



GOVERNOR  
STEVE BULLOCK

STATE OF MONTANA

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GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

# Office of Budget and Program Planning Staff Listing

**As of November 15, 2020**

**Tom Livers, Budget Director**

Amy Sassano, Deputy Budget Director  
 Ryan Evans, Assistant Budget Director  
 Gerry Murphy, Statewide Projects Analyst  
 Evelyn Davis, Budget Compliance Specialist  
 Jeanne Nevins, Executive Assistant

**Revenue Analysts**

Ralph Franklin	Chris Watson
Nancy Hall	Brian Hannan

<u>Code</u>	<u>Agency</u>	<u>Budget Analyst</u>
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**Section A – General Government**

11040.....	Legislative Branch.....	Sonia Powell
11120.....	Consumer Counsel.....	Sonia Powell
31010.....	Governor’s Office.....	Amy Sassano
32010.....	Secretary of State.....	Sonia Powell
32020.....	Commissioner of Political Practices.....	Angie Nelson
34010.....	State Auditor.....	Sonia Powell
58010.....	Dept. of Revenue.....	Angie Nelson
61010.....	Dept. of Administration.....	Sonia Powell
61030.....	State Fund.....	Sonia Powell
61040.....	PERS (non-budgeted).....	Ryan Evans
61050.....	TRS (non-budgeted).....	Ryan Evans
65010.....	Dept. of Commerce.....	Angie Nelson
66020.....	Dept. of Labor & Industry.....	Angie Nelson
67010.....	Dept. of Military Affairs.....	Angie Nelson

**Section B – Public Health and Human Services**

69010.....	Dept. of PHHS.....	Brian Hannan and Greg Sawyer
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**Section C – Natural Resources and Transportation**

52010.....	Dept. of Fish, Wildlife & Parks.....	Brent Doig
53010.....	Dept. of Environmental Quality.....	Gerry Murphy
54010.....	Dept. of Transportation.....	Brent Doig
56030.....	Dept. of Livestock.....	Gerry Murphy
57060.....	Dept. of Natural Resources and Cons.....	Brent Doig
62010.....	Dept. of Agriculture.....	Brent Doig

**Section D – Judicial Branch, Law Enforcement, & Justice**

21100.....	Judicial Branch.....	Christin Hultin
41100.....	Dept. of Justice.....	Christin Hultin
42010.....	Public Service Regulation.....	Christin Hultin
61080.....	Office of Public Defender.....	Christin Hultin
64010.....	Dept. of Corrections.....	Christin Hultin

# Office of Budget and Program Planning Staff Listing

## Section E – Education

35010.....	Office of Public Instruction .....	Nancy Hall
.....	Colleges of Technology.....	Jason Harlow
51010.....	Board of Public Education.....	Nancy Hall
51020.....	Commissioner of Higher Education.....	Jason Harlow
.....	MUS Six Units .....	Jason Harlow
.....	Community Colleges and Research.....	Jason Harlow
51090.....	MAES .....	Jason Harlow
51100.....	MCES .....	Jason Harlow
51110.....	Forestry Experiment Station.....	Jason Harlow
51120.....	Bureau of Mines .....	Jason Harlow
51130.....	School for the Deaf & Blind .....	Nancy Hall
51140.....	Montana Arts Council .....	Nancy Hall
51150.....	State Library .....	Nancy Hall
51170.....	Montana Historical Society.....	Nancy Hall
51190.....	Fire Services Training School .....	Jason Harlow

**Section F – Long Range Planning .....** Jason Harlow

## Budget Background and Additional Information

**Personal Services** – The personal services portion of the executive budget is based upon a “snapshot” of actual salaries for authorized FTE, as they existed on the Statewide Accounting, Budgeting and Human Resources System (SABHRS) on June 30, 2020, which was the end of the fiscal year. OBPP prepared the FY 2022 and FY 2023 personal services budgets to reflect HB 2 as well as HB 175 passed by the 2019 Legislature, workers comp, unemployment insurance, FICA, retirement contribution rates, number of hours each fiscal year, longevity adjustments, and health insurance rates. These personal services schedules are included in the present law base for current level positions that are authorized for FY 2021 and thus authorized to continue into the 2023 biennium.

**Inflation/Deflation** - The following accounts have been inflated/deflated from the FY 2021 budgeted amounts due to the new recommended amounts/rates:

<u>Account</u>	<u>Name</u>	<u>FY 2020</u>	<u>FY 2021</u>
*	Motor Pool	-12.74%	-7.99%

\* (62404, 62414, 62434, 62445, 62510)

No other inflation or deflation is included in the adjusted base budgets for FY 2022 and FY 2023. Agency requests for other changes to the expenditure accounts were submitted in change packages (CPs), which will be listed individually in Sections A – E of the budget.

**Fixed Costs** - Although most agencies will be billed in the 2023 biennium consistent with the amounts budgeted for fixed costs, there may be a few exceptions including various information technology charges, which are based upon actual usage, warrant writing fees for warrants actually issued, and the portion of lease vehicles based on the number of miles driven. The total of fixed costs for the 2023 biennium is shown for each fiscal year. A brief summary of each fixed cost follows, and the manner in which each of these services was adjusted in the budget is summarized.

<b>Fixed Costs for the 2023 Biennium</b>		
<u>Fixed Cost Account</u>	<u>FY 2022 Amount</u>	<u>FY 2023 Amount</u>
Insurance (62104)	\$25,612,316	\$25,612,316
Warrant Writer (62113)	\$728,632	\$730,491
Payroll Service (62114)	\$3,597,099	\$3,607,489
Workers' Comp. Mgmt. (62114A)	\$349,312	\$349,312
Legislative Audit Fees (62122)	\$4,528,862	
SABHRS (62148)	\$4,168,579	\$3,971,661
ITSD Fees (Various)	\$53,380,833	\$53,826,712
Messenger Services (62307)	\$376,025	\$376,025
Capitol Complex Rent (62527)	\$11,022,932	\$11,034,894
SWCAP (62888)	\$4,000,000	\$4,000,000

## Budget Background and Additional Information

**Insurance** – State risks that are currently insured through commercial insurance carriers include aircraft, airports, boilers and machinery, bonds (various), crime, cyber/information security, fine art, foreign specialties, foster care, HIPAA, medical malpractice, property, professional liability, and other miscellaneous risks. The state self-insures most commercial insurance risks under \$2,000,000 per occurrence as well as auto, general liability, inland marine (i.e., property in transit), and mobile/specialized equipment.

FY 2021 budget: \$23,695,767      FY 2022 Budgeted: \$25,612,316      FY 2023 Budgeted: \$25,612,316

**Warrant Writer** - Check writing and auto-deposit capabilities for two million annual transactions are provided to state agencies. Although projections are based on historical demand, the service is charged out on actual experience.

FY 2021 budget: \$687,153      FY 2022 Projected: \$728,632      FY 2023 Projected: \$730,491

**Payroll Service** - Payroll processing for more than 13,500 state employees has projected operating expenses of \$3,597,099 in FY 2022 and \$3,607,489 in FY 2023.

**Workers Compensation Management** – All state agencies utilize the services of the Workers' Compensation Management Bureau, which serves as the central resource to enhance existing safety, loss-prevention, and return to work activities. Fees are based on the estimated average payroll advice per pay period for the fiscal year. Budgeted costs are \$349,312 in each year of the 2023 biennium.

**Audit** - Total statewide financial compliance audit costs for the 2023 biennium are \$4,528,862. Biennium financial compliance audit costs for the 2021 biennium were \$4,091,046, which did not include the community colleges.

**SABHRS** - Costs to finance the Statewide Accounting, Budgeting, and Human Resources System (SABHRS) have been distributed to state agency budgets. The SABHRS operations bureau will maintain the uniform central management system with total budgeted operating expenses of \$8,140,240 in the 2023 biennium. State agencies will pay this in distributed fixed costs, allocated by FTE and transaction usage, using all funds proportionately.

**Information Technology Services Division (ITSD) Fees** - ITSD's rates are estimated using an activity-based budgeting model. Due to an increase of services, and agency predicted growth, ITSD's FY 2021 base fees of \$45,228,319 are projected to increase to \$53,380,833 in FY 2022 and \$53,826,712 in FY 2023.

**Messenger Service** - Mail sorting, volume of incoming and interagency mail, and number of mail deliveries per day to all state agencies within the Helena area is a budgeted cost, which is then distributed as a fixed cost to customer agencies. The distributed fixed costs are \$376,025 in each year of the 2023 biennium.

**Department of Administration Rent** - Agencies within the Capitol Complex will pay \$11.357 per square foot in FY 2022 and \$11.369 per square foot in FY 2023 for office space. Non-office (formerly warehouse space) is budgeted at \$8.247 per square foot in FY 2022 and \$8.259 per square foot in FY 2023. These costs include rent, grounds maintenance, snow removal, and water charges for each year of the 2023 biennium.

**SWCAP (Statewide Cost Allocation Plan)** - The costs recovered under the Statewide Cost Allocation Plan are deposited into the general fund and are recovered from non-general fund programs. Services associated with the allowable general fund programs benefit all agencies, including the university system. The following general fund services are allowed to be included in the SWCAP: state accounting, state personnel, state procurement, budget office, and buildings shared by more than one agency. The total amount allocated to agencies is \$8,000,000 in the 2023B biennium.

**Vacancy Savings** – Vacancy savings of 2 percent was applied to all agencies, except those with fewer than 20.00 FTE, elected officials, university system faculty, the legislative branch, and the judicial branch. In addition, the Montana Highway Patrol, Game Wardens in the Department of Fish, Wildlife & Parks, and the Montana School for the Deaf and Blind are statutorily exempt from vacancy savings. The vacancy savings from the HB 2 base budgets of the affected agencies generated \$23.5 million in all funds each year of the 2023 biennium.

HB 13 pay plan bill also includes a very important biennial contingency account of \$1 million general fund and \$0.8 million other funds for agencies that are unable to achieve vacancy savings due to lack of staff turnover and agencies that are unable to absorb the full costs of retirement or leave payouts. A number of agencies are projecting very significant, costly retirements in the 2023 biennium and the Executive recommends this contingency, rather than funding individual agencies for unknown projected costs.

## Budget Background and Additional Information

**Agency Budgets** – The detailed budget for each state agency is available on the Internet at [http://budget.mt.gov/Portals/29/execbudgets/2023\\_budget/ExecBudget/HB2\\_Summary.pdf](http://budget.mt.gov/Portals/29/execbudgets/2023_budget/ExecBudget/HB2_Summary.pdf)

[http://budget.mt.gov/Portals/29/execbudgets/2023\\_budget/ExecBudget/SA\\_Summary.pdf](http://budget.mt.gov/Portals/29/execbudgets/2023_budget/ExecBudget/SA_Summary.pdf)

**Agency Mission, Goals and Objectives** - The mission for each state agency is printed as part of the budget. Goals and objectives also are required in accordance with 17-7-111(3)(c), MCA, and are available on the Internet at [http://budget.mt.gov/Budgets/2023\\_Budget/2023\\_Budget\\_GoalsAndObjectives](http://budget.mt.gov/Budgets/2023_Budget/2023_Budget_GoalsAndObjectives).

**Analysis of Receipts by Fund** - The analysis of receipts by fund required by 17-7-124, MCA, is available on request from the OBPP, Room 277 State Capitol.

**Proposed Five Percent Budget Reduction Plans** – The budget requirements found in 17-7-111(3)(f), MCA, state that agencies with more than 20 FTE must submit a plan to reduce the proposed base budget for the agency from the general appropriations act and the state pay plan by five percent. The plans only apply to the general fund and those state special revenue funds that transfer their interest or fund balance to the general fund. Also exempted are legislative audit costs and administratively attached entities that hire their own staff. All state agencies have submitted their plans and they are available upon request from the OBPP, Room 277 State Capitol.

### Supplemental Appropriations (HB 3)

HB 3 will contain appropriations for FY 2021 for two agencies.

1. The Office of Public Instruction has requested \$4.5 million general fund appropriation for BASE aid as a result of a \$3.5 million shortfall in the state special revenue guarantee account in FY 2020 and an anticipated \$5.3 million shortfall in that account in FY 2021. Changes in student counts, taxable value changes, non levy revenue changes increasing guaranteed tax base aid (GTB), higher retirement budgets, and other school funding formula component payment adjustments also contribute to the need for additional funding.
2. HB 3 will contain a \$5.6 M general fund appropriation for the Department of Revenue due to resolution of litigation involving the Alcoholic Beverage Control Division
3. The bill will include a \$8 M proprietary fund appropriation to allow the Department of Revenue, Alcoholic Beverage Control Division to purchase and transport liquor as well as make necessary transfers of excess profits to the general fund. The need for increased authority comes from alcohol sales above anticipated levels in FY 2021.
4. The Department of Revenue has requested \$6.3 million general fund to implement the requirements of the recreational marijuana initiative passed by the electorate in November 2020.

### Pay Plan (HB 13)

The executive has allocated \$7.5 million general fund – \$15 million all funds for the biennium for a 55 cent per hour increase effective on November 15, 2022 (FY 2023) and an increase to the 25-year longevity increment of 0.5% beginning July 1, 2021. No across-the-board pay increase is recommended for FY 2022. The bill also includes \$1 million general fund and \$0.8 million other funds for the personal services contingency fund as well as \$75,000 general fund for the labor – management training initiative.

## Budget Background and Additional Information

### Budget Bills

<u>Bill No</u>	<u>LC No</u>	<u>Bill Title</u>	<u>Executive Budget Reference</u>
HB 2	LC 456	General Appropriations Act	Volume 1 (Sect A – E)
HB 3	LC 457	Supplemental Appropriations Bill	Volume 1, R-6
HB 4	LC 458	Appropriations by Budget Amendment	N/A
HB 5	LC 459	Long-Range Building Cash Projects	Volume 3
HB 6	LC 460	Renewable Resource Grants	Volume 6
HB 7	LC 461	Reclamation and Development Grants Program	Volume 5
HB 8	LC 462	Renewable Resource Grants and Loans	Volume 6
HB 9	LC 463	Cultural & Aesthetic Grants	Volume 7
HB 10	LC 464	Long-Range Information Technology	Volume 10
HB 11	LC 465	Treasure State Endowment Program	Volume 4
HB 12	LC 651	Historic Preservation Grant Program	Volume 8
HB 13	LC 466	State Employee Pay Plan	Volume 1, R-6
HB 14	LC 468	Long-Range Building Bonded Projects	Volume 3
HB 15	LC 467	Implement Statutory K-12 inflation	Volume 1 (Sect E)

### Other Budget Bills Description

<u>Bill No/(LC No)</u>	<u>“Bill Title”/Description</u>
HB/SBx (LC 851)	Eliminate Natural Resources Operations Account and deposit revenues to the general fund
HB/SBx (LC 850)	Generally Revise State Finance Laws
HB.SBx (LC 943)	Eliminate Coal Severance Tax SSR Accounts and deposit revenues to the general fund