

OFFICE OF THE GOVERNOR
BUDGET AND PROGRAM PLANNING
STATE OF MONTANA



STEVE BULLOCK
GOVERNOR

PO BOX 200802
HELENA, MONTANA 59620-0802

TO: Amy Carlson, Legislative Fiscal Analysts
Legislative Fiscal Division

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

DATE: December 15, 2016

RE: Amendments to Governor Bullock's 2019 Biennium Executive Budget

In accordance with 17-7-112, MCA, I am submitting the following formal written amendments to my November 15 preliminary 2019 biennium Executive Budget. The changes are technical in nature and do not represent substantive changes to the budget. Changes are reflected in the H02 version in IBARS.

Department of Administration:

- The department's Architecture and Engineering program's fixed costs for State Information Technology Services Division's expenses are adjusted by \$102,596 for FY 2018 and \$102,595 for FY 2019. The department's Public Safety Services Bureau is adjusted by \$102,596 for FY 2018 and \$102,595 for FY 2019.
- The department's SITSD FirstNet grant is adjusted to move \$105,000 from FY 2018 to FY 2019 for operating costs omitted in the original budget submittal.
- The Montana Tax Appeal Board PL 555 Appropriation Rebase has been adjusted. The total rebase is revised from \$31,329 to \$19,184 in FY 2018 and from \$31,329 to \$14,000 in FY 2019.

Judicial Branch:

- The Clerk of Court PL 555 Appropriation Rebase has been adjusted. This change results in additional general fund of \$26,768 in FY 2018 and \$26,398 in FY 2019 in operating expenses and \$6,323 in FY 2018 and \$4,842 in FY 2019 in personal services for the Judicial Branch.

Department of Labor and Industry:

- The WSD Workforce Development Partnership change package (CP 1002) has been adjusted to make the request \$111,744 state special revenue in FY 2019 only.

Department of Public Health and Human Services:

- There is a revenue adjustment for fund 02790, increasing authority by \$900,420 each year of the biennium to match anticipated revenue collections.
- A new proposal was added for clarity purposes requesting \$120,000 general fund each year of the biennium to offer respite services and support caregivers throughout the state.

Office of Commissioner of Higher Education:

- A change package has been added for \$564,563 general fund in FY 2018 and \$724,270 general fund in FY 2019 to provide support for the WICHE/WWAMI/MN dental program.
- A change package has been added for \$938,688 per year increasing general fund support for operation and maintenance for buildings at the Montana University System.

Department of Military Affairs:

- Funding splits for the statewide present law adjustment for the Montana Air National Guard Program have been adjusted to properly reflect federal match rates.

Department of Commerce:

- The appropriation for Native Language preservation has been increased by \$200,000 general fund for the biennium.

HB 2 Companion Bill:

- An additional transfer of \$600,000 from the banking division fund to the state general fund has been added to the HB 2 companion bill (LC 907).

IBARS has been updated as needed to reflect these changes in the H02 version. A revised general fund balance sheet has been included. If you have any questions, please feel free to contact me or my staff.

State of Montana Proposed FY 2017 and 2019 Biennium General Fund Balance Sheet (Millions \$)

December 15

| Description | Actual | Proposed | Proposed | |
|---|------------------|------------------|------------------|------------------|
| | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
| Beginning Fund Balance | 455.109 | 255.110 | 123.060 | 162.898 |
| Revenue Estimate* | 2,121.288 | 2,194.337 | 2,301.710 | 2,452.939 |
| Proposed Transfer-In Legislation | | | | |
| Transfers-in - OTO* | | 27.985 | 25.983 | 25.981 |
| Transfers-in - Ongoing | | | 1.425 | 1.419 |
| Proposed Revenue Legislation and Other Revenue | | | | |
| Revenue - Ongoing | | 3.381 | 61.445 | 50.603 |
| Revenue - OTO | | 0.459 | | |
| Prior Year Revenue Adjustments | (3.667) | | | |
| Total Funds Available | 2,572.730 | 2,481.272 | 2,513.623 | 2,693.839 |
| HB 2 Disbursements | | | | |
| HB 2 + SWPL Ongoing* | 1,973.151 | 2,034.229 | 1,976.604 | 1,977.059 |
| HB 2 Present Law - Ongoing* | | | 86.462 | 108.550 |
| HB 2 Present Law - OTO | | | 0.008 | 0.072 |
| HB 2 New Proposals - Ongoing* | | | (49.196) | (50.799) |
| HB 2 New Proposals - OTO* | | | 4.543 | 4.044 |
| Executive Reduction, Reversion and Recision Authority | | (29.000) | | |
| Proposed Legislation and Non-HB 2 Initiatives | | | | |
| HB 1 - Feed Bill | 1.917 | 11.327 | 1.975 | 11.667 |
| HB 3* | | 20.006 | | |
| HB 13 - Pay Plan | | | 3.816 | 7.154 |
| Infrastructure* | | | 4.382 | 10.040 |
| Other Legislation - Ongoing | | 2.575 | 2.759 | 2.749 |
| Other Disbursements | | | | |
| Statutory Appropriations - Present Law - Ongoing | 265.169 | 290.646 | 309.893 | 318.518 |
| Statutory Appropriations - New Proposal - Ongoing | | | (2.999) | (6.846) |
| Transfers - Present Law - Ongoing | 18.427 | 18.321 | 18.330 | 17.600 |
| Transfers - Present Law - OTO | 11.300 | | | |
| Transfers - New Proposal - Ongoing | | | 2.075 | 2.075 |
| Fire Fund Transfer (HB 354) | 50.310 | 11.422 | | |
| Other Appropriations | 4.457 | 7.918 | | |
| Reversions* | | (9.233) | (7.925) | (8.094) |
| Prior Year Expenditure Adjustments | (6.669) | | | |
| Total Disbursements | 2,318.062 | 2,358.211 | 2,350.725 | 2,393.789 |
| Fund Balance Adjustments | 0.441 | | | |
| Ending Fund Balance | 255.110 | 123.060 | 162.898 | 300.050 |
| YOY Expenditure Growth | 6.79% | 1.73% | -0.32% | 1.83% |
| YOY Revenue Growth | -3.56% | 3.44% | 4.89% | 6.57% |
| Fund Balance as a % of Total Spend | 11.01% | 5.22% | 6.93% | 12.53% |
| Structural Balance | | | | 113.869 |

*December 15th Adjustment