela McLean x3111**

**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	Base Budget Fiscal 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
Budget Item						
FTE	3.00	0.00	3.00	0.00	3.00	
Personal Services	299,859	(7,549)	292,310	(8,321)	291,538	583,848
Operating Expenses	24,882	(994)	23,888	(655)	24,227	48,115
<b>Total Costs</b>	<b>\$324,741</b>	<b>(\$8,543)</b>	<b>\$316,198</b>	<b>(\$8,976)</b>	<b>\$315,765</b>	<b>\$631,963</b>
General Fund	324,741	(8,543)	316,198	(8,976)	315,765	631,963
<b>Total Funds</b>	<b>\$324,741</b>	<b>(\$8,543)</b>	<b>\$316,198</b>	<b>(\$8,976)</b>	<b>\$315,765</b>	<b>\$631,963</b>

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	(7,549)	(7,549)	(8,321)	(8,321)
SWPL - 2 - Fixed Costs	312	312	477	477
SWPL - 3 - Inflation Deflation	(1,306)	(1,306)	(1,132)	(1,132)
<i>Total Statewide Present Law Adjustments</i>	<i>(\$8,543)</i>	<i>(\$8,543)</i>	<i>(\$8,976)</i>	<i>(\$8,976)</i>
<b>Total Budget Adjustments</b>	<b>(\$8,543)</b>	<b>(\$8,543)</b>	<b>(\$8,976)</b>	<b>(\$8,976)</b>

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$7,549)	(\$7,549)
FY 2017	(\$8,321)	(\$8,321)

**SWPL - 1 - Personal Services -**

The budget includes a reduction of \$7,549 in FY 2016 and \$8,321 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

# Governors Office - 31010

## Lieutenant Governor's Office - 12

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$312	\$312
FY 2017	\$477	\$477

### SWPL - 2 - Fixed Costs -

This request includes \$312 in FY 2016 and \$477 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$1,306)	(\$1,306)
FY 2017	(\$1,132)	(\$1,132)

### SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$1,306 in FY 2016 and \$1,132 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

# Governors Office - 31010

## Citizens' Advocate Office - 16

**16 Citizens' Advocate Office**  
**John Malia x3468 or 5524**

**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	Base Budget	Budget	Total	Budget	Total	Executive
Budget Item	Fiscal 2014	Adjustments Fiscal 2016	Exec. Budget Fiscal 2016	Adjustments Fiscal 2017	Exec. Budget Fiscal 2017	Budget Request 2017 Biennium
FTE	2.00	0.00	2.00	0.00	2.00	
Personal Services	90,421	36,593	127,014	36,281	126,702	253,716
Operating Expenses	2,844	(2,100)	744	(2,102)	742	1,486
<b>Total Costs</b>	<b>\$93,265</b>	<b>\$34,493</b>	<b>\$127,758</b>	<b>\$34,179</b>	<b>\$127,444</b>	<b>\$255,202</b>
General Fund	93,265	34,493	127,758	34,179	127,444	255,202
<b>Total Funds</b>	<b>\$93,265</b>	<b>\$34,493</b>	<b>\$127,758</b>	<b>\$34,179</b>	<b>\$127,444</b>	<b>\$255,202</b>

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	36,593	36,593	36,281	36,281
SWPL - 2 - Fixed Costs	(2,100)	(2,100)	(2,102)	(2,102)
<i>Total Statewide Present Law Adjustments</i>	<i>\$34,493</i>	<i>\$34,493</i>	<i>\$34,179</i>	<i>\$34,179</i>
<b>Total Budget Adjustments</b>	<b>\$34,493</b>	<b>\$34,493</b>	<b>\$34,179</b>	<b>\$34,179</b>

### -----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$36,593	\$36,593
FY 2017	\$36,281	\$36,281

**SWPL - 1 - Personal Services -**

The budget includes \$36,593 in FY 2016 and \$36,281 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium. In addition, the request includes adjustment for turnover experienced in excess of the applied vacancy savings rate.

## Governors Office - 31010

### Citizens' Advocate Office - 16

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$2,100)	(\$2,100)
FY 2017	(\$2,102)	(\$2,102)

#### **SWPL - 2 - Fixed Costs -**

This request includes a reduction \$2,100 in FY 2016 and \$2,102 in FY 2017 for fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

# Governors Office - 31010

## Mental Disabilities Board of Visitors - 20

**20 Mental Disabilities  
Board of Visitors  
Craig Fitch, Interim Director  
x693-7037**

**Mental Health  
Ombudsman  
Vacant**

**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	Base Budget	Budget Adjustments	Total Exec. Budget	Budget Adjustments	Total Exec. Budget	Executive Budget Request
Budget Item	Fiscal 2014	Fiscal 2016	Fiscal 2016	Fiscal 2017	Fiscal 2017	2017 Biennium
FTE	5.00	0.00	5.00	0.00	5.00	
Personal Services	371,805	38,929	410,734	38,702	410,507	821,241
Operating Expenses	51,513	2,362	53,875	2,794	54,307	108,182
<b>Total Costs</b>	<b>\$423,318</b>	<b>\$41,291</b>	<b>\$464,609</b>	<b>\$41,496</b>	<b>\$464,814</b>	<b>\$929,423</b>
General Fund	423,318	41,291	464,609	41,496	464,814	929,423
<b>Total Funds</b>	<b>\$423,318</b>	<b>\$41,291</b>	<b>\$464,609</b>	<b>\$41,496</b>	<b>\$464,814</b>	<b>\$929,423</b>

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	38,929	38,929	38,702	38,702
SWPL - 2 - Fixed Costs	2,753	2,753	3,133	3,133
SWPL - 3 - Inflation Deflation	(391)	(391)	(339)	(339)
<i>Total Statewide Present Law Adjustments</i>	<i>\$41,291</i>	<i>\$41,291</i>	<i>\$41,496</i>	<i>\$41,496</i>
<b>Total Budget Adjustments</b>	<b>\$41,291</b>	<b>\$41,291</b>	<b>\$41,496</b>	<b>\$41,496</b>

# Governors Office - 31010

## Mental Disabilities Board of Visitors - 20

### -----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$38,929	\$38,929
FY 2017	\$38,702	\$38,702

#### **SWPL - 1 - Personal Services -**

The budget includes \$38,929 in FY 2016 and \$38,702 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$2,753	\$2,753
FY 2017	\$3,133	\$3,133

#### **SWPL - 2 - Fixed Costs -**

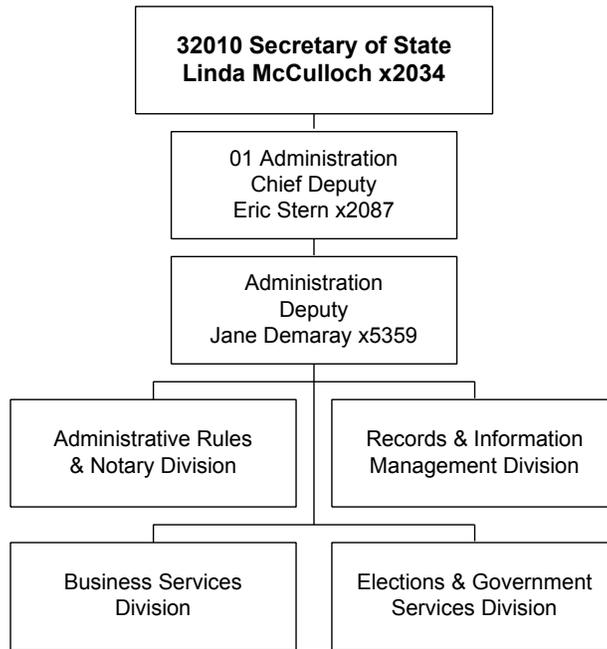
This request includes \$2,753 in FY 2016 and \$3,133 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$391)	(\$391)
FY 2017	(\$339)	(\$339)

#### **SWPL - 3 - Inflation Deflation -**

This change package includes a reduction of \$391 in FY 2016 and \$339 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

## Secretary of States Office - 32010



**Mission Statement** - It is the mission of the Secretary of State to provide efficient 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.

## Secretary of States Office - 32010

### Business & Government Services - 01

**Program Description** - The Secretary of State conducts its daily operations through a single program, the Business and Government Services Program, which consists of the following five divisions:

1. The Elections and Government Services Division is responsible for interpreting state election laws and assisting county election administrators in uniformly implementing the law. It also qualifies candidates for the ballot, qualifies initiatives and referendums for the ballot, certifies the language and form of the ballot, publishes the official state voter information pamphlet, conducts the official canvass of statewide election results, and trains county and school election officials. The division also oversees the implementation of the Help America Vote Act. The elections staff is responsible for filing and maintaining all official acts of the executive and legislative branches of state government, including laws and appointments.
2. The Business Services Division is responsible for registering businesses and maintaining private sector documents directly related to business. These include such documents as corporate charters, applications for assumed business names, annual reports, and registration of trademarks. The division is also responsible for filing commercial and agricultural liens, including those filed under the Uniform Commercial Code and the Federal Food Security Act. Information on current filings is maintained on a computer database and is available to registered users via the Internet.
3. The Administrative Rules and Notary Division administers notary and administrative rules services. Administrative Rules is designated as the publisher of the Administrative Rules of Montana (ARM) and the Montana Administrative Register (register). The unit serves as the filing depository for agency rule notices, rule adoptions, and interpretations. Proposed rule changes are printed in the register, which is published twice each month. The official, printed copy of the ARM is updated on a quarterly basis. Notary staff process applications and administer appointments for Montana notaries public, officials appointed by the secretary of state to administer oaths and affirmations, witness signatures, and perform other duties as permitted by state law. Notaries are most commonly called upon to attest to the validity of signatures, especially on court papers such as affidavits.
4. The Records Management Division is responsible for storing, accessing, microfilming, scanning, preserving, and disposing of public documents generated by state and local governments. The bureau plays a vital role in preserving essential information and ensuring continuity and accountability in government. State law requires state agencies and local governments to preserve various public records for varying lengths of time, according to official state and local government retention schedules. Each agency is responsible for notifying the records center when documents are eligible for disposal. The division also reactivated the State Records Committee and a Local Government Records Committee, which under the guidance of the secretary of state, must approve all disposal requests.
5. The Executive Division is responsible for all support functions of the agency, including information technology, purchasing, accounting, budgeting, and human resources.

Program Proposed Budget	Base Budget	Budget Adjustments	Total Exec. Budget	Budget Adjustments	Total Exec. Budget	Executive Budget Request
Budget Item	Fiscal 2014	Fiscal 2016	Fiscal 2016	Fiscal 2017	Fiscal 2017	2017 Biennium
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	0	105,000	105,000	105,000	105,000	210,000
<b>Total Costs</b>	<b>\$0</b>	<b>\$105,000</b>	<b>\$105,000</b>	<b>\$105,000</b>	<b>\$105,000</b>	<b>\$210,000</b>
Federal Spec. Rev. Funds	0	105,000	105,000	105,000	105,000	210,000

# Secretary of States Office - 32010

## Business & Government Services - 01

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
	<b>New Proposals</b>			
NP - 100002 - HAVA Interest - (OTO)	0	105,000	0	105,000
<i>Total New Proposals</i>	<i>\$0</i>	<i>\$105,000</i>	<i>\$0</i>	<i>\$105,000</i>
<b>Total Budget Adjustments</b>	<b>\$0</b>	<b>\$105,000</b>	<b>\$0</b>	<b>\$105,000</b>

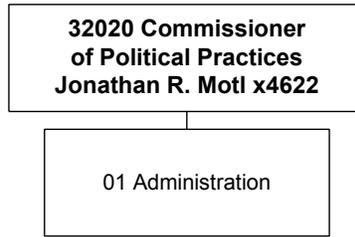
-----**New Proposals**-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$105,000
FY 2017	\$0	\$105,000

**NP - 100002 - HAVA Interest - (OTO) -**

The proposed budget includes a request to allow the Secretary of State's Office to spend interest generated from Federal Help America Vote Act (HAVA) funds. HAVA money assists the office and counties with HAVA regulations and compliance.

## Commissioner of Political Practices - 32020



**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.

# Commissioner of Political Practices - 32020

## Administration - 01

**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						
Budget Item	Base Budget Fiscal 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
FTE	6.00	1.00	7.00	1.00	7.00	
Personal Services	321,811	138,370	460,181	139,052	460,863	921,044
Operating Expenses	167,832	52,167	219,999	42,529	210,361	430,360
<b>Total Costs</b>	<b>\$489,643</b>	<b>\$190,537</b>	<b>\$680,180</b>	<b>\$181,581</b>	<b>\$671,224</b>	<b>\$1,351,404</b>
General Fund	489,643	190,537	680,180	181,581	671,224	1,351,404
<b>Total Funds</b>	<b>\$489,643</b>	<b>\$190,537</b>	<b>\$680,180</b>	<b>\$181,581</b>	<b>\$671,224</b>	<b>\$1,351,404</b>

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	55,221	55,221	56,119	56,119
SWPL - 2 - Fixed Costs	16,599	16,599	6,953	6,953
SWPL - 3 - Inflation Deflation	(62)	(62)	(54)	(54)
<i>Total Statewide Present Law Adjustments</i>	<i>\$71,758</i>	<i>\$71,758</i>	<i>\$63,018</i>	<i>\$63,018</i>
<b>Present Law Adjustments</b>				
PL - 100002 - Lease Increase	12,000	12,000	12,000	12,000
PL - 100005 - Online Systems and Database Maintenance	23,630	23,630	23,630	23,630
<i>Total Present Law Adjustments</i>	<i>\$35,630</i>	<i>\$35,630</i>	<i>\$35,630</i>	<i>\$35,630</i>
<b>New Proposals</b>				
NP - 100001 - Staff Attorney - FTE	83,149	83,149	82,933	82,933
<i>Total New Proposals</i>	<i>\$83,149</i>	<i>\$83,149</i>	<i>\$82,933</i>	<i>\$82,933</i>
<b>Total Budget Adjustments</b>	<b>\$190,537</b>	<b>\$190,537</b>	<b>\$181,581</b>	<b>\$181,581</b>

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$55,221	\$55,221
FY 2017	\$56,119	\$56,119

**SWPL - 1 - Personal Services -**

The budget includes \$55,221 in FY 2016 and \$56,119 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

# Commissioner of Political Practices - 32020

## Administration - 01

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$16,599	\$16,599
FY 2017	\$6,953	\$6,953

**SWPL - 2 - Fixed Costs -**

This request includes \$16,599 in FY 2016 and \$6,953 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$62)	(\$62)
FY 2017	(\$54)	(\$54)

**SWPL - 3 - Inflation Deflation -**

This change package includes a reduction of \$62 in FY 2016 and \$54 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. The affected account is motor pool.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$12,000	\$12,000
FY 2017	\$12,000	\$12,000

**PL - 100002 - Lease Increase -**

The 2013 Legislature granted one-time-only funding for an agency move. The Commissioner of Political Practices (COPP) was unable to locate a suitably sized location on the Capitol complex. Instead, COPP split into two small offices, one for compliance and one for enforcement and used the move funds to cover the increased rent expense. COPP is still searching for a suitable building to house all staff in one place. This request is for \$12,000 general fund in each year of the 2017 biennium to cover the two current office spaces, or the lease of one larger space, if available.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$23,630	\$23,630
FY 2017	\$23,630	\$23,630

**PL - 100005 - Online Systems and Database Maintenance -**

The Commissioner of Political Practices (COPP) was appropriated one-time-only authority in HB 10 for the development of a new campaign finance reporting system and updates to the correlating Oracle database. The system launched in June 2014. COPP is requesting \$23,630 general fund in each year of the biennium for ongoing maintenance of those systems.

# Commissioner of Political Practices - 32020

## Administration - 01

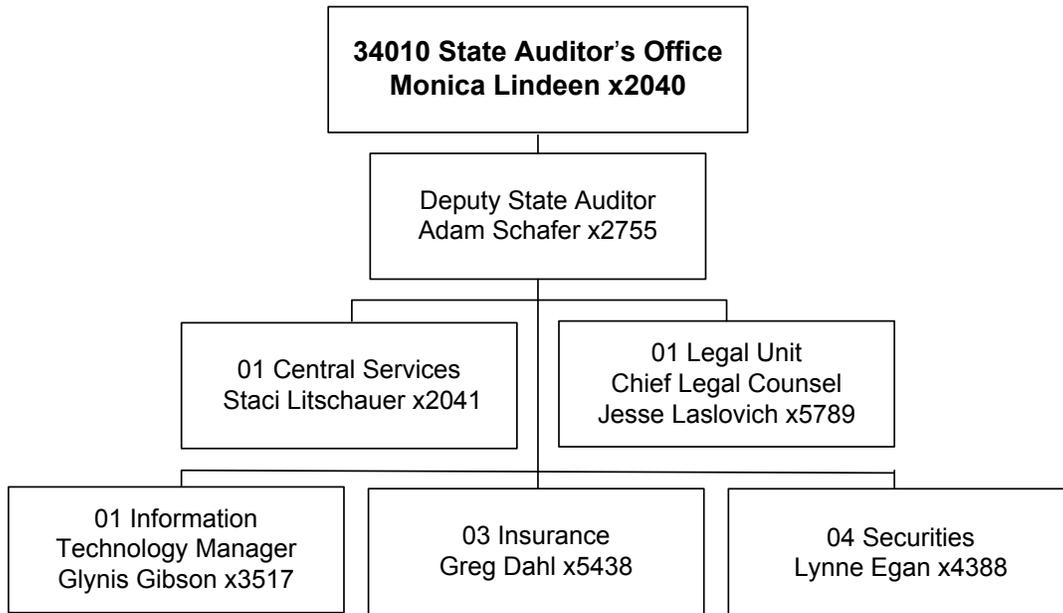
### -----New Proposals-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$83,149	\$83,149
FY 2017	\$82,933	\$82,933

#### **NP - 100001 - Staff Attorney - FTE -**

The 2013 Legislature granted one-time-only funding for an in-house attorney. The Commissioner of Political Practices (COPP) is requesting that this position become a permanent 1.00 FTE. Without this position, it would be impossible to maintain the current rate of issuing advisory opinions, completing sufficiency findings, and follow through with the enforcement through settlement and litigating the findings in court.

## State Auditors Office - 34010



**Mission Statement** - To assure compliance with 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 apprised of regional and national developments in those industries in order to inform state policy makers about needed statutory changes and answer inquiries.

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

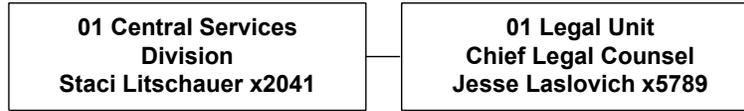
Agency Proposed Budget	Total Exec. Budget Fiscal 2016	Total Exec. Budget Fiscal 2017	Total Exec. Budget 2017 Biennium
Budget Item			
FTE	80.54	80.54	
Personal Services	6,443,209	6,442,354	12,885,563
Operating Expenses	1,352,797	1,198,917	2,551,714
Equipment & Intangible Assets	47,374	47,374	94,748
Benefits & Claims	5,059,713	0	5,059,713
<b>Total Costs</b>	<b>\$12,903,093</b>	<b>\$7,688,645</b>	<b>\$20,591,738</b>
General Fund	4,769,387	0	4,769,387
State/Other Special	8,133,706	7,688,645	15,822,351
<b>Total Funds</b>	<b>\$12,903,093</b>	<b>\$7,688,645</b>	<b>\$20,591,738</b>

## State Auditors Office - 34010

Agency Appropriated Biennium to Biennium Comparison								
Program	2015 Biennium Appropriated Budget		2017 Biennium Requested Budget		Biennium to Biennium Difference (dollars)		Biennium to Biennium Difference (percent)	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
01 - Central Management	0	4,493,883	0	4,225,210	0	(268,673)	0.00 %	(5.98)%
03 - Insurance	8,410,035	32,606,293	4,769,387	14,010,184	(3,640,648)	(18,596,109)	(43.29)%	(57.03)%
04 - Securities	0	2,116,749	0	2,356,344	0	239,595	0.00 %	11.32 %
<b>Agency Total</b>	<b>\$8,410,035</b>	<b>\$39,216,925</b>	<b>\$4,769,387</b>	<b>\$20,591,738</b>	<b>(\$3,640,648)</b>	<b>(\$18,625,187)</b>	<b>(43.29)%</b>	<b>(47.49)%</b>

# State Auditors Office - 34010

## Central Management - 01



**Program Description** - The Central Management Division is responsible for the administrative, personnel, budgeting, and accounting functions for the 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	Base Budget Fiscal 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
FTE	19.80	0.00	19.80	0.00	19.80	
Personal Services	1,328,675	273,588	1,602,263	272,423	1,601,098	3,203,361
Operating Expenses	641,858	(172,954)	468,904	(183,661)	458,197	927,101
Equipment & Intangible Assets	47,374	0	47,374	0	47,374	94,748
<b>Total Costs</b>	<b>\$2,017,907</b>	<b>\$100,634</b>	<b>\$2,118,541</b>	<b>\$88,762</b>	<b>\$2,106,669</b>	<b>\$4,225,210</b>
State/Other Special	2,017,907	100,634	2,118,541	88,762	2,106,669	4,225,210
<b>Total Funds</b>	<b>\$2,017,907</b>	<b>\$100,634</b>	<b>\$2,118,541</b>	<b>\$88,762</b>	<b>\$2,106,669</b>	<b>\$4,225,210</b>

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	0	273,588	0	272,423
SWPL - 2 - Fixed Costs	0	27,770	0	16,847
SWPL - 3 - Inflation Deflation	0	(107)	0	(116)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$301,251</i>	<i>\$0</i>	<i>\$289,154</i>
<b>Present Law Adjustments</b>				
PL - 101001 - Building Rent	0	14,179	0	14,404
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$14,179</i>	<i>\$0</i>	<i>\$14,404</i>
<b>New Proposals</b>				
NP - 301001 - Unallocated Reduction	0	(214,796)	0	(214,796)
<i>Total New Proposals</i>	<i>\$0</i>	<i>(\$214,796)</i>	<i>\$0</i>	<i>(\$214,796)</i>
<b>Total Budget Adjustments</b>	<b>\$0</b>	<b>\$100,634</b>	<b>\$0</b>	<b>\$88,762</b>

**State Auditors Office - 34010**

**Central Management - 01**

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$273,588
FY 2017	\$0	\$272,423

**SWPL - 1 - Personal Services -**

The budget includes \$273,588 in FY 2016 and \$272,423 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity and adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

In addition, the request includes the impacts of market adjustments to bring all staff to 90% of the market rate per the agency pay plan rules, bring exempt employees to 90% of the comparable classified position market rate, retention adjustments made to retain staff in difficult to recruit positions or to retain staff with substantial institutional knowledge, and vacancy savings in excess of the applied vacancy savings rate.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$27,770
FY 2017	\$0	\$16,847

**SWPL - 2 - Fixed Costs -**

This request includes \$27,770 in FY 2016 and \$16,847 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$107)
FY 2017	\$0	(\$116)

**SWPL - 3 - Inflation Deflation -**

This change package includes a reduction of \$107 in FY 2016 and \$116 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$14,179
FY 2017	\$0	\$14,404

**PL - 101001 - Building Rent -**

This present law adjustment requests state special revenue of \$14,179 in FY 2016 and \$14,404 in FY 2017 to lease additional office space within the existing building location.

# State Auditors Office - 34010

## Central Management - 01

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

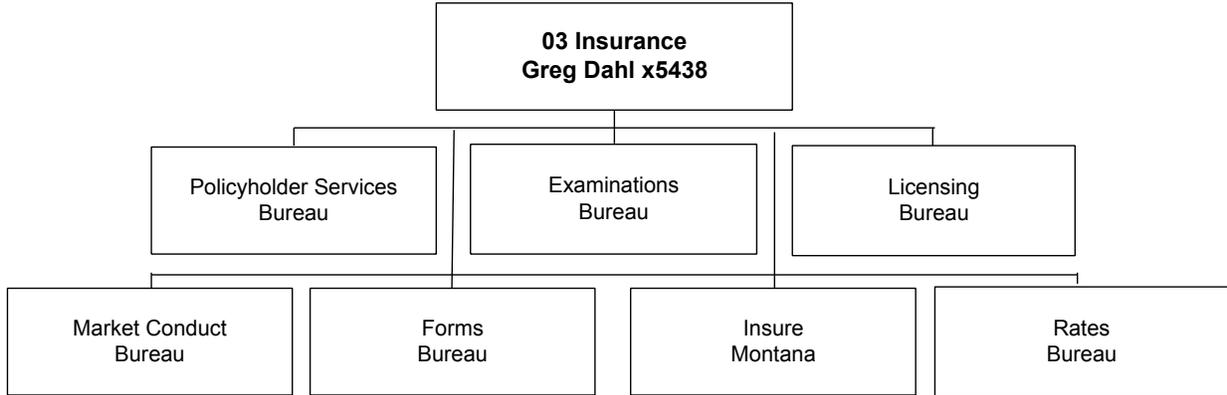
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$214,796)
FY 2017	\$0	(\$214,796)

**NP - 301001 - Unallocated Reduction -**

This new proposal requests a reduction in state special revenue of \$214,796 each year of the biennium to balance the insurance fee account in the State Auditor's Office.

# State Auditors Office - 34010

## Insurance - 03



**Program Description** - The Insurance Division regulates the insurance industry in Montana. The Policyholder Services Bureau 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 Montana as a captive domicile and regulates captive insurers in the state. The Rates Bureau and the Forms Bureau are responsible for reviewing rate and form filings, respectively, to ensure compliance with the applicable insurance code. The Licensing Bureau is responsible for licensing and providing continuing education to insurance agents, agencies, and adjusters. The Insure Montana program administers the Small Business Health Insurance Purchasing Pool and Tax Credit programs. The Legal Bureau, which serves both the Insurance and Securities Divisions, provides legal support to the divisions. The Investigations Bureau, which is under the Legal Bureau, investigates code and rule violations, including possible criminal violations, and recommends referral of cases to county attorneys for prosecution.

Program Proposed Budget						
Budget Item	Base Budget Fiscal 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
FTE	57.00	(8.10)	48.90	(8.10)	48.90	
Personal Services	3,442,061	381,843	3,823,904	383,960	3,826,021	7,649,925
Operating Expenses	880,313	(161,012)	719,301	(299,068)	581,245	1,300,546
Benefits & Claims	813,624	4,246,089	5,059,713	(813,624)	0	5,059,713
<b>Total Costs</b>	<b>\$5,135,998</b>	<b>\$4,466,920</b>	<b>\$9,602,918</b>	<b>(\$728,732)</b>	<b>\$4,407,266</b>	<b>\$14,010,184</b>
General Fund	0	4,769,387	4,769,387	0	0	4,769,387
State/Other Special	5,135,998	(302,467)	4,833,531	(728,732)	4,407,266	9,240,797
<b>Total Funds</b>	<b>\$5,135,998</b>	<b>\$4,466,920</b>	<b>\$9,602,918</b>	<b>(\$728,732)</b>	<b>\$4,407,266</b>	<b>\$14,010,184</b>

# State Auditors Office - 34010

## Insurance - 03

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	0	932,900	0	934,193
SWPL - 2 - Fixed Costs	0	43,058	0	10,671
SWPL - 3 - Inflation Deflation	0	(372)	0	(381)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$975,586</i>	<i>\$0</i>	<i>\$944,483</i>
<b>Present Law Adjustments</b>				
PL - 300444 - Statewide 4% FTE Reduction - Program 3	0	(226,623)	0	(226,047)
PL - 303003 - Biennial Financial Exams	0	210,000	0	220,000
PL - 303008 - Building Rent	0	16,516	0	17,342
PL - 303009 - MCHA Expiration	0	(406,812)	0	(813,624)
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>(\$406,919)</i>	<i>\$0</i>	<i>(\$802,329)</i>
<b>New Proposals</b>				
NP - 301001 - Unallocated Reduction	0	(546,700)	0	(546,700)
NP - 303001 - Insure Montana OTO	4,769,387	4,444,953	0	(324,186)
<i>Total New Proposals</i>	<i>\$4,769,387</i>	<i>\$3,898,253</i>	<i>\$0</i>	<i>(\$870,886)</i>
<b>Total Budget Adjustments</b>	<b>\$4,769,387</b>	<b>\$4,466,920</b>	<b>\$0</b>	<b>(\$728,732)</b>

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$932,900
FY 2017	\$0	\$934,193

**SWPL - 1 - Personal Services -**

The budget includes \$932,900 in FY 2016 and \$934,193 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity and adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

In addition, the request includes the impacts of market adjustments to bring all staff to 90% of the market rate per the agency pay plan rules, retention adjustments made to retain staff in difficult to recruit positions or to retain staff with substantial institutional knowledge, and vacancy savings in excess of the applied vacancy savings rate.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$43,058
FY 2017	\$0	\$10,671

**SWPL - 2 - Fixed Costs -**

This request includes \$43,058 in FY 2016 and \$10,671 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

# State Auditors Office - 34010

## Insurance - 03

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$372)
FY 2017	\$0	(\$381)

**SWPL - 3 - Inflation Deflation -**

This change package includes a reduction of \$372 in FY 2016 and \$381 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$226,623)
FY 2017	\$0	(\$226,047)

**PL - 300444 - Statewide 4% FTE Reduction - Program 3 -**

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. Change package 300444 includes a reduction of 3.10 FTE each year and \$452,670 total funds for the biennium to accomplish the FTE reduction.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$210,000
FY 2017	\$0	\$220,000

**PL - 303003 - Biennial Financial Exams -**

This present law adjustment requests \$430,000 in state special revenue to conduct biennial financial examinations. This change package is funded with 100% state special revenue.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$16,516
FY 2017	\$0	\$17,342

**PL - 303008 - Building Rent -**

This present law adjustment requests state special revenue of \$16,516 in FY 2016 and \$17,342 in FY 2017 to lease additional office space within the existing building location.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$406,812)
FY 2017	\$0	(\$813,624)

**PL - 303009 - MCHA Expiration -**

This is a present law request to remove expenditures associated with the expiration of the program, as defined in statute. State special revenue is reduced by \$1,220,436 over the biennium.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$546,700)
FY 2017	\$0	(\$546,700)

**NP - 301001 - Unallocated Reduction -**

This new proposal requests a reduction in state special revenue of \$546,700 each year of the biennium to balance the insurance fee account in the State Auditor's Office.

# State Auditors Office - 34010

## Insurance - 03

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$4,769,387	\$4,444,953
FY 2017	\$0	(\$324,186)

### NP - 303001 - Insure Montana OTO -

This new proposal requests \$4,120,767 in total funds for the biennium, including \$4,679,387 in general fund and a reduction in state special revenue of \$648,620 to continue the Insure Montana program through December 31, 2015 which is the end of the policy plan year.

# State Auditors Office - 34010

## 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 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	Base Budget Fiscal 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
FTE	11.00	0.84	11.84	0.84	11.84	
Personal Services	795,166	221,876	1,017,042	220,069	1,015,235	2,032,277
Operating Expenses	143,409	21,183	164,592	16,066	159,475	324,067
<b>Total Costs</b>	<b>\$938,575</b>	<b>\$243,059</b>	<b>\$1,181,634</b>	<b>\$236,135</b>	<b>\$1,174,710</b>	<b>\$2,356,344</b>
State/Other Special	938,575	243,059	1,181,634	236,135	1,174,710	2,356,344
<b>Total Funds</b>	<b>\$938,575</b>	<b>\$243,059</b>	<b>\$1,181,634</b>	<b>\$236,135</b>	<b>\$1,174,710</b>	<b>\$2,356,344</b>

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	0	190,695	0	188,954
SWPL - 2 - Fixed Costs	0	2,863	0	(260)
SWPL - 3 - Inflation Deflation	0	(131)	0	(125)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$193,427</i>	<i>\$0</i>	<i>\$188,569</i>
<b>Present Law Adjustments</b>				
PL - 400444 - Statewide 4% FTE Reduction - Program 4	0	(6,091)	0	(6,077)
PL - 404002 - Building Rent	0	13,951	0	13,951
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$7,860</i>	<i>\$0</i>	<i>\$7,874</i>
<b>New Proposals</b>				
NP - 404001 - Securities Examiner FTE	0	41,772	0	39,692
<i>Total New Proposals</i>	<i>\$0</i>	<i>\$41,772</i>	<i>\$0</i>	<i>\$39,692</i>
<b>Total Budget Adjustments</b>	<b>\$0</b>	<b>\$243,059</b>	<b>\$0</b>	<b>\$236,135</b>

# State Auditors Office - 34010

## Securities - 04

### -----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$190,695
FY 2017	\$0	\$188,954

**SWPL - 1 - Personal Services -**

The budget includes \$190,695 in FY 2016 and \$188,954 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity and adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

In addition, the request includes the impacts of market adjustments to bring all staff to 90% of the market rate per the agency pay plan rules, bring exempt employees to 90% of the comparable classified position market rate, and vacancy savings in excess of the applied vacancy savings rate.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$2,863
FY 2017	\$0	(\$260)

**SWPL - 2 - Fixed Costs -**

This request includes \$2,863 in FY 2016 and a reduction of \$260 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$131)
FY 2017	\$0	(\$125)

**SWPL - 3 - Inflation Deflation -**

This change package includes a reduction of \$131 in FY 2016 and \$125 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$6,091)
FY 2017	\$0	(\$6,077)

**PL - 400444 - Statewide 4% FTE Reduction - Program 4 -**

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. Change package 400444 includes a reduction of 0.16 FTE each year and \$12,168 total funds for the biennium to accomplish the FTE reduction.

# State Auditors Office - 34010

## Securities - 04

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$13,951
FY 2017	\$0	\$13,951

### PL - 404002 - Building Rent -

This present law adjustment requests \$13,951 in state special revenue each year of the biennium to lease additional office space within the existing building location.

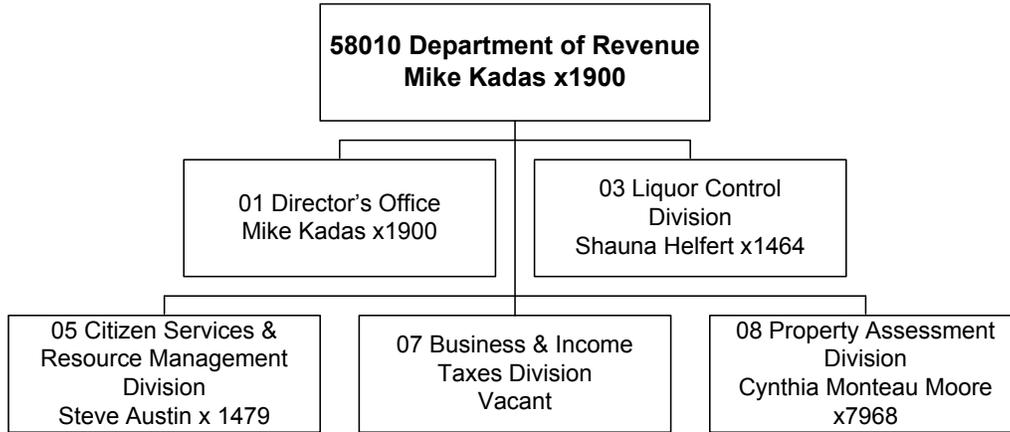
## -----New Proposals-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$41,772
FY 2017	\$0	\$39,692

### NP - 404001 - Securities Examiner FTE -

This proposal requests 1.00 FTE and \$81,464 in state special revenue for the biennium for a financial examiner. This FTE is necessary to meet the increasing workload of the Securities Division.

## Department of Revenue - 58010



**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. 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

**Language** - The Liquor Control Division requests the following language be included in HB 2:

"Liquor Control Division proprietary funds necessary to maintain adequate inventories, pay freight charges, and transfer profits and taxes to appropriate accounts are appropriated from the liquor enterprise fund to the department in the amounts not to exceed \$138 million in FY 2016 and \$145 million in FY 2017."

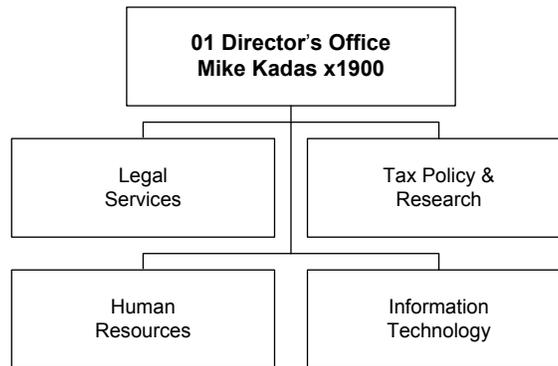
Agency Proposed Budget	Total Exec. Budget Fiscal 2016	Total Exec. Budget Fiscal 2017	Total Exec. Budget 2017 Biennium
FTE	651.55	651.55	
Personal Services	42,629,679	42,692,281	85,321,960
Operating Expenses	15,741,122	15,333,838	31,074,960
Equipment & Intangible Assets	467,853	471,151	939,004
Debt Service	37,864	37,864	75,728
<b>Total Costs</b>	<b>\$58,876,518</b>	<b>\$58,535,134</b>	<b>\$117,411,652</b>
General Fund	54,067,068	53,996,524	108,063,592
State/Other Special	1,252,050	1,042,050	2,294,100
Proprietary Funds	3,315,974	3,255,134	6,571,108
Federal Spec. Rev. Funds	241,426	241,426	482,852
<b>Total Funds</b>	<b>\$58,876,518</b>	<b>\$58,535,134</b>	<b>\$117,411,652</b>

## Department of Revenue - 58010

Agency Appropriated Biennium to Biennium Comparison								
Program	2015 Biennium Appropriated Budget		2017 Biennium Requested Budget		Biennium to Biennium Difference (dollars)		Biennium to Biennium Difference (percent)	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
01 - Directors Office	27,026,283	28,008,733	28,211,943	29,198,029	1,185,660	1,189,296	4.39 %	4.25 %
03 - Liquor Control Division	0	5,237,094	0	5,737,444	0	500,350	0.00 %	9.55 %
05 - Citizen Services & Resource Mgmt	16,185,459	16,840,202	17,608,027	18,199,283	1,422,568	1,359,081	8.79 %	8.07 %
07 - Business and Income Taxes Division	18,607,383	20,464,898	19,684,964	21,676,766	1,077,581	1,211,868	5.79 %	5.92 %
08 - Property Assessment Division	41,968,858	42,028,337	42,558,658	42,600,130	589,800	571,793	1.41 %	1.36 %
<b>Agency Total</b>	<b>\$103,787,983</b>	<b>\$112,579,264</b>	<b>\$108,063,592</b>	<b>\$117,411,652</b>	<b>\$4,275,609</b>	<b>\$4,832,388</b>	<b>4.12 %</b>	<b>4.29 %</b>

# Department of Revenue - 58010

## Directors 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 five primary sections that provide services across the department to the four primary operating divisions.

- The Executive Office is responsible for the general guidance and management of the agency, including administrative functions and communication to the public, other agencies and elected officials and includes the Office of Taxpayer Assistance. In addition, Fiscal Administration, Public Information, Human Resources, and Enterprise Planning & Analysis functions reside here.
- 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. The legal 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.
- The Security Office provides security and disclosure guidance to the department staff and citizens served by the department. The Security Office is responsible for ensuring compliance with confidentiality requirements including Internal Revenue Service (IRS) security requirements and federal/state information exchanges and ensuring the department appropriately safeguards the integrity of confidential taxpayer information in all forms
- 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 statutory Biennial Report.
- The Information Technology Office is responsible to provide effective and efficient IT hardware and software to all department staff so that they can complete the work of tax administration.

Program Proposed Budget	Base Budget	Budget	Total	Budget	Total	Executive
Budget Item	Fiscal 2014	Adjustments Fiscal 2016	Exec. Budget Fiscal 2016	Adjustments Fiscal 2017	Exec. Budget Fiscal 2017	Budget Request 2017 Biennium
FTE	83.48	1.27	84.75	1.27	84.75	
Personal Services	6,552,504	823,057	7,375,561	898,855	7,451,359	14,826,920
Operating Expenses	7,119,951	(114,617)	7,005,334	(309,454)	6,810,497	13,815,831
Equipment & Intangible Assets	277,639	0	277,639	0	277,639	555,278
<b>Total Costs</b>	<b>\$13,950,094</b>	<b>\$708,440</b>	<b>\$14,658,534</b>	<b>\$589,401</b>	<b>\$14,539,495</b>	<b>\$29,198,029</b>
General Fund	13,451,734	713,757	14,165,491	594,718	14,046,452	28,211,943
State/Other Special	112,614	(1,632)	110,982	(1,632)	110,982	221,964
Proprietary Funds	384,746	(3,685)	381,061	(3,685)	381,061	762,122
Federal Spec. Rev. Funds	1,000	0	1,000	0	1,000	2,000
<b>Total Funds</b>	<b>\$13,950,094</b>	<b>\$708,440</b>	<b>\$14,658,534</b>	<b>\$589,401</b>	<b>\$14,539,495</b>	<b>\$29,198,029</b>

# Department of Revenue - 58010

## Directors Office - 01

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
	<b>Statewide Present Law Adjustments</b>			
SWPL - 1 - Personal Services	830,735	830,735	825,433	825,433
SWPL - 2 - Fixed Costs	119,560	119,560	(58,695)	(58,695)
SWPL - 3 - Inflation Deflation	(877)	(877)	(759)	(759)
<i>Total Statewide Present Law Adjustments</i>	<i>\$949,418</i>	<i>\$949,418</i>	<i>\$765,979</i>	<i>\$765,979</i>
<b>Present Law Adjustments</b>				
PL - 100102 - IT Funding Reduction	(18,415)	(18,415)	(22,971)	(22,971)
PL - 100103 - Fiscal Note Overtime (OTO/RST)	0	0	70,000	70,000
PL - 100105 - Enhance Bankruptcy Compliance	70,660	70,660	68,843	68,843
PL - 100444 - Statewide 4% FTE Reduction-Program 1	(287,906)	(293,223)	(287,133)	(292,450)
<i>Total Present Law Adjustments</i>	<i>(\$235,661)</i>	<i>(\$240,978)</i>	<i>(\$171,261)</i>	<i>(\$176,578)</i>
<b>Total Budget Adjustments</b>	<b>\$713,757</b>	<b>\$708,440</b>	<b>\$594,718</b>	<b>\$589,401</b>

### -----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$830,735	\$830,735
FY 2017	\$825,433	\$825,433

#### SWPL - 1 - Personal Services -

The budget includes \$830,735 in FY 2016 and \$825,433 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$119,560	\$119,560
FY 2017	(\$58,695)	(\$58,695)

#### SWPL - 2 - Fixed Costs -

This request includes \$119,560 in FY 2016 and a reduction of \$58,695 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$877)	(\$877)
FY 2017	(\$759)	(\$759)

#### SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$877 in FY 2016 and \$759 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

# Department of Revenue - 58010

## Directors Office - 01

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$18,415)	(\$18,415)
FY 2017	(\$22,971)	(\$22,971)

#### **PL - 100102 - IT Funding Reduction -**

The Montana Department of Revenue has contract developers supplementing existing staff. This request is to reduce expenses and convert the staff augmentation contractor positions to three full-time equivalent positions. The new full-time equivalent positions will fulfill a vital role in the development and maintenance of Department of Revenue systems.

The staff will support GenTax, eStop, Oasis, Orion Data Portal and Orion Data Service, Liquor Warehouse Management, Performance Appraisal, County Collections, and over 25 other applications.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$0
FY 2017	\$70,000	\$70,000

#### **PL - 100103 - Fiscal Note Overtime (OTO/RST) -**

The Director's Office requests \$70,000 in general fund in the 2017 biennium to cover necessary overtime expenditures in the Tax Policy and Research Office created by the staff time for fiscal note preparation in the 2017 Legislative Session.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$70,660	\$70,660
FY 2017	\$68,843	\$68,843

#### **PL - 100105 - Enhance Bankruptcy Compliance -**

The addition of 1.00 FTE Paralegal to the bankruptcy unit will allow the department to pursue tax compliance opportunities that are not getting the necessary attention due to existing workload and resources available. This includes Chapter 13 bankruptcy oversight, including plan review and plan oversight to collect dollars that are currently going uncollected; enhanced collection of post-petition, pre-discharge debts; improved compliance including motions to compel tax filings immediately upon filing of petition; offsetting collections through lift stay motions; and training the Montana bankruptcy bar on the department's engagement on the preceding issues.

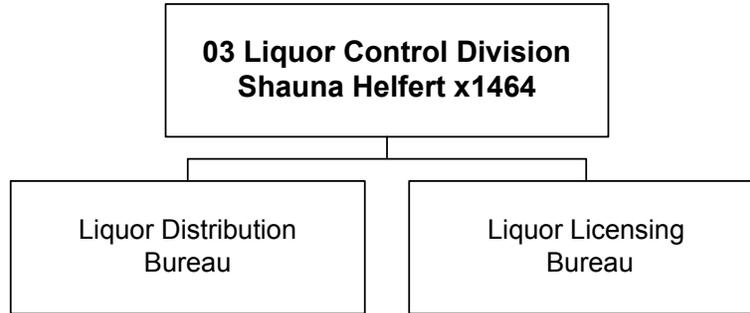
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$287,906)	(\$293,223)
FY 2017	(\$287,133)	(\$292,450)

#### **PL - 100444 - Statewide 4% FTE Reduction-Program 1 -**

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. Change package 300444 includes a reduction of 2.73 FTE each year and \$585,673 for the biennium to accomplish the FTE reduction.

# Department of Revenue - 58010

## 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 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	Base Budget Fiscal 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
Budget Item						
FTE	31.75	0.00	31.75	0.00	31.75	
Personal Services	1,917,061	335,349	2,252,410	279,122	2,196,183	4,448,593
Operating Expenses	423,346	1,693	425,039	(2,920)	420,426	845,465
Equipment & Intangible Assets	190,214	0	190,214	0	190,214	380,428
Debt Service	36,177	(4,698)	31,479	(4,698)	31,479	62,958
<b>Total Costs</b>	<b>\$2,566,798</b>	<b>\$332,344</b>	<b>\$2,899,142</b>	<b>\$271,504</b>	<b>\$2,838,302</b>	<b>\$5,737,444</b>
Proprietary Funds	2,566,798	332,344	2,899,142	271,504	2,838,302	5,737,444
<b>Total Funds</b>	<b>\$2,566,798</b>	<b>\$332,344</b>	<b>\$2,899,142</b>	<b>\$271,504</b>	<b>\$2,838,302</b>	<b>\$5,737,444</b>

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	0	208,868	0	210,485
SWPL - 2 - Fixed Costs	0	(7,638)	0	(8,570)
SWPL - 3 - Inflation Deflation	0	458	0	952
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$201,688</i>	<i>\$0</i>	<i>\$202,867</i>
<b>Present Law Adjustments</b>				
PL - 300301 - Overtime Temp Staff (BIEN/RST)	0	75,000	0	75,000
PL - 300302 - Compliance Specialist	0	72,379	0	70,165
PL - 300303 - Termination Payout (BIEN/RST)	0	60,000	0	0
PL - 300444 - Statewide 4% FTE Reduction-Program 3	0	(76,723)	0	(76,528)
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$130,656</i>	<i>\$0</i>	<i>\$68,637</i>
<b>Total Budget Adjustments</b>	<b>\$0</b>	<b>\$332,344</b>	<b>\$0</b>	<b>\$271,504</b>

# Department of Revenue - 58010

## Liquor Control Division - 03

### -----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$208,868
FY 2017	\$0	\$210,485

#### **SWPL - 1 - Personal Services -**

The budget includes \$208,868 in FY 2016 and \$210,485 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$7,638)
FY 2017	\$0	(\$8,570)

#### **SWPL - 2 - Fixed Costs -**

This request includes a reduction of \$7,638 in FY 2016 and \$8,570 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$458
FY 2017	\$0	\$952

#### **SWPL - 3 - Inflation Deflation -**

This change package includes \$458 in FY 2016 and \$952 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$75,000
FY 2017	\$0	\$75,000

#### **PL - 300301 - Overtime Temp Staff (BIEN/RST) -**

The Department of Revenue, Liquor Control Division is requesting funding of \$150,000 in proprietary funds for the 2017 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 and temporary employee pay, it must be requested each legislative session. The division may hire additional temporary employees or pay overtime, whichever is determined to be the most cost-effective, to maintain required service levels to agency stores during peak seasons and employee vacation time.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$72,379
FY 2017	\$0	\$70,165

#### **PL - 300302 - Compliance Specialist -**

The Liquor Licensing Bureau is requesting 1.00 FTE Compliance Specialist to help mitigate the increased workload associated with the passage of new bills during the 2013 Legislative Session which increased the number of registered wineries doing business in Montana.

## Department of Revenue - 58010

### Liquor Control Division - 03

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$60,000
FY 2017	\$0	\$0

#### **PL - 300303 - Termination Payout (BIEN/RST) -**

The Department of Revenue, Liquor Control Division is requesting additional funding of \$60,000 in proprietary funds for the 2017 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. The liquor enterprise fund accrues leave balances at the end of each fiscal year in the proprietary fund. This additional spending authority may only be used to pay the required payout of accrued leave balances upon a termination.

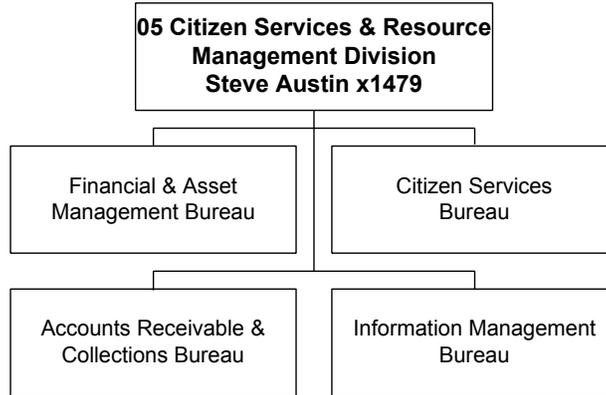
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$76,723)
FY 2017	\$0	(\$76,528)

#### **PL - 300444 - Statewide 4% FTE Reduction-Program 3 -**

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. Change package 300444 includes a reduction of 1.00 FTE each year and \$153,251 for the biennium to accomplish the FTE reduction.

## Department of Revenue - 58010

### Citizen Services & Resource Mgmt - 05



**Program Description** - The Citizen Services and Resource Management Division (CSR) focuses on providing services to citizens, including the advancement of free electronic filing, and support services to the other divisions of the department. CSR includes the Financial and Asset Management Bureau, the Citizen Services Bureau, the Collections Bureau and the Information Management Bureau.

- The 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 eStop 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 Collections Bureau establishes payment plans or initiates forced collections using legal actions to resolve delinquent tax liabilities and provides collection services to other state and local agencies for recovery of bad debts. The bureau includes the Bankruptcy Unit responsible for filing and recoveries of debt through bankruptcy proceedings.
- The Information Management Bureau ensures secure handling and processing of taxpayer information, payments, and data in electronic or paper form. The bureau is organized into four units including Account Maintenance and Cashiering, Information Capture, Electronic Services (E-Services), and Mail and Imaging.

Program Proposed Budget	Base Budget	Budget Adjustments	Total Exec. Budget	Budget Adjustments	Total Exec. Budget	Executive Budget Request
Budget Item	Fiscal 2014	Fiscal 2016	Fiscal 2016	Fiscal 2017	Fiscal 2017	2017 Biennium
FTE	110.25	(2.00)	108.25	(2.00)	108.25	
Personal Services	5,227,727	990,318	6,218,045	991,047	6,218,774	12,436,819
Operating Expenses	2,914,787	(36,764)	2,878,023	(30,346)	2,884,441	5,762,464
<b>Total Costs</b>	<b>\$8,142,514</b>	<b>\$953,554</b>	<b>\$9,096,068</b>	<b>\$960,701</b>	<b>\$9,103,215</b>	<b>\$18,199,283</b>
General Fund	7,797,661	1,002,779	8,800,440	1,009,926	8,807,587	17,608,027
State/Other Special	307,883	(48,026)	259,857	(48,026)	259,857	519,714
Proprietary Funds	36,970	(1,199)	35,771	(1,199)	35,771	71,542
<b>Total Funds</b>	<b>\$8,142,514</b>	<b>\$953,554</b>	<b>\$9,096,068</b>	<b>\$960,701</b>	<b>\$9,103,215</b>	<b>\$18,199,283</b>

# Department of Revenue - 58010

## Citizen Services & Resource Mgmt - 05

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	1,135,537	1,135,537	1,134,135	1,134,135
SWPL - 2 - Fixed Costs	(27,244)	(27,244)	(30,829)	(30,829)
SWPL - 3 - Inflation Deflation	(41)	(41)	(37)	(37)
<i>Total Statewide Present Law Adjustments</i>	<i>\$1,108,252</i>	<i>\$1,108,252</i>	<i>\$1,103,269</i>	<i>\$1,103,269</i>
<b>Present Law Adjustments</b>				
PL - 500444 - Statewide 4% FTE Reduction- Program 5	(187,736)	(194,580)	(187,254)	(194,098)
PL - 500501 - Rent and Parking	28,727	28,727	42,901	42,901
PL - 500502 - Enhance Bankruptcy Compliance	53,536	53,536	51,010	51,010
PL - 500504 - Reduce Hail Insurance Authority	0	(42,381)	0	(42,381)
<i>Total Present Law Adjustments</i>	<i>(\$105,473)</i>	<i>(\$154,698)</i>	<i>(\$93,343)</i>	<i>(\$142,568)</i>
<b>Total Budget Adjustments</b>	<b>\$1,002,779</b>	<b>\$953,554</b>	<b>\$1,009,926</b>	<b>\$960,701</b>

### -----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$1,135,537	\$1,135,537
FY 2017	\$1,134,135	\$1,134,135

#### SWPL - 1 - Personal Services -

The budget includes funding to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$27,244)	(\$27,244)
FY 2017	(\$30,829)	(\$30,829)

#### SWPL - 2 - Fixed Costs -

This request is to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$41)	(\$41)
FY 2017	(\$37)	(\$37)

#### SWPL - 3 - Inflation Deflation -

This request includes funding to cover the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

## Department of Revenue - 58010

### Citizen Services & Resource Mgmt - 05

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$187,736)	(\$194,580)
FY 2017	(\$187,254)	(\$194,098)

**PL - 500444 - Statewide 4% FTE Reduction- Program 5 -**

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. Change package 500444 includes a reduction of 3.00 FTE each year and \$388,678 for the biennium to accomplish the FTE reduction.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$28,727	\$28,727
FY 2017	\$42,901	\$42,901

**PL - 500501 - Rent and Parking -**

The Department of Revenue, Citizen Services Resource Management Division requests \$71,628 in general fund for the 2017 biennium to pay for contractual rent increases for existing lease obligations at the Donovan Building and increases in rates for downtown parking.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$53,536	\$53,536
FY 2017	\$51,010	\$51,010

**PL - 500502 - Enhance Bankruptcy Compliance -**

The addition of 1.00 FTE Collections Technician to the bankruptcy unit will allow the department to pursue tax compliance opportunities that are not getting the necessary attention due to existing workload and resources available. This includes Chapter 13 oversight, including plan review and plan oversight to collect dollars that are currently going uncollected; enhanced collection of post-petition, pre-discharge debts; improved compliance including motions to compel tax filings immediately upon filing of petition; offsetting collections through lift stay motions; and training the Montana bankruptcy bar on the department's engagement on the preceding issues.

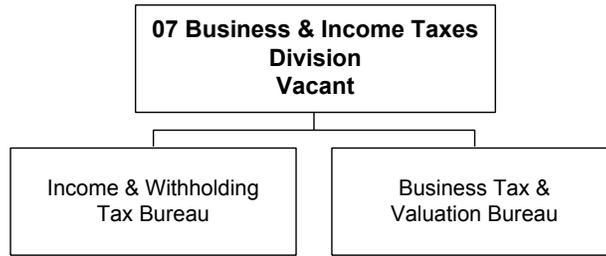
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$42,381)
FY 2017	\$0	(\$42,381)

**PL - 500504 - Reduce Hail Insurance Authority -**

This request reduces authority used to administer the hail insurance program that was transferred to the Department of Agriculture in SB 162 during the 2013 Legislative Session.

# Department of Revenue - 58010

## Business and Income Taxes Division - 07



**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 \$250 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 nonfilers, and overall tax compliance. The Business Tax and Valuation Bureau and the Income and Withholding Tax Bureau handle these functions for the department.

Program Proposed Budget	Base Budget	Budget	Total	Budget	Total	Executive
Budget Item	Fiscal 2014	Adjustments	Exec. Budget	Adjustments	Exec. Budget	Budget Request
		Fiscal 2016	Fiscal 2016	Fiscal 2017	Fiscal 2017	2017 Biennium
FTE	138.45	(5.00)	133.45	(5.00)	133.45	
Personal Services	8,655,954	563,445	9,219,399	599,537	9,255,491	18,474,890
Operating Expenses	1,508,704	205,240	1,713,944	(24,070)	1,484,634	3,198,578
Equipment & Intangible Assets	0	0	0	3,298	3,298	3,298
<b>Total Costs</b>	<b>\$10,164,658</b>	<b>\$768,685</b>	<b>\$10,933,343</b>	<b>\$578,765</b>	<b>\$10,743,423</b>	<b>\$21,676,766</b>
General Fund	9,254,776	577,666	9,832,442	597,746	9,852,522	19,684,964
State/Other Special	660,828	199,647	860,475	(10,353)	650,475	1,510,950
Federal Spec. Rev. Funds	249,054	(8,628)	240,426	(8,628)	240,426	480,852
<b>Total Funds</b>	<b>\$10,164,658</b>	<b>\$768,685</b>	<b>\$10,933,343</b>	<b>\$578,765</b>	<b>\$10,743,423</b>	<b>\$21,676,766</b>

Program Proposed Budget Adjustments	Budget Adjustments		Budget Adjustments	
	Fiscal 2016		Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	908,241	908,241	908,267	908,267
SWPL - 2 - Fixed Costs	58,293	58,293	52,381	52,381
SWPL - 3 - Inflation Deflation	(4,328)	(4,328)	(3,750)	(3,750)
<i>Total Statewide Present Law Adjustments</i>	<i>\$962,206</i>	<i>\$962,206</i>	<i>\$956,898</i>	<i>\$956,898</i>
<b>Present Law Adjustments</b>				
PL - 700444 - Statewide 4% Reduction-Program 7	(325,815)	(344,796)	(325,652)	(344,633)
<i>Total Present Law Adjustments</i>	<i>(\$325,815)</i>	<i>(\$344,796)</i>	<i>(\$325,652)</i>	<i>(\$344,633)</i>
<b>New Proposals</b>				
NP - 700701 - Funding Switch Of Cigarette Tax Stamps - Biennial	(79,300)	130,700	(79,300)	(79,300)
NP - 700702 - Funding for Apprenticeship Tax Credit	20,575	20,575	45,800	45,800
<i>Total New Proposals</i>	<i>(\$58,725)</i>	<i>\$151,275</i>	<i>(\$33,500)</i>	<i>(\$33,500)</i>
<b>Total Budget Adjustments</b>	<b>\$577,666</b>	<b>\$768,685</b>	<b>\$597,746</b>	<b>\$578,765</b>

# Department of Revenue - 58010

## Business and Income Taxes Division - 07

### -----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$908,241	\$908,241
FY 2017	\$908,267	\$908,267

**SWPL - 1 - Personal Services -**

The budget includes \$908,241 in FY 2016 and \$908,267 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$58,293	\$58,293
FY 2017	\$52,381	\$52,381

**SWPL - 2 - Fixed Costs -**

This request includes \$58,293 in FY 2016 and \$52,381 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$4,328)	(\$4,328)
FY 2017	(\$3,750)	(\$3,750)

**SWPL - 3 - Inflation Deflation -**

This change package includes a reduction of \$4,328 in FY 2016 and \$3,750 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$325,815)	(\$344,796)
FY 2017	(\$325,652)	(\$344,633)

**PL - 700444 - Statewide 4% Reduction-Program 7 -**

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. Change package 700444 includes a reduction of 5.00 FTE each year and \$689,429 for the biennium to accomplish the FTE reduction.

**Department of Revenue - 58010**

**Business and Income Taxes Division - 07**

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$79,300)	\$130,700
FY 2017	(\$79,300)	(\$79,300)

**NP - 700701 - Funding Switch Of Cigarette Tax Stamps - Biennial -**

Montana law requires all cigarettes sold in the state to be taxed. Like all states, Montana enforces this taxation through affixing a tax stamp to each pack of cigarettes sold. The tax stamp informs customers, retailers, and the department that the appropriate amount of tax was collected on the cigarettes sold. The Department of Revenue, Business and Income Tax Division requests a funding switch from the general fund to a state special revenue fund in the 2017 biennium to purchase cigarette tax stamps. The vendor has indicated an increase in the cost of the stamps during the 2017 biennium. The department plans to purchase the stamps at a projected cost of \$210,000 and requests the appropriation to be biennial.

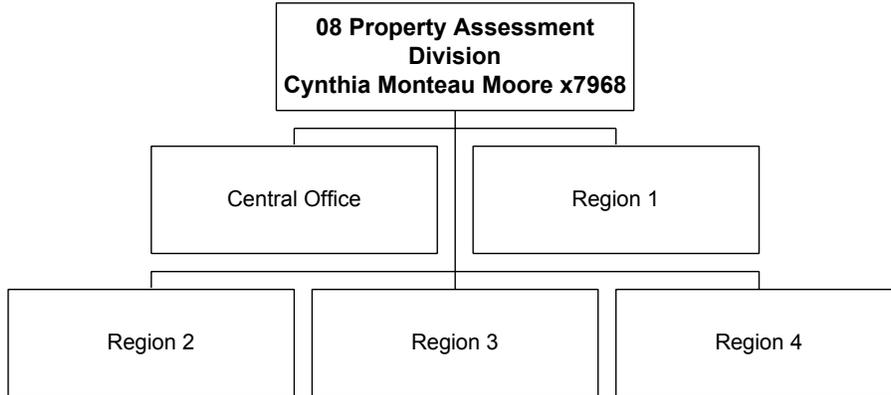
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$20,575	\$20,575
FY 2017	\$45,800	\$45,800

**NP - 700702 - Funding for Apprenticeship Tax Credit -**

This request is for general fund authority in the Business and Income Taxes Division to administer the Apprenticeship Tax Credit if legislation passes. Changes to tax returns would be made as part of the annual update process with no additional costs. Authority for one-time costs to add the credit to the department's data processing systems in FY 2016 would be \$20,575. Authority for an additional 0.50 FTE and related expenditures in FY 2017 would be \$45,800. This change package is contingent on passage and approval of LC 628.

# Department of Revenue - 58010

## 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						
Budget Item	Base Budget Fiscal 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
FTE	306.35	(13.00)	293.35	(13.00)	293.35	
Personal Services	15,786,504	1,777,760	17,564,264	1,783,970	17,570,474	35,134,738
Operating Expenses	3,758,168	(39,386)	3,718,782	(24,328)	3,733,840	7,452,622
Debt Service	6,385	0	6,385	0	6,385	12,770
<b>Total Costs</b>	<b>\$19,551,057</b>	<b>\$1,738,374</b>	<b>\$21,289,431</b>	<b>\$1,759,642</b>	<b>\$21,310,699</b>	<b>\$42,600,130</b>
General Fund	19,512,315	1,756,380	21,268,695	1,777,648	21,289,963	42,558,658
State/Other Special	38,742	(18,006)	20,736	(18,006)	20,736	41,472
<b>Total Funds</b>	<b>\$19,551,057</b>	<b>\$1,738,374</b>	<b>\$21,289,431</b>	<b>\$1,759,642</b>	<b>\$21,310,699</b>	<b>\$42,600,130</b>

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	2,464,305	2,464,305	2,469,852	2,469,852
SWPL - 2 - Fixed Costs	(82,410)	(82,410)	(90,976)	(90,976)
SWPL - 3 - Inflation Deflation	(44,052)	(44,052)	(38,164)	(38,164)
<i>Total Statewide Present Law Adjustments</i>	<b>\$2,337,843</b>	<b>\$2,337,843</b>	<b>\$2,340,712</b>	<b>\$2,340,712</b>
<b>Present Law Adjustments</b>				
PL - 800444 - Statewide 4% FTE Reduction-Program 8	(668,539)	(668,539)	(667,876)	(667,876)
PL - 800801 - Rent Increase	87,076	87,076	104,812	104,812
PL - 800803 - Reduce Hail Insurance Authority	0	(18,006)	0	(18,006)
<i>Total Present Law Adjustments</i>	<b>(\$581,463)</b>	<b>(\$599,469)</b>	<b>(\$563,064)</b>	<b>(\$581,070)</b>
<b>Total Budget Adjustments</b>	<b>\$1,756,380</b>	<b>\$1,738,374</b>	<b>\$1,777,648</b>	<b>\$1,759,642</b>

## Department of Revenue - 58010

### Property Assessment Division - 08

#### -----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$2,464,305	\$2,464,305
FY 2017	\$2,469,852	\$2,469,852

**SWPL - 1 - Personal Services -**

The budget includes \$2,464,305 in FY 2016 and \$2,469,852 in FY2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$82,410)	(\$82,410)
FY 2017	(\$90,976)	(\$90,976)

**SWPL - 2 - Fixed Costs -**

This request includes a reduction of \$82,410 in FY 2016 and \$90,976 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$44,052)	(\$44,052)
FY 2017	(\$38,164)	(\$38,164)

**SWPL - 3 - Inflation Deflation -**

This change package includes a reduction of \$44,052 in FY 2016 and \$38,164 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$668,539)	(\$668,539)
FY 2017	(\$667,876)	(\$667,876)

**PL - 800444 - Statewide 4% FTE Reduction-Program 8 -**

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. Change package 800444 includes a reduction of 13.00 FTE each year and \$1,336,415 for the biennium to accomplish the FTE reduction.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$87,076	\$87,076
FY 2017	\$104,812	\$104,812

**PL - 800801 - Rent Increase -**

The Department of Revenue, Property Assessment Division requests \$191,888 in general fund for the 2017 biennium to pay for rent increases and building costs for division office space. State law requires property tax offices in each county. The division employs over 300 employees and maintains offices in all 56 Montana counties. This proposal pays for space that the Property Assessment Division needs to fulfill the statutory obligation for offices in every county.

# Department of Revenue - 58010

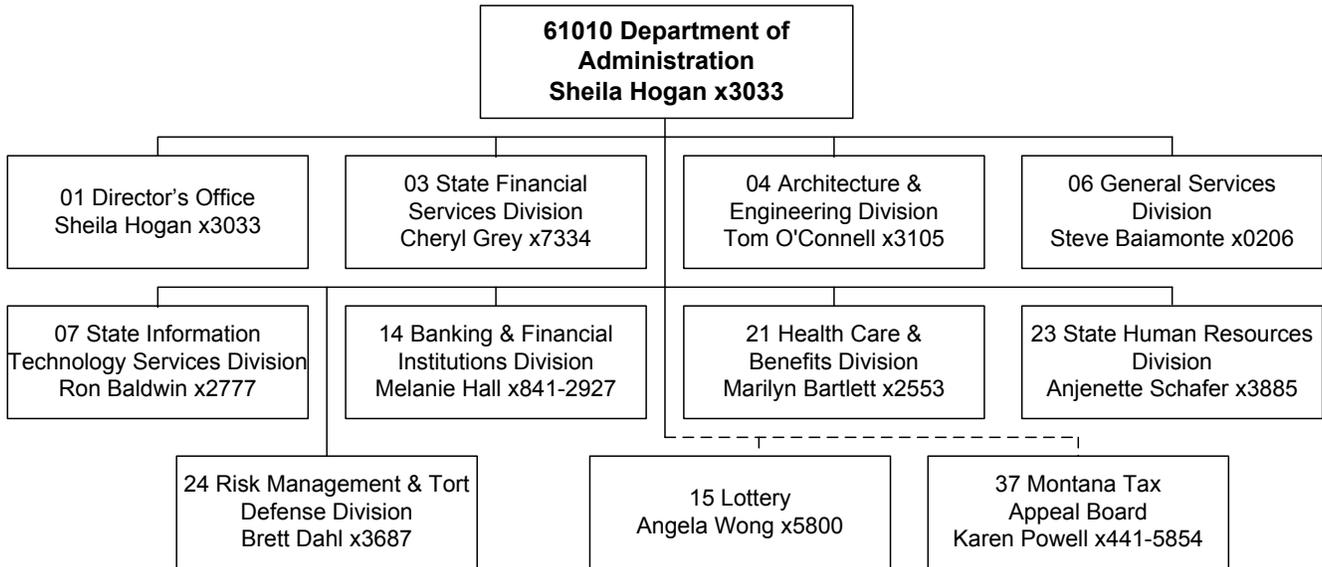
## Property Assessment Division - 08

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$18,006)
FY 2017	\$0	(\$18,006)

### **PL - 800803 - Reduce Hail Insurance Authority -**

This request reduces authority used to administer the hail insurance program that was transferred to the Department of Agriculture in SB 162 during the 2013 Legislative Session.

## Department of Administration - 61010



**Mission Statement** - The Department of Administration's mission is to serve as the backbone of state government by providing leading edge services to our customers and business partners.

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

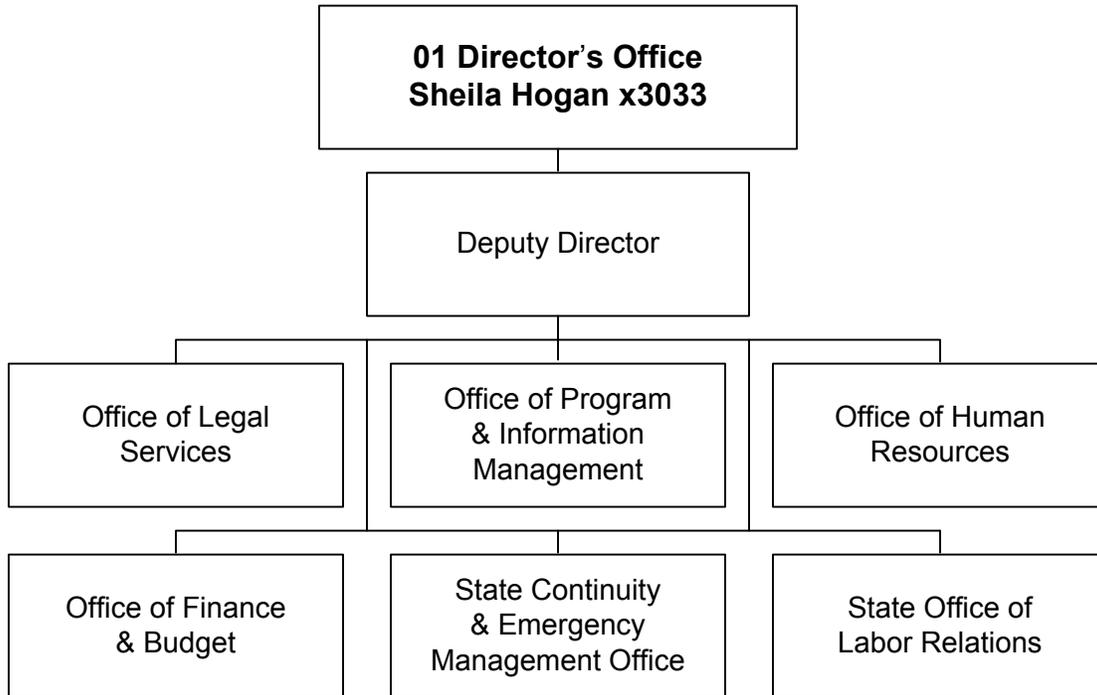
Agency Proposed Budget	Total Exec. Budget Fiscal 2016	Total Exec. Budget Fiscal 2017	Total Exec. Budget 2017 Biennium
Budget Item			
FTE	143.42	143.42	
Personal Services	11,967,031	11,949,173	23,916,204
Operating Expenses	9,664,112	8,983,578	18,647,690
Equipment & Intangible Assets	334,333	134,333	468,666
Local Assistance	26,640	26,640	53,280
Transfers	25,900	27,250	53,150
Debt Service	81,678	81,678	163,356
<b>Total Costs</b>	<b>\$22,099,694</b>	<b>\$21,202,652</b>	<b>\$43,302,346</b>
General Fund	8,319,123	8,173,245	16,492,368
State/Other Special	6,953,406	6,882,544	13,835,950
Proprietary Funds	6,797,340	6,117,038	12,914,378
Federal Spec. Rev. Funds	29,825	29,825	59,650
<b>Total Funds</b>	<b>\$22,099,694</b>	<b>\$21,202,652</b>	<b>\$43,302,346</b>

## Department of Administration - 61010

Agency Appropriated Biennium to Biennium Comparison								
Program	2015 Biennium Appropriated Budget		2017 Biennium Requested Budget		Biennium to Biennium Difference (dollars)		Biennium to Biennium Difference (percent)	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
01 - Director's Office	943,801	975,499	1,130,907	1,159,439	187,106	183,940	19.82 %	18.86 %
02 - Governor Elect Program	0	0	50,000	50,000	50,000	50,000	0.00 %	0.00 %
03 - State Financial Services Division	2,859,004	2,972,463	3,315,874	3,430,350	456,870	457,887	15.98 %	15.40 %
04 - Architecture & Engineering Pgm	0	3,882,203	0	4,229,024	0	346,821	0.00 %	8.93 %
06 - General Services Program	4,114,990	4,244,852	6,126,492	6,469,844	2,011,502	2,224,992	48.88 %	52.42 %
07 - State Information Technology Services Division	937,097	3,594,747	847,468	1,586,320	(89,629)	(2,008,427)	(9.56)%	(55.87)%
14 - Banking and Financial Institutions Division	0	7,659,551	0	8,551,574	0	892,023	0.00 %	11.65 %
15 - Montana State Lottery	0	10,218,670	0	12,804,168	0	2,585,498	0.00 %	25.30 %
23 - State Human Resources Division	3,044,193	3,044,193	3,467,519	3,467,519	423,326	423,326	13.91 %	13.91 %
37 - Montana Tax Appeal Board	1,169,173	1,169,173	1,554,108	1,554,108	384,935	384,935	32.92 %	32.92 %
<b>Agency Total</b>	<b>\$13,068,258</b>	<b>\$37,761,351</b>	<b>\$16,492,368</b>	<b>\$43,302,346</b>	<b>\$3,424,110</b>	<b>\$5,540,995</b>	<b>26.20 %</b>	<b>14.67 %</b>

# Department of Administration - 61010

## Director's Office - 01



**Program Description** - The Director's 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.

The Director's Office has 24.01 FTE funded by the revenues generated from the internal fees charged to the Department of Administration's divisions and its attached-to agencies. These FTE provide services in the areas of legal, human resources, financial management, labor relations, project management and communications, continuity of government, emergency management, and homeland security.

- The Office of Legal Services advises the divisions on legal matters.
- The staff of the Office of Human Resources partner with DOA leadership and employees to enhance agency performance through strategic human resource programs and effective administrative processes (e.g., payroll administration, talent acquisition, policy development, etc.).
- The Office of Finance and Budget prepares and presents the biennial budget, processes budget change documents, monitors approved budgets for compliance with state law and legislative intent, and provides accounting assistance.
- Labor Relations provides labor relations services for managers and human resource officers and is the Governor's designated representative in collective bargaining.
- The State Continuity and Emergency Management Office provides leadership and support for the enterprise continuity of government, emergency management, and homeland security programs.
- The Office of Program and Information Management provides communication and project management services.

The customers served are internal to the department and its attached-to agencies, with the exception of the Office of Labor Relations and the State Continuity and Emergency Management Office, which serve the enterprise.

# Department of Administration - 61010

## Director's Office - 01

Program Proposed Budget	Base Budget Fiscal 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
Budget Item						
FTE	4.50	0.00	4.50	0.00	4.50	
Personal Services	356,414	76,401	432,815	76,593	433,007	865,822
Operating Expenses	116,326	55,462	171,788	(23,029)	93,297	265,085
Local Assistance	3,516	10,750	14,266	10,750	14,266	28,532
<b>Total Costs</b>	<b>\$476,256</b>	<b>\$142,613</b>	<b>\$618,869</b>	<b>\$64,314</b>	<b>\$540,570</b>	<b>\$1,159,439</b>
General Fund	472,740	131,863	604,603	53,564	526,304	1,130,907
Federal Spec. Rev. Funds	3,516	10,750	14,266	10,750	14,266	28,532
<b>Total Funds</b>	<b>\$476,256</b>	<b>\$142,613</b>	<b>\$618,869</b>	<b>\$64,314</b>	<b>\$540,570</b>	<b>\$1,159,439</b>

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	74,401	74,401	74,593	74,593
SWPL - 2 - Fixed Costs	45,637	45,637	(32,649)	(32,649)
SWPL - 3 - Inflation Deflation	(142)	(142)	(112)	(112)
<i>Total Statewide Present Law Adjustments</i>	<i>\$119,896</i>	<i>\$119,896</i>	<i>\$41,832</i>	<i>\$41,832</i>
<b>Present Law Adjustments</b>				
PL - 100101 - Flood Control Base Adjustment	0	10,750	0	10,750
PL - 100106 - Allocate Department Indirect/admin costs	9,967	9,967	9,732	9,732
PL - 100111 - Burial Board Per Diem	2,000	2,000	2,000	2,000
<i>Total Present Law Adjustments</i>	<i>\$11,967</i>	<i>\$22,717</i>	<i>\$11,732</i>	<i>\$22,482</i>
<b>Total Budget Adjustments</b>	<b>\$131,863</b>	<b>\$142,613</b>	<b>\$53,564</b>	<b>\$64,314</b>

### -----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$74,401	\$74,401
FY 2017	\$74,593	\$74,593

#### SWPL - 1 - Personal Services -

The budget includes additional funding in FY 2016 and FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$45,637	\$45,637
FY 2017	(\$32,649)	(\$32,649)

#### SWPL - 2 - Fixed Costs -

This request includes funding in FY 2016 and FY 2017 required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

# Department of Administration - 61010

## Director's Office - 01

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$142)	(\$142)
FY 2017	(\$112)	(\$112)

**SWPL - 3 - Inflation Deflation -**

This change package includes funding in FY 2016 and FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$10,750
FY 2017	\$0	\$10,750

**PL - 100101 - Flood Control Base Adjustment -**

This request increases the estimated federal flood control payment to a four year average.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$9,967	\$9,967
FY 2017	\$9,732	\$9,732

**PL - 100106 - Allocate Department Indirect/admin costs -**

This request funds the office's share of department indirect/administrative costs for services provided by proprietary funded centralized service functions of the agency.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$2,000	\$2,000
FY 2017	\$2,000	\$2,000

**PL - 100111 - Burial Board Per Diem -**

The Executive recommends that members of the Burial Board be paid per diem like members of other state boards. This request includes \$2,000 general fund each year to cover the cost of the per diem payments to the board members. The request is contingent on passage and approval of LC0328.

# Department of Administration - 61010

## 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 Fiscal 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
Budget Item						
Operating Expenses	0	50,000	50,000	0	0	50,000
<b>Total Costs</b>	<b>\$0</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$50,000</b>
General Fund	0	50,000	50,000	0	0	50,000
<b>Total Funds</b>	<b>\$0</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$50,000</b>

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Present Law Adjustments</b>				
PL - 200201 - Governor-Elect Appropriation	50,000	50,000	0	0
<i>Total Present Law Adjustments</i>	<i>\$50,000</i>	<i>\$50,000</i>	<i>\$0</i>	<i>\$0</i>
<b>Total Budget Adjustments</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$0</b>	<b>\$0</b>

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

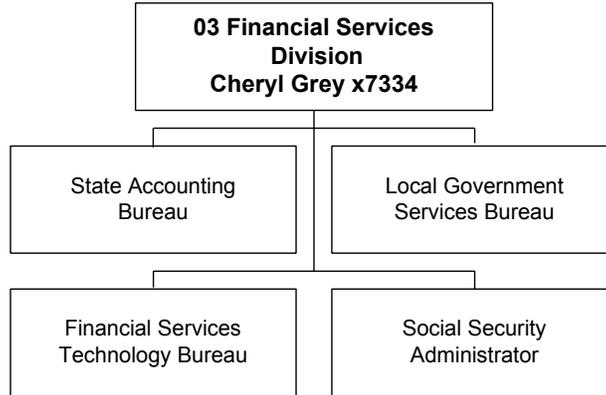
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$50,000	\$50,000
FY 2017	\$0	\$0

**PL - 200201 - Governor-Elect Appropriation -**

Montana Statute (2-15-221, MCA) requires the department to provide funding to a governor-elect and his or her staff for the period between the general election and the inauguration in the event of a change in office as a result of the 2016 general election. The department requests \$50,000 in FY 2016. The appropriation will revert to the general fund if there is no change in the Governor's Office.

# Department of Administration - 61010

## State Financial Services Division - 03



**Program Description** - The State Financial Services Division provides services to state agencies and local governments through three bureaus plus the Social Security Administrator's office.

Primary functions within the State Accounting Bureau include accounting/reporting, Warrant Writer (payment processing), and Treasury. The bureau is the process owner of the financial portion of the Statewide Budgeting, Accounting and Human Resource Systems, establishes state accounting policies and procedures, administers the federal Cash Management Improvement Act, prepares and negotiates the Statewide Cost Allocation Plan, prepares the state Comprehensive Annual Financial Report, and provides accounting assistance and training to state agencies. The Treasury Unit provides the central banking function for state agencies, reconciles state bank accounts, and insures the collateralization of these bank accounts is maintained at the proper level. The Warrant Writer Unit (internal service fund) is discussed in Section P of the Executive Budget.

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 collects and provides local government financial information to the public, legislature, federal government, and other public entities. The audit function (enterprise fund) is discussed in Section P of the Executive Budget.

The State Social Security Administrator manages the Social Security Act Section 218 Program for the state of Montana. The program is responsible for administering all aspects of Section 218 coverage, including interpreting its provisions, insuring proper application of Social Security coverage to all state and political subdivision employees, conducting referendums as needed, and reporting local government entity changes (dissolutions and consolidations) to federal partners. The administrator provides extensive education and outreach to local governments to support them in this function.

The SABHRS Financial Services Technology Bureau (internal service fund) is discussed in Section P of the Executive Budget.

Program Proposed Budget	Base Budget Fiscal 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
FTE	18.67	(1.00)	17.67	(1.00)	17.67	
Personal Services	1,150,020	206,664	1,356,684	209,684	1,359,704	2,716,388
Operating Expenses	253,469	103,979	357,448	103,045	356,514	713,962
<b>Total Costs</b>	<b>\$1,403,489</b>	<b>\$310,643</b>	<b>\$1,714,132</b>	<b>\$312,729</b>	<b>\$1,716,218</b>	<b>\$3,430,350</b>
General Fund	1,346,251	310,643	1,656,894	312,729	1,658,980	3,315,874
Proprietary Funds	55,105	0	55,105	0	55,105	110,210
Federal Spec. Rev. Funds	2,133	0	2,133	0	2,133	4,266
<b>Total Funds</b>	<b>\$1,403,489</b>	<b>\$310,643</b>	<b>\$1,714,132</b>	<b>\$312,729</b>	<b>\$1,716,218</b>	<b>\$3,430,350</b>

## Department of Administration - 61010

### State Financial Services Division - 03

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
	<b>Statewide Present Law Adjustments</b>			
SWPL - 1 - Personal Services	284,383	284,383	287,432	287,432
SWPL - 2 - Fixed Costs	101,773	101,773	101,728	101,728
SWPL - 3 - Inflation Deflation	(6)	(6)	30	30
<i>Total Statewide Present Law Adjustments</i>	<i>\$386,150</i>	<i>\$386,150</i>	<i>\$389,190</i>	<i>\$389,190</i>
<b>Present Law Adjustments</b>				
PL - 300106 - Allocate Department Indirect/Admin Costs	2,212	2,212	1,287	1,287
PL - 300444 - Statewide 4% FTE Reduction - Program 3	(77,719)	(77,719)	(77,748)	(77,748)
<i>Total Present Law Adjustments</i>	<i>(\$75,507)</i>	<i>(\$75,507)</i>	<i>(\$76,461)</i>	<i>(\$76,461)</i>
<b>Total Budget Adjustments</b>	<b>\$310,643</b>	<b>\$310,643</b>	<b>\$312,729</b>	<b>\$312,729</b>

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$284,383	\$284,383
FY 2017	\$287,432	\$287,432

**SWPL - 1 - Personal Services -**

The budget includes funding in FY 2016 and FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$101,773	\$101,773
FY 2017	\$101,728	\$101,728

**SWPL - 2 - Fixed Costs -**

This request includes funding in FY 2016 and FY 2017 required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$6)	(\$6)
FY 2017	\$30	\$30

**SWPL - 3 - Inflation Deflation -**

This change package includes funding in FY 2016 and FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

**Department of Administration - 61010**

**State Financial Services Division - 03**

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$2,212	\$2,212
FY 2017	\$1,287	\$1,287

**PL - 300106 - Allocate Department Indirect/Admin Costs -**

This request funds the division's share of department indirect/administrative costs for services provided by proprietary funded centralized service functions of the agency.

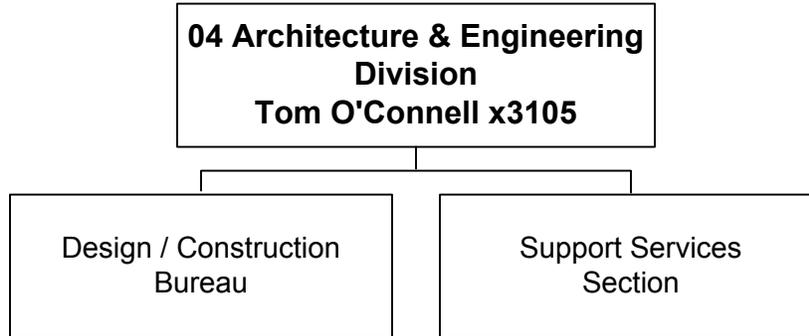
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$77,719)	(\$77,719)
FY 2017	(\$77,748)	(\$77,748)

**PL - 300444 - Statewide 4% FTE Reduction - Program 3 -**

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. Change package PL-300444 includes a reduction of 1.00 FTE each year and \$155,467 for the biennium to accomplish the FTE reduction.

# Department of Administration - 61010

## Architecture & Engineering Pgm - 04



**Program Description** - The Architecture and Engineering Division 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	Base Budget Fiscal 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
Budget Item						
FTE	17.00	(0.50)	16.50	(0.50)	16.50	
Personal Services	1,282,052	236,725	1,518,777	235,218	1,517,270	3,036,047
Operating Expenses	545,698	52,582	598,280	48,999	594,697	1,192,977
<b>Total Costs</b>	<b>\$1,827,750</b>	<b>\$289,307</b>	<b>\$2,117,057</b>	<b>\$284,217</b>	<b>\$2,111,967</b>	<b>\$4,229,024</b>
State/Other Special	1,827,750	289,307	2,117,057	284,217	2,111,967	4,229,024
<b>Total Funds</b>	<b>\$1,827,750</b>	<b>\$289,307</b>	<b>\$2,117,057</b>	<b>\$284,217</b>	<b>\$2,111,967</b>	<b>\$4,229,024</b>

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	0	263,231	0	261,677
SWPL - 2 - Fixed Costs	0	60,249	0	57,609
SWPL - 3 - Inflation Deflation	0	(2,361)	0	(2,047)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$321,119</i>	<i>\$0</i>	<i>\$317,239</i>
<b>Present Law Adjustments</b>				
PL - 400106 - Allocate Department Indirect/admin costs	0	(5,306)	0	(6,563)
PL - 400444 - Statewide 4% FTE Reduction - Program 04	0	(26,506)	0	(26,459)
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>(\$31,812)</i>	<i>\$0</i>	<i>(\$33,022)</i>
<b>Total Budget Adjustments</b>	<b>\$0</b>	<b>\$289,307</b>	<b>\$0</b>	<b>\$284,217</b>

## Department of Administration - 61010

### Architecture & Engineering Pgm - 04

#### -----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$263,231
FY 2017	\$0	\$261,677

#### **SWPL - 1 - Personal Services -**

The budget includes \$263,231 in FY 2016 and \$261,677 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$60,249
FY 2017	\$0	\$57,609

#### **SWPL - 2 - Fixed Costs -**

This request includes \$60,249 in FY 2016 and \$57,609 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$2,361)
FY 2017	\$0	(\$2,047)

#### **SWPL - 3 - Inflation Deflation -**

This change package includes a reduction of \$2,361 in FY 2016 and \$2,047 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$5,306)
FY 2017	\$0	(\$6,563)

#### **PL - 400106 - Allocate Department Indirect/admin costs -**

This request funds the division's share of department indirect/administrative costs for services provided by proprietary funded centralized service functions of the agency.

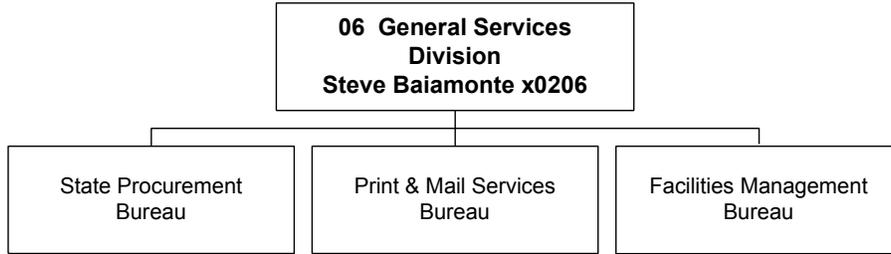
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$26,506)
FY 2017	\$0	(\$26,459)

#### **PL - 400444 - Statewide 4% FTE Reduction - Program 04 -**

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. Change package PL-400444 includes a reduction of 0.50 FTE each year and \$52,965 for the biennium to accomplish the FTE reduction.

# Department of Administration - 61010

## General Services Program - 06



**Program Description** - The General Services Division is composed of three 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, procurement card programs, and the Central Stores Program.
- 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 one quick copy location on the Capitol Complex.

In addition to the three bureaus, the division manages the state and federal surplus property program.

Program Proposed Budget	Base Budget	Budget	Total	Budget	Total	Executive
Budget Item	Fiscal 2014	Adjustments	Exec. Budget	Adjustments	Exec. Budget	Budget Request
		Fiscal 2016	Fiscal 2016	Fiscal 2017	Fiscal 2017	2017 Biennium
FTE	11.25	1.00	12.25	1.00	12.25	
Personal Services	697,985	190,189	888,174	190,196	888,181	1,776,355
Operating Expenses	157,316	2,187,537	2,344,853	2,191,320	2,348,636	4,693,489
<b>Total Costs</b>	<b>\$855,301</b>	<b>\$2,377,726</b>	<b>\$3,233,027</b>	<b>\$2,381,516</b>	<b>\$3,236,817</b>	<b>\$6,469,844</b>
General Fund	795,969	2,265,028	3,060,997	2,269,526	3,065,495	6,126,492
State/Other Special	59,332	112,698	172,030	111,990	171,322	343,352
<b>Total Funds</b>	<b>\$855,301</b>	<b>\$2,377,726</b>	<b>\$3,233,027</b>	<b>\$2,381,516</b>	<b>\$3,236,817</b>	<b>\$6,469,844</b>

# Department of Administration - 61010

## General Services Program - 06

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	101,851	120,046	102,135	120,228
SWPL - 2 - Fixed Costs	2,156,545	2,162,613	2,161,287	2,167,069
SWPL - 3 - Inflation Deflation	24	4	44	27
<i>Total Statewide Present Law Adjustments</i>	<i>\$2,258,420</i>	<i>\$2,282,663</i>	<i>\$2,263,466</i>	<i>\$2,287,324</i>
<b>Present Law Adjustments</b>				
PL - 600106 - Allocate Department Indirect/Admin Costs	6,608	9,376	6,060	8,680
<i>Total Present Law Adjustments</i>	<i>\$6,608</i>	<i>\$9,376</i>	<i>\$6,060</i>	<i>\$8,680</i>
<b>New Proposals</b>				
NP - 600601 - Funding Switch for Central Stores Program	0	85,687	0	85,512
<i>Total New Proposals</i>	<i>\$0</i>	<i>\$85,687</i>	<i>\$0</i>	<i>\$85,512</i>
<b>Total Budget Adjustments</b>	<b>\$2,265,028</b>	<b>\$2,377,726</b>	<b>\$2,269,526</b>	<b>\$2,381,516</b>

### -----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$101,851	\$120,046
FY 2017	\$102,135	\$120,228

#### SWPL - 1 - Personal Services -

The budget includes funding in FY 2016 and FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$2,156,545	\$2,162,613
FY 2017	\$2,161,287	\$2,167,069

#### SWPL - 2 - Fixed Costs -

This request includes funding in FY 2016 and FY 2017 required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget. The primary component of this change package provides funding for the rent of the common space in the Capitol Building, Historical Society, and Old Governor's Mansion.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$24	\$4
FY 2017	\$44	\$27

#### SWPL - 3 - Inflation Deflation -

This change package includes funding in FY 2016 and FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

## Department of Administration - 61010

### General Services Program - 06

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$6,608	\$9,376
FY 2017	\$6,060	\$8,680

**PL - 600106 - Allocate Department Indirect/Admin Costs -**

This request funds the program's share of department indirect/administrative costs for services provided by proprietary funded centralized service functions of the agency.

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

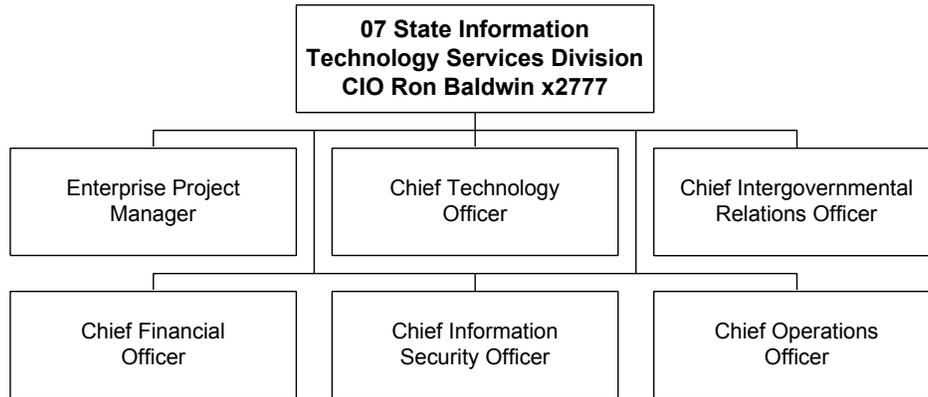
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$85,687
FY 2017	\$0	\$85,512

**NP - 600601 - Funding Switch for Central Stores Program -**

With the closing of the Central Stores Warehouse, the Central Stores Program no longer operates as an internal service fund. This decision package accounts for the change of the program fund to a state special revenue fund.

## Department of Administration - 61010

### State Information Technology Services Division - 07



**Program Description** - The State Information Technology Services Division (SITSD) is a proprietary program that provides central computing, data network, and telecommunications services to more than 100 government customers throughout the state. SITSD manages the statewide data network, SummitNet, and provides additional IT services to state agencies, the legislature, the Montana university system, and various city and county municipalities.

Specifically, under the direction of the State Chief Information Officer, the division supports and manages the following key IT programs and services:

- Information Systems Security - manages solutions and services to ensure continuity of enterprise operations and security of data through risk assessment and mitigation, planning and monitoring, detailed recovery planning, incident response, and periodic testing. Coordinates security policies and procedures.
- Network Technology Services - manages the statewide network, SummitNet, connecting 22,000 devices at over 600 locations and providing prioritized voice, video, data, and wireless services. Develops and implements short and long-term solutions to address network growth and expansion, supporting customers' needs regarding increased bandwidth and connectivity.
- Enterprise Technology Services - develops and manages hardware and software services across the enterprise in a cost-effective manner. Collaborates with customers to identify their business needs, supports innovation, encourages shared services, and implements effective enterprise solutions.
- Enterprise Support Services - manages service desk to assist customers regarding hardware and software applications, including email and telecommunications. Manages desktop lifecycle for customers, including software and hardware ordering, deployment, updates, remote control, and disposal.
- Montana Data Centers - manages state data centers in Helena and Miles City. Maximizes and promotes their reliability, efficiency, security, and availability regarding file storage for all customers.
- Application Technology Services - supports the state's mt.gov websites and assists customers with designing and deploying customized applications and online services, including eGovernment applications.
- Public Safety Communications Services - supports the Statewide Interoperability Governing Board and 9-1-1 Advisory Council in the areas of governance, policy, and planning. Manages federal and state funding sources to support maintenance of public safety communications systems and equipment. Manages statewide licenses for mutual aid frequencies.
- Strategic Planning Services - ensures IT operations are conducted in an organized, deliberative, and cost-effective manner through planning, periodic performance reports, and oversight of agency IT procurements and plans. Publishes the State IT Strategic Plan and Biennial Report.
- Business and Financial Services - manages budget development, billing, acquisition, and procurement services for IT customers. Implements strategies to meet customer needs and to deliver and maintain high quality services.
- State IT Project Management Services – provides expertise, assistance, tools, methodologies, and training to customers to ensure IT projects are conducted in an organized, deliberative, and cost-effective manner.

## Department of Administration - 61010

### State Information Technology Services Division - 07

Program Proposed Budget	Base Budget Fiscal 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
Budget Item						
FTE	7.00	(0.91)	6.09	(0.91)	6.09	
Personal Services	523,947	(16,690)	507,257	(16,374)	507,573	1,014,830
Operating Expenses	243,893	15,803	259,696	14,751	258,644	518,340
Transfers	61,642	(35,742)	25,900	(34,392)	27,250	53,150
<b>Total Costs</b>	<b>\$829,482</b>	<b>(\$36,629)</b>	<b>\$792,853</b>	<b>(\$36,015)</b>	<b>\$793,467</b>	<b>\$1,586,320</b>
General Fund	458,359	(34,932)	423,427	(34,318)	424,041	847,468
State/Other Special	357,697	(1,697)	356,000	(1,697)	356,000	712,000
Federal Spec. Rev. Funds	13,426	0	13,426	0	13,426	26,852
<b>Total Funds</b>	<b>\$829,482</b>	<b>(\$36,629)</b>	<b>\$792,853</b>	<b>(\$36,015)</b>	<b>\$793,467</b>	<b>\$1,586,320</b>

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	3,638	98,524	4,425	98,534
SWPL - 2 - Fixed Costs	59	60	52	(443)
SWPL - 3 - Inflation Deflation	(88)	(99)	(77)	(87)
<i>Total Statewide Present Law Adjustments</i>	<i>\$3,609</i>	<i>\$98,485</i>	<i>\$4,400</i>	<i>\$98,004</i>
<b>Present Law Adjustments</b>				
PL - 700106 - Allocate Department Indirect/admin Costs	8,573	15,842	8,258	15,281
PL - 700444 - Statewide 4% FTE Reduction - Program 07	(47,114)	(47,114)	(46,976)	(46,976)
<i>Total Present Law Adjustments</i>	<i>(\$38,541)</i>	<i>(\$31,272)</i>	<i>(\$38,718)</i>	<i>(\$31,695)</i>
<b>New Proposals</b>				
NP - 700704 - FTE and Expenditure Reduction	0	(103,842)	0	(102,324)
<i>Total New Proposals</i>	<i>\$0</i>	<i>(\$103,842)</i>	<i>\$0</i>	<i>(\$102,324)</i>
<b>Total Budget Adjustments</b>	<b>(\$34,932)</b>	<b>(\$36,629)</b>	<b>(\$34,318)</b>	<b>(\$36,015)</b>

#### -----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$3,638	\$98,524
FY 2017	\$4,425	\$98,534

#### SWPL - 1 - Personal Services -

The budget includes funding in FY 2016 and FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$59	\$60
FY 2017	\$52	(\$443)

#### SWPL - 2 - Fixed Costs -

This request includes funding in FY 2016 and FY 2017 required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

## Department of Administration - 61010

### State Information Technology Services Division - 07

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$88)	(\$99)
FY 2017	(\$77)	(\$87)

**SWPL - 3 - Inflation Deflation -**

This change package includes funding in FY 2016 and FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$8,573	\$15,842
FY 2017	\$8,258	\$15,281

**PL - 700106 - Allocate Department Indirect/admin Costs -**

This request funds the division's share of department indirect/administrative costs for services provided by proprietary funded centralized service functions of the agency.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$47,114)	(\$47,114)
FY 2017	(\$46,976)	(\$46,976)

**PL - 700444 - Statewide 4% FTE Reduction - Program 07 -**

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. Change package PL-700444 includes a reduction of 0.41 FTE each year and \$94,090 for the biennium to accomplish the FTE reduction.

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

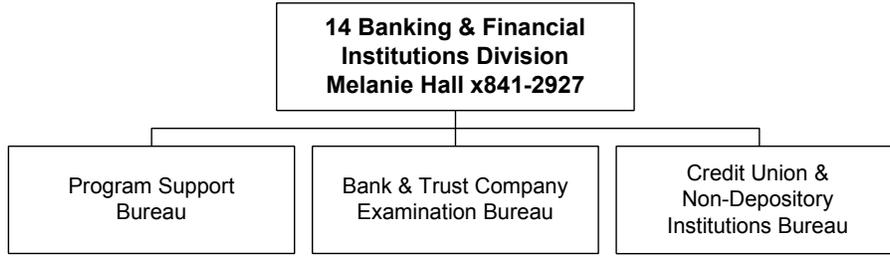
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$103,842)
FY 2017	\$0	(\$102,324)

**NP - 700704 - FTE and Expenditure Reduction -**

This request adjusts personal services and operating expenditures for FY 2016 and FY 2017 in order to balance to estimated revenues for this program.

## Department of Administration - 61010

### Banking and Financial Institutions Division - 14



**Program Description** - The Division of Banking and Financial Institutions licenses, supervises, regulates, and examines financial institutions doing business in Montana. Those institutions include 54 banks and trust companies, with 304 branch banks, eight credit unions, 52 consumer finance companies, 123 sales finance companies, and nine escrow companies. The division also licenses and examines 2,392 residential mortgage loan service providers. All program functions are statutorily mandated in Title 32, Chapters 1-11, and Title 31, Chapter 1, Parts 7 & 8, MCA.

Supervision of regulated depository financial institutions is accomplished primarily through examinations. The safety and soundness of Montana state chartered banks and credit unions, which hold over \$28 billion in assets as of July 2014, are supervised by the division. Banks are statutorily required to be examined at least once every 24 months, credit unions are examined at least every 18 months, and consumer lenders, mortgage companies, and deferred deposit lenders may be examined at any time. Escrow companies and sales finance companies are examined as necessary.

The State Banking Board is administratively attached to the division. The board is responsible for making final determinations on applications for new bank charters and trust companies, hearing appeals of division decisions on branch bank, merger, or relocation applications, and may also act in an advisory capacity with respect to the duties and powers given by statute to the department when requested by the division.

Program Proposed Budget						
Budget Item	Base Budget Fiscal 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
FTE	37.00	(2.20)	34.80	(2.20)	34.80	
Personal Services	2,736,740	587,651	3,324,391	590,198	3,326,938	6,651,329
Operating Expenses	861,750	122,178	983,928	54,567	916,317	1,900,245
<b>Total Costs</b>	<b>\$3,598,490</b>	<b>\$709,829</b>	<b>\$4,308,319</b>	<b>\$644,765</b>	<b>\$4,243,255</b>	<b>\$8,551,574</b>
State/Other Special	3,598,490	709,829	4,308,319	644,765	4,243,255	8,551,574
<b>Total Funds</b>	<b>\$3,598,490</b>	<b>\$709,829</b>	<b>\$4,308,319</b>	<b>\$644,765</b>	<b>\$4,243,255</b>	<b>\$8,551,574</b>

# Department of Administration - 61010

## Banking and Financial Institutions Division - 14

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	0	649,478	0	651,856
SWPL - 2 - Fixed Costs	0	7,268	0	1,575
SWPL - 3 - Inflation Deflation	0	(3,966)	0	(3,408)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$652,780</i>	<i>\$0</i>	<i>\$650,023</i>
<b>Present Law Adjustments</b>				
PL - 1400106 - Allocate Department Indirect/admin costs	0	13,876	0	11,400
PL - 1400444 - Statewide 4% FTE Reduction - Program 14	0	(156,827)	0	(156,658)
PL - 1401401 - Division Computer Replacement	0	60,000	0	0
PL - 1401402 - Out-of-State Banking Division Payments	0	45,000	0	45,000
PL - 1401403 - Examiner Situational Pay Adjustment	0	35,000	0	35,000
PL - 1401405 - Re-classify Examiner Position	0	60,000	0	60,000
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$57,049</i>	<i>\$0</i>	<i>(\$5,258)</i>
<b>Total Budget Adjustments</b>	<b>\$0</b>	<b>\$709,829</b>	<b>\$0</b>	<b>\$644,765</b>

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$649,478
FY 2017	\$0	\$651,856

**SWPL - 1 - Personal Services -**

The budget includes \$649,478 in FY 2016 and \$651,856 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$7,268
FY 2017	\$0	\$1,575

**SWPL - 2 - Fixed Costs -**

This request includes \$7,268 in FY 2016 and \$1,575 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$3,966)
FY 2017	\$0	(\$3,408)

**SWPL - 3 - Inflation Deflation -**

This change package includes a reduction of \$3,966 in FY 2016 and \$3,408 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

## Department of Administration - 61010

### Banking and Financial Institutions Division - 14

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$13,876
FY 2017	\$0	\$11,400

**PL - 1400106 - Allocate Department Indirect/admin costs -**

This request funds the division's share of department indirect/administrative costs for services provided by proprietary funded centralized service functions of the agency.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$156,827)
FY 2017	\$0	(\$156,658)

**PL - 1400444 - Statewide 4% FTE Reduction - Program 14 -**

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. Change package PL-1400444 includes a reduction of 2.20 FTE each year and \$313,485 for the biennium to accomplish the FTE reduction.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$60,000
FY 2017	\$0	\$0

**PL - 1401401 - Division Computer Replacement -**

This request is for funding to replace staff computers for the Division of Banking and Financial Institutions. The division is requesting \$60,000 for the 2016 biennium to replace desktop computers and laptops, which includes replacing 27 laptops and four desktops in FY 2016.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$45,000
FY 2017	\$0	\$45,000

**PL - 1401402 - Out-of-State Banking Division Payments -**

The Division of Banking and Financial Institutions has a statutory obligation to perform safety and soundness examinations of Montana's state-chartered institutions. Some of these institutions have branch locations in neighboring states (e.g. South Dakota, Washington, Idaho, Colorado, and Wyoming) which requires either out-of-state travel by division examination staff or that the division utilize the services of the neighboring state's examination staff. The division then pays the neighboring state agency for the expenses incurred. The number of out-of-state branches has grown substantially over the last ten years as Montana's banks have experienced significant growth and have expanded their customer base into other states. This proposal would provide the necessary appropriation to pay for the services required to perform these examinations.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$35,000
FY 2017	\$0	\$35,000

**PL - 1401403 - Examiner Situational Pay Adjustment -**

In 2008, the Division of Banking and Financial Institutions established a situational pay scale to compensate examiners for the extensive travel that is required as part of their position. Examiners are compensated at the end of the calendar year for each night over 40 nights that are spent in an overnight travel status. The situational pay scale assists the division with examiner retention by providing an additional incentive to examiners that travel more than 40 nights per year. This item is zero-based in the budgeting process and must be re-requested each budget cycle.

## Department of Administration - 61010

### Banking and Financial Institutions Division - 14

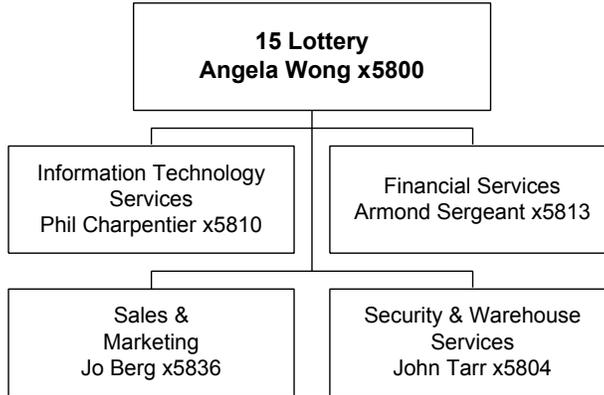
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$60,000
FY 2017	\$0	\$60,000

#### **PL - 1401405 - Re-classify Examiner Position -**

When the Division of Banking and Financial Institutions was re-accredited in 2009 by the Conference of State Bank Supervisors, the division was criticized for failing to have a certified financial institution information technology examiner on staff to perform information technology examinations of Montana's financial institutions. This request would give the division funding to reclassify an existing vacant position to serve as an information technology examiner and provide for travel, training, and related expenses.

# Department of Administration - 61010

## Montana State Lottery - 15



**Program Description** - The Montana State Lottery was created in November 1986 by a referendum vote of the people of Montana. The general purpose is to allow lottery games in which players purchase from the state, through the administration of the lottery, a chance to win a prize. A five-member Lottery Commission, appointed by the Governor, sets policy and oversees program activities and procedures. Lottery's operations are accounted for in an enterprise fund. Lottery is required to transfer its net revenue to the general fund on a quarterly basis. The Montana State Lottery is attached to the Department of Administration for administrative purposes only.

Program Proposed Budget	Base Budget	Budget	Total	Budget	Total	Executive
Budget Item	Fiscal 2014	Adjustments Fiscal 2016	Exec. Budget Fiscal 2016	Adjustments Fiscal 2017	Exec. Budget Fiscal 2017	Budget Request 2017 Biennium
FTE	31.50	(1.14)	30.36	(1.14)	30.36	
Personal Services	1,934,732	190,047	2,124,779	191,156	2,125,888	4,250,667
Operating Expenses	2,940,083	1,261,362	4,201,445	779,951	3,720,034	7,921,479
Equipment & Intangible Assets	14,333	320,000	334,333	120,000	134,333	468,666
Debt Service	81,678	0	81,678	0	81,678	163,356
<b>Total Costs</b>	<b>\$4,970,826</b>	<b>\$1,771,409</b>	<b>\$6,742,235</b>	<b>\$1,091,107</b>	<b>\$6,061,933</b>	<b>\$12,804,168</b>
Proprietary Funds	4,970,826	1,771,409	6,742,235	1,091,107	6,061,933	12,804,168
<b>Total Funds</b>	<b>\$4,970,826</b>	<b>\$1,771,409</b>	<b>\$6,742,235</b>	<b>\$1,091,107</b>	<b>\$6,061,933</b>	<b>\$12,804,168</b>

Program Proposed Budget Adjustments	Budget Adjustments		Budget Adjustments	
	Fiscal 2016		Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	0	264,856	0	265,774
SWPL - 2 - Fixed Costs	0	82,664	0	(31,522)
SWPL - 3 - Inflation Deflation	0	(1,261)	0	(1,310)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$346,259</i>	<i>\$0</i>	<i>\$232,942</i>
<b>Present Law Adjustments</b>				
PL - 1500106 - Allocate Department Indirect/admin costs	0	11,587	0	8,783
PL - 1500444 - Statewide 4% FTE Reduction - Program 15	0	(74,809)	0	(74,618)
PL - 1501501 - Montana Lottery Coronis Terminals - OTO	0	334,372	0	0
PL - 1501502 - Montana Lottery Conversion - OTO	0	200,000	0	0
PL - 1501503 - Montana Lottery Operating Budget	0	954,000	0	924,000
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$1,425,150</i>	<i>\$0</i>	<i>\$858,165</i>
<b>Total Budget Adjustments</b>	<b>\$0</b>	<b>\$1,771,409</b>	<b>\$0</b>	<b>\$1,091,107</b>

**Department of Administration - 61010**

**Montana State Lottery - 15**

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$264,856
FY 2017	\$0	\$265,774

**SWPL - 1 - Personal Services -**

The budget includes \$264,856 in FY 2016 and \$265,774 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$82,664
FY 2017	\$0	(\$31,522)

**SWPL - 2 - Fixed Costs -**

This request includes \$82,664 in FY 2016 and a reduction of \$31,522 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$1,261)
FY 2017	\$0	(\$1,310)

**SWPL - 3 - Inflation Deflation -**

This change package includes a reduction of \$1,261 in FY 2016 and \$1,310 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$11,587
FY 2017	\$0	\$8,783

**PL - 1500106 - Allocate Department Indirect/admin costs -**

This request funds the Montana Lottery's share of department indirect/administrative costs for services provided by proprietary funded centralized service functions of the agency.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$74,809)
FY 2017	\$0	(\$74,618)

**PL - 1500444 - Statewide 4% FTE Reduction - Program 15 -**

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. Change package PL-1500444 includes a reduction of 1.14 FTE each year and \$149,427 for the biennium to accomplish the FTE reduction.

## Department of Administration - 61010

### Montana State Lottery - 15

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$334,372
FY 2017	\$0	\$0

#### **PL - 1501501 - Montana Lottery Coronis Terminals - OTO -**

The Montana Lottery is requesting authorization of \$334,372 for FY 2016 for the continued funding of the 150 Lottery Coronis MP Terminals currently leased from its gaming contractor. The terminal is a free standing lottery terminal that utilizes player activated touch-screen technology, which allows the player to play a variety of Montana lottery games. In the 2013 Legislative Session, the lottery was approved funding for these terminals and entered into an operating lease with the vendor. The Montana Lottery's gaming contract with its current contractor ends in March of 2016, and at that time, the machines will revert back to the vendor.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$200,000
FY 2017	\$0	\$0

#### **PL - 1501502 - Montana Lottery Conversion - OTO -**

The Montana Lottery's current gaming system contract is set to expire March 30, 2016. Once the lottery has concluded the RFP selection process to select a new contractor, the conversion process will require numerous systems engineering disciplines to work together, while drafting the supporting software and system package in compliance with the specifications outlined in the RFP. In order to protect the integrity of this process, the Montana Lottery is requesting funding to put forward a subsequent RFP seeking bids from independent third parties to conduct validation and verification testing of the new system. Validation is required to make sure the software developed meets the lottery's needs, and verification would insure the resulting system is well engineered. The word "independent" is critical to this process, because it will provide the lottery with a perspective not under the control of the contractor developing the software and system.

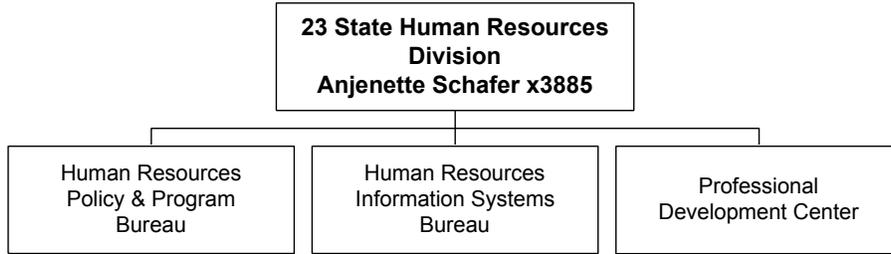
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$954,000
FY 2017	\$0	\$924,000

#### **PL - 1501503 - Montana Lottery Operating Budget -**

The Montana Lottery is requesting an increase of \$954,000 for FY 2016 and \$924,000 for FY 2017 to address the growth in sales it continues to experience. Funds will be used to generate new media and promotions, provide instant scratch games on a more frequent basis, and allow for travel and training in support of the lottery's conversion to a new gaming system in March of 2016.

# Department of Administration - 61010

## State Human Resources Division - 23



**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 Bureau, which establishes the human resource rules, policies and standards for Montana’s executive branch.
- The Professional Development Center, offering training and other professional development services to Montana state government and other organizations.
- The Human Resources Information Systems Bureau, which processes the biweekly payroll and other human resources information systems for all branches of state government.

Program Proposed Budget	Base Budget Fiscal 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
FTE	14.71	(0.46)	14.25	(0.46)	14.25	
Personal Services	990,178	228,116	1,218,294	225,728	1,215,906	2,434,200
Operating Expenses	510,936	6,130	517,066	5,317	516,253	1,033,319
<b>Total Costs</b>	<b>\$1,501,114</b>	<b>\$234,246</b>	<b>\$1,735,360</b>	<b>\$231,045</b>	<b>\$1,732,159</b>	<b>\$3,467,519</b>
General Fund	1,501,114	234,246	1,735,360	231,045	1,732,159	3,467,519
<b>Total Funds</b>	<b>\$1,501,114</b>	<b>\$234,246</b>	<b>\$1,735,360</b>	<b>\$231,045</b>	<b>\$1,732,159</b>	<b>\$3,467,519</b>

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	246,197	246,197	243,926	243,926
SWPL - 2 - Fixed Costs	203	203	229	229
SWPL - 3 - Inflation Deflation	350	350	544	544
<i>Total Statewide Present Law Adjustments</i>	<i>\$246,750</i>	<i>\$246,750</i>	<i>\$244,699</i>	<i>\$244,699</i>
<b>Present Law Adjustments</b>				
PL - 2300106 - Allocate Department Indirect/admin costs	5,577	5,577	4,544	4,544
PL - 2300444 - Statewide 4% FTE Reduction - Program 23	(18,081)	(18,081)	(18,198)	(18,198)
<i>Total Present Law Adjustments</i>	<i>(\$12,504)</i>	<i>(\$12,504)</i>	<i>(\$13,654)</i>	<i>(\$13,654)</i>
<b>Total Budget Adjustments</b>	<b>\$234,246</b>	<b>\$234,246</b>	<b>\$231,045</b>	<b>\$231,045</b>

## Department of Administration - 61010

### State Human Resources Division - 23

#### -----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$246,197	\$246,197
FY 2017	\$243,926	\$243,926

**SWPL - 1 - Personal Services -**

The budget includes funding in FY 2016 and FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$203	\$203
FY 2017	\$229	\$229

**SWPL - 2 - Fixed Costs -**

This request includes funding in FY 2016 and FY 2017 required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$350	\$350
FY 2017	\$544	\$544

**SWPL - 3 - Inflation Deflation -**

This change package includes funding in FY 2016 and FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$5,577	\$5,577
FY 2017	\$4,544	\$4,544

**PL - 2300106 - Allocate Department Indirect/admin costs -**

This request funds the division's share of department indirect/administrative costs for services provided by proprietary funded centralized service functions of the agency.

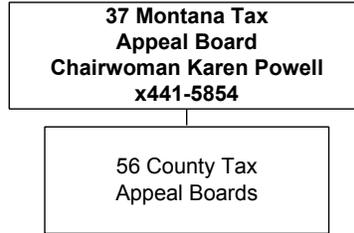
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$18,081)	(\$18,081)
FY 2017	(\$18,198)	(\$18,198)

**PL - 2300444 - Statewide 4% FTE Reduction - Program 23 -**

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. Change package PL-2300444 includes a reduction of 0.46 FTE each year and \$36,279 for the biennium to accomplish the FTE reduction.

# Department of Administration - 61010

## Montana Tax Appeal Board - 37



**Program Description** - The Montana 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 and other taxing agencies. The board consists of three members, appointed by the Governor and approved by the Senate, who hear appeals as full time state employees, with two support staff. The board 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 Montana Tax Appeal Board directs the county tax appeal board secretaries, and pays their salaries and employee benefits from its personal services appropriation. In addition, the board pays the board member stipends, and clerical-related expenses, for all 56 county tax appeal boards, including supplies, postage and copies, but excluding office equipment.

Program Proposed Budget	Base Budget Fiscal 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
FTE	7.50	(0.50)	7.00	(0.50)	7.00	
Personal Services	388,508	207,352	595,860	186,198	574,706	1,170,566
Operating Expenses	161,843	17,765	179,608	17,343	179,186	358,794
Local Assistance	6,374	6,000	12,374	6,000	12,374	24,748
<b>Total Costs</b>	<b>\$556,725</b>	<b>\$231,117</b>	<b>\$787,842</b>	<b>\$209,541</b>	<b>\$766,266</b>	<b>\$1,554,108</b>
General Fund	556,725	231,117	787,842	209,541	766,266	1,554,108
<b>Total Funds</b>	<b>\$556,725</b>	<b>\$231,117</b>	<b>\$787,842</b>	<b>\$209,541</b>	<b>\$766,266</b>	<b>\$1,554,108</b>

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	170,485	170,485	169,294	169,294
SWPL - 2 - Fixed Costs	(4,345)	(4,345)	(4,390)	(4,390)
SWPL - 3 - Inflation Deflation	(24)	(24)	(18)	(18)
<i>Total Statewide Present Law Adjustments</i>	<i>\$166,116</i>	<i>\$166,116</i>	<i>\$164,886</i>	<i>\$164,886</i>
<b>Present Law Adjustments</b>				
PL - 3700106 - Allocate Department Indirect/admin costs	1,734	1,734	1,351	1,351
PL - 3700444 - Statewide 4% FTE Reduction - Program 37	(23,133)	(23,133)	(23,096)	(23,096)
PL - 3703701 - 2015 Statewide Reappraisal Cycle of Property - Restricted	75,000	75,000	55,000	55,000
PL - 3703702 - Rental Increase	11,400	11,400	11,400	11,400
<i>Total Present Law Adjustments</i>	<i>\$65,001</i>	<i>\$65,001</i>	<i>\$44,655</i>	<i>\$44,655</i>
<b>Total Budget Adjustments</b>	<b>\$231,117</b>	<b>\$231,117</b>	<b>\$209,541</b>	<b>\$209,541</b>

## Department of Administration - 61010

### Montana Tax Appeal Board - 37

#### -----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$170,485	\$170,485
FY 2017	\$169,294	\$169,294

**SWPL - 1 - Personal Services -**

The budget includes \$170,485 in FY 2016 and \$169,294 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$4,345)	(\$4,345)
FY 2017	(\$4,390)	(\$4,390)

**SWPL - 2 - Fixed Costs -**

This request includes a reduction of \$4,345 in FY 2016 and \$4,390 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$24)	(\$24)
FY 2017	(\$18)	(\$18)

**SWPL - 3 - Inflation Deflation -**

This change package includes a reduction of \$24 in FY 2016 and \$18 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$1,734	\$1,734
FY 2017	\$1,351	\$1,351

**PL - 3700106 - Allocate Department Indirect/admin costs -**

This request funds the division's share of department indirect/administrative costs for services provided by proprietary funded centralized service functions of the agency.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$23,133)	(\$23,133)
FY 2017	(\$23,096)	(\$23,096)

**PL - 3700444 - Statewide 4% FTE Reduction - Program 37 -**

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. Change package PL-3700444 includes a reduction of 0.50 FTE each year and \$46,229 for the biennium to accomplish the FTE reduction.

## Department of Administration - 61010

### Montana Tax Appeal Board - 37

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$75,000	\$75,000
FY 2017	\$55,000	\$55,000

#### **PL - 3703701 - 2015 Statewide Reappraisal Cycle of Property - Restricted -**

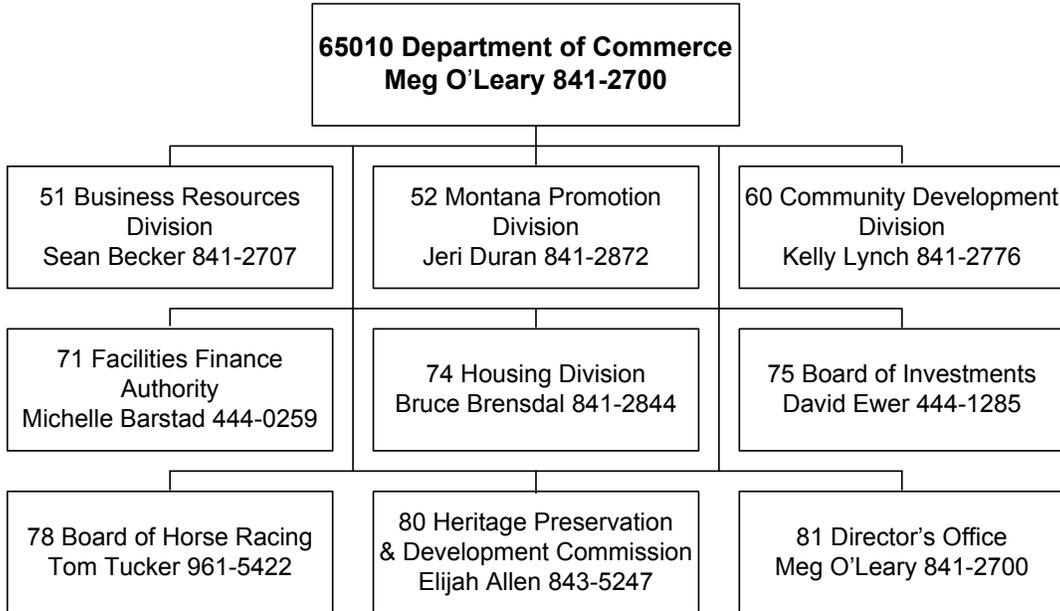
This present law adjustment for \$75,000 in FY 2016 and \$55,000 in FY 2017 is to address anticipated increases in tax appeals. Effective January 1, 2015, all residential, commercial, agricultural, and timberland property will be revalued for tax purposes. This will be the first revaluation in six years and is anticipated to generate an increased number of appeals. Property tax appeals are heard by the County Tax Appeal Boards before they are appealed to the Montana Tax Appeal Board. Because the County Tax Appeal Boards are funded through the general fund, an increased allocation is necessary to handle the upcoming appeals. The appropriation would be restricted to this purpose.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$11,400	\$11,400
FY 2017	\$11,400	\$11,400

#### **PL - 3703702 - Rental Increase -**

The Montana Tax Appeal Board is requesting \$11,400 annually for FY 2016 and FY 2017 for rent. In FY 2014, the board relocated to an office offering legally required access to the staff and board offices, as well as a public hearing room, accessible restrooms, and public parking. This new space allows the board to hold hearings in the office and provides legally mandated access to taxpayers with disabilities, in compliance with the Americans with Disabilities Act.

## Department of Commerce - 65010



**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. The Department of Commerce will enhance and sustain a healthy economy so Montana businesses, communities, and people can prosper.

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

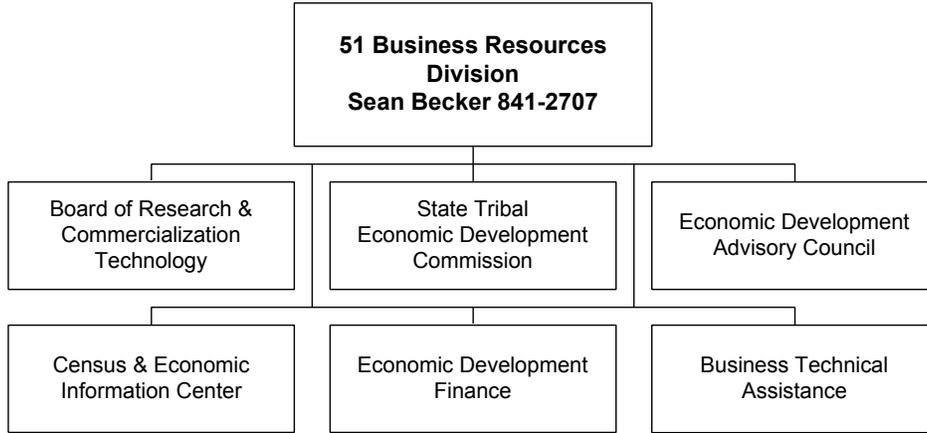
Agency Proposed Budget	Total Exec. Budget Fiscal 2016	Total Exec. Budget Fiscal 2017	Total Exec. Budget 2017 Biennium
Budget Item			
FTE	52.04	52.04	
Personal Services	4,081,184	4,087,532	8,168,716
Operating Expenses	6,982,677	6,972,402	13,955,079
Grants	19,812,277	19,234,789	39,047,066
Benefits & Claims	370,731	370,731	741,462
Transfers	2,375,000	2,375,000	4,750,000
<b>Total Costs</b>	<b>\$33,621,869</b>	<b>\$33,040,454</b>	<b>\$66,662,323</b>
General Fund	8,871,346	8,485,596	17,356,942
State/Other Special	6,456,379	6,452,409	12,908,788
Federal Spec. Rev. Funds	18,294,144	18,102,449	36,396,593
<b>Total Funds</b>	<b>\$33,621,869</b>	<b>\$33,040,454</b>	<b>\$66,662,323</b>

## Department of Commerce - 65010

Agency Appropriated Biennium to Biennium Comparison								
Program	2015 Biennium Appropriated Budget		2017 Biennium Requested Budget		Biennium to Biennium Difference (dollars)		Biennium to Biennium Difference (percent)	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
51 - Business Resources Division	10,676,084	24,768,714	15,082,287	27,372,126	4,406,203	2,603,412	41.27 %	10.51 %
52 - Montana Promotion Division	0	1,536,229	0	1,500,000	0	(36,229)	0.00 %	(2.36)%
60 - Community Development Division	1,470,807	31,904,334	2,274,655	34,024,479	803,848	2,120,145	54.65 %	6.65 %
74 - Housing Division	0	2,650,000	0	2,297,768	0	(352,232)	0.00 %	(13.29)%
78 - Board of Horse Racing	0	296,591	0	367,950	0	71,359	0.00 %	24.06 %
81 - Director's Office	0	1,100,000	0	1,100,000	0	0	0.00 %	0.00 %
<b>Agency Total</b>	<b>\$12,146,891</b>	<b>\$62,255,868</b>	<b>\$17,356,942</b>	<b>\$66,662,323</b>	<b>\$5,210,051</b>	<b>\$4,406,455</b>	<b>42.89 %</b>	<b>7.08 %</b>

# Department of Commerce - 65010

## Business Resources Division - 51



**Program Description** - The Business Resources Division is comprised of programs aimed at improving and diversifying Montana's economy. The division works closely with the private sector, local communities, economic development organizations, and state and federal government agencies to improve the economy of Montana through business creation, expansion, retention, and recruitment efforts.

Program Proposed Budget	Base Budget Fiscal 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
FTE	21.84	2.50	24.34	2.50	24.34	
Personal Services	1,547,886	411,212	1,959,098	417,159	1,965,045	3,924,143
Operating Expenses	2,069,032	2,066,095	4,135,127	2,068,414	4,137,446	8,272,573
Grants	2,318,767	3,177,682	5,496,449	2,610,194	4,928,961	10,425,410
Transfers	0	2,375,000	2,375,000	2,375,000	2,375,000	4,750,000
<b>Total Costs</b>	<b>\$5,935,685</b>	<b>\$8,029,989</b>	<b>\$13,965,674</b>	<b>\$7,470,767</b>	<b>\$13,406,452</b>	<b>\$27,372,126</b>
General Fund	2,735,505	4,991,036	7,726,541	4,620,241	7,355,746	15,082,287
State/Other Special	651,289	1,584,720	2,236,009	1,583,976	2,235,265	4,471,274
Federal Spec. Rev. Funds	2,548,891	1,454,233	4,003,124	1,266,550	3,815,441	7,818,565
<b>Total Funds</b>	<b>\$5,935,685</b>	<b>\$8,029,989</b>	<b>\$13,965,674</b>	<b>\$7,470,767</b>	<b>\$13,406,452</b>	<b>\$27,372,126</b>

# Department of Commerce - 65010

## Business Resources Division - 51

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	117,888	255,777	118,369	256,822
SWPL - 2 - Fixed Costs	13,498	29,287	9,020	19,570
SWPL - 3 - Inflation Deflation	(346)	(750)	(285)	(618)
<i>Total Statewide Present Law Adjustments</i>	<i>\$131,040</i>	<i>\$284,314</i>	<i>\$127,104</i>	<i>\$275,774</i>
<b>Present Law Adjustments</b>				
PL - 5100444 - Statewide 4% FTE Reduction - Program 51	(77,445)	(77,445)	(77,446)	(77,446)
PL - 5105103 - BRD Administrative Costs Adjustments	37,441	1,587,735	(329,417)	1,222,439
PL - 5105104 - BRD Federal Grants Adjustments	0	1,335,385	0	1,150,000
<i>Total Present Law Adjustments</i>	<i>(\$40,004)</i>	<i>\$2,845,675</i>	<i>(\$406,863)</i>	<i>\$2,294,993</i>
<b>New Proposals</b>				
NP - 5105101 - Primary Business Sector Training	600,000	600,000	600,000	600,000
NP - 5105102 - Indian Country Economic Development	800,000	800,000	800,000	800,000
NP - 5105106 - Enhance Economic Development in Montana (RST/BIEN/OTO)	2,750,000	2,750,000	2,750,000	2,750,000
NP - 5105107 - Native Language Preservation (RST/BIEN/OTO)	750,000	750,000	750,000	750,000
<i>Total New Proposals</i>	<i>\$4,900,000</i>	<i>\$4,900,000</i>	<i>\$4,900,000</i>	<i>\$4,900,000</i>
<b>Total Budget Adjustments</b>	<b>\$4,991,036</b>	<b>\$8,029,989</b>	<b>\$4,620,241</b>	<b>\$7,470,767</b>

### -----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$117,888	\$255,777
FY 2017	\$118,369	\$256,822

#### SWPL - 1 - Personal Services -

The budget includes \$255,777 in FY 2016 and \$256,822 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$13,498	\$29,287
FY 2017	\$9,020	\$19,570

#### SWPL - 2 - Fixed Costs -

This request includes \$29,287 in FY 2016 and \$19,570 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$346)	(\$750)
FY 2017	(\$285)	(\$618)

#### SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$750 in FY 2016 and \$618 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

## Department of Commerce - 65010

### Business Resources Division - 51

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$77,445)	(\$77,445)
FY 2017	(\$77,446)	(\$77,446)

**PL - 5100444 - Statewide 4% FTE Reduction - Program 51 -**

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. Change package PL-5100444 includes a reduction of 0.50 FTE each year and \$154,891 for the biennium to accomplish the FTE reduction.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$37,441	\$1,587,735
FY 2017	(\$329,417)	\$1,222,439

**PL - 5105103 - BRD Administrative Costs Adjustments -**

This request adjusts for normal, ongoing expenses for grants received by the Business Resources Division. Included in this adjustment are per diem for the Economic Development Advisory Council board members, annual rental increases, Director's Office support services adjustments, costs for recording revolving loans, and costs associated with adjusting ongoing federal appropriations for grants received by the division. These adjustment total \$1,587,735 in FY 2016 and \$1,222,439 in FY 2017.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$1,335,385
FY 2017	\$0	\$1,150,000

**PL - 5105104 - BRD Federal Grants Adjustments -**

This decision package adjusts normal ongoing federal appropriations for grants received by the Business Resources Division to match available federal funds for the 2017 biennium. The adjustments total \$1,335,385 in FY 2016 and \$1,150,000 in FY 2017.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$600,000	\$600,000
FY 2017	\$600,000	\$600,000

**NP - 5105101 - Primary Business Sector Training -**

The Primary Sector Workforce Training Grant program is a state-funded program that provides grant funds to primary sector businesses for training Montanans in newly created full-time and part-time jobs. The program has been funded in HB 2 with general fund since 2005 as an OTO item. This critical program supports economic growth and the Executive requests that this program be included as part of the department's base funding in HB 2.

## Department of Commerce - 65010

### Business Resources Division - 51

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$800,000	\$800,000
FY 2017	\$800,000	\$800,000

#### **NP - 5105102 - Indian Country Economic Development -**

The Indian Country Economic Development program develops and promotes sustainable economies for Native Americans by providing technical assistance and financial resources to existing tribal businesses to help them expand operations and facilities, training and employing new workers, assisting in the development of start-up tribal businesses, creating new job opportunities, enhancing the overall economies of Montana's reservations, delivering business skills training to the growing numbers of Native American entrepreneurs, and helping native businesses access capital. Over the long term, the projects funded will allow the tribal governments to provide more employment opportunities and greater wages to their citizens.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$2,750,000	\$2,750,000
FY 2017	\$2,750,000	\$2,750,000

#### **NP - 5105106 - Enhance Economic Development in Montana (RST/BIEN/OTO) -**

The Executive recommends \$5,500,000 for the biennium to enhance the economic development programs in the Department of Commerce, including programs such as Montana Board of Research and Commercialization, Small Business Development Centers, Small Business Innovation Research, Montana Manufacturing Extension Center, Export Trade Enhancement, and Certified Regional Development Corporations. The funding for these programs was first provided in the May 2000 special session.

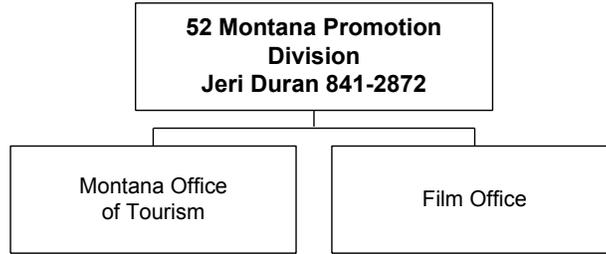
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$750,000	\$750,000
FY 2017	\$750,000	\$750,000

#### **NP - 5105107 - Native Language Preservation (RST/BIEN/OTO) -**

This request includes funding an additional \$1.5 million to the program started in the 2015 biennium to document and preserve the Native American languages of the various tribes in Montana. Speakers fluent in the Native American languages will be recorded, and written materials will be developed, to allow younger generations of the various tribes, as well as others, to develop language skills for the various Native American languages. The request is for \$1.5 million from the general fund as a restricted, biennial, and one-time-only appropriation. The request is contingent on passage and approval of legislation that extends the Native Language Preservation program (LC0632).

## Department of Commerce - 65010

### 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 among 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 nonprofit corporations and the fifteen qualified convention and visitors bureaus.

The division also works to develop and administer brand outreach to encourage cooperation and support of the Montana Promotion Division brand strategy within the state’s tourism suppliers and partners by educating people on the brand platforms of:

- More spectacular, unspoiled nature than anywhere else in the lower 48.
- Vibrant and charming small towns that serve as gateways to natural wonders.
- Breathtaking experiences by day, relaxing hospitality at night.

Program Proposed Budget	Base Budget	Budget Adjustments	Total	Budget	Total	Executive
Budget Item	Fiscal 2014	Fiscal 2016	Exec. Budget Fiscal 2016	Adjustments Fiscal 2017	Exec. Budget Fiscal 2017	Budget Request 2017 Biennium
Operating Expenses	272,751	477,249	750,000	477,249	750,000	1,500,000
<b>Total Costs</b>	<b>\$272,751</b>	<b>\$477,249</b>	<b>\$750,000</b>	<b>\$477,249</b>	<b>\$750,000</b>	<b>\$1,500,000</b>
State/Other Special	272,751	477,249	750,000	477,249	750,000	1,500,000
<b>Total Funds</b>	<b>\$272,751</b>	<b>\$477,249</b>	<b>\$750,000</b>	<b>\$477,249</b>	<b>\$750,000</b>	<b>\$1,500,000</b>

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 2 - Fixed Costs	0	11,474	0	(25,267)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$11,474</i>	<i>\$0</i>	<i>(\$25,267)</i>
<b>Present Law Adjustments</b>				
PL - 5205201 - MPD Private Funds & Audit Adjustments	0	465,775	0	502,516
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$465,775</i>	<i>\$0</i>	<i>\$502,516</i>
<b>Total Budget Adjustments</b>	<b>\$0</b>	<b>\$477,249</b>	<b>\$0</b>	<b>\$477,249</b>

**Department of Commerce - 65010**

**Montana Promotion Division - 52**

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$11,474
FY 2017	\$0	(\$25,267)

**SWPL - 2 - Fixed Costs -**

This request includes \$11,474 in FY 2016 and a reduction of \$25,267 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

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

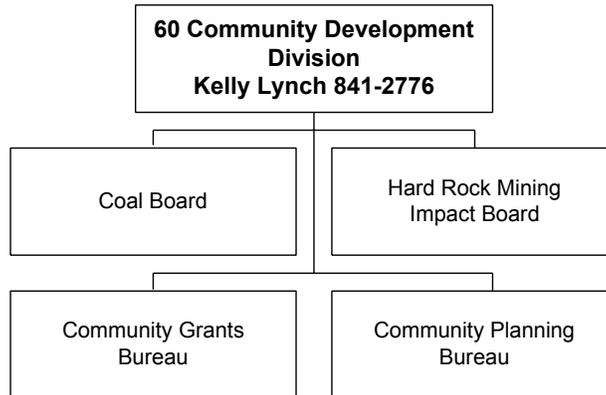
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$465,775
FY 2017	\$0	\$502,516

**PL - 5205201 - MPD Private Funds & Audit Adjustments -**

This request is for \$465,775 in FY 2016 and \$502,516 in FY 2017 to adjust HB 2 private funds to \$750,000 for each year of the biennium. The Montana Promotion Division has historically adjusted its HB 2 private funds appropriation to this amount.

## Department of Commerce - 65010

### Community Development Division - 60



**Program Description** - The Community Development Division administers five programs directly:

1. Community Development Block Grant Program
2. Community Technical Assistance Program
3. HOME Investment Partnerships Program
4. Quality Schools Grant Program
5. Treasure State Endowment Program

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

Division staff conduct the following functions:

1. Help build resilient communities through planning and financial resources;
2. Empower local leaders by providing technical and financial resources;
3. Provide awareness and training on planning best practices;
4. Make the cost of facilities more affordable and within easier reach of Montana communities;
5. Support those communities in all stages of planning, implementation, and long-term maintenance of resources;
6. Facilitate a comprehensive sense of place for communities and help them adopt a process to accomplish those goals; and
7. Promote local community self-sufficiency in the distribution of grants.

Program Proposed Budget	Base Budget	Budget Adjustments	Total Exec. Budget	Budget Adjustments	Total Exec. Budget	Executive Budget Request
Budget Item	Fiscal 2014	Fiscal 2016	Fiscal 2016	Fiscal 2017	Fiscal 2017	2017 Biennium
FTE	26.16	0.29	26.45	0.29	26.45	
Personal Services	1,538,340	473,579	2,011,919	474,275	2,012,615	4,024,534
Operating Expenses	839,674	405,747	1,245,421	393,194	1,232,868	2,478,289
Grants	7,282,096	6,483,732	13,765,828	6,473,732	13,755,828	27,521,656
<b>Total Costs</b>	<b>\$9,660,110</b>	<b>\$7,363,058</b>	<b>\$17,023,168</b>	<b>\$7,341,201</b>	<b>\$17,001,311</b>	<b>\$34,024,479</b>
General Fund	719,878	424,927	1,144,805	409,972	1,129,850	2,274,655
State/Other Special	2,194,673	941,554	3,136,227	938,664	3,133,337	6,269,564
Federal Spec. Rev. Funds	6,745,559	5,996,577	12,742,136	5,992,565	12,738,124	25,480,260
<b>Total Funds</b>	<b>\$9,660,110</b>	<b>\$7,363,058</b>	<b>\$17,023,168</b>	<b>\$7,341,201</b>	<b>\$17,001,311</b>	<b>\$34,024,479</b>

## Department of Commerce - 65010

### Community Development Division - 60

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	33,713	428,924	33,660	429,281
SWPL - 2 - Fixed Costs	2,900	23,245	1,668	13,249
SWPL - 3 - Inflation Deflation	(235)	(778)	(201)	(649)
<i>Total Statewide Present Law Adjustments</i>	<i>\$36,378</i>	<i>\$451,391</i>	<i>\$35,127</i>	<i>\$441,881</i>
<b>Present Law Adjustments</b>				
PL - 6000444 - Statewide 4% FTE Reduction - Program 60	0	(106,936)	0	(106,701)
PL - 6006002 - CDD Administrative Costs Adjustments	26,809	756,863	12,971	744,147
PL - 6006003 - CDD Federal Grants Adjustments	0	5,900,000	0	5,900,000
<i>Total Present Law Adjustments</i>	<i>\$26,809</i>	<i>\$6,549,927</i>	<i>\$12,971</i>	<i>\$6,537,446</i>
<b>New Proposals</b>				
NP - 600604 - State Broadband Program	361,740	361,740	361,874	361,874
<i>Total New Proposals</i>	<i>\$361,740</i>	<i>\$361,740</i>	<i>\$361,874</i>	<i>\$361,874</i>
<b>Total Budget Adjustments</b>	<b>\$424,927</b>	<b>\$7,363,058</b>	<b>\$409,972</b>	<b>\$7,341,201</b>

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$33,713	\$428,924
FY 2017	\$33,660	\$429,281

**SWPL - 1 - Personal Services -**

The budget includes \$428,924 in FY 2016 and \$429,281 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$2,900	\$23,245
FY 2017	\$1,668	\$13,249

**SWPL - 2 - Fixed Costs -**

This request includes \$23,245 in FY 2016 and \$13,249 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$235)	(\$778)
FY 2017	(\$201)	(\$649)

**SWPL - 3 - Inflation Deflation -**

This change package includes a reduction of \$778 in FY 2016 and \$649 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

**Department of Commerce - 65010**

**Community Development Division - 60**

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$106,936)
FY 2017	\$0	(\$106,701)

**PL - 6000444 - Statewide 4% FTE Reduction - Program 60 -**

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. Change package PL-6000444 includes a reduction of 1.71 FTE each year and \$213,637 for the biennium to accomplish the FTE reduction.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$26,809	\$756,863
FY 2017	\$12,971	\$744,147

**PL - 6006002 - CDD Administrative Costs Adjustments -**

This adjustment includes per diem for the Hard Rock Mining Impact Board and the 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 includes the hire of a consulting service to perform the designation study for allocation of Coal Board grants, rental leases, computer equipment, and printing costs. The adjustment is for \$756,863 for FY 2016 and \$744,147 for FY 2017.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$5,900,000
FY 2017	\$0	\$5,900,000

**PL - 6006003 - CDD Federal Grants Adjustments -**

This decision package adjusts normal ongoing federal appropriations for grants received by the Community Development Division to match available federal funds for the 2017 biennium.

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

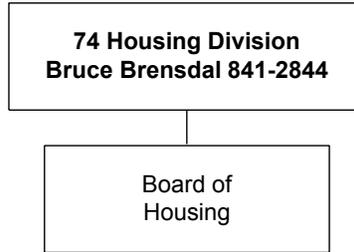
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$361,740	\$361,740
FY 2017	\$361,874	\$361,874

**NP - 600604 - State Broadband Program -**

This request includes \$186,740 in FY 2016 and \$186,874 in FY 2017 to fund state broadband data and development services as part of the Community Technical Assistance Program. The change package also includes \$175,000 per year for broadband mapping. Funding is requested as a biennial appropriation and is contingent upon passage of HB 14.

# Department of Commerce - 65010

## Housing Division - 74



**Program Description** - The Housing Division includes the Housing and Urban Development (HUD) Section 8 Housing programs and the Board of Housing and its programs.

The Montana Housing Act of 1975 created the Montana Board of Housing. The board is an agency of the state and operates within the Department of Commerce for administrative purposes. The powers of the board are vested in a seven member board, appointed by the Governor, subject to the confirmation of the State Senate. The board provides policy direction to the agency staff, authorizes bond issues, approves development financing, and evaluates Board of Housing Programs. These programs include the Regular Bond Homeownership Program, Special Set-Aside Homeownership Program, Multifamily Loan Programs, Low Income Housing Tax Credit Program, Housing Montana Fund, and the Reverse Annuity Mortgage (RAM) Program.

The Board of Housing is funded by five enterprise funds, with revenues derived from an administrative charge applied to the projects and mortgages financed. Under the Montana Housing Act of 1975, the board does not receive any general fund and is completely self-supporting.

The Housing Assistance Bureau consists of three programs: Housing and Urban Development (HUD) Project Based Section 8 Housing Contract Administration Program; the HUD Tenant Based Section 8 Housing Choice Vouchers; and Moderate Rehabilitation programs Contract Administration.

Program Proposed Budget	Base Budget Fiscal 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
Budget Item						
Personal Services	4,090	(4,090)	0	(4,090)	0	0
Operating Expenses	628,172	149,981	778,153	149,981	778,153	1,556,306
Benefits & Claims	157,063	213,668	370,731	213,668	370,731	741,462
<b>Total Costs</b>	<b>\$789,325</b>	<b>\$359,559</b>	<b>\$1,148,884</b>	<b>\$359,559</b>	<b>\$1,148,884</b>	<b>\$2,297,768</b>
State/Other Special	0	150,000	150,000	150,000	150,000	300,000
Federal Spec. Rev. Funds	789,325	209,559	998,884	209,559	998,884	1,997,768
<b>Total Funds</b>	<b>\$789,325</b>	<b>\$359,559</b>	<b>\$1,148,884</b>	<b>\$359,559</b>	<b>\$1,148,884</b>	<b>\$2,297,768</b>

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	0	(4,090)	0	(4,090)
SWPL - 2 - Fixed Costs	0	(20)	0	(20)
SWPL - 3 - Inflation Deflation	0	1	0	1
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>(\$4,109)</i>	<i>\$0</i>	<i>(\$4,109)</i>
<b>Present Law Adjustments</b>				
PL - 7407401 - HD Administrative Costs Adjustments	0	363,668	0	363,668
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$363,668</i>	<i>\$0</i>	<i>\$363,668</i>
<b>Total Budget Adjustments</b>	<b>\$0</b>	<b>\$359,559</b>	<b>\$0</b>	<b>\$359,559</b>

# Department of Commerce - 65010

## Housing Division - 74

### -----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$4,090)
FY 2017	\$0	(\$4,090)

#### **SWPL - 1 - Personal Services -**

The budget includes funding in FY 2016 and FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$20)
FY 2017	\$0	(\$20)

#### **SWPL - 2 - Fixed Costs -**

This request includes funding in FY 2016 and FY 2017 required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$1
FY 2017	\$0	\$1

#### **SWPL - 3 - Inflation Deflation -**

This change package includes funding in FY 2016 and FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$363,668
FY 2017	\$0	\$363,668

#### **PL - 7407401 - HD Administrative Costs Adjustments -**

This decision package includes \$363,668 in each year of the 2017 biennium in state special revenue to record revolving loans in the Mobile Home RLF program on the state's accounting system and adjusts normal ongoing federal appropriations for grants received by the Housing Division's Shelter Care Plus Program to match available federal funds for the 2017 biennium.

# Department of Commerce - 65010

## Board of Horse Racing - 78

**78 Board of Horse Racing  
Tom Tucker 961-5422**

**Program Description** - The Board of Horse Racing is responsible for:

- Regulating the live, simulcast, and advance deposit wagering horse racing industry;
- Ensuring compliance by approximately 1,200 licensees with state laws and board rules;
- Licensing all racing personnel, establishing race dates for various communities, and establishing veterinary practices and standards in connection with horse racing meets; and
- Auditing, supervising, and conducting investigations related to the pari-mutuel racing system in Montana. The program work is mandated in Title 2, Chapter 15, and Title 23, Chapter 4, MCA .

The Board of Horse Racing is funded with state special revenue, derived from a 1% tax on gross receipts from pari-mutuel betting. For live racing and simulcast facilities, the tax is the greater of 1% of gross betting receipts or the actual cost to the board for regulating the meet.

Program Proposed Budget	Base Budget	Budget Adjustments	Total Exec. Budget	Budget Adjustments	Total Exec. Budget	Executive Budget Request
Budget Item	Fiscal 2014	Fiscal 2016	Fiscal 2016	Fiscal 2017	Fiscal 2017	2017 Biennium
FTE	1.25	0.00	1.25	0.00	1.25	
Personal Services	9,879	100,288	110,167	99,993	109,872	220,039
Operating Expenses	59,891	14,085	73,976	14,044	73,935	147,911
<b>Total Costs</b>	<b>\$69,770</b>	<b>\$114,373</b>	<b>\$184,143</b>	<b>\$114,037</b>	<b>\$183,807</b>	<b>\$367,950</b>
State/Other Special	69,770	114,373	184,143	114,037	183,807	367,950
<b>Total Funds</b>	<b>\$69,770</b>	<b>\$114,373</b>	<b>\$184,143</b>	<b>\$114,037</b>	<b>\$183,807</b>	<b>\$367,950</b>

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	0	100,288	0	99,993
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$100,288</i>	<i>\$0</i>	<i>\$99,993</i>
<b>Present Law Adjustments</b>				
PL - 7807801 - BOHR Administrative Costs Adjustments	0	14,085	0	14,044
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$14,085</i>	<i>\$0</i>	<i>\$14,044</i>
<b>Total Budget Adjustments</b>	<b>\$0</b>	<b>\$114,373</b>	<b>\$0</b>	<b>\$114,037</b>

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$100,288
FY 2017	\$0	\$99,993

**SWPL - 1 - Personal Services -**

The budget includes \$100,288 in FY 2016 and \$99,993 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

**Department of Commerce - 65010**

**Board of Horse Racing - 78**

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

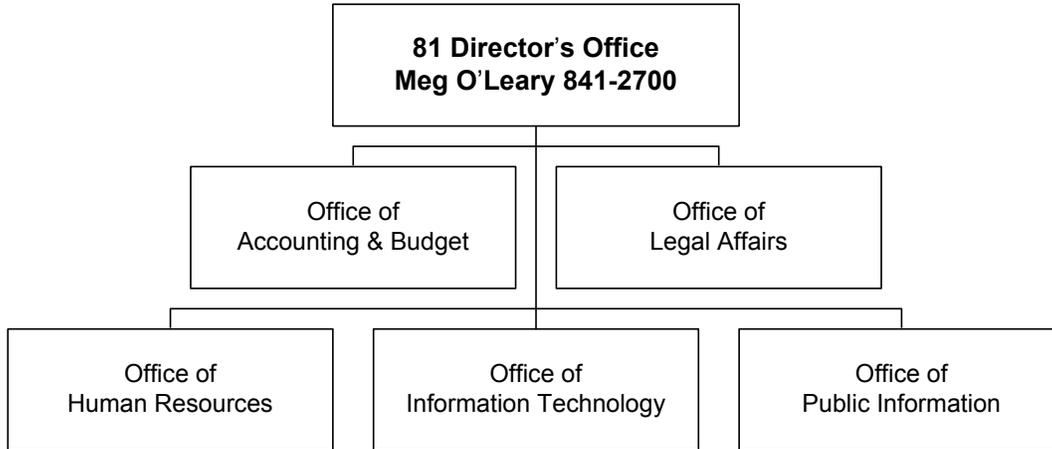
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$14,085
FY 2017	\$0	\$14,044

**PL - 7807801 - BOHR Administrative Costs Adjustments -**

This decision package adjusts for indirect costs charged to the Director's Office for support services provided to supported divisions, bureaus, and programs. The adjustments total \$14,085 for FY 2016 and \$14,044 for FY 2017.

# Department of Commerce - 65010

## Director's Office - 81



**Program Description** - 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 the public is informed of the important services provided by the department. The office works closely with economic and community development organizations, businesses, communities, governmental entities, elected officials, and the public to diversify and expand the state's economic base. The office 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 Director's Office also provides effective and efficient internal support to Department of Commerce staff, programs, bureaus, divisions and administratively attached boards in a positive customer service oriented manner. Services are provided by the Offices of Accounting and Budget, Legal Affairs, Human Resources, Information Technology, and Public Information.

Every division, bureau, and program in the agency uses the support services in the Director's Office in some capacity. Staff act as the administrative contacts for the agency, and the "central services" aspect enhances the overall effectiveness and efficiency of the agency by standardizing business processes, and employing best practices, in as many areas of the agency as possible, while keeping the costs to supported programs as low as possible.

The Director's Office analyzes, with department managers, the statutory, administrative, and programmatic objectives of their programs to develop performance measures, where appropriate, that maximize the benefits of the services provided to the citizens of Montana while minimizing the resources required achieving those objectives.

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.

The Council administers federal funds in three major areas: 1) assistance in the provision of comprehensive services to persons with developmental disabilities; 2) assistance to the state in appropriate planning activities; and 3) contracting with public and private agencies to establish model programs, demonstrate innovative habilitation techniques, and to train professional and paraprofessional personnel in providing services to persons with developmental disabilities.

# Department of Commerce - 65010

## Director's Office - 81

Program Proposed Budget	Base Budget Fiscal 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
Budget Item						
Grants	453,944	96,056	550,000	96,056	550,000	1,100,000
<b>Total Costs</b>	<b>\$453,944</b>	<b>\$96,056</b>	<b>\$550,000</b>	<b>\$96,056</b>	<b>\$550,000</b>	<b>\$1,100,000</b>
Federal Spec. Rev. Funds	453,944	96,056	550,000	96,056	550,000	1,100,000

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Present Law Adjustments</b>				
PL - 8108101 - DO Federal Grants Adjustments	0	96,056	0	96,056
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$96,056</i>	<i>\$0</i>	<i>\$96,056</i>
<b>Total Budget Adjustments</b>	<b>\$0</b>	<b>\$96,056</b>	<b>\$0</b>	<b>\$96,056</b>

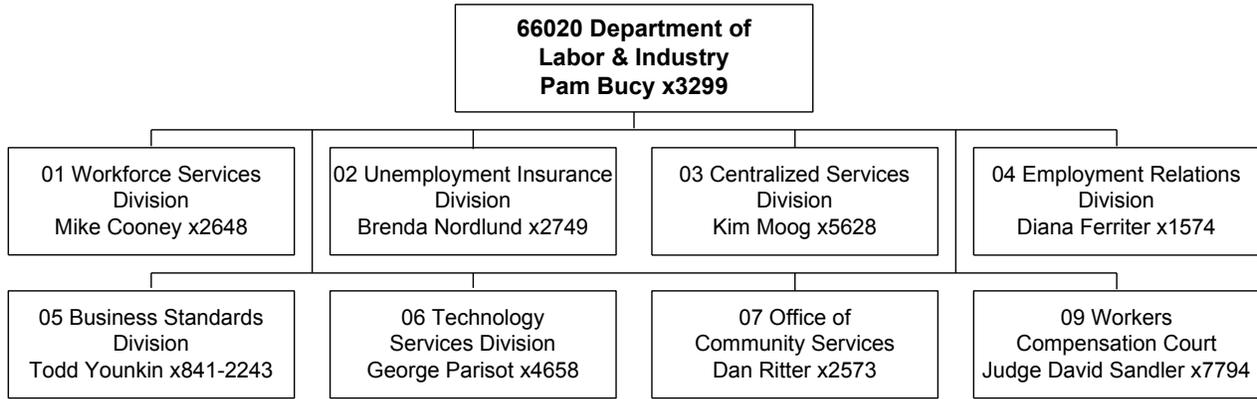
-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$96,056
FY 2017	\$0	\$96,056

**PL - 8108101 - DO Federal Grants Adjustments -**

This decision package adjusts normal ongoing federal appropriations for grants received by the Director's Office to match estimated available federal funds for the 2017 biennium for the Montana Council on Developmental Disabilities. The adjustments total \$96,056 for each year of the biennium.

## Department of Labor & Industry - 66020



**Mission Statement** - The purpose of the Department of Labor and Industry is to promote and protect 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.

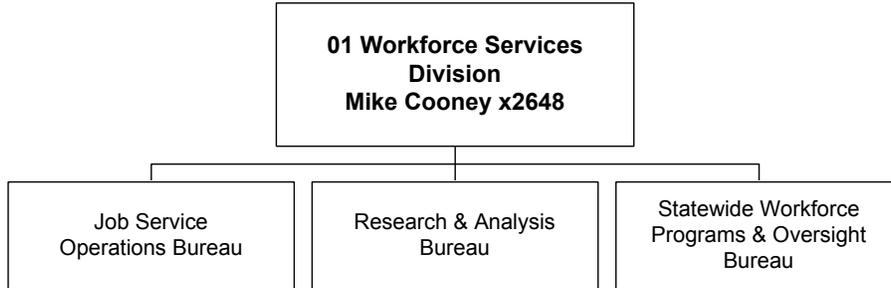
Agency Proposed Budget	Total Exec. Budget Fiscal 2016	Total Exec. Budget Fiscal 2017	Total Exec. Budget 2017 Biennium
Budget Item			
FTE	688.56	688.56	
Personal Services	46,349,883	46,378,345	92,728,228
Operating Expenses	27,844,400	27,979,487	55,823,887
Equipment & Intangible Assets	312,574	312,574	625,148
Grants	7,854,036	7,854,036	15,708,072
Benefits & Claims	100,389	100,389	200,778
Transfers	311,861	312,039	623,900
Debt Service	189,407	231,082	420,489
<b>Total Costs</b>	<b>\$82,962,550</b>	<b>\$83,167,952</b>	<b>\$166,130,502</b>
General Fund	2,485,192	2,484,215	4,969,407
State/Other Special	47,627,178	47,820,345	95,447,523
Federal Spec. Rev. Funds	32,850,180	32,863,392	65,713,572
<b>Total Funds</b>	<b>\$82,962,550</b>	<b>\$83,167,952</b>	<b>\$166,130,502</b>

## Department of Labor & Industry - 66020

Agency Appropriated Biennium to Biennium Comparison								
Program	2015 Biennium Appropriated Budget		2017 Biennium Requested Budget		Biennium to Biennium Difference (dollars)		Biennium to Biennium Difference (percent)	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
01 - Workforce Services Division	66,817	61,492,913	1,294,615	56,337,039	1,227,798	(5,155,874)	1,837.55 %	(8.38)%
02 - Unemployment Insurance Division	0	24,489,986	0	31,635,981	0	7,145,995	0.00 %	29.18 %
03 - Commissioner's Office & Centralized Services Division	384,927	1,861,231	501,796	2,273,034	116,869	411,803	30.36 %	22.13 %
04 - Employment Relations Division	2,029,137	22,801,066	2,876,663	28,100,730	847,526	5,299,664	41.77 %	23.24 %
05 - Business Standards Division	0	29,086,367	0	39,604,300	0	10,517,933	0.00 %	36.16 %
06 - Technology Services Division	61,645	14,885,675	0	0	(61,645)	(14,885,675)	(100.00)%	(100.00)%
07 - Office of Community Services	254,229	7,278,022	296,333	6,700,989	42,104	(577,033)	16.56 %	(7.93)%
09 - Workers Compensation Court	0	1,310,403	0	1,478,429	0	168,026	0.00 %	12.82 %
<b>Agency Total</b>	<b>\$2,796,755</b>	<b>\$163,205,663</b>	<b>\$4,969,407</b>	<b>\$166,130,502</b>	<b>\$2,172,652</b>	<b>\$2,924,839</b>	<b>77.68 %</b>	<b>1.79 %</b>

# Department of Labor & Industry - 66020

## Workforce Services Division - 01



**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 three bureaus. The Job Service 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 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), Apprenticeship & Training, Jobs for Montana Graduates, and MontanaWorks which is the automated system for Labor Exchange and Program Management. 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. Also housed within WSD are the Incumbent Worker Training Program and State Workforce Investment Board (SWIB).

Program Proposed Budget	Base Budget	Budget Adjustments	Total	Budget Adjustments	Total	Executive
Budget Item	Fiscal 2014	Fiscal 2016	Exec. Budget Fiscal 2016	Fiscal 2017	Exec. Budget Fiscal 2017	Budget Request 2017 Biennium
FTE	282.45	(20.95)	261.50	(20.95)	261.50	
Personal Services	13,597,271	2,948,059	16,545,330	2,956,134	16,553,405	33,098,735
Operating Expenses	4,031,881	2,192,204	6,224,085	2,200,432	6,232,313	12,456,398
Equipment & Intangible Assets	12,908	0	12,908	0	12,908	25,816
Grants	5,020,870	168,166	5,189,036	168,166	5,189,036	10,378,072
Transfers	187,966	(143,030)	44,936	(142,852)	45,114	90,050
Debt Service	43,593	88,788	132,381	111,994	155,587	287,968
<b>Total Costs</b>	<b>\$22,894,489</b>	<b>\$5,254,187</b>	<b>\$28,148,676</b>	<b>\$5,293,874</b>	<b>\$28,188,363</b>	<b>\$56,337,039</b>
General Fund	22,908	624,367	647,275	624,432	647,340	1,294,615
State/Other Special	8,444,686	1,648,648	10,093,334	1,673,533	10,118,219	20,211,553
Federal Spec. Rev. Funds	14,426,895	2,981,172	17,408,067	2,995,909	17,422,804	34,830,871
<b>Total Funds</b>	<b>\$22,894,489</b>	<b>\$5,254,187</b>	<b>\$28,148,676</b>	<b>\$5,293,874</b>	<b>\$28,188,363</b>	<b>\$56,337,039</b>

# Department of Labor & Industry - 66020

## Workforce Services Division - 01

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	307,511	4,140,551	307,511	4,145,928
SWPL - 2 - Fixed Costs	2,912	87,747	2,867	82,670
SWPL - 3 - Inflation Deflation	(449)	(15,051)	(389)	(12,229)
<i>Total Statewide Present Law Adjustments</i>	<i>\$309,974</i>	<i>\$4,213,247</i>	<i>\$309,989</i>	<i>\$4,216,369</i>
<b>Present Law Adjustments</b>				
PL - 100444 - Statewide 4% FTE Reduction - Program 01	(15,143)	(1,192,492)	(15,100)	(1,189,794)
PL - 101001 - WSD Restore GF to Jobs for Montana Graduates	330,676	330,676	330,676	330,676
PL - 101002 - WSD Restore ESA to Research Analysis CRN	0	62,467	0	62,467
PL - 101003 - WSD General Operating Adjustment	(3,246)	(24,402)	(3,246)	7,876
PL - 101004 - WSD CAP Rate Adjustment	2,106	132,479	2,113	132,900
PL - 101006 - WSD Bond Reduction	0	(143,030)	0	(142,852)
<i>Total Present Law Adjustments</i>	<i>\$314,393</i>	<i>(\$834,302)</i>	<i>\$314,443</i>	<i>(\$798,727)</i>
<b>New Proposals</b>				
NP - 101005 - TSD Funding Switch	0	1,875,242	0	1,876,232
<i>Total New Proposals</i>	<i>\$0</i>	<i>\$1,875,242</i>	<i>\$0</i>	<i>\$1,876,232</i>
<b>Total Budget Adjustments</b>	<b>\$624,367</b>	<b>\$5,254,187</b>	<b>\$624,432</b>	<b>\$5,293,874</b>

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$307,511	\$4,140,551
FY 2017	\$307,511	\$4,145,928

**SWPL - 1 - Personal Services -**

The budget includes \$4,140,551 in FY 2016 and \$4,145,928 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium. In addition, the request includes the impacts of restoration of non-base funding sources for personal services in SB 410 and turnover experienced in excess of the applied vacancy savings rate.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$2,912	\$87,747
FY 2017	\$2,867	\$82,670

**SWPL - 2 - Fixed Costs -**

This request includes \$87,747 in FY 2016 and \$82,670 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$449)	(\$15,051)
FY 2017	(\$389)	(\$12,229)

**SWPL - 3 - Inflation Deflation -**

This change package includes a reduction of \$15,051 in FY 2016 and \$12,229 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

# Department of Labor & Industry - 66020

## Workforce Services Division - 01

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$15,143)	(\$1,192,492)
FY 2017	(\$15,100)	(\$1,189,794)

**PL - 100444 - Statewide 4% FTE Reduction - Program 01 -**

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. This change package includes a reduction of 20.95 FTE each year and \$2,382,286 for the biennium to accomplish the FTE reduction.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$330,676	\$330,676
FY 2017	\$330,676	\$330,676

**PL - 101001 - WSD Restore GF to Jobs for Montana Graduates -**

The Workforce Services Division is requesting \$330,676 in each year of the biennium. These operating costs would be reinstated back to the original FY 2012 base funding source of general fund from a one-time-only statutorily appropriated fund from the Sixty-third Legislature in SB 410 for the Job for Montana Graduates.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$62,467
FY 2017	\$0	\$62,467

**PL - 101002 - WSD Restore ESA to Research Analysis CRN -**

The Workforce Services Division is requesting \$62,467 in each year of the biennium in operating costs to be reinstated back to the original fund source of state special revenue in the Employment Security Account from one time only statutorily appropriated funds from the Sixty-third Legislature in SB 410 for the Research Analysis Career Resource Network (CRN).

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$3,246)	(\$24,402)
FY 2017	(\$3,246)	\$7,876

**PL - 101003 - WSD General Operating Adjustment -**

The Workforce Services Division is requesting a reduction of \$24,402 in FY 2016 and an increase of \$7,876 in FY 2017. The increase in operating is for computer leases and the decrease is for off campus rented buildings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$2,106	\$132,479
FY 2017	\$2,113	\$132,900

**PL - 101004 - WSD CAP Rate Adjustment -**

The rate in the base year was 7.10% and the projected rate for FY 2016 is 8.07%. A lower rate was charged in the base year in an effort to reduce the working capital balance of the fund. The working capital balance of the fund has now returned to an appropriate level, and consequently, the rate is returning to its previous level. This change package funds the difference between the two rates.

# Department of Labor & Industry - 66020

## Workforce Services Division - 01

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$143,030)
FY 2017	\$0	(\$142,852)

### PL - 101006 - WSD Bond Reduction -

The Workforce Services Division retired four out of the five bonds in FY 2014. Only one bond is remaining at the cost of \$44,936 for FY 2016 and \$45,114 in FY 2017.

### -----New Proposals-----

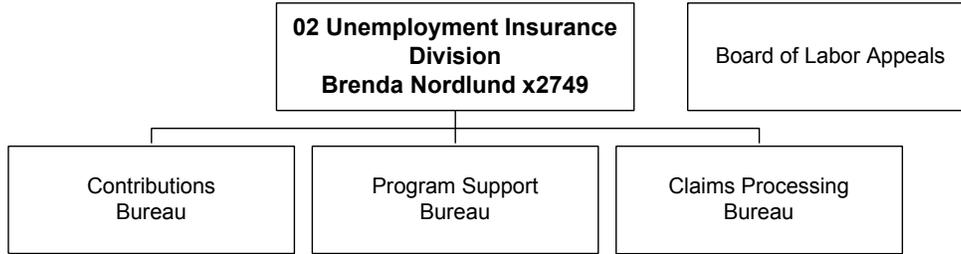
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$1,875,242
FY 2017	\$0	\$1,876,232

### NP - 101005 - TSD Funding Switch -

The Workforce Services Division requests \$1,875,242 in FY 2016 and \$1,876,232 in FY 2017 for operating expenses related the reorganization of the Technology Services Division. These costs are the estimated amount Workforce Services Division will be assessed through Technology Services Division rates. This decision package is related to NP-606001 in the Technology Services Division. Total of all NP's nets to \$0.

# Department of Labor & Industry - 66020

## Unemployment Insurance Division - 02



**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 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
FTE	149.50	(1.38)	148.12	(1.38)	148.12	
Personal Services	7,996,743	1,273,126	9,269,869	1,277,669	9,274,412	18,544,281
Operating Expenses	3,534,917	2,995,390	6,530,307	2,976,221	6,511,138	13,041,445
Debt Service	7,609	12,741	20,350	22,296	29,905	50,255
<b>Total Costs</b>	<b>\$11,539,269</b>	<b>\$4,281,257</b>	<b>\$15,820,526</b>	<b>\$4,276,186</b>	<b>\$15,815,455</b>	<b>\$31,635,981</b>
State/Other Special	3,490,575	1,323,085	4,813,660	1,319,494	4,810,069	9,623,729
Federal Spec. Rev. Funds	8,048,694	2,958,172	11,006,866	2,956,692	11,005,386	22,012,252
<b>Total Funds</b>	<b>\$11,539,269</b>	<b>\$4,281,257</b>	<b>\$15,820,526</b>	<b>\$4,276,186</b>	<b>\$15,815,455</b>	<b>\$31,635,981</b>

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	0	1,315,094	0	1,319,736
SWPL - 2 - Fixed Costs	0	(35,096)	0	(56,826)
SWPL - 3 - Inflation Deflation	0	(670)	0	(358)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$1,279,328</i>	<i>\$0</i>	<i>\$1,262,552</i>
<b>Present Law Adjustments</b>				
PL - 200444 - Statewide 4% FTE Reduction - Program 02	0	(101,968)	0	(102,067)
PL - 202001 - Unemployment Insurance Overtime Request	0	60,000	0	60,000
PL - 202002 - Unemployment Insurance Computer Leases	0	12,741	0	22,296
PL - 202003 - UI CAP Rate Adjustment	0	43,745	0	44,125
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$14,518</i>	<i>\$0</i>	<i>\$24,354</i>
<b>New Proposals</b>				
NP - 202004 - Unemployment Insurance Funding Switch	0	0	0	0
NP - 202005 - TSD Funding Switch	0	2,987,411	0	2,989,280
<i>Total New Proposals</i>	<i>\$0</i>	<i>\$2,987,411</i>	<i>\$0</i>	<i>\$2,989,280</i>
<b>Total Budget Adjustments</b>	<b>\$0</b>	<b>\$4,281,257</b>	<b>\$0</b>	<b>\$4,276,186</b>

## Department of Labor & Industry - 66020

### Unemployment Insurance Division - 02

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$1,315,094
FY 2017	\$0	\$1,319,736

**SWPL - 1 - Personal Services -**

The budget includes \$1,315,094 in FY 2016 and \$1,319,736 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium. In addition, the request includes the impacts of career ladder adjustments, reorganization of the Claims Bureau, restoration of non-base funding sources for personal services in HB 10 for implementation of the STAARS system, and turnover experienced in excess of the applied vacancy savings rate.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$35,096)
FY 2017	\$0	(\$56,826)

**SWPL - 2 - Fixed Costs -**

This request includes a reduction of \$35,096 in FY 2016 and \$56,826 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$670)
FY 2017	\$0	(\$358)

**SWPL - 3 - Inflation Deflation -**

This change package includes a reduction of \$670 in FY 2016 and \$358 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$101,968)
FY 2017	\$0	(\$102,067)

**PL - 200444 - Statewide 4% FTE Reduction - Program 02 -**

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. This change package includes a reduction of 1.38 FTE each year and \$204,035 for the biennium to accomplish the FTE reduction.

## Department of Labor & Industry - 66020

### Unemployment Insurance Division - 02

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$60,000
FY 2017	\$0	\$60,000

**PL - 202001 - Unemployment Insurance Overtime Request -**

The Unemployment Insurance Division (UI) is requesting a base adjustment in overtime. UI has a higher workload in winter months, and overtime is used instead of hiring additional staff for the peak workload times. UI anticipates incurring less overtime than in the past due to Emergency Unemployment Compensation ending. The overtime request is for \$60,000 in each year of the biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$12,741
FY 2017	\$0	\$22,296

**PL - 202002 - Unemployment Insurance Computer Leases -**

The Unemployment Insurance Division (UI) is requesting \$12,741 in FY 2016 and \$22,296 in FY 2017 for Computer Leases.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$43,745
FY 2017	\$0	\$44,125

**PL - 202003 - UI CAP Rate Adjustment -**

The cost allocation plan rate in the base year was 7.10% and the projected rate for FY 2016 is 8.07%. A lower rate was charged in the base year in an effort to reduce the working capital balance of the fund. The working capital balance of the fund has now returned to an appropriate level, and consequently, the rate is returning to its previous level. This change package funds the difference between the two rates.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$0
FY 2017	\$0	\$0

**NP - 202004 - Unemployment Insurance Funding Switch -**

The Unemployment Insurance (UI) division is proposing a fund switch from state special revenue fund (DLI Info Exchange/ Rental) to federal special revenue (UI Administrative Grants) to be in compliance with federal regulations. UI receives program income from information sharing and is required by federal regulations to use the revenue before requesting funds from the federal grant.

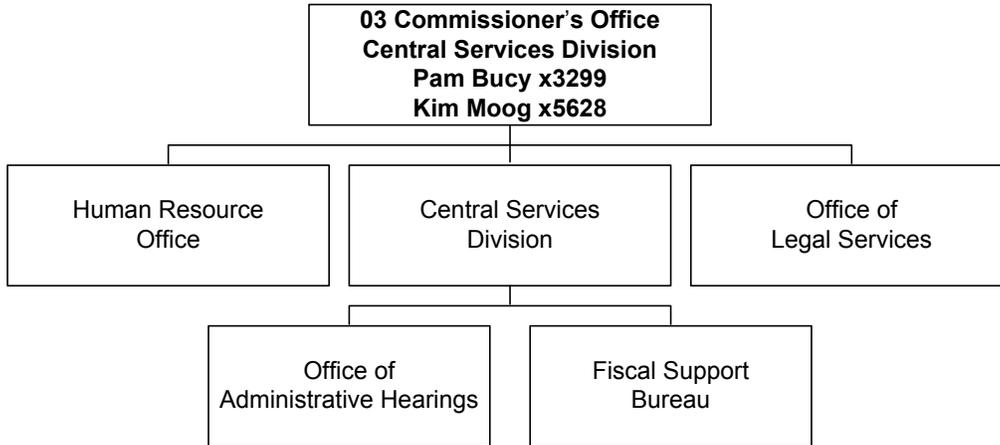
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$2,987,411
FY 2017	\$0	\$2,989,280

**NP - 202005 - TSD Funding Switch -**

The Unemployment Insurance Division requests \$2,987,411 in FY 2016 and \$2,939,280 in FY 2017 for operating expenses related the reorganization of the Technology Services Division. These costs are the estimated amount Unemployment Insurance Division will be assessed through Technology Services Division rates. This decision package is related to NP-606001 in the Technology Services Division. Total of all NP's nets to \$0.

## Department of Labor & Industry - 66020

### Commissioner's Office & Centralized Services Division - 03



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

Program Proposed Budget						
Budget Item	Base Budget Fiscal 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
FTE	10.00	0.00	10.00	0.00	10.00	
Personal Services	683,259	156,981	840,240	157,357	840,616	1,680,856
Operating Expenses	240,377	54,395	294,772	54,529	294,906	589,678
Transfers	56	0	56	0	56	112
Debt Service	1,194	0	1,194	0	1,194	2,388
<b>Total Costs</b>	<b>\$924,886</b>	<b>\$211,376</b>	<b>\$1,136,262</b>	<b>\$211,886</b>	<b>\$1,136,772</b>	<b>\$2,273,034</b>
General Fund	188,863	61,789	250,652	62,281	251,144	501,796
State/Other Special	348,698	68,282	416,980	71,274	419,972	836,952
Federal Spec. Rev. Funds	387,325	81,305	468,630	78,331	465,656	934,286
<b>Total Funds</b>	<b>\$924,886</b>	<b>\$211,376</b>	<b>\$1,136,262</b>	<b>\$211,886</b>	<b>\$1,136,772</b>	<b>\$2,273,034</b>

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	35,759	156,981	36,177	157,357
SWPL - 2 - Fixed Costs	2,678	12,598	2,713	12,651
SWPL - 3 - Inflation Deflation	(57)	(252)	(50)	(220)
<i>Total Statewide Present Law Adjustments</i>	<i>\$38,380</i>	<i>\$169,327</i>	<i>\$38,840</i>	<i>\$169,788</i>
<b>New Proposals</b>				
NP - 303001 - TSD Funding Switch	23,409	42,049	23,441	42,098
<i>Total New Proposals</i>	<i>\$23,409</i>	<i>\$42,049</i>	<i>\$23,441</i>	<i>\$42,098</i>
<b>Total Budget Adjustments</b>	<b>\$61,789</b>	<b>\$211,376</b>	<b>\$62,281</b>	<b>\$211,886</b>

**Department of Labor & Industry - 66020**

**Commissioner's Office & Centralized Services Division - 03**

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$35,759	\$156,981
FY 2017	\$36,177	\$157,357

**SWPL - 1 - Personal Services -**

The budget includes funding to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$2,678	\$12,598
FY 2017	\$2,713	\$12,651

**SWPL - 2 - Fixed Costs -**

This request includes the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$57)	(\$252)
FY 2017	(\$50)	(\$220)

**SWPL - 3 - Inflation Deflation -**

This change package includes funding to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

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

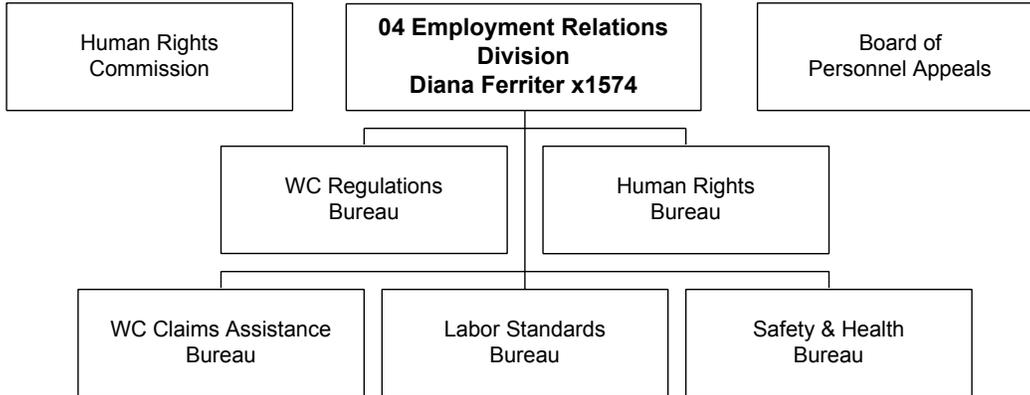
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$23,409	\$42,049
FY 2017	\$23,441	\$42,098

**NP - 303001 - TSD Funding Switch -**

The Centralized Services Division requests funding for operating expenses related the reorganization of the Technology Services Division. These costs are the estimated amount the Centralized Services Division will be assessed through Technology Services Division rates. This decision package is related to NP-606001 in the Technology Services Division. Total of all NP's nets to \$0.

# Department of Labor & Industry - 66020

## Employment Relations Division - 04



**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.

Program Proposed Budget						
Budget Item	Base Budget Fiscal 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
FTE	120.60	(2.54)	118.06	(2.54)	118.06	
Personal Services	7,331,777	1,596,403	8,928,180	1,608,230	8,940,007	17,868,187
Operating Expenses	3,176,136	1,754,443	4,930,579	1,903,168	5,079,304	10,009,883
Equipment & Intangible Assets	10,941	0	10,941	0	10,941	21,882
Benefits & Claims	100,389	0	100,389	0	100,389	200,778
<b>Total Costs</b>	<b>\$10,619,243</b>	<b>\$3,350,846</b>	<b>\$13,970,089</b>	<b>\$3,511,398</b>	<b>\$14,130,641</b>	<b>\$28,100,730</b>
General Fund	978,772	460,248	1,439,020	458,871	1,437,643	2,876,663
State/Other Special	8,894,116	2,864,392	11,758,508	3,023,043	11,917,159	23,675,667
Federal Spec. Rev. Funds	746,355	26,206	772,561	29,484	775,839	1,548,400
<b>Total Funds</b>	<b>\$10,619,243</b>	<b>\$3,350,846</b>	<b>\$13,970,089</b>	<b>\$3,511,398</b>	<b>\$14,130,641</b>	<b>\$28,100,730</b>

# Department of Labor & Industry - 66020

## Employment Relations Division - 04

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	443,181	1,780,652	441,680	1,784,575
SWPL - 2 - Fixed Costs	(1,822)	(8,384)	(1,863)	(9,840)
SWPL - 3 - Inflation Deflation	(192)	(15,544)	(122)	(13,456)
<i>Total Statewide Present Law Adjustments</i>	<i>\$441,167</i>	<i>\$1,756,724</i>	<i>\$439,695</i>	<i>\$1,761,279</i>
<b>Present Law Adjustments</b>				
PL - 400444 - Statewide 4% FTE Reduction - Program 04	(47,538)	(186,749)	(47,433)	(186,345)
PL - 404001 - HB 334 Workers' Comp Medical Review Funding	0	51,200	0	204,800
PL - 404002 - ERD Rent Adjustment	1,965	18,857	2,012	19,422
PL - 404003 - ERD Restore GF to Human Rights	25,529	25,529	25,529	25,529
PL - 404004 - ERD CAP Rate Adjustment	16,473	141,118	16,416	141,431
<i>Total Present Law Adjustments</i>	<i>(\$3,571)</i>	<i>\$49,955</i>	<i>(\$3,476)</i>	<i>\$204,837</i>
<b>New Proposals</b>				
NP - 404005 - TSD Funding Switch	22,652	1,544,167	22,652	1,545,282
NP - 404006 - Coal Mine Safety Fund Switch	0	0	0	0
<i>Total New Proposals</i>	<i>\$22,652</i>	<i>\$1,544,167</i>	<i>\$22,652</i>	<i>\$1,545,282</i>
<b>Total Budget Adjustments</b>	<b>\$460,248</b>	<b>\$3,350,846</b>	<b>\$458,871</b>	<b>\$3,511,398</b>

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$443,181	\$1,780,652
FY 2017	\$441,680	\$1,784,575

**SWPL - 1 - Personal Services -**

The budget includes \$1,780,652 in FY 2016 and \$1,784,575 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium. In addition, the request includes the impacts of career ladder adjustments for the Safety and Human Rights Bureaus, restoration of non-base funding sources for personal services in SB410, and turnover experienced in excess of the applied vacancy savings rate.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$1,822)	(\$8,384)
FY 2017	(\$1,863)	(\$9,840)

**SWPL - 2 - Fixed Costs -**

This request includes a reduction of \$8,384 in FY 2016 and \$9,840 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$192)	(\$15,544)
FY 2017	(\$122)	(\$13,456)

**SWPL - 3 - Inflation Deflation -**

This change package includes a reduction of \$15,544 in FY 2016 and \$13,456 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

## Department of Labor & Industry - 66020

### Employment Relations Division - 04

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$47,538)	(\$186,749)
FY 2017	(\$47,433)	(\$186,345)

**PL - 400444 - Statewide 4% FTE Reduction - Program 04 -**

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. This change package includes a reduction of 2.54 FTE each year and \$373,094 for the biennium to accomplish the FTE reduction.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$51,200
FY 2017	\$0	\$204,800

**PL - 404001 - HB 334 Workers' Comp Medical Review Funding -**

Sections 39-71-717 (1-4), MCA, requires the department to provide a medical review panel composed of the department's medical director and two additional physicians to review petitions to reopen medical benefits that terminate under 39-71-704(1)(f), MCA. The two additional physicians on the medical panel must be reimbursed as provided in 2-18-501 through 2-18-503, MCA, if travel is required for a review and must be paid a reasonable fee for services. This request is for additional authority of \$51,200 in FY 2016 and \$204,800 in FY 2017. The first time a review of medical benefits could occur is April 1, 2016 so a quarter of the total annual cost is being requested in FY 2016 with the full annual cost being requested in FY 2017.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$1,965	\$18,857
FY 2017	\$2,012	\$19,422

**PL - 404002 - ERD Rent Adjustment -**

The Employment Relations Division is requesting \$18,857 in FY 2016 and \$19,442 in FY 2017 for an increase in off campus rent.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$25,529	\$25,529
FY 2017	\$25,529	\$25,529

**PL - 404003 - ERD Restore GF to Human Rights -**

The Employment Relations Division, Human Rights Bureau is requesting \$25,529 of operating costs in each year of the biennium to be reinstated back to the original fund source of general fund from the one-time-only statutory appropriation established during the Sixty-third Legislature in SB 410.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$16,473	\$141,118
FY 2017	\$16,416	\$141,431

**PL - 404004 - ERD CAP Rate Adjustment -**

The cost allocation plan rate in the base year was 7.10% and the projected rate for FY 2016 is 8.07%. A lower rate was charged in the base year in an effort to reduce the working capital balance of the fund. The working capital balance of the fund has now returned to an appropriate level, and consequently, the rate is returning to its previous level. This change package funds the difference between the two rates.

# Department of Labor & Industry - 66020

## Employment Relations Division - 04

### -----New Proposals-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$22,652	\$1,544,167
FY 2017	\$22,652	\$1,545,282

#### **NP - 404005 - TSD Funding Switch -**

The Employment Relations Division requests \$1,544,167 in FY 2016 and \$1,545,282 in FY 2017 for operating expenses related the reorganization of the Technology Services Division. These costs are the estimated amount the Employment Relations Division will be assessed through Technology Services Division rates. This decision package is related to NP-606001 in the Technology Services Division. Total of all NP's nets to \$0.

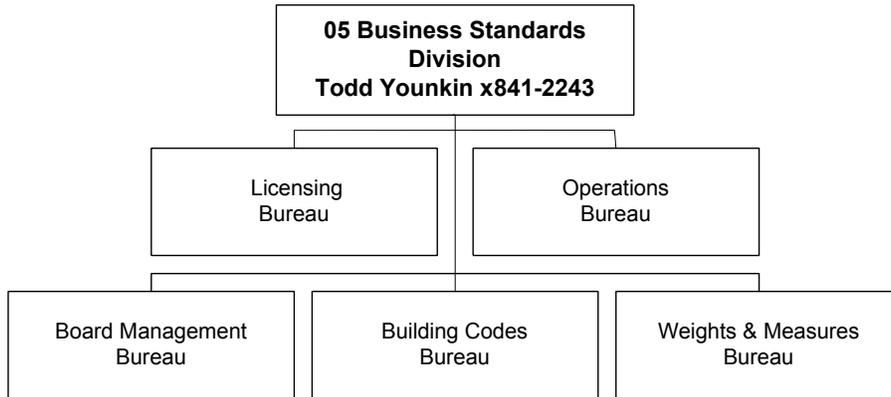
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$0
FY 2017	\$0	\$0

#### **NP - 404006 - Coal Mine Safety Fund Switch -**

The Employment Relations Division is requesting a federal fund switch of \$151,620 in both years of the biennium. The Mine Safety and Health Administration (MSHA) has notified the division that Montana will not be receiving any additional federal mining funds. However, this will not change the current level services for the Safety Bureau of the Montana Department of Labor and Industry. With the lack of federal funding, the Workers' Compensation Fund will have to support the current mine consultation services provided by the Safety Bureau, that was previously paid for using federal MSHA funds.

# Department of Labor & Industry - 66020

## Business Standards Division - 05



**Program Description** - The Business Standards Division consists of five bureaus: Building Codes Bureau, Weights & Measures Bureau, Board Management Bureau, Licensing Bureau, and Operations Bureau. The Building Codes Bureau establishes and enforces minimum building, plumbing, mechanical, electrical, energy, elevator, and boiler codes. The bureau also provides support for five 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, petroleum products, and is responsible for operating the State Metrology Laboratory. The Licensing Bureau and Board Management Bureau provide support for 33 licensing boards, two programs, and the Prescription Drug Registry. The Licensing and Board Management Bureau include 208 board members and eight advisory council members appointed by the Governor. The Operations Bureau has three units within the Business Standards Division that provide support to the other bureaus and the division.

Program Proposed Budget						
Budget Item	Base Budget Fiscal 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
FTE	145.03	(5.15)	139.88	(5.15)	139.88	
Personal Services	8,518,646	1,377,535	9,896,181	1,382,640	9,901,286	19,797,467
Operating Expenses	5,456,672	4,081,939	9,538,611	4,079,114	9,535,786	19,074,397
Equipment & Intangible Assets	326,605	(37,880)	288,725	(37,880)	288,725	577,450
Grants	5,000	0	5,000	0	5,000	10,000
Transfers	34,869	0	34,869	0	34,869	69,738
Debt Service	21,063	12,104	33,167	21,018	42,081	75,248
<b>Total Costs</b>	<b>\$14,362,855</b>	<b>\$5,433,698</b>	<b>\$19,796,553</b>	<b>\$5,444,892</b>	<b>\$19,807,747</b>	<b>\$39,604,300</b>
State/Other Special	14,358,965	5,433,075	19,792,040	5,444,258	19,803,223	39,595,263
Federal Spec. Rev. Funds	3,890	623	4,513	634	4,524	9,037
<b>Total Funds</b>	<b>\$14,362,855</b>	<b>\$5,433,698</b>	<b>\$19,796,553</b>	<b>\$5,444,892</b>	<b>\$19,807,747</b>	<b>\$39,604,300</b>

# Department of Labor & Industry - 66020

## Business Standards Division - 05

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
	<b>Statewide Present Law Adjustments</b>			
SWPL - 1 - Personal Services	0	1,633,501	0	1,641,271
SWPL - 2 - Fixed Costs	0	2,363	0	(1,356)
SWPL - 3 - Inflation Deflation	0	(14,784)	0	(15,763)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$1,621,080</i>	<i>\$0</i>	<i>\$1,624,152</i>
<b>Present Law Adjustments</b>				
PL - 500444 - Statewide 4% FTE Reduction - Program 05	0	(325,050)	0	(324,315)
PL - 505001 - Overtime Licensing & Board Management Bureaus	0	49,834	0	50,084
PL - 505002 - Impairment Programs and Other Consulting	0	528,537	0	518,537
PL - 505003 - Professional IT Consulting Services	0	331,550	0	333,000
PL - 505004 - Montana Interactive Online Service Fees	0	34,959	0	90,791
PL - 505005 - Operating Adjustments-Licensing & Board Management	0	236,176	0	215,799
PL - 505006 - Building Codes Bureau Operating & Equipment	0	68,552	0	32,968
PL - 505007 - Weights & Measures Operating & Equipment	0	94,419	0	94,665
PL - 505008 - IT Maintenance between DLI and City of Missoula	0	110,000	0	110,000
PL - 505009 - Motor Vehicle for BSD Inspectors	0	6,704	0	6,704
PL - 505010 - BSD CAP Rate Adjustment	0	117,262	0	117,865
PL - 505011 - BSD Legal Increase	0	340,500	0	340,500
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$1,593,443</i>	<i>\$0</i>	<i>\$1,586,598</i>
<b>New Proposals</b>				
NP - 505012 - Contingency for BSD (BIEN/RST)	0	500,000	0	500,000
NP - 505013 - TSD Funding Switch	0	1,578,175	0	1,593,142
NP - 505014 - Prescription Drug Registry	0	141,000	0	141,000
<i>Total New Proposals</i>	<i>\$0</i>	<i>\$2,219,175</i>	<i>\$0</i>	<i>\$2,234,142</i>
<b>Total Budget Adjustments</b>	<b>\$0</b>	<b>\$5,433,698</b>	<b>\$0</b>	<b>\$5,444,892</b>

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$1,633,501
FY 2017	\$0	\$1,641,271

**SWPL - 1 - Personal Services -**

The budget includes \$1,633,501 in FY 2016 and \$1,641,271 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium. In addition, the request includes the impacts of turnover experienced in excess of the applied vacancy savings rate.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$2,363
FY 2017	\$0	(\$1,356)

**SWPL - 2 - Fixed Costs -**

This request includes \$2,363 in FY 2016 and a reduction of \$1,356 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

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### Business Standards Division - 05

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$14,784)
FY 2017	\$0	(\$15,763)

**SWPL - 3 - Inflation Deflation -**

This change package includes reduction of \$14,784 in FY 2016 and \$15,763 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$325,050)
FY 2017	\$0	(\$324,315)

**PL - 500444 - Statewide 4% FTE Reduction - Program 05 -**

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. This change package includes a reduction of 5.15 FTE each year and \$649,365 for the biennium to accomplish the FTE reduction.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$49,834
FY 2017	\$0	\$50,084

**PL - 505001 - Overtime Licensing & Board Management Bureaus -**

Overtime is necessary because of peaks in workload that occur when an increased number of applications for professional licensure are received in a certain period of time. These peaks in workload generally correspond with graduations or board renewal periods. Employees may also see increased workload related to preparation for a board meeting or out of town travel for meetings. Overtime is necessary in order to provide good customer service during these peak times, without increasing overall FTE year-round.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$528,537
FY 2017	\$0	\$518,537

**PL - 505002 - Impairment Programs and Other Consulting -**

In the Sixty-third Legislature, a proposal was brought forth to bring Medical Impairment Programs for the Board of Nursing, Board of Pharmacy, Board of Dentistry, and Board of Medical Examiners in-house, rather than continuing to contract for those services. As a result, appropriation for those boards was reduced by \$17,737 in the base year. Upon closer review of the requirements of bringing these programs in-house, it was determined that doing so was neither feasible nor cost effective. Boards have also expressed strong opposition to bringing this program in house. As a result, the programs are still being privately contracted. This request restores the \$17,737 of state special revenue funding that was removed last biennium in order to continue to pay this contract. In addition, three of the four boards are anticipating increases to those contracts, in the amount of \$234,000. The Board of Nursing is requesting \$150,000 to provide a continuing education and professional development program to their licensees. The Board of Pharmacy requests \$50,000 to provide educational services to their licensees and to the public regarding prescription drug abuse. The Board of Private Security requests \$3,000 to put on a training seminar for licensees that has not been conducted in several years. The Board of Electrical requests \$10,000 in FY 2016, and the Board of Professional Engineering requests \$10,000 in both years of the biennium to provide for increased costs of national examinations and revisions of national exam questions and study guides. The Prescription Drug Registry requests \$50,000 to provide continuing needed enhancements to the MPDR database that are currently covered by a grant that will be exhausted in FY 2015. The Board of Veterinary Medicine is requesting \$3,800 spending authority in each year of the biennium to provide Embryo Transfer Exams as required by statute.

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### Business Standards Division - 05

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$331,550
FY 2017	\$0	\$333,000

#### **PL - 505003 - Professional IT Consulting Services -**

Business Standards Division requests an appropriation for IT consulting services to provide enhancements to its database for the Professional Licensing & Board Management Bureaus and the Building Codes Bureau. Building Codes requests \$56,550 in FY 2016 and \$58,000 in FY 2017. The Professional Licensing & Board Management Bureaus request \$275,000 in each year of the biennium. The division will utilize informational technology consulting services both internally from the department's Technology Services Division as well as from external contractors in order to procure the best prices and best results for upgrades and enhancements needed to improve and build upon the capabilities of the division's database.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$34,959
FY 2017	\$0	\$90,791

#### **PL - 505004 - Montana Interactive Online Service Fees -**

Business Standards Division requests an increase for anticipated increases to online service fees due to increased volume of applications, renewals, and adjustments to fees. The Boards of Dentistry, Psychology, Public Accountants, and the Prescription Drug Registry, all request an increase in authority to cover on line renewal expenses due to anticipated fee increases or increased usage.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$236,176
FY 2017	\$0	\$215,799

#### **PL - 505005 - Operating Adjustments-Licensing & Board Management -**

The Licensing and Board Management Bureaus are requesting a general operating increase to cover per diem for additional meetings, additional postage, lease costs for computers, printing, and additional travel for out of state meetings not attended in the base year or meetings now covered by national entities that may not be covered in the future. Increases to in state travel are requested to cover additional board meetings to address complaints, review of non routine applications, and changes to board procedures. This request also includes increases to dues for national entities and associations as well as additional costs for training and educational meeting registrations. Total costs are \$236,176 in FY 2016 and \$215,799 in FY 2017.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$68,552
FY 2017	\$0	\$32,968

#### **PL - 505006 - Building Codes Bureau Operating & Equipment -**

The Building Codes Bureau is requesting funding increases for travel expenses for field inspectors, cellular and telephone services, reference materials, equipment and supplies, education and training, and computer and tablet leases as well as a reduction for one-time-only equipment expenses in the base. The net operating request is \$68,552 in FY 2016 and \$32,968 in FY 2017.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$94,419
FY 2017	\$0	\$94,665

#### **PL - 505007 - Weights & Measures Operating & Equipment -**

The Weights & Measures Bureau requests an operating and equipment increase of \$94,419 in FY 2016 and \$94,665 in FY 2017 to fund travel expenses for field inspectors, leasing of computers for the bureau office, cellular services, and equipment replacement.

## Department of Labor & Industry - 66020

### Business Standards Division - 05

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$110,000
FY 2017	\$0	\$110,000

**PL - 505008 - IT Maintenance between DLI and City of Missoula -**

The State of Montana has a contract with the City of Missoula to utilize a database system developed and maintained under an umbrella contract held by the Business Standards Division, Department of Labor & Industry. Business Standards Division makes payments for annual maintenance and support of the system; the City of Missoula reimburses the state for their portion of that expense. In order to be in compliance with state accounting policies and properly receive payment from Missoula and make payment to the vendor, the division needs appropriation authority to accept and expense the funds. Total Request is \$110,000 for each year of the biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$6,704
FY 2017	\$0	\$6,704

**PL - 505009 - Motor Vehicle for BSD Inspectors -**

This request is for spending authority for motor pool leased vehicle to be shared by the Boards of Barbers & Cosmetology, Plumbers, Electrical, and Outfitters for use in statutorily required inspections. The appropriation was requested and received in the 2013 session, however, due to problems with inventory, the vehicle was not available until late May, 2014, therefore the entire cost of the lease is not in the base.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$117,262
FY 2017	\$0	\$117,865

**PL - 505010 - BSD CAP Rate Adjustment -**

The cost allocation plan rate in the base year was 7.10% and the projected rate for FY 2016 is 8.07%. A lower rate was charged in the base year in an effort to reduce the working capital balance of the fund. The working capital balance of the fund has now returned to an appropriate level, and consequently, the rate is returning to its previous level. This change package funds the difference between the two rates.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$340,500
FY 2017	\$0	\$340,500

**PL - 505011 - BSD Legal Increase -**

The Business Standards Division is requesting \$340,500 in each year of the biennium to cover the appropriation shortfall that was created due to actual legal expenses of the division being higher than estimated when the base year appropriation was established. This appropriation shortfall was covered by utilizing carryforward authority in the base year. In addition, an increase in the rate for Legal Services is anticipated.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$500,000
FY 2017	\$0	\$500,000

**NP - 505012 - Contingency for BSD (BIEN/RST) -**

The Board Management Bureau is requesting \$1,000,000 of restricted, biennial appropriation to establish a contingency fund to be used by the boards when experiencing an unexpected increase in expenses. This appropriation would be restricted to expenses that related to investigation, compliance, or legal activity of the boards. The boards would be required to spend their existing cash when utilizing the appropriation.

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### Business Standards Division - 05

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$1,578,175
FY 2017	\$0	\$1,593,142

#### **NP - 505013 - TSD Funding Switch -**

The Business Standards Division requests \$1,578,175 in FY 2016 and \$1,593,142 in FY 2017 for operating expenses related the reorganization of the Technology Services Division. These costs are the estimated amount the Business Standards Division will be assessed through Technology Services Division rates. This decision package is related to NP606001 in the Technology Services Division. Total of all NP's nets to \$0.

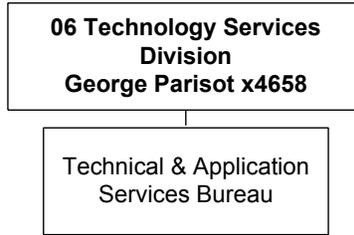
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$141,000
FY 2017	\$0	\$141,000

#### **NP - 505014 - Prescription Drug Registry -**

This request is for authority to administer the prescription drug registry program in the Business Standards Division. It is dependent on passage of LC 526 amending funding of the prescription drug registry and amending 37-7-1511, MCA.

# Department of Labor & Industry - 66020

## Technology Services Division - 06



**Program Description** - The Technology Services Division (TSD) provides information technology services and support for the department including IT project management, application development, and network services.

Program Proposed Budget	Base Budget	Budget Adjustments	Total Exec. Budget	Budget Adjustments	Total Exec. Budget	Executive Budget Request
Budget Item	Fiscal 2014	Fiscal 2016	Fiscal 2016	Fiscal 2017	Fiscal 2017	2017 Biennium
FTE	33.00	(33.00)	0.00	(33.00)	0.00	
Personal Services	2,032,307	(2,032,307)	0	(2,032,307)	0	0
Operating Expenses	5,811,595	(5,811,595)	0	(5,811,595)	0	0
Debt Service	1,011	(1,011)	0	(1,011)	0	0
<b>Total Costs</b>	<b>\$7,844,913</b>	<b>(\$7,844,913)</b>	<b>\$0</b>	<b>(\$7,844,913)</b>	<b>\$0</b>	<b>\$0</b>
General Fund	31,465	(31,465)	0	(31,465)	0	0
State/Other Special	4,412,484	(4,412,484)	0	(4,412,484)	0	0
Federal Spec. Rev. Funds	3,400,964	(3,400,964)	0	(3,400,964)	0	0
<b>Total Funds</b>	<b>\$7,844,913</b>	<b>(\$7,844,913)</b>	<b>\$0</b>	<b>(\$7,844,913)</b>	<b>\$0</b>	<b>\$0</b>

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	8,653	770,490	8,683	770,960
SWPL - 2 - Fixed Costs	2,823	(428,647)	3,505	(389,676)
SWPL - 3 - Inflation Deflation	0	(21)	0	(20)
<i>Total Statewide Present Law Adjustments</i>	<i>\$11,476</i>	<i>\$341,822</i>	<i>\$12,188</i>	<i>\$381,264</i>
<b>New Proposals</b>				
NP - 606001 - TSD Funding Switch	(42,941)	(8,186,735)	(43,653)	(8,226,177)
<i>Total New Proposals</i>	<i>(\$42,941)</i>	<i>(\$8,186,735)</i>	<i>(\$43,653)</i>	<i>(\$8,226,177)</i>
<b>Total Budget Adjustments</b>	<b>(\$31,465)</b>	<b>(\$7,844,913)</b>	<b>(\$31,465)</b>	<b>(\$7,844,913)</b>

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$8,653	\$770,490
FY 2017	\$8,683	\$770,960

**SWPL - 1 - Personal Services -**

The budget includes funding to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium. In addition, the request includes the impacts of restoration of non-base funding sources for personal services in HB 10 for implementation of the STAARS system and turnover experienced in excess of the applied vacancy savings rate.

## Department of Labor & Industry - 66020

### Technology Services Division - 06

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$2,823	(\$428,647)
FY 2017	\$3,505	(\$389,676)

**SWPL - 2 - Fixed Costs -**

This request is to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$21)
FY 2017	\$0	(\$20)

**SWPL - 3 - Inflation Deflation -**

This change package includes a reduction to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$42,941)	(\$8,186,735)
FY 2017	(\$43,653)	(\$8,226,177)

**NP - 606001 - TSD Funding Switch -**

The department requests the Technology Services Division to be moved from a HB 2 appropriated budget to a rate approved proprietary budget. The move will provide a more effective method of accounting for the services to be delivered in a more efficient manner. This change package moves the funds between the two budgeting methods.

# Department of Labor & Industry - 66020

## Office of Community Services - 07

**07 Office of Community Services**  
**Dan Ritter x2573**

**Program Description** - The Governor's Office of Community Service (OCS) was created by the 1993 Legislature, at the request of the Governor, with the mission to renew the ethic of civic responsibility in the state, to engage citizens in service, and support volunteer opportunities focused on critical community needs. The OCS provides administration for the Corporation for National and Community Service' AmeriCorps state programs, creates opportunities for individuals to engage in their community, and recognizes the power of individuals who make a difference through service. OCS also administers the ReadyMontana initiative, a statewide effort to encourage individual disaster preparedness.

Program Proposed Budget	Base Budget	Budget	Total	Budget	Total	Executive
Budget Item	Fiscal 2014	Adjustments Fiscal 2016	Exec. Budget Fiscal 2016	Adjustments Fiscal 2017	Exec. Budget Fiscal 2017	Budget Request 2017 Biennium
FTE	4.00	0.00	4.00	0.00	4.00	
Personal Services	233,301	56,404	289,705	55,868	289,169	578,874
Operating Expenses	151,057	17,991	169,048	18,010	169,067	338,115
Grants	2,420,936	239,064	2,660,000	239,064	2,660,000	5,320,000
Transfers	110,621	121,379	232,000	121,379	232,000	464,000
<b>Total Costs</b>	<b>\$2,915,915</b>	<b>\$434,838</b>	<b>\$3,350,753</b>	<b>\$434,321</b>	<b>\$3,350,236</b>	<b>\$6,700,989</b>
General Fund	125,207	23,038	148,245	22,881	148,088	296,333
State/Other Special	12,965	0	12,965	0	12,965	25,930
Federal Spec. Rev. Funds	2,777,743	411,800	3,189,543	411,440	3,189,183	6,378,726
<b>Total Funds</b>	<b>\$2,915,915</b>	<b>\$434,838</b>	<b>\$3,350,753</b>	<b>\$434,321</b>	<b>\$3,350,236</b>	<b>\$6,700,989</b>

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	17,485	56,404	17,322	55,868
SWPL - 2 - Fixed Costs	2,058	6,639	2,063	6,653
SWPL - 3 - Inflation Deflation	(9)	(30)	(8)	(25)
<i>Total Statewide Present Law Adjustments</i>	<i>\$19,534</i>	<i>\$63,013</i>	<i>\$19,377</i>	<i>\$62,496</i>
<b>Present Law Adjustments</b>				
PL - 707001 - AmeriCorps Grant - Special Projects Increase	0	364,259	0	364,259
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$364,259</i>	<i>\$0</i>	<i>\$364,259</i>
<b>New Proposals</b>				
NP - 707002 - TSD Funding Switch	3,504	7,566	3,504	7,566
<i>Total New Proposals</i>	<i>\$3,504</i>	<i>\$7,566</i>	<i>\$3,504</i>	<i>\$7,566</i>
<b>Total Budget Adjustments</b>	<b>\$23,038</b>	<b>\$434,838</b>	<b>\$22,881</b>	<b>\$434,321</b>

## Department of Labor & Industry - 66020

### Office of Community Services - 07

#### -----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$17,485	\$56,404
FY 2017	\$17,322	\$55,868

**SWPL - 1 - Personal Services -**

The budget includes \$56,404 in FY 2016 and \$55,868 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium. In addition, the request includes the impacts of, restoration of non-base funding sources for personal services in SB 410 and turnover experienced in excess of the applied vacancy savings rate.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$2,058	\$6,639
FY 2017	\$2,063	\$6,653

**SWPL - 2 - Fixed Costs -**

This request includes \$6,639 in FY 2016 and \$6,653 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$9)	(\$30)
FY 2017	(\$8)	(\$25)

**SWPL - 3 - Inflation Deflation -**

This change package includes a reduction of \$30 in FY 2016 and \$25 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$364,259
FY 2017	\$0	\$364,259

**PL - 707001 - AmeriCorps Grant - Special Projects Increase -**

The Office of Community Service is requesting \$364,259 in each year of the biennium. The request supports the AmeriCorps program grants for local communities.

#### -----New Proposals-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$3,504	\$7,566
FY 2017	\$3,504	\$7,566

**NP - 707002 - TSD Funding Switch -**

The Office of Community Services requests \$7,566 each year for operating expenses related to the reorganization of the Technology Services Division. These costs are the estimated amount the Office of Community Services will be assessed through Technology Services Division rates. This decision package is related to NP-606001 in the Technology Services Division. Total of all NP's nets to \$0.

# Department of Labor & Industry - 66020

## Workers Compensation Court - 09

**09 Workers  
Compensation Court  
Judge David Sandler  
x7794**

**Program Description** - The Workers' Compensation Court, created on July 1, 1975, provides a forum 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	Budget Adjustments	Total	Budget	Total	Executive
Budget Item	Fiscal 2014	Fiscal 2016	Exec. Budget Fiscal 2016	Adjustments Fiscal 2017	Exec. Budget Fiscal 2017	Budget Request 2017 Biennium
FTE	7.00	0.00	7.00	0.00	7.00	
Personal Services	494,589	85,789	580,378	84,861	579,450	1,159,828
Operating Expenses	137,589	19,409	156,998	19,384	156,973	313,971
Debt Service	0	2,315	2,315	2,315	2,315	4,630
<b>Total Costs</b>	<b>\$632,178</b>	<b>\$107,513</b>	<b>\$739,691</b>	<b>\$106,560</b>	<b>\$738,738</b>	<b>\$1,478,429</b>
State/Other Special	632,178	107,513	739,691	106,560	738,738	1,478,429
<b>Total Funds</b>	<b>\$632,178</b>	<b>\$107,513</b>	<b>\$739,691</b>	<b>\$106,560</b>	<b>\$738,738</b>	<b>\$1,478,429</b>

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	0	85,789	0	84,861
SWPL - 2 - Fixed Costs	0	539	0	524
SWPL - 3 - Inflation Deflation	0	(80)	0	(17)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$86,248</i>	<i>\$0</i>	<i>\$85,368</i>
<b>Present Law Adjustments</b>				
PL - 909001 - WCC General Operating Adjustment	0	5,315	0	5,315
PL - 909002 - WCC CAP Rate Adjustment	0	4,941	0	4,868
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$10,256</i>	<i>\$0</i>	<i>\$10,183</i>
<b>New Proposals</b>				
NP - 909003 - TSD Funding Switch	0	11,009	0	11,009
<i>Total New Proposals</i>	<i>\$0</i>	<i>\$11,009</i>	<i>\$0</i>	<i>\$11,009</i>
<b>Total Budget Adjustments</b>	<b>\$0</b>	<b>\$107,513</b>	<b>\$0</b>	<b>\$106,560</b>

### -----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$85,789
FY 2017	\$0	\$84,861

#### SWPL - 1 - Personal Services -

The budget includes \$85,789 in FY 2016 and \$84,861 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium. In addition, the request includes the impacts of turnover experienced in excess of the applied vacancy savings rate.

## Department of Labor & Industry - 66020

### Workers Compensation Court - 09

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$539
FY 2017	\$0	\$524

**SWPL - 2 - Fixed Costs -**

This request includes \$539 in FY 2016 and \$524 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$80)
FY 2017	\$0	(\$17)

**SWPL - 3 - Inflation Deflation -**

This change package includes a reduction of \$80 in FY 2016 and \$17 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$5,315
FY 2017	\$0	\$5,315

**PL - 909001 - WCC General Operating Adjustment -**

The Workers' Compensation Court is requesting \$5,315 in each year of the biennium for videoconferencing, reference materials, travel, and increasing communication costs. The funding source is state special revenue.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$4,941
FY 2017	\$0	\$4,868

**PL - 909002 - WCC CAP Rate Adjustment -**

The cost allocation plan rate in the base year was 7.10% and the projected rate for FY 2016 is 8.07%. A lower rate was charged in the base year in an effort to reduce the working capital balance of the fund. The working capital balance of the fund has now returned to an appropriate level, and consequently, the rate is returning to its previous level. This Decision Package funds the difference between the two rates.

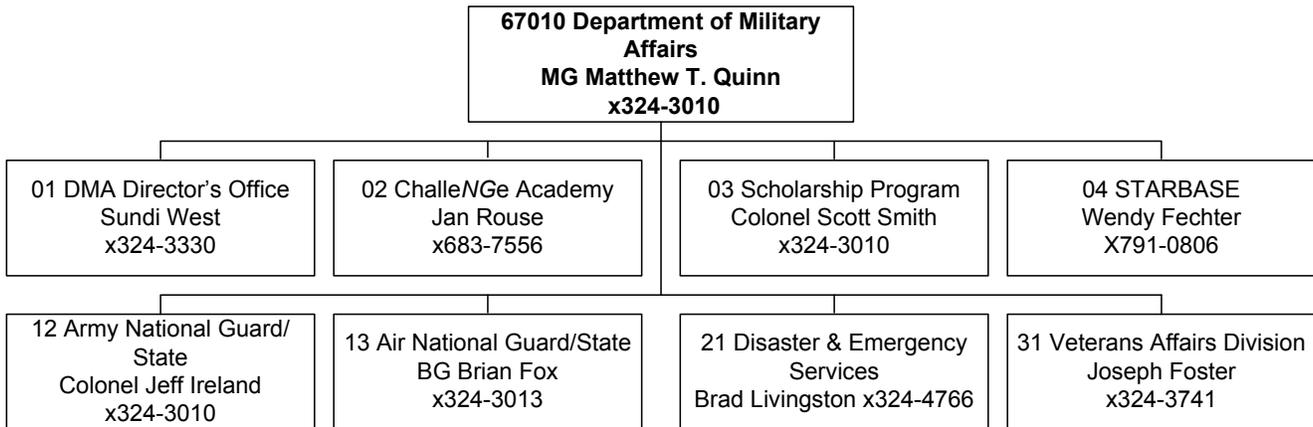
-----**New Proposals**-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$11,009
FY 2017	\$0	\$11,009

**NP - 909003 - TSD Funding Switch -**

The Worker's Compensation Court requests \$11,009 in FY 2016 and \$11,009 in FY 2017 for operating expenses related to the reorganization of the Technology Services Division. These costs are the estimated amount the Worker's Compensation Court will be assessed through Technology Services Division rates. This decision package is related to NP-606001 in the Technology Services Division. Total of all NP's nets to \$0.

## Department of Military Affairs - 67010



**Mission Statement** - The mission of the Department of Military Affairs has three components:

- Federal - To serve as the primary federal reserve force in support of the national security objectives when called upon by the President of the United States;
- State - Protection of life property, preservation of peace, order, and public safety for Montana's citizens, when called upon by the Governor;
- Community - Participate in local, state, and national programs that add value to America.

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

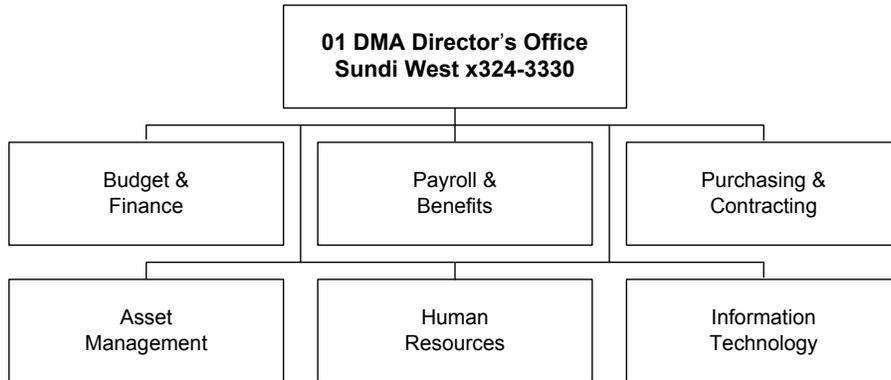
Agency Proposed Budget	Total Exec. Budget Fiscal 2016	Total Exec. Budget Fiscal 2017	Total Exec. Budget 2017 Biennium
Budget Item			
FTE	200.21	200.21	
Personal Services	13,882,512	13,888,266	27,770,778
Operating Expenses	19,684,424	19,702,710	39,387,134
Equipment & Intangible Assets	172,716	172,716	345,432
Grants	12,875,846	12,875,846	25,751,692
Benefits & Claims	2,280	2,280	4,560
Transfers	2,050,470	2,050,470	4,100,940
<b>Total Costs</b>	<b>\$48,668,248</b>	<b>\$48,692,288</b>	<b>\$97,360,536</b>
General Fund	6,456,430	6,475,132	12,931,562
State/Other Special	760,699	758,491	1,519,190
Federal Spec. Rev. Funds	41,451,119	41,458,665	82,909,784
<b>Total Funds</b>	<b>\$48,668,248</b>	<b>\$48,692,288</b>	<b>\$97,360,536</b>

## Department of Military Affairs - 67010

Agency Appropriated Biennium to Biennium Comparison								
Program	2015 Biennium Appropriated Budget		2017 Biennium Requested Budget		Biennium to Biennium Difference (dollars)		Biennium to Biennium Difference (percent)	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
01 - Director's Office	1,464,753	2,135,736	1,406,563	2,136,021	(58,190)	285	(3.97)%	0.01 %
02 - Challenge Program	1,791,699	7,541,934	2,111,356	8,430,747	319,657	888,813	17.84 %	11.78 %
03 - Scholarship Program	418,818	418,818	418,816	418,816	(2)	(2)	(0.00)%	(0.00)%
04 - Starbase	0	1,348,158	0	598,240	0	(749,918)	0.00 %	(55.63)%
12 - Army National Guard Pgm	3,220,572	29,112,385	3,460,434	37,647,619	239,862	8,535,234	7.45 %	29.32 %
13 - Air National Guard Pgm	811,982	9,361,778	796,896	9,970,481	(15,086)	608,703	(1.86)%	6.50 %
21 - Disaster & Emergency Services	2,472,274	34,705,389	2,533,746	34,584,221	61,472	(121,168)	2.49 %	(0.35)%
31 - Veterans Affairs Program	2,233,667	3,952,301	2,203,751	3,574,391	(29,916)	(377,910)	(1.34)%	(9.56)%
<b>Agency Total</b>	<b>\$12,413,765</b>	<b>\$88,576,499</b>	<b>\$12,931,562</b>	<b>\$97,360,536</b>	<b>\$517,797</b>	<b>\$8,784,037</b>	<b>4.17 %</b>	<b>9.92 %</b>

# Department of Military Affairs - 67010

## Director's Office - 01



**Program Description** - The Director's Office 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 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
FTE	11.76	0.00	11.76	0.00	11.76	
Personal Services	809,971	162,947	972,918	160,444	970,415	1,943,333
Operating Expenses	96,834	2,422	99,256	(7,962)	88,872	188,128
Benefits & Claims	2,280	0	2,280	0	2,280	4,560
<b>Total Costs</b>	<b>\$909,085</b>	<b>\$165,369</b>	<b>\$1,074,454</b>	<b>\$152,482</b>	<b>\$1,061,567</b>	<b>\$2,136,021</b>
General Fund	598,208	110,092	708,300	100,055	698,263	1,406,563
Federal Spec. Rev. Funds	310,877	55,277	366,154	52,427	363,304	729,458
<b>Total Funds</b>	<b>\$909,085</b>	<b>\$165,369</b>	<b>\$1,074,454</b>	<b>\$152,482</b>	<b>\$1,061,567</b>	<b>\$2,136,021</b>

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	164,022	219,299	164,203	216,630
SWPL - 2 - Fixed Costs	2,433	2,433	(7,952)	(7,952)
SWPL - 3 - Inflation Deflation	(11)	(11)	(10)	(10)
<i>Total Statewide Present Law Adjustments</i>	<i>\$166,444</i>	<i>\$221,721</i>	<i>\$156,241</i>	<i>\$208,668</i>
<b>Present Law Adjustments</b>				
PL - 100444 - 4% FTE Reduction	(84,107)	(84,107)	(83,890)	(83,890)
<i>Total Present Law Adjustments</i>	<i>(\$84,107)</i>	<i>(\$84,107)</i>	<i>(\$83,890)</i>	<i>(\$83,890)</i>
<b>New Proposals</b>				
NP - 100101 - Admin Assistant FTE	27,755	27,755	27,704	27,704
<i>Total New Proposals</i>	<i>\$27,755</i>	<i>\$27,755</i>	<i>\$27,704</i>	<i>\$27,704</i>
<b>Total Budget Adjustments</b>	<b>\$110,092</b>	<b>\$165,369</b>	<b>\$100,055</b>	<b>\$152,482</b>

# Department of Military Affairs - 67010

## Director's Office - 01

### -----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$164,022	\$219,299
FY 2017	\$164,203	\$216,630

#### **SWPL - 1 - Personal Services -**

The budget includes \$219,299 in FY 2016 and \$216,630 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium. In addition, the request includes the impacts turnover experienced in excess of the applied vacancy savings rate.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$2,433	\$2,433
FY 2017	(\$7,952)	(\$7,952)

#### **SWPL - 2 - Fixed Costs -**

This request includes an increase of \$2,433 in FY 2016 and a reduction of \$7,952 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$11)	(\$11)
FY 2017	(\$10)	(\$10)

#### **SWPL - 3 - Inflation Deflation -**

This change package includes a reduction of \$11 in FY 2016 and \$10 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$84,107)	(\$84,107)
FY 2017	(\$83,890)	(\$83,890)

#### **PL - 100444 - 4% FTE Reduction -**

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. This change package includes a reduction of 0.50 FTE each year and \$167,997 for the biennium to accomplish the FTE reduction.

### -----New Proposals-----

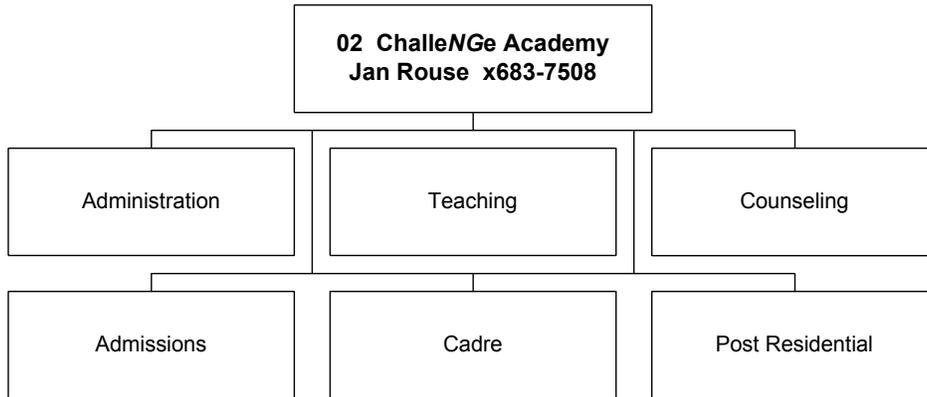
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$27,755	\$27,755
FY 2017	\$27,704	\$27,704

#### **NP - 100101 - Admin Assistant FTE -**

This request is for \$27,772 of general fund dollars in FY 2016 and \$27,704 in FY 2017 to support an additional 0.50 FTE Administrative Assistant. This position will assist with various duties relating to state specific functions that are not reimbursable under federal guidelines.

# Department of Military Affairs - 67010

## 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, and increase their educational levels and 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 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
FTE	51.15	2.00	53.15	2.00	53.15	
Personal Services	2,461,478	573,101	3,034,579	571,312	3,032,790	6,067,369
Operating Expenses	1,169,548	15,776	1,185,324	8,506	1,178,054	2,363,378
<b>Total Costs</b>	<b>\$3,631,026</b>	<b>\$588,877</b>	<b>\$4,219,903</b>	<b>\$579,818</b>	<b>\$4,210,844</b>	<b>\$8,430,747</b>
General Fund	812,158	244,200	1,056,358	242,840	1,054,998	2,111,356
Federal Spec. Rev. Funds	2,818,868	344,677	3,163,545	336,978	3,155,846	6,319,391
<b>Total Funds</b>	<b>\$3,631,026</b>	<b>\$588,877</b>	<b>\$4,219,903</b>	<b>\$579,818</b>	<b>\$4,210,844</b>	<b>\$8,430,747</b>

# Department of Military Affairs - 67010

## Challenge Program - 02

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	175,414	313,727	175,917	312,123
SWPL - 2 - Fixed Costs	(253)	(1,009)	(2,196)	(8,782)
SWPL - 3 - Inflation Deflation	(804)	(3,215)	(678)	(2,712)
<i>Total Statewide Present Law Adjustments</i>	<i>\$174,357</i>	<i>\$309,503</i>	<i>\$173,043</i>	<i>\$300,629</i>
<b>Present Law Adjustments</b>				
PL - 200201 - Challenge 24/7 overtime	18,096	72,384	18,096	72,384
PL - 200202 - Challenge differential pay	3,848	15,393	3,848	15,393
PL - 200203 - Challenge Recruiter	15,360	61,440	15,349	61,396
<i>Total Present Law Adjustments</i>	<i>\$37,304</i>	<i>\$149,217</i>	<i>\$37,293</i>	<i>\$149,173</i>
<b>New Proposals</b>				
NP - 200204 - Additional Challenge Counselor	14,443	57,773	14,408	57,632
<i>Total New Proposals</i>	<i>\$14,443</i>	<i>\$57,773</i>	<i>\$14,408</i>	<i>\$57,632</i>
<b>Total Budget Adjustments</b>	<b>\$226,104</b>	<b>\$516,493</b>	<b>\$224,744</b>	<b>\$507,434</b>

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$175,414	\$313,727
FY 2017	\$175,917	\$312,123

**SWPL - 1 - Personal Services -**

The budget includes \$313,272 in FY 2016 and \$312,123 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium. In addition, the request includes the impacts of market adjustments made due to value staff at 80% of the 2012 market.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$253)	(\$1,009)
FY 2017	(\$2,196)	(\$8,782)

**SWPL - 2 - Fixed Costs -**

This request includes a reduction of \$1,009 in FY 2016 and \$8,782 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$804)	(\$3,215)
FY 2017	(\$678)	(\$2,712)

**SWPL - 3 - Inflation Deflation -**

This change package includes a reduction of \$3,215 in FY 2016 and \$2,712 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

## Department of Military Affairs - 67010

### Challenge Program - 02

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$18,096	\$72,384
FY 2017	\$18,096	\$72,384

**PL - 200201 - Challenge 24/7 overtime -**

This request is for \$18,096 of general fund dollars in each year of the biennium and associated federal matching funds to support overtime and holiday salaries and associated benefits. These costs are zero based and not included in the Montana Youth Challenge Academy's (MYCA) base budget. The MYCA is required to have coverage 24 hours a day, seven days a week. The MYCA is funded 75% federal, and 25% state.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$3,848	\$15,393
FY 2017	\$3,848	\$15,393

**PL - 200202 - Challenge differential pay -**

This change package is requesting \$3,848 of general fund dollars and associated federal matching dollars in each year of the biennium to support duty assignment and shift differential pay. This is a zero-based item that must be requested each biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$15,360	\$61,440
FY 2017	\$15,349	\$61,396

**PL - 200203 - Challenge Recruiter -**

This request is for 1.00 FTE and \$15,360 of general fund dollars in FY 2016 and \$15,349 in FY 2017 plus the federal match for a recruiting position. This position assists the Montana Youth Challenge Academy (MYCA) in meeting admission goals. Large geographical areas of the state created a need for an additional recruiter, as did passage of legislation that defined a process by which school districts cooperate with the (MYCA) to identify dropouts, and additional recruiting requirements of the admissions department.

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

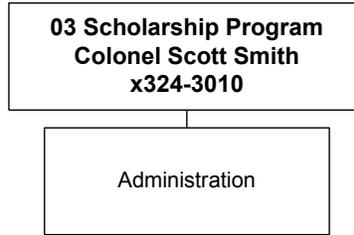
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$14,443	\$57,773
FY 2017	\$14,408	\$57,632

**NP - 200204 - Additional Challenge Counselor -**

This request is for \$14,445 of general fund dollars in FY 2016 and \$14,408 in FY 2017 and federal match to support an additional 1.00 FTE Counselor to assist with larger enrollments and ensure compliance with the staffing requirements outlined in the Federal/State Master Youth Programs Cooperative Agreement (MYPCA) dated July 2012.

# Department of Military Affairs - 67010

## Scholarship Program - 03

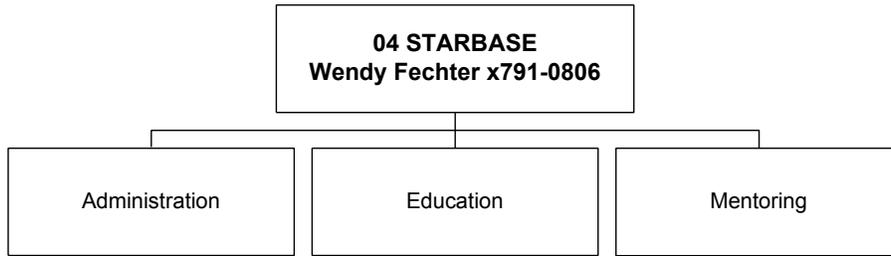


**Program Description** - The Montana National Guard Scholarship Program provides scholarships to eligible Montana National Guard personnel enrolled as undergraduate students in Montana colleges, universities, or training programs. The program assists Montana in recruiting and retaining personnel in 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 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium	
Operating Expenses	209,408	0	209,408	0	209,408	418,816	
<b>Total Costs</b>	<b>\$209,408</b>	<b>\$0</b>	<b>\$209,408</b>	<b>\$0</b>	<b>\$209,408</b>	<b>\$418,816</b>	
General Fund	209,408	0	209,408	0	209,408	418,816	
<b>Total Funds</b>	<b>\$209,408</b>	<b>\$0</b>	<b>\$209,408</b>	<b>\$0</b>	<b>\$209,408</b>	<b>\$418,816</b>	

# Department of Military Affairs - 67010

## 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. It does this 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	Base Budget	Budget	Total	Budget	Total	Executive
Budget Item	Fiscal 2014	Adjustments Fiscal 2016	Exec. Budget Fiscal 2016	Adjustments Fiscal 2017	Exec. Budget Fiscal 2017	Budget Request 2017 Biennium
FTE	3.00	(1.00)	2.00	(1.00)	2.00	
Personal Services	197,892	(45,114)	152,778	(45,503)	152,389	305,167
Operating Expenses	146,194	1,065	147,259	(380)	145,814	293,073
<b>Total Costs</b>	<b>\$344,086</b>	<b>(\$44,049)</b>	<b>\$300,037</b>	<b>(\$45,883)</b>	<b>\$298,203</b>	<b>\$598,240</b>
Federal Spec. Rev. Funds	344,086	(44,049)	300,037	(45,883)	298,203	598,240

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	0	55,568	0	54,912
SWPL - 2 - Fixed Costs	0	1,057	0	(391)
SWPL - 3 - Inflation Deflation	0	8	0	11
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$56,633</i>	<i>\$0</i>	<i>\$54,532</i>
<b>Present Law Adjustments</b>				
PL - 400444 - 4% FTE Reduction	0	(100,682)	0	(100,415)
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>(\$100,682)</i>	<i>\$0</i>	<i>(\$100,415)</i>
<b>Total Budget Adjustments</b>	<b>\$0</b>	<b>(\$44,049)</b>	<b>\$0</b>	<b>(\$45,883)</b>

# Department of Military Affairs - 67010

## Starbase - 04

### -----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$55,568
FY 2017	\$0	\$54,912

**SWPL - 1 - Personal Services -**

The budget includes \$55,568 in FY 2016 and \$54,912 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium. In addition, the request includes the impacts of the Federal Government shut down which delayed operations of this program.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$1,057
FY 2017	\$0	(\$391)

**SWPL - 2 - Fixed Costs -**

This request includes \$1,057 in FY 2016 and a reduction of \$391 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$8
FY 2017	\$0	\$11

**SWPL - 3 - Inflation Deflation -**

This change package includes \$8 in FY 2016 and \$11 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

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

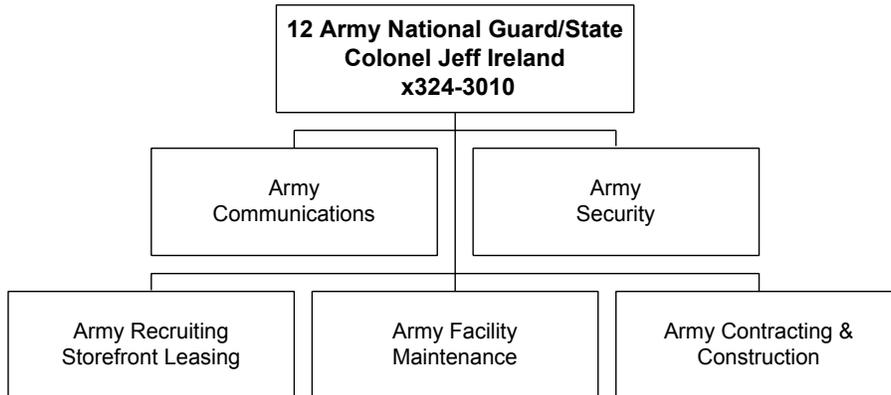
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$100,682)
FY 2017	\$0	(\$100,415)

**PL - 400444 - 4% FTE Reduction -**

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. This change package includes a reduction of 1.00 FTE each year and \$201,097 for the biennium to accomplish the FTE reduction.

# Department of Military Affairs - 67010

## Army National Guard Pgm - 12



**Program Description** - The Army National Guard (ARNG), until federalized, is a state military organization that 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 statewide 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	Budget	Total	Budget	Total	Executive
Budget Item	Fiscal 2014	Adjustments	Exec. Budget	Adjustments	Exec. Budget	Budget Request
		Fiscal 2016	Fiscal 2016	Fiscal 2017	Fiscal 2017	2017 Biennium
FTE	45.30	(1.00)	44.30	(1.00)	44.30	
Personal Services	2,980,668	292,863	3,273,531	295,259	3,275,927	6,549,458
Operating Expenses	11,269,075	4,103,522	15,372,597	4,155,417	15,424,492	30,797,089
Equipment & Intangible Assets	150,536	0	150,536	0	150,536	301,072
<b>Total Costs</b>	<b>\$14,400,279</b>	<b>\$4,396,385</b>	<b>\$18,796,664</b>	<b>\$4,450,676</b>	<b>\$18,850,955</b>	<b>\$37,647,619</b>
General Fund	1,622,180	91,152	1,713,332	124,922	1,747,102	3,460,434
State/Other Special	420	0	420	0	420	840
Federal Spec. Rev. Funds	12,777,679	4,305,233	17,082,912	4,325,754	17,103,433	34,186,345
<b>Total Funds</b>	<b>\$14,400,279</b>	<b>\$4,396,385</b>	<b>\$18,796,664</b>	<b>\$4,450,676</b>	<b>\$18,850,955</b>	<b>\$37,647,619</b>

Program Proposed Budget Adjustments	Budget Adjustments		Budget Adjustments	
	Fiscal 2016		Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	88,325	393,514	87,262	395,643
SWPL - 2 - Fixed Costs	6,231	55,146	12,630	17,122
SWPL - 3 - Inflation Deflation	17,231	22,598	26,796	37,310
<i>Total Statewide Present Law Adjustments</i>	<i>\$111,787</i>	<i>\$471,258</i>	<i>\$126,688</i>	<i>\$450,075</i>
<b>Present Law Adjustments</b>				
PL - 1200444 - 4% FTE Reduction	(25,161)	(100,651)	(25,094)	(100,384)
<i>Total Present Law Adjustments</i>	<i>(\$25,161)</i>	<i>(\$100,651)</i>	<i>(\$25,094)</i>	<i>(\$100,384)</i>
<b>New Proposals</b>				
NP - 1201201 - Operational Support for New ARNG Facilities	4,526	25,778	23,328	100,985
NP - 1201202 - Unexploded Ordnance Remediation for MTARNG	0	4,000,000	0	4,000,000
<i>Total New Proposals</i>	<i>\$4,526</i>	<i>\$4,025,778</i>	<i>\$23,328</i>	<i>\$4,100,985</i>
<b>Total Budget Adjustments</b>	<b>\$91,152</b>	<b>\$4,396,385</b>	<b>\$124,922</b>	<b>\$4,450,676</b>

# Department of Military Affairs - 67010

## Army National Guard Pgm - 12

### -----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$88,325	\$393,514
FY 2017	\$87,262	\$395,643

**SWPL - 1 - Personal Services -**

The budget includes \$393,514 in FY 2016 and \$395,643 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$6,231	\$55,146
FY 2017	\$12,630	\$17,122

**SWPL - 2 - Fixed Costs -**

This request includes \$55,146 in FY 2016 and \$17,122 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$17,231	\$22,598
FY 2017	\$26,796	\$37,310

**SWPL - 3 - Inflation Deflation -**

This change package includes \$22,598 in FY 2016 and \$37,310 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$25,161)	(\$100,651)
FY 2017	(\$25,094)	(\$100,384)

**PL - 1200444 - 4% FTE Reduction -**

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. This change package includes a reduction of 1.00 FTE each year and \$201,035 for the biennium to accomplish the FTE reduction.

# Department of Military Affairs - 67010

## Army National Guard Pgm - 12

### -----New Proposals-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$4,526	\$25,778
FY 2017	\$23,328	\$100,985

#### **NP - 1201201 - Operational Support for New ARNG Facilities -**

The Facilities Management Office constructs operates and maintains facilities which are used primarily by the Montana Army National Guard (MTARNG) statewide. This request is for additional funding to support the operating costs of buildings which will come on line after the base year. This funding is to provide a basic level of janitorial services and to fund items such as utilities, grounds maintenance, and to fund code required building inspections such as fire sprinkler, fire alarm and kitchen hood inspections. The increased operating cost is for the Miles City Readiness Center which will be occupied in January of 2015. Costs also refelect an addition to the Aviation Readiness Center in Helena to accommodate existing soldiers and equipment as well as small additions to four buildings at Fort William H. Harrison.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$4,000,000
FY 2017	\$0	\$4,000,000

#### **NP - 1201202 - Unexploded Ordnance Remediation for MTARNG -**

The Facilities Management Office is responsible for management of the Unexploded Ordnance (UXO) Remediation program for the Montana National Guard statewide. This request is to establish federal spending authority to operate the UXO program when federal funding is received from National Guard Bureau.

# Department of Military Affairs - 67010

## Air National Guard Pgm - 13



**Program Description** - The Air National Guard, until federalized, is a state military organization that 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	Base Budget	Budget	Total	Budget	Total	Executive
Budget Item	Fiscal 2014	Adjustments Fiscal 2016	Exec. Budget Fiscal 2016	Adjustments Fiscal 2017	Exec. Budget Fiscal 2017	Budget Request 2017 Biennium
FTE	40.00	0.00	40.00	0.00	40.00	
Personal Services	2,692,818	325,824	3,018,642	335,412	3,028,230	6,046,872
Operating Expenses	1,653,425	307,538	1,960,963	309,221	1,962,646	3,923,609
<b>Total Costs</b>	<b>\$4,346,243</b>	<b>\$633,362</b>	<b>\$4,979,605</b>	<b>\$644,633</b>	<b>\$4,990,876</b>	<b>\$9,970,481</b>
General Fund	367,179	31,485	398,664	31,053	398,232	796,896
Federal Spec. Rev. Funds	3,979,064	601,877	4,580,941	613,580	4,592,644	9,173,585
<b>Total Funds</b>	<b>\$4,346,243</b>	<b>\$633,362</b>	<b>\$4,979,605</b>	<b>\$644,633</b>	<b>\$4,990,876</b>	<b>\$9,970,481</b>

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	2,739	(163,999)	2,733	(161,880)
SWPL - 2 - Fixed Costs	1,697	3,035	354	(3,605)
SWPL - 3 - Inflation Deflation	1,202	10,203	1,890	16,326
<i>Total Statewide Present Law Adjustments</i>	<i>\$5,638</i>	<i>(\$150,761)</i>	<i>\$4,977</i>	<i>(\$149,159)</i>
<b>Present Law Adjustments</b>				
PL - 1300444 - 4% FTE Reduction	0	(73,636)	0	(74,207)
PL - 1301301 - Federal Authority for Firefighter Overtime	0	475,570	0	482,697
PL - 1301302 - Security Contract Federal Authority	0	146,200	0	148,400
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$548,134</i>	<i>\$0</i>	<i>\$556,890</i>
<b>New Proposals</b>				
NP - 1301304 - New Air Guard Environmental Science Specialist	25,847	103,389	26,076	104,302
NP - 1301305 - Funding for Water-Sewer Maintenance	0	132,600	0	132,600
<i>Total New Proposals</i>	<i>\$25,847</i>	<i>\$235,989</i>	<i>\$26,076</i>	<i>\$236,902</i>
<b>Total Budget Adjustments</b>	<b>\$31,485</b>	<b>\$633,362</b>	<b>\$31,053</b>	<b>\$644,633</b>

## Department of Military Affairs - 67010

### Air National Guard Pgm - 13

#### -----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$2,739	(\$163,999)
FY 2017	\$2,733	(\$161,880)

**SWPL - 1 - Personal Services -**

The budget includes a reduction of \$163,999 in FY 2016 and \$161,880 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium. However, 43% of this reduction is for accounts that are not funded, such as overtime and payouts. Overtime and other zero based costs associated with the Air Guard firefighter positions will be asked for in change package PL-1301301.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$1,697	\$3,035
FY 2017	\$354	(\$3,605)

**SWPL - 2 - Fixed Costs -**

This request includes \$3,035 in FY2016 and a reduction of \$3,605 in FY 207 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$1,202	\$10,203
FY 2017	\$1,890	\$16,326

**SWPL - 3 - Inflation Deflation -**

This change package includes funding to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$73,636)
FY 2017	\$0	(\$74,207)

**PL - 1300444 - 4% FTE Reduction -**

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. This change package includes a reduction of 1.00 FTE each year and \$147,843 for the biennium to accomplish the FTE reduction.

## Department of Military Affairs - 67010

### Air National Guard Pgm - 13

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$475,570
FY 2017	\$0	\$482,697

**PL - 1301301 - Federal Authority for Firefighter Overtime -**

This is a request to provide 100% federal spending authority for firefighter overtime. Salaries and benefits for these positions exceed those of a traditional FTE, due to the 24/7 nature of the Fire Protection Services at the Air National Guard base in Great Falls. Overtime costs are zero based and are not captured in the personnel services snapshot used for the initial budget preparation. Each biennium this authority is requested.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$146,200
FY 2017	\$0	\$148,400

**PL - 1301302 - Security Contract Federal Authority -**

This is a request for a 100% federally-funded security protection contract increase for the Montana Air National Guard base in Great Falls, at a total estimated increase of \$294,600 for the 2017 biennium.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$25,847	\$103,389
FY 2017	\$26,076	\$104,302

**NP - 1301304 - New Air Guard Environmental Science Specialist -**

This request is for 1.00 FTE Environmental Science Specialist to meet the environmental compliance requirements of the Montana Air National Guard (MANG) in Great Falls, at a total cost of \$207,691 for the 2017 biennium. Approval of this FTE and operational support would create a fourth Air Guard Master Cooperative Agreement Appendix between the federal government (National Guard Bureau and United States Property and Fiscal Office) and the State of Montana (Adjutant General). The costs of the agreement are 25% state and 75% federal.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$132,600
FY 2017	\$0	\$132,600

**NP - 1301305 - Funding for Water-Sewer Maintenance -**

This is a request for 100% federal spending authority to cover the annual water and sewer maintenance costs the Montana Air National Guard (MANG) will pay after privatization of water and sewer lines in FY 2016, at a total biennium cost of \$265,200.

# Department of Military Affairs - 67010

## Disaster & Emergency Services - 21



**Program Description** - The Disaster and Emergency Services Division (DES) 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 2014	Budget Adjustments Fiscal 2016	Total Exec. Budget Fiscal 2016	Budget Adjustments Fiscal 2017	Total Exec. Budget Fiscal 2017	Executive Budget Request 2017 Biennium
FTE	24.00	(1.00)	23.00	(1.00)	23.00	
Personal Services	1,492,077	313,314	1,805,391	312,334	1,804,411	3,609,802
Operating Expenses	461,213	83,553	544,766	71,448	532,661	1,077,427
Equipment & Intangible Assets	22,180	0	22,180	0	22,180	44,360
Grants	10,265,846	2,610,000	12,875,846	2,610,000	12,875,846	25,751,692
Transfers	850,470	1,200,000	2,050,470	1,200,000	2,050,470	4,100,940
<b>Total Costs</b>	<b>\$13,091,786</b>	<b>\$4,206,867</b>	<b>\$17,298,653</b>	<b>\$4,193,782</b>	<b>\$17,285,568</b>	<b>\$34,584,221</b>
General Fund	1,176,995	90,273	1,267,268	89,483	1,266,478	2,533,746
State/Other Special	73,855	0	73,855	0	73,855	147,710
Federal Spec. Rev. Funds	11,840,936	4,116,594	15,957,530	4,104,299	15,945,235	31,902,765
<b>Total Funds</b>	<b>\$13,091,786</b>	<b>\$4,206,867</b>	<b>\$17,298,653</b>	<b>\$4,193,782</b>	<b>\$17,285,568</b>	<b>\$34,584,221</b>

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	107,325	206,868	105,718	205,761
SWPL - 2 - Fixed Costs	1,780	19,779	2,260	6,847
SWPL - 3 - Inflation Deflation	(2,055)	(6,226)	(1,782)	(5,399)
<i>Total Statewide Present Law Adjustments</i>	<i>\$107,050</i>	<i>\$220,421</i>	<i>\$106,196</i>	<i>\$207,209</i>
<b>Present Law Adjustments</b>				
PL - 2100444 - 4% FTE Reduction	(26,777)	(53,554)	(26,713)	(53,427)
PL - 2102101 - Duty Officer Overtime	10,000	40,000	10,000	40,000
PL - 2102103 - Funding for DHS Grant Program	0	4,000,000	0	4,000,000
<i>Total Present Law Adjustments</i>	<i>(\$16,777)</i>	<i>\$3,986,446</i>	<i>(\$16,713)</i>	<i>\$3,986,573</i>
<b>Total Budget Adjustments</b>	<b>\$90,273</b>	<b>\$4,206,867</b>	<b>\$89,483</b>	<b>\$4,193,782</b>

# Department of Military Affairs - 67010

## Disaster & Emergency Services - 21

### -----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$107,325	\$206,868
FY 2017	\$105,718	\$205,761

#### SWPL - 1 - Personal Services -

The budget includes \$206,868 in FY 2016 and \$205,761 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium. In addition, the request includes the impacts turnover experienced in excess of the applied vacancy savings rate.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$1,780	\$19,779
FY 2017	\$2,260	\$6,847

#### SWPL - 2 - Fixed Costs -

This request includes \$19,779 in FY 2016 and \$6,847 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$2,055)	(\$6,226)
FY 2017	(\$1,782)	(\$5,399)

#### SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$6,226 in FY 2016 and \$5,399 in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	(\$26,777)	(\$53,554)
FY 2017	(\$26,713)	(\$53,427)

#### PL - 2100444 - 4% FTE Reduction -

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. This change package includes a reduction of 1.00 FTE each year and \$106,981 for the biennium to accomplish the FTE reduction.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$10,000	\$40,000
FY 2017	\$10,000	\$40,000

#### PL - 2102101 - Duty Officer Overtime -

This is a request to provide funding for the overtime salary and benefits costs incurred by the Disaster Emergency Services (DES) duty officers to provide 24 hour, 7 day a week disaster and emergency response. Overtime costs are zero based and not captured in the personnel services snapshot used for the initial budget preparation.

## Department of Military Affairs - 67010

### Disaster & Emergency Services - 21

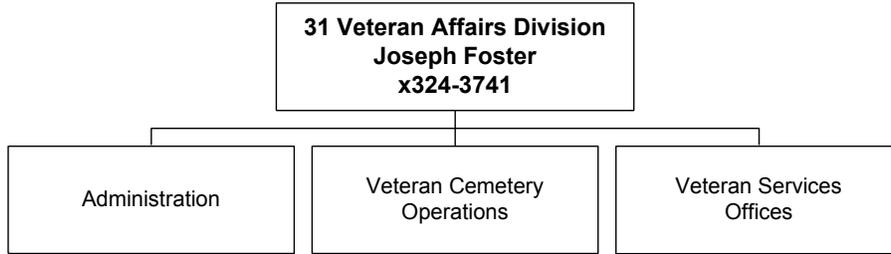
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	\$4,000,000
FY 2017	\$0	\$4,000,000

#### **PL - 2102103 - Funding for DHS Grant Program -**

This request is for additional spending authority for the Homeland Security Grant Program. This funding is 100% federal funds. The Homeland Security Grant Program manages U.S. Department of Homeland Security (DHS) anti-terrorism grant funds to pay for local, tribal and state projects to strengthen the State's ability to prevent and respond to any hazard events. Focus for the grants is on interoperable communications, fusion center operations, explosive ordinance disposal and many other areas. Of the funds received through this grant program, at least 80% must be passed through to local and tribal applicants.

# Department of Military Affairs - 67010

## 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	Base Budget	Budget Adjustments	Total	Budget	Total	Executive
Budget Item	Fiscal 2014	Fiscal 2016	Exec. Budget Fiscal 2016	Adjustments Fiscal 2017	Exec. Budget Fiscal 2017	Budget Request 2017 Biennium
FTE	24.00	2.00	26.00	2.00	26.00	
Personal Services	1,365,406	259,267	1,624,673	258,698	1,624,104	3,248,777
Operating Expenses	165,202	(351)	164,851	(4,439)	160,763	325,614
<b>Total Costs</b>	<b>\$1,530,608</b>	<b>\$258,916</b>	<b>\$1,789,524</b>	<b>\$254,259</b>	<b>\$1,784,867</b>	<b>\$3,574,391</b>
General Fund	916,416	186,684	1,103,100	184,235	1,100,651	2,203,751
State/Other Special	614,192	72,232	686,424	70,024	684,216	1,370,640
<b>Total Funds</b>	<b>\$1,530,608</b>	<b>\$258,916</b>	<b>\$1,789,524</b>	<b>\$254,259</b>	<b>\$1,784,867</b>	<b>\$3,574,391</b>

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2016		Budget Adjustments Fiscal 2017	
	General Fund	Total Funds	General Fund	Total Funds
<b>Statewide Present Law Adjustments</b>				
SWPL - 1 - Personal Services	74,613	149,225	74,463	148,926
SWPL - 2 - Fixed Costs	2,029	3,171	0	(1,386)
SWPL - 3 - Inflation Deflation	0	(3,522)	0	(3,053)
<i>Total Statewide Present Law Adjustments</i>	<i>\$76,642</i>	<i>\$148,874</i>	<i>\$74,463</i>	<i>\$144,487</i>
<b>New Proposals</b>				
NP - 3103102 - Veterans Service Officers	110,042	110,042	109,772	109,772
<i>Total New Proposals</i>	<i>\$110,042</i>	<i>\$110,042</i>	<i>\$109,772</i>	<i>\$109,772</i>
<b>Total Budget Adjustments</b>	<b>\$186,684</b>	<b>\$258,916</b>	<b>\$184,235</b>	<b>\$254,259</b>

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$74,613	\$149,225
FY 2017	\$74,463	\$148,926

**SWPL - 1 - Personal Services -**

The budget includes funding to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium.

## Department of Military Affairs - 67010

### Veterans Affairs Program - 31

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$2,029	\$3,171
FY 2017	\$0	(\$1,386)

**SWPL - 2 - Fixed Costs -**

This request includes the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$0	(\$3,522)
FY 2017	\$0	(\$3,053)

**SWPL - 3 - Inflation Deflation -**

This change package includes funding to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others.

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

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2016	\$110,042	\$110,042
FY 2017	\$109,772	\$109,772

**NP - 3103102 - Veterans Service Officers -**

This request is for the authorization of 2.00 FTE (Veterans Service Officer II and Veterans Service Officer I) to augment existing agency staff in the Veteran's Affairs (VA) Division to serve existing and future clients who are requesting federal VA veterans benefits, through claim production and advocacy representation. Two major division initiatives will result in significant increases in veteran and veteran family member benefit claim production services, and will result in an ongoing increased service requirement: The Veterans of Foreign Wars (VFW) veterans service program is now served by the division, resulting in an increase in accessing services of approximately 3,000 clients; and the division is planning for a statewide education and benefits claim products generation/submission for the offspring of parents exposed to Agent Orange. The estimated claims production due to this initiative is expected to exceed 500 initial claim products, annually. Montana has an estimated 28,000 Vietnam War-era veterans.