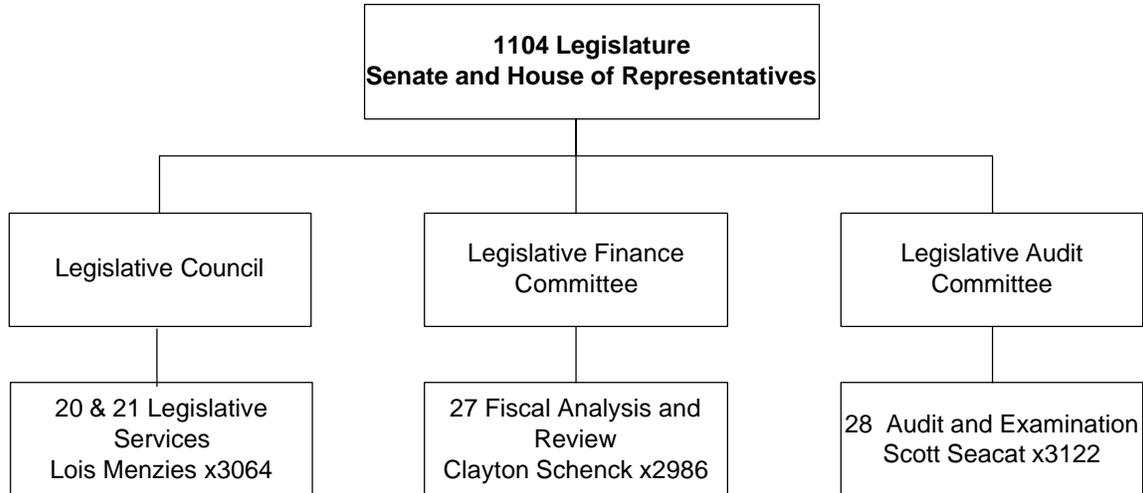


Legislative Branch-1104



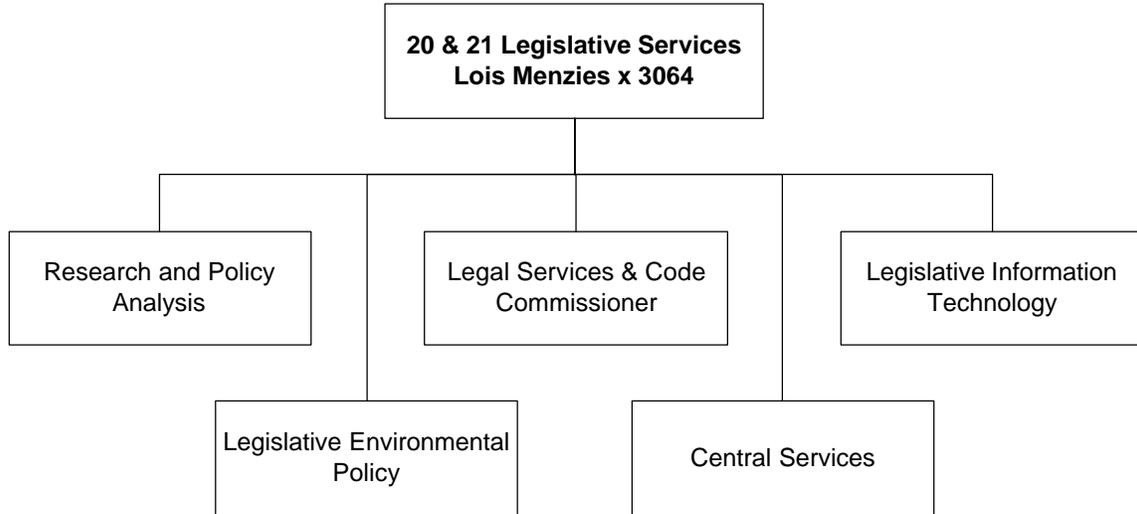
Mission Statement - The mission of the Legislature is to exercise the legislative power of state government vested in the Legislature by The Constitution of the State of Montana. The mission of the Legislative Branch, i.e., the consolidated legislative agency, is to provide the administrative structure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

Statutory Authority - Principal statutory authority for the Legislative Services Division is found in Title 1, Chapter 11, and Title 5, Chapters 5 and 11, MCA. Principal statutory authority for the Legislative Fiscal Division is found in The Legislative Finance Act, Title 5, Chapter 12, MCA. The function of the Legislative Audit Division is constitutionally required, with principal statutory authority in The Legislative Audit Act, Title 5, Chapter 13, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	124.77	0.20	0.00	124.97	0.20	0.00	130.14
Personal Services	7,131,990	8,378,995	13,518	15,524,503	(7,131,990)	0	0
Operating Expenses	1,916,296	3,119,681	240,888	5,276,865	(1,916,296)	0	0
Equipment	98,375	69,625	0	168,000	(98,375)	0	0
Total Costs	\$9,146,661	\$11,568,301	\$254,406	\$20,969,368	(\$9,146,661)	\$0	\$0
General Fund	7,055,185	9,446,485	254,406	16,756,076	(7,055,185)	0	0
State/Other Special	2,091,476	2,121,816	0	4,213,292	(2,091,476)	0	0
Total Funds	\$9,146,661	\$11,568,301	\$254,406	\$20,969,368	(\$9,146,661)	\$0	\$0

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

Legislative Branch-1104 Legislative Services-20



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

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	50.80	0.20	0.00	51.00	0.20	0.00	56.17
Personal Services	2,984,223	3,648,665	0	6,632,888	(2,984,223)	0	0
Operating Expenses	1,445,739	2,457,475	120,000	4,023,214	(1,445,739)	0	0
Equipment	98,375	69,625	0	168,000	(98,375)	0	0
Total Costs	\$4,528,337	\$6,175,765	\$120,000	\$10,824,102	(\$4,528,337)	\$0	\$0
General Fund	3,708,761	5,757,581	120,000	9,586,342	(3,708,761)	0	0
State/Other Special	819,576	418,184	0	1,237,760	(819,576)	0	0
Total Funds	\$4,528,337	\$6,175,765	\$120,000	\$10,880,942	(\$4,528,337)	\$0	\$0

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$5,635,074	\$5,227,857
FY07	(\$4,975,992)	(\$4,326,682)

PL- 1 - LSD Biennial Program Operations -

The Legislative Branch business cycle is biennial; therefore the entire budget is presented in the first year. Decreases from base relate to preparation and publication of the Montana Codes Annotated and other legislative publications. Increases to base relate to legislative session costs including temporary staff, printing, and office supplies. During the 2005 biennium, the branch equipment and software replacement cycle was deferred due to reductions of approximately \$1 million during the 2003 session. Resumption of the replacement cycle is included in present law adjustments.

Legislative Branch-1104 Legislative Services-20

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$158,000	\$158,000
FY07	\$0	\$0

PL- 2 - Audio Recordings as Committee Minutes -

The Legislative Branch produces and retains minutes of session committee hearings. Phased replacement of labor-intensive written summary committee minutes with audio recordings continues into the 2007 biennium. Committee proceedings will also broadcast to the Internet and be archived and made available on-line. Personal services savings recognized during the 2003 and 2005 sessions by the House and Senate are again expected during the 2007 session. While savings are recognized within HB 1, the "Feed Bill", responsibility for technological support of the House and Senate rests with the Legislative Services Division in HB 2.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$0
FY07	\$0	\$0

PL- 12 - Increase Branch Personnel Services FTE -

The 0.20 FTE in this decision package, when combined with an existing 0.80 FTE, will establish a full-time position to provide in-house personnel services to the Legislative Branch. The Legislative Council approved funding for this position during the 2005 biennium in June 2004. This decision package requests no funding.

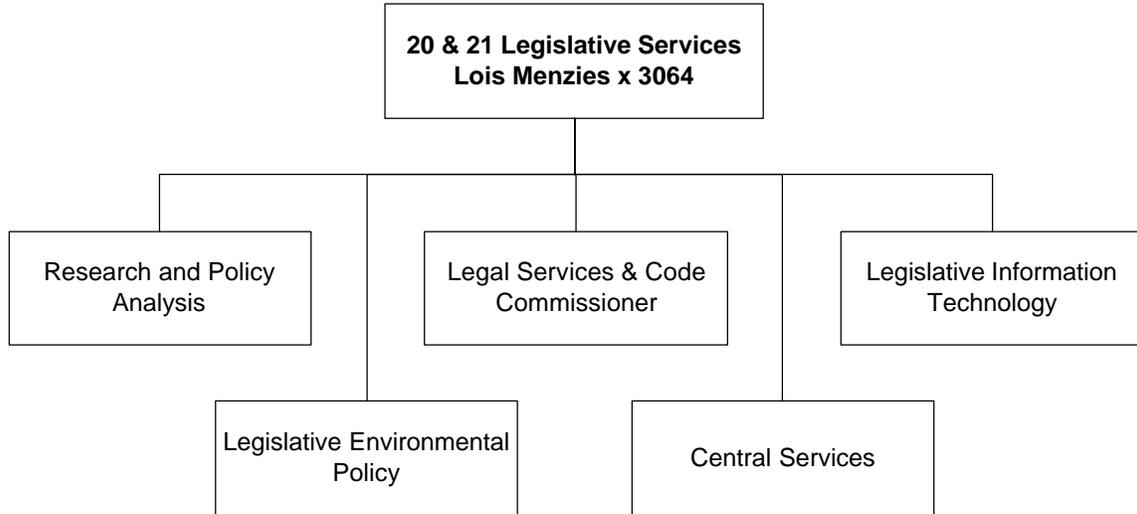
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$120,000	\$120,000
FY07	\$0	\$0

NP- 3 - Disaster Recovery and Security Plans -

The Legislative Branch Computer Systems Planning Council, established in Title 5, MCA, is required to develop a comprehensive branch computer system plan. The 2007 biennium computer system plan recognizes the Legislative Branch does not have disaster recovery or security plans in place for recovering mission-critical systems in the case of a disaster. This proposal uses contracted services for development and initial implementation of disaster recovery and security plans, with ongoing maintenance assumed within existing funding.

Legislative Branch-1104 Legislative Committees & Activities-21



Program Description - The Legislative Committees and Activities Program processes and monitors the expenditures of various legislative committees and activities, particularly those conducted during the interim between legislative sessions. Services include: 1) limited support of interim studies activities established under 5-5-202 through 5-5-217, MCA; 2) support of interstate cooperation activities of the legislature; and 3) support of other legislative activities for which appropriations are made.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	0.97	0.00	0.00	0.97	0.00	0.00	0.97
Personal Services	54,584	72,546	13,518	140,648	(54,584)	0	0
Operating Expenses	277,858	358,835	120,888	757,581	(277,858)	0	0
Total Costs	\$332,442	\$431,381	\$134,406	\$898,229	(\$332,442)	\$0	\$0
General Fund	332,442	431,381	134,406	898,229	(332,442)	0	0
Total Funds	\$332,442	\$431,381	\$134,406	\$898,229	(\$332,442)	\$0	\$0

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$411,606	\$411,606
FY07	(\$352,266)	(\$352,266)

PL- 4 - Committees & Activities Biennial Operations -

The budget, presented as a biennial appropriation in the first year, provides funding for the Legislative Council, Environmental Quality Council, and eight interim committees. Each committee's 2005 Biennium budget was reduced; sufficient funding is provided for each committee to complete its statutory tasks. The Legislative Council is required to facilitate participation of the state as a member of appropriate interstate entities. Montana is a member of the National Conference of State Legislatures, National Conference of Commissioners on Uniform State Laws, and Council of State Governments. Funding for dues and NCCUSL participation is included.

Legislative Branch-1104 Legislative Committees & Activities-21

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$44,754	\$44,754
FY07	\$0	\$0

NP- 5 - Participation, Pacific Northwest Economic Region -

Title 5, Chapter 11, part 7, MCA, defines Montana's agreement with the Pacific Northwest Economic Region (PNWER), an international organization promoting greater regional collaboration among the states of Alaska, Idaho, Montana, Oregon, and Washington, the provinces of Alberta and British Columbia, and the Yukon Territory. Statute also defines procedures for the appointment and compensation of delegates. The 2001 and 2003 legislatures did not fund Montana's participation in PNWER. A budget of \$44,754 represents payment of \$30,000 for Montana's dues and participation of four delegates once each fiscal year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$79,652	\$79,652
FY07	\$0	\$0

NP- 6 - Participation, NCSL and CSG -

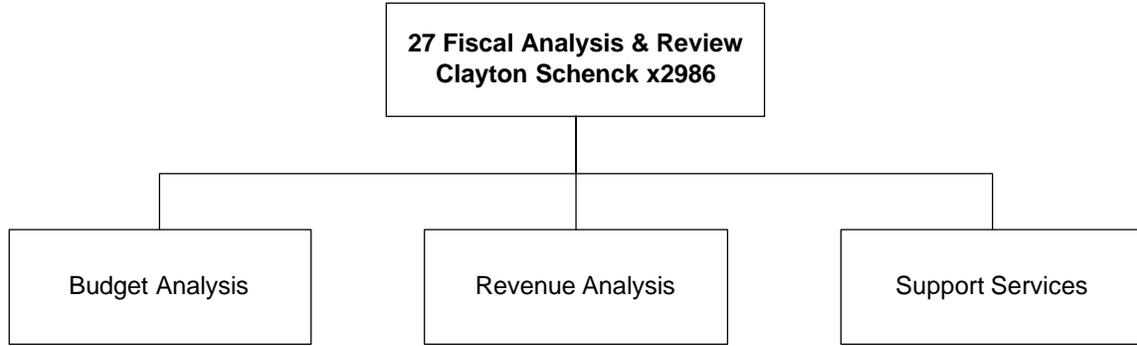
Montana is a member of two interstate organizations: National Conference of State Legislatures (NCSL) and the Council of State Governments (CSG). This proposal allows for participation of eight delegates in each of three NCSL conferences over the biennium for a cost of \$40,306 (\$1,679 per delegate) and the participation of eight delegates in each of three CSG conferences over the biennium for a cost of \$39,346 (\$1,639 per delegate).

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$10,000	\$10,000
FY07	\$0	\$0

NP- 7 - Legislative Council on River Governance -

The Legislative Council on River Governance is comprised of legislators from Montana, Oregon, Idaho, and Washington. The council mission is to assert state legislative authority over natural resources and river governance issues and to unite states for a proactive agenda of legislative action. In 2001, the legislature approved a one-time appropriation of \$10,000 for legislator participation in council meetings and activities during the 2003 biennium. Funding for participation during the 2005 biennium was eliminated from the budget during the appropriation process. This proposal provides funding for Montana's four members to participate in council meetings during the 2007 biennium.

Legislative Branch-1104 Fiscal Analysis & Review-27



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

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	18.50	0.00	0.00	18.50	0.00	0.00	18.50
Personal Services	1,130,237	1,329,558	0	2,459,795	(1,130,237)	0	0
Operating Expenses	40,574	83,570	0	124,144	(40,574)	0	0
Total Costs	\$1,170,811	\$1,413,128	\$0	\$2,583,939	(\$1,170,811)	\$0	\$0
General Fund	1,170,811	1,413,128	0	2,583,939	(1,170,811)	0	0
Total Funds	\$1,170,811	\$1,413,128	\$0	\$2,583,939	(\$1,170,811)	\$0	\$0

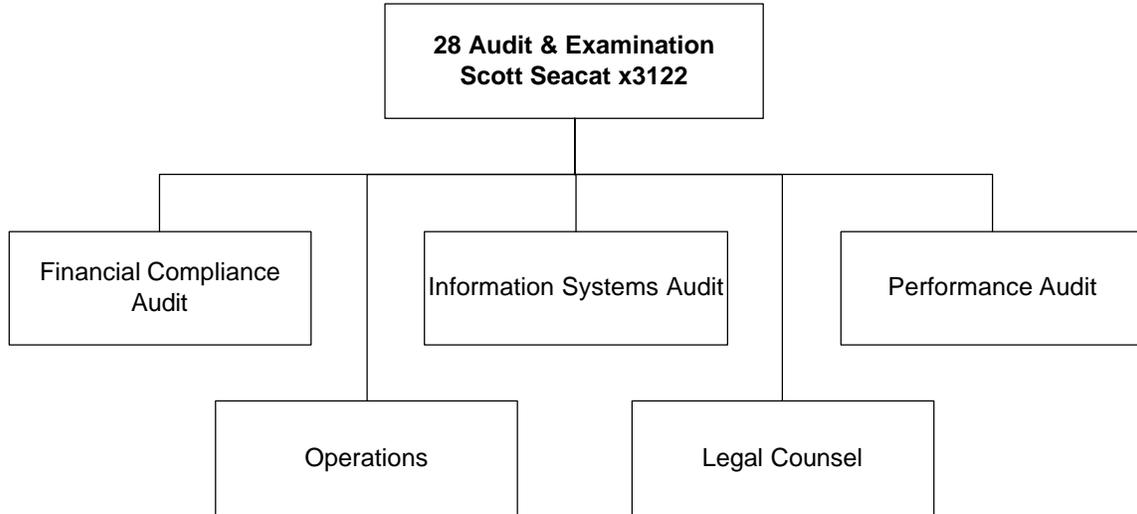
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,312,797	\$1,312,797
FY07	(\$1,267,797)	(\$1,267,797)

PL- 8 - LFD Biennial Operations -

The Legislative Branch business is biennial; therefore the entire budget is presented in the first year. Increases to base total \$45,000 in the categories of temporary services, printing and photocopy, and office supplies, and are due to cyclical legislative session costs which are not captured in the base year.

Legislative Branch-1104 Audit & Examination-28



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

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	54.50	0.00	0.00	54.50	0.00	0.00	54.50
Personal Services	2,962,946	3,328,226	0	6,291,172	(2,962,946)	0	0
Operating Expenses	152,125	219,801	0	371,926	(152,125)	0	0
Total Costs	\$3,115,071	\$3,548,027	\$0	\$6,663,098	(\$3,115,071)	\$0	\$0
General Fund	1,843,171	1,844,395	0	3,687,566	(1,843,171)	0	0
State/Other Special	1,271,900	1,703,632	0	2,975,532	(1,271,900)	0	0
Total Funds	\$3,115,071	\$3,548,027	\$0	\$6,663,098	(\$3,115,071)	\$0	\$0

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$3,301,286	\$1,896,065
FY07	(\$3,299,452)	(\$1,894,983)

PL- 9 - LAD Biennial Operations -

The Legislative Branch business cycle is biennial; therefore the entire budget is presented in the first year. No base increases or decreases, other than statewide present law adjustments, are reflected.

Legislative Branch-1104

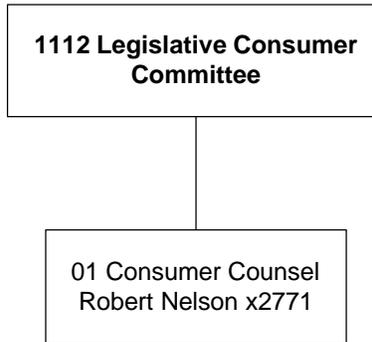
Audit & Examination-28

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$59,000	\$33,240
FY07	\$0	\$0

PL- 10 - LAD Cyclical Adjustments -

Changes from the adjusted base include cyclical costs associated with a Peer Review required by Government Auditing Standards, on-site audit training costs, and contract services for the use of actuary expertise on audits of retirement systems.

Consumer Counsel-1112 Administration Program-01



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

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

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

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	5.04	0.00	0.00	5.04	0.00	0.00	5.04
Personal Services	410,889	11,104	0	421,993	12,608	0	423,497
Operating Expenses	886,194	69,329	0	955,523	81,014	0	967,208
Total Costs	\$1,297,083	\$80,433	\$0	\$1,377,516	\$93,622	\$0	\$1,390,705
State/Other Special	1,297,083	80,433	0	1,377,516	93,622	0	1,390,705
Total Funds	\$1,297,083	\$80,433	\$0	\$1,377,516	\$93,622	\$0	\$1,390,705

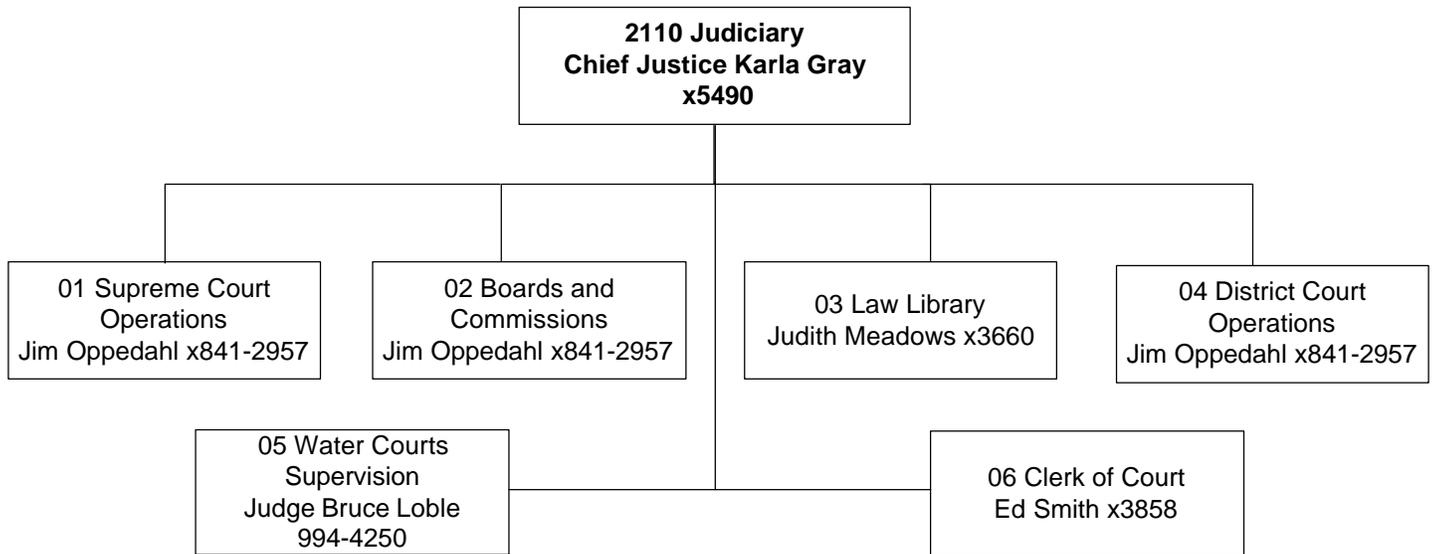
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$65,322	\$0
FY07	\$76,998	\$0

PL- 1 - Present Law Base Adjustments -

This present law budget increase includes \$30,646 per year to restore the contingency appropriation to \$250,000. The request also includes \$34,676 in FY 2006 and \$46,352 in FY 2007 for increases in professional services and miscellaneous expenses.

Judiciary-2110



Mission Statement - The jurisdiction of the Supreme Court consists of all appellate and original jurisdiction in petitions for writs of habeas corpus and other such writs, general supervisory control over all Montana courts, and rule making for those courts.

Statutory Authority - Article III, Section 1, and Article VII, Montana Constitution; Title 3, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	374.68	(19.00)	6.45	362.13	(19.00)	6.45	362.13
Personal Services	20,667,511	891,028	263,617	21,822,156	207,735	263,328	21,138,574
Operating Expenses	12,040,075	1,640,577	2,517,055	16,197,707	1,990,625	1,072,393	15,103,093
Equipment	303,670	17,310	0	320,980	25,965	0	329,635
Grants	535,058	(535,058)	0	0	(535,058)	0	0
Total Costs	\$33,546,314	\$2,013,857	\$2,780,672	\$38,340,843	\$1,689,267	\$1,335,721	\$36,571,302
General Fund	31,031,278	2,098,083	2,780,672	35,910,033	2,417,111	1,335,721	34,784,110
State/Other Special	2,378,886	(640,586)	0	1,738,300	(1,284,004)	0	1,094,882
Federal Special	136,150	556,360	0	692,510	556,160	0	692,310
Total Funds	\$33,546,314	\$2,013,857	\$2,780,672	\$38,340,843	\$1,689,267	\$1,335,721	\$36,571,302

Judiciary-2110

As required by 17-7-122(3), MCA, the 2007 biennium budget requested by the Judicial Branch is presented in the Executive Budget in Table A-1 on the next page. This exhibit also shows the Executive's recommendation, which is \$7,826,570 lower than what was requested. Listed in the table are those requests that were denied, changed or added by the Executive. The major differences are the denial of the general fund Information Technology request of \$4.8 million "for the biennium," the denial of the restoration of and then the addition of the Statewide FTE Reduction, which amounts to \$1.02 million general fund for the biennium. Another difference is the Executive's adjustment of Judiciary's fixed costs to match what was allocated by the OBPP, which accounts for approximately \$558,000 for the biennium. Also, the Executive adjusted the Juvenile Probation – JDIP request for \$2.048 million in state special revenue for the biennium. This will instead be a request for a language appropriation in HB 2. The balance of the difference can be seen in the exhibit below.

The Judiciary has requested \$950,000 general fund per year to pay for forensic psychiatric evaluations when a defendant is committed to the Montana State Hospital at Warm Springs under a district court order to determine the fitness of that individual to proceed in a criminal case against that individual. These evaluations were not previously billed for, but due to an audit finding the DPHHS must bill for these evaluations. As this money is received by DPHHS it will be deposited directly into the general fund, thus creating a net zero effect to the general fund balance. The Executive has increased this request by \$50,000 per year to ensure adequate spending authority. The Executive is carrying an identical revenue estimate for the requested \$1 million per year for the general fund.

The Executive has also funded two one-time-only general fund requests that were not included in the original Judiciary submission. The first is \$75,000 general fund to perform a District Court Judge workload assessment study. The second is \$1.345 million general fund to allow the Judiciary to complete the implementation of court case management software in Courts of Limited Jurisdiction and District Courts.

Judiciary-2110

Table A-1				
Judicial Branch Budget Request Compared to Executive Recommended Budget				
	BIENNIAL AMOUNTS FY 2006 & FY 2007			
	Branch	OBPP	OBPP Over/(Under)	
<u>Branch Wide</u>	<u>Submission</u>	<u>Recommended</u>	<u>Submission</u>	
FTE	389.13	363.13	(26.00)	
Personal Services	\$ 46,407,627	\$ 42,960,730	\$ (3,446,897)	
Operating Costs	35,680,473	31,300,800	(4,379,673)	
Equipment	650,615	650,615	-	
Grants	-	-	-	
TOTAL	\$ 82,738,715	\$ 74,912,145	\$ (7,826,570)	
 <u>Funding</u>				
General Fund	76,471,375	70,694,143	\$ (5,777,232)	
State/Other Special	4,881,868	2,833,182	(2,048,686)	
Federal	1,385,472	1,384,820	(652)	
TOTAL	\$ 82,738,715	\$ 74,912,145	\$ (7,826,570)	
 ITEMS THAT DIFFER FROM JUDICIARY REQUESTS				
	<u>FTE</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>TOTAL REDUCTION</u>
Pro Se Law Clerk	(1.00)	(52,646)	(49,326)	\$ (101,972.00)
Min. Standards - Judicial Support Staff	(4.00)	\$ (111,974)	\$ (111,848)	(223,822)
Judicial Education		(115,000)	(115,000)	(230,000)
Workload Assessment Study		75,000		75,000
Purchase Software Licenses		1,345,000		1,345,000
Information Technology	(17.00)	(2,234,259)	(2,572,999)	(4,807,258)
Juvenile Probation - JDIP		(999,359)	(1,049,327)	(2,048,686)
DC/JPO/CR Furniture and Equipment		(19,051)	(19,051)	(38,102)
Unfit To Proceed		50,000	50,000	100,000
Equalization		(155,000)	(141,300)	(296,300)
Reverted Appropriation Authority - Variable		(233,661)	213,101	(20,560)
Restore Statewide FTE Reduction		(255,458)	(255,458)	(510,916)
ADDED By OBPP : Statewide FTE Reduction	(5.00)	(255,458)	(255,458)	(510,916)
Fixed Costs Reduction		(279,019)	(279,019)	(558,038)
TOTAL	(22.00)	\$ (3,240,885)	\$ (4,585,685)	\$ (7,826,570)

Judiciary-2110 Supreme Court Operations-01

01 Supreme Court Operations
Jim Oppedahl x841-2957

Program Description - The Supreme Court has appellate jurisdiction for the State of Montana. It has original jurisdiction to issue, hear, and determine writs of habeas corpus and other such writs as may be provided by law. It also has general supervisory control over all other courts in the state. The Supreme Court is charged with establishing rules governing appellate procedure, the practice and procedure for all other courts, admissions to the bar, and the conduct of its members. The Supreme Court consists of a Chief Justice and six justices. The Supreme Court also administers the federal court assessment program and the court-appointed special advocate program.

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2004	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2006	Fiscal 2006	Fiscal 2006	Fiscal 2007	Fiscal 2007	Fiscal 2007
FTE	52.00	(14.00)	1.50	39.50	(14.00)	1.50	39.50
Personal Services	3,088,183	(459,221)	83,461	2,712,423	(460,896)	83,370	2,710,657
Operating Expenses	1,123,215	83,928	1,448,935	2,656,078	48,928	22,393	1,194,536
Equipment	0	0	0	0	0	0	0
Grants	535,058	(535,058)	0	0	(535,058)	0	0
Total Costs	\$4,746,456	(\$910,351)	\$1,532,396	\$5,368,501	(\$947,026)	\$105,763	\$3,905,193
General Fund	3,102,822	390,773	1,532,396	5,025,991	354,298	105,763	3,562,883
State/Other Special	1,507,484	(1,357,484)	0	150,000	(1,357,484)	0	150,000
Federal Special	136,150	56,360	0	192,510	56,160	0	192,310
Total Funds	\$4,746,456	(\$910,351)	\$1,532,396	\$5,368,501	(\$947,026)	\$105,763	\$3,905,193

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$1,369,312)	\$0
FY07	(\$1,368,109)	\$0

PL- 4 - Eliminate District Court Automation Program -

Provisions in 3-1-317, MCA authorized a \$10 user surcharge on certain court case filings. The amounts collected are used to provide state funding of court information technology. This statute is temporary and terminates June 30, 2005. This decision package is necessary to eliminate the existing budget for the information technology program since the funding for the program will no longer exist. The Judiciary will be proposing legislation to restore this program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$66,279	\$0
FY07	\$66,354	\$0

PL- 5 - Court Assessment/CASA -

This proposal provides about \$66,000 federal funds per year to continue the Court Assessment Program (CAP) and the Court Appointed Special Advocate Program (CASA). The Court Assessment program provides for the evaluation of the effectiveness of child abuse and neglect proceedings within the Montana legal system. This program is funded 75% federal funds and 25% general fund. The CASA program is a statewide federal program that provides for court appointed special advocates to represent youth in child abuse and neglect proceedings.

Judiciary-2110 Supreme Court Operations-01

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$112,396	\$112,396
FY07	\$105,763	\$105,763

NP- 2 - Appellate Mediator -

This Judiciary requests about \$218,000 general fund and 1.50 FTE for the biennium for an appellate mediator. Montana is one of nine states that does not have an intermediate appellate court. Thus, although Montana is a sparsely populated state, the Court has a very heavy workload with each Justice writing over 50 written opinions per year-well in excess of the national average for an appellate court.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$75,000	\$75,000
FY07	\$0	\$0

NP- 4 – Workload Assessment Study –RST/OTO -

This proposal provides \$75,000 general fund to the Supreme Court in FY 2006 to perform a workload assessment study of District Court judges and staff. The request is one-time-only, restricted, and biennial.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,345,000	\$1,345,000
FY07	\$0	\$0

NP- 5 Purchase Software Licenses –RST/OTO -

The Executive recommends a one-time-only, restricted, and biennial appropriation to purchase initial software application licenses for District Courts and the remaining Courts of Limited Jurisdiction. The court software, called “JSI-FullCourt Case Management System” has already been rolled out successfully in 86 Courts of Limited Jurisdiction and no District Courts.

Judiciary-2110 Boards and Commissions-02

02 Boards and Commissions
Jim Oppedahl x841-2957

Program Description - The Boards and Commissions Program oversees functions assigned to the Supreme Court either by legislative or constitutional mandate. The program manages judicial discipline, rules, and other substantive matters aimed at improving and maintaining the administration of justice. Commissions and boards included in the program are the Judicial Standards Commission; Sentence Review Commission; Commission on Practice; Commission on Courts of Limited Jurisdiction; and the Judicial Nominations Commission.

Program Proposed Budget	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	3.00	0.00	0.00	3.00	0.00	0.00	3.00
Personal Services	79,543	39,501	0	119,044	39,326	0	118,869
Operating Expenses	135,657	24,043	0	159,700	(952)	0	134,705
Total Costs	\$215,200	\$63,544	\$0	\$278,744	\$38,374	\$0	\$253,574
General Fund	215,200	38,544	0	253,744	13,374	0	228,574
State/Other Special	0	25,000	0	25,000	25,000	0	25,000
Total Funds	\$215,200	\$63,544	\$0	\$278,744	\$38,374	\$0	\$253,574

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$25,000	\$25,000
FY07	\$0	\$0

PL- 2 - Judicial Standards Investigations - Rest/Biennial -

This proposal provides a \$25,000 restricted, biennial, general fund appropriation for the constitutionally mandated Judicial Standards Commission that investigates complaints and makes recommendations regarding the conduct of judicial officers. If approved, this funding could only be used to pay for the investigations of complaints against judges. If the costs are not incurred, the funds will revert to the general fund.

Judiciary-2110 Law Library-03

03 Law Library Judith Meadows x3660
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Program Description - The State Law Library houses reference materials used by the Supreme Court, lower courts, the Legislature, state officers and employees, members of the bar, and the general public. The collection includes legal materials from the federal government and all 50 states, as well as Canada. Some of the books and materials contained in the library include treatises, law reviews, reports, microfilm, and audio/video tapes for continuing legal education. Access to much of the information is also provided from the library's Internet site. The State Law Library is governed by a Board of Trustees which consists of the Supreme Court justices.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	7.50	0.00	0.00	7.50	0.00	0.00	7.50
Personal Services	333,852	26,123	0	359,975	25,764	0	359,616
Operating Expenses	131,447	(450)	0	130,997	(449)	0	130,998
Equipment	303,670	17,310	0	320,980	25,965	0	329,635
Total Costs	\$768,969	\$42,983	\$0	\$811,952	\$51,280	\$0	\$820,249
General Fund	768,969	42,983	0	811,952	51,280	0	820,249
Total Funds	\$768,969	\$42,983	\$0	\$811,952	\$51,280	\$0	\$820,249

Judiciary-2110 District Court Operations-04

04 District Court Operations
Jim Oppedahl x841-2957

Program Description - District courts are general jurisdiction trial courts having original jurisdiction in all criminal felony cases, civil matters, and cases of law. The 57th Legislature mandated state funding of Montana District Courts with general fund revenue. The change to state funding made District Courts part of the Judicial Branch of state government and made the Supreme Court responsible for the management of District Court costs and operations.

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2004	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2006	Fiscal 2006	Fiscal 2006	Fiscal 2007	Fiscal 2007	Fiscal 2007
FTE	295.68	(5.00)	4.95	295.63	(5.00)	4.95	295.63
Personal Services	16,262,315	1,179,787	180,156	17,622,258	500,607	179,958	16,942,880
Operating Expenses	10,509,709	1,532,876	1,068,120	13,110,705	1,941,926	1,050,000	13,501,635
Total Costs	\$26,772,024	\$2,712,663	\$1,248,276	\$30,732,963	\$2,442,533	\$1,229,958	\$30,444,515
General Fund	26,573,578	1,614,999	1,248,276	29,436,853	1,987,417	1,229,958	29,790,953
State/Other Special	198,446	597,664	0	796,110	(44,884)	0	153,562
Federal Special	0	500,000	0	500,000	500,000	0	500,000
Total Funds	\$26,772,024	\$2,712,663	\$1,248,276	\$30,732,963	\$2,442,533	\$1,229,958	\$30,444,515

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$34,495	\$34,495
FY07	\$0	\$0

PL- 6 - Court Recording Equipment -

This proposal provides \$34,495 of general fund in FY 2006 for court recording equipment. A court recording system costs about \$10,000. Three systems would be purchased for a three county district. This proposal also provides \$4,495 to purchase real-time equipment and software.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$8,414	\$8,414
FY07	\$8,414	\$8,414

PL- 4302 - Annualize Motor Pool Lease Costs - JPOs -

The request provides \$8,414 general fund per year to annualize the cost of motor pool leases for Juvenile Probation Officers. Leasing vehicles through the state motor pool is the most cost effective method to provide transportation for JPOs. Some of the Juvenile Probation Officers did not have a leased vehicle the entire year, therefore, the expenditures must be annualized. This proposal provides funding for four JPO vehicles.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$10,543	\$10,543
FY07	\$10,543	\$10,543

PL- 4303 - Annualize Motor Pool Lease Costs - DC Judges -

This request includes \$10,543 general fund each year to annualize the cost of motor pool leases for District Court judges. Leasing vehicles through the state motor pool is the most cost effective method to provide transportation for these judges. The eight leases had not been in effect the entire year.

Judiciary-2110 District Court Operations-04

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$642,548	\$0
FY07	\$0	\$0

PL- 4510 - Authority for County Paid Annual & Sick Leave -

This proposal provides \$642,548 of state special revenue authority in this biennial request to be used for annual leave and sick leave payouts for former county employees that leave the judicial branch. These payouts are funded by county payments to the state.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$838,958	\$838,958
FY07	\$1,282,392	\$1,282,392

PL- 4511 - Restore Variable Cost Funding that was OTO -

This proposal provides for \$838,958 in FY 2006 and \$1,282,392 in FY 2007 of general fund for district court variable costs. The 2003 Legislature provided up to \$1,800,000 of authority for district court expenses to be funded with general fund reverted appropriations branch wide. This request adds this funding back to the base, which was understated by the requested amount due to the fact that the funding was not ongoing.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$500,000	\$0
FY07	\$500,000	\$0

PL- 4512 - Misc. Federal Grants -

This decision package requests \$500,000 of federal appropriation authority per year for various federal grants. Currently, some counties continue to administer federal grants for the youth courts. The Legislative Auditors have indicated that these activities should be recorded on the state accounting system. Currently, there is approximately \$593,000 of federal activity so this request is merely an estimate of the federal grant amounts.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$153,562	\$0
FY07	\$153,562	\$0

PL- 4516 - Youth Courts-Community Programs/Video Conferencing -

The proposal provides \$153,562 per year of state special revenue authority for fees collected in Youth Courts and for Video Conferencing services. Youth Courts collect monies from youths for costs of treatment and counseling. The previous legislature authorized \$150,000 per year but only \$71,438 was spent so this proposal requests the additional \$78,562 of authority. The branch also requests \$75,000 per year of authority for video conferencing services. The branch charges attorneys and others to use video conferencing equipment. The fees collected will be used to operate and maintain the equipment.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$255,458)	(\$255,458)
FY07	(\$255,458)	(\$255,458)

PL- 9904 - Statewide FTE Reduction -

This decision package implements an FTE reduction equivalent to the reductions taken in the 2003 legislative session. This 5.00 FTE and \$255,458 general fund per year are removed from the budget permanently.

Judiciary-2110 District Court Operations-04

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$198,276	\$198,276
FY07	\$179,958	\$179,958

NP- 1 - Min. Standards - Judicial Support Staff -

This proposal provides about \$378,000 general fund for 4.95 FTE for the 2007 biennium. Currently, five judicial districts in the state do not have the minimum level of staffing which is one judicial assistant, one law clerk, and one court reporter per judge. Lack of support staff forces judges to do all of their own scheduling, research and administrative tasks which reduces the efficiency of the judicial process.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$50,000	\$50,000
FY07	\$50,000	\$50,000

NP- 10 - Judicial Education - Rest. Biennial -

Judicial education is an essential component of an effective, efficient and well-rounded judiciary. This proposal provides \$100,000 of general fund over the biennium for judicial education. This request is for a restricted biennial appropriation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,000,000	\$1,000,000
FY07	\$1,000,000	\$1,000,000

NP- 4515 - Unfit to Proceed Costs -

This proposal provides \$1,000,000 per year of general fund to pay for forensic psychiatric evaluations when a defendant is committed to the Montana State Hospital at Warm Springs under a district court order to determine the fitness of that individual to proceed in a criminal case against that individual. These funds will flow directly back into the general fund through the Department of Public Health and Human Services.

Language Recommendations –

"There is a state special revenue fund in the Judiciary established for the purpose of expending Juvenile Placement funds from the Department of Corrections. There is appropriated to the Judiciary up to \$2.25 million state special revenue for the 2007 biennium to spend surplus Juvenile Placement funds received from Department of Corrections. In accordance with the agreement between the two departments, the funds may be spent up to two years following the year in which they were transferred."

Judiciary-2110 Water Courts Supervision-05

**05 Water Courts Supervision
Judge Bruce Loble x586-4364**

Program Description - The Water Courts Supervision Program, located in Bozeman, adjudicates claims of existing water rights in Montana and supervises the distribution of water among the four water divisions of the state, as defined in 3-7-102, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	11.00	0.00	0.00	11.00	0.00	0.00	11.00
Personal Services	568,454	94,239	0	662,693	93,369	0	661,823
Operating Expenses	104,502	(5)	0	104,497	(5)	0	104,497
Total Costs	\$672,956	\$94,234	\$0	\$767,190	\$93,364	\$0	\$766,320
State/Other Special	672,956	94,234	0	767,190	93,364	0	766,320
Total Funds	\$672,956	\$94,234	\$0	\$767,190	\$93,364	\$0	\$766,320

Judiciary-2110 Clerk Of Court-06

06 Clerk of Court Ed Smith x3858

Program Description - The Clerk of Court Program performs support and operational duties for the Supreme Court, as outlined in Title 3, Chapter 2, part 4, MCA. The program keeps the court records and files, issues writs and certificates, approves bonds, files all papers and transcripts, and performs other duties as required.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	5.50	0.00	0.00	5.50	0.00	0.00	5.50
Personal Services	335,164	10,599	0	345,763	9,565	0	344,729
Operating Expenses	35,545	185	0	35,730	1,177	0	36,722
Total Costs	\$370,709	\$10,784	\$0	\$381,493	\$10,742	\$0	\$381,451
General Fund	370,709	10,784	0	381,493	10,742	0	381,451
Total Funds	\$370,709	\$10,784	\$0	\$381,493	\$10,742	\$0	\$381,451

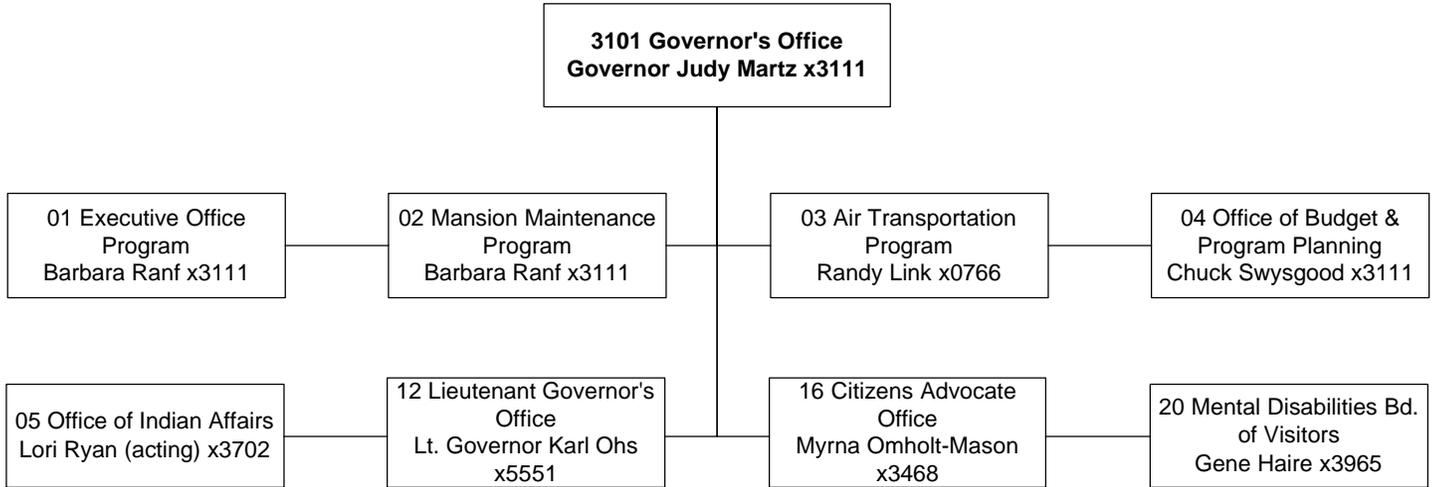
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$991	\$991
FY07	\$1,982	\$1,982

PL- 6001 - Records Storage -

The Clerk of Court estimates that, with the current storage backlog (files from 2001 and 2002) and what will accrue over the next biennium (records for 2003 and 2004), the office will incur the need to store approximately 560 additional boxes of information at the Records Management facility. The Executive recommends the clerk's request for \$991 for FY 2006 and \$1,982 for FY 2007 for a total of \$2,973 general fund in the 2007 biennium.

Governor's Office-3101

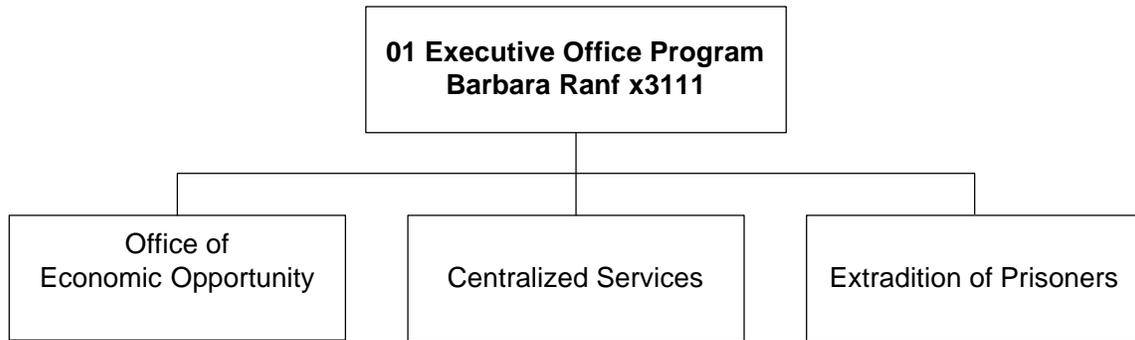


Mission Statement - To oversee and direct the activities of the executive branch of Montana state government, consistent with statutory and constitutional mandates, in a manner that provides necessary and affordable services to the citizens of Montana.

Statutory Authority - Primary authority is Article VI, Montana Constitution

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	60.00	(1.43)	1.00	59.57	(1.43)	1.00	59.57
Personal Services	2,925,593	534,328	94,807	3,554,728	526,474	94,513	3,546,580
Operating Expenses	1,456,701	156,969	5,193	1,618,863	37,687	5,487	1,499,875
Grants	0	9,789,803	0	9,789,803	0	0	0
Total Costs	\$4,382,294	\$10,481,100	\$100,000	\$14,963,394	\$564,161	\$100,000	\$5,046,455
General Fund	4,226,670	505,919	100,000	4,832,589	444,236	100,000	4,770,906
State/Other Special	45,247	9,971,549	0	10,016,796	116,336	0	161,583
Federal Special	110,377	3,632	0	114,009	3,589	0	113,966
Total Funds	\$4,382,294	\$10,481,100	\$100,000	\$14,963,394	\$564,161	\$100,000	\$5,046,455

Governor's Office-3101 Executive Office Program-01



Program Description - The Executive Office Program aids the Governor in overseeing and coordinating the activities of the executive branch of Montana state government. The program provides administrative, legal, and press support and provides centralized services 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 Opportunity, which was created to strengthen the foundations of the state's business environment and diversify and expand existing economic endeavors to achieve long-term economic stability.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	25.00	(0.37)	1.00	25.63	(0.37)	1.00	25.63
Personal Services	1,231,191	290,235	94,807	1,616,233	286,336	94,513	1,612,040
Operating Expenses	993,697	113,284	5,193	1,112,174	(2,741)	5,487	996,443
Grants	0	9,789,803	0	9,789,803	0	0	0
Total Costs	\$2,224,888	\$10,193,322	\$100,000	\$12,518,210	\$283,595	\$100,000	\$2,608,483
General Fund	2,224,888	196,526	100,000	2,521,414	142,012	100,000	2,466,900
State/Other Special	0	9,996,796	0	9,996,796	141,583	0	141,583
Total Funds	\$2,224,888	\$10,193,322	\$100,000	\$12,518,210	\$283,595	\$100,000	\$2,608,483

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$40,736	\$40,736
FY07	\$21,641	\$21,641

PL- 1 - Computer Replacement Schedule -

The budget includes general fund in the amount \$40,736 in FY 2006 and \$21,641 in FY 2007 for computer replacement in all programs of the Governor's Office in accordance with the state-standard four year replacement cycle.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$9,854,803	\$0
FY07	\$0	\$0

PL- 2 HB 564 Spending Authority -

The Executive recommends this biennial state special revenue proposal of approximately \$9.85 million to support workforce development activities and to oversee the Workforce Training Act established by the 2003 Legislature in HB 564.

Governor's Office-3101 Executive Office Program-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$23,870)	(\$23,870)
FY07	(\$23,793)	(\$23,793)

PL- 3 - Statewide FTE Reduction -

This decision package implements an FTE reduction equivalent to the reductions taken in the 2003 legislative session. This 0.37 FTE and approximately \$24,000 general fund per year are removed from the budget permanently.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$77,535)	(\$77,535)
FY07	(\$77,535)	(\$77,535)

PL- 4 - Decrease Operating Expenses -

The Office of Economic Opportunity had unusual vacancies in FY 2004. In order to complete necessary work projects, the office instead contracted for services. This request will reduce operating expenditures related to those contracts by \$77,535 general fund each year of the biennium. Existing staff will work on these projects in the 2007 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$40,800	\$40,800
FY07	\$40,800	\$40,800

PL- 5 - Extradition of Prisoners -

In FY 2004, the extradition of prisoners program exceeded its budget authority by approximately \$40,000. The Jobs and Tax Relief funds received from the federal government funded this shortfall. The costs of this program are difficult to estimate because they are dependent upon requests from local governments to extradite prisoners from other states. This request adds \$40,800 general fund each year as the best estimate of the need for extraditions.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$15,000	\$15,000
FY07	\$15,000	\$15,000

PL- 6 - Executive Staff Operating Adjustments -

This request adds \$15,000 general fund authority in both years of the 2007 biennium for travel and operating adjustments to the Executive Office program. This will allow the new administration to have the same operating budget as the FY 2000 level, which represents a more historically typical level.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$100,000	\$100,000
FY07	\$100,000	\$100,000

NP- 7 - Board of Education Staff Person -

The Governor is the chairman of the Board of Education which is comprised of the members of the Board of Regents and the Board of Public Education. The constitution gives the "joint" Board of Education the responsibility for long-range planning, for coordinating and evaluating policies and programs for the state's educational systems, and for submitting a unified budget. The Board of Education has relied on the staff of the Governor's Office, the Board of Regents, the Office of Public Instruction and the Board of Public Education for any work it needs. This disjointed approach has led to a lack of coordination, direction, and follow through on Board of Education policies. This proposal adds 1.00 FTE to the Governor's Office staff for a Commissioner of Education for the Board of Education.

Governor's Office-3101 Mansion Maintenance Program-02

**02 Mansion Maintenance
Program
Barbara Ranf x3111**

Program Description - The Mansion Maintenance Program maintains the Governor's official residence.

Program Proposed Budget	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	1.50	0.00	0.00	1.50	0.00	0.00	1.50
Personal Services	53,188	(1,570)	0	51,618	(1,696)	0	51,492
Operating Expenses	16,295	18,614	0	34,909	18,608	0	34,903
Total Costs	\$69,483	\$17,044	\$0	\$86,527	\$16,912	\$0	\$86,395
General Fund	69,483	17,044	0	86,527	16,912	0	86,395
Total Funds	\$69,483	\$17,044	\$0	\$86,527	\$16,912	\$0	\$86,395

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$18,500	\$18,500
FY07	\$18,500	\$18,500

PL- 1 - Mansion Operating Expenses -

The operating budget for the Governor's mansion is at an all time low. This request will restore the operating budget for the mansion to the FY 2000 level by adding \$18,500 general fund each year back into the budget. This budget level would accommodate a family in the mansion.

Governor's Office-3101 Air Transportation Program-03

03 Air Transportation Program Randy Link x0766

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

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	1.00	0.00	0.00	1.00	0.00	0.00	1.00
Personal Services	30,278	10,170	0	40,448	10,123	0	40,401
Operating Expenses	173,422	547	0	173,969	543	0	173,965
Total Costs	\$203,700	\$10,717	\$0	\$214,417	\$10,666	\$0	\$214,366
General Fund	170,040	24,377	0	194,417	24,326	0	194,366
State/Other Special	33,660	(13,660)	0	20,000	(13,660)	0	20,000
Total Funds	\$203,700	\$10,717	\$0	\$214,417	\$10,666	\$0	\$214,366

**Governor's Office-3101
Office of Budget & Program Planning-04**

**04 Office of Budget & Program
Planning
Chuck Swysgood x3616**

Program Description - The Office of Budget and Program Planning (OBPP) assists the Governor in preparing the Governor's Executive Budget and in 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 also acts as the lead executive branch agency for compliance with the federal Single Audit Act.

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2004	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2006	Fiscal 2006	Fiscal 2006	Fiscal 2007	Fiscal 2007	Fiscal 2007
FTE	20.00	(1.00)	0.00	19.00	(1.00)	0.00	19.00
Personal Services	1,034,136	153,630	0	1,187,766	151,410	0	1,185,546
Operating Expenses	135,419	17,978	0	153,397	14,563	0	149,982
Total Costs	\$1,169,555	\$171,608	\$0	\$1,341,163	\$165,973	\$0	\$1,335,528
General Fund	1,169,555	171,608	0	1,341,163	165,973	0	1,335,528
Total Funds	\$1,169,555	\$171,608	\$0	\$1,341,163	\$165,973	\$0	\$1,335,528

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$15,692)	(\$15,692)
FY07	(\$15,641)	(\$15,641)

PL- 4 - Statewide FTE Reduction -

This decision package implements an FTE reduction equivalent to the reductions taken in the 2003 legislative session. This 0.36 FTE and approximately \$15,000 general fund per year are removed from the budget permanently.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$32,082)	(\$32,082)
FY07	(\$31,994)	(\$31,994)

PL- 102 - Eliminate OBPP FTE / Broadband -

The Executive recommends a reduction of 0.64 FTE to fund the OBPP alternative pay plan adjustments of approximately \$64,076 general fund for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$0
FY07	\$12,500	\$12,500

PL- 104 - OBPP Session Costs -

The budget includes a request of \$12,500 in the second year of the biennium for costs association with cyclical printing of the Executive Budget.

Governor's Office-3101
Office of Budget & Program Planning-04

Language Recommendations –

“If the natural gas rates in the state's contract are greater than 18 percent higher than the FY 2004 rates in FY 2006 and 12 percent higher than the FY 2004 rates in FY 2007, or if the electricity default supplier rates are greater than 1 percent higher than the FY 2004 rates in FY 2006 and 2 percent higher than the FY 2004 rates in FY 2007, then OBPP is appropriated \$1.7 million general fund, \$920,000 state special revenue, and \$1,080,000 federal special revenue for the 2007 biennium. OBPP shall equitably distribute the funds to state agencies based upon each funds proportional share of the increased costs.”

“OBPP is appropriated the amount of revenue deposited in the state general fund from state fund dividends by all agencies in the state up to a maximum of \$250,000 for the biennium. OBPP is appropriated the amount of state special revenue deposited in the state special fund from state fund dividends by all agencies in the state up to of a maximum of \$250,000 for the biennium. These appropriations are restricted to the purpose of reducing long-term expenditures on worker's comp insurance, providing a safer work environment, or offsetting increases in rates beyond approved budget levels. Appropriation transfers to agencies may only take place after the OBPP and Department of Administration Risk Management and Tort Defense, and the Montana State Fund approve a plan for expenditure.”

Governor's Office-3101 Coordinator of Indian Affairs-05

**05 Office of Indian Affairs
Lori Ryan (acting) x3702**

Program Description - The Coordinator of Indian Affairs Program serves as the Governor's liaison with state Indian tribes, provides information and policy support on issues confronting the Indians of Montana, and advises and makes recommendations on these issues to the legislative and executive branches. The coordinator also serves the Montana congressional delegation as an advisor and intermediary in the field of Indian affairs and acts as spokesperson for representative Native American organizations and groups, both public and private, whenever that support is requested. The program is mandated by 2-15-217 and 90-11-101, MCA.

Program Proposed Budget	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	2.00	0.00	0.00	2.00	0.00	0.00	2.00
Personal Services	49,902	56,870	0	106,772	56,557	0	106,459
Operating Expenses	30,998	(6,095)	0	24,903	(6,063)	0	24,935
Total Costs	\$80,900	\$50,775	\$0	\$131,675	\$50,494	\$0	\$131,394
General Fund	69,313	62,362	0	131,675	62,081	0	131,394
State/Other Special	11,587	(11,587)	0	0	(11,587)	0	0
Total Funds	\$80,900	\$50,775	\$0	\$131,675	\$50,494	\$0	\$131,394

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$11,587)	\$0
FY07	(\$11,587)	\$0

PL- 1 - Eliminate Indian Economic Development Expenditures from Base –

The budget includes a reduction of approximately \$12,000 state special revenue each year for the State-Tribal Economic Development Commission, which was established under 90-1-131, MCA, and expires June 30, 2005.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$5,000	\$5,000
FY07	\$5,000	\$5,000

PL- 2 - Coordinator Travel Expenses -

The Coordinator of Indian Affairs position has been vacant since 2002. This request, of \$5,000 general fund each year of the biennium, would restore the travel budget for the coordinator and allow him/her to complete the necessary travel required of the position.

**Governor's Office-3101
Lieutenant Governor's Office-12**

12 Lieutenant Governor's Office Lt. Governor Karl Ohs x5551
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Program Description - The Office of the Lieutenant Governor is responsible for carrying out duties prescribed by statute established by Article VI, Section 4 of the Montana Constitution, as well as those delegated by the Governor. Statutory authority is Title 2, Chapter 15, part 3, MCA.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	
FTE	4.00	(0.06)	0.00	3.94	(0.06)	0.00	3.94	
Personal Services	210,095	27,175	0	237,270	26,471	0	236,566	
Operating Expenses	33,768	912	0	34,680	1,034	0	34,802	
Total Costs	\$243,863	\$28,087	\$0	\$271,950	\$27,505	\$0	\$271,368	
General Fund	243,863	28,087	0	271,950	27,505	0	271,368	
Total Funds	\$243,863	\$28,087	\$0	\$271,950	\$27,505	\$0	\$271,368	

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$3,445)	(\$3,445)
FY07	(\$3,434)	(\$3,434)

PL- 1 - Statewide FTE Reduction -

This decision package implements an FTE reduction equivalent to the reductions taken in the 2003 legislative session. This 0.06 FTE and approximately \$3,400 general fund per year are removed from the budget permanently.

Governor's Office-3101 Citizens' Advocate Office-16

**16 Citizen's Advocate Office
Myrna Omholt-Mason x3468**

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

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	1.50	0.00	0.00	1.50	0.00	0.00	1.50
Personal Services	78,051	(100)	0	77,951	(298)	0	77,753
Operating Expenses	11,610	114	0	11,724	109	0	11,719
Total Costs	\$89,661	\$14	\$0	\$89,675	(\$189)	\$0	\$89,472
General Fund	74,539	(4,864)	0	69,675	(5,067)	0	69,472
Federal Special	15,122	4,878	0	20,000	4,878	0	20,000
Total Funds	\$89,661	\$14	\$0	\$89,675	(\$189)	\$0	\$89,472

Governor's Office-3101 Mental Disabilities Board of Visitors-20



Program Description - The Mental Disabilities Board of Visitors is charged with reviewing patient care at Montana's community mental health centers, and at the institutions for the mentally ill and the developmentally disabled. The board provides legal services for the residents at those institutions. The Governor appoints five board members who may be (but are not required to be) consumers, doctors of medicine, or behavioral scientists. The board employs administrative and legal staff and contracts with medical 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.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00
Personal Services	238,752	(2,082)	0	236,670	(2,429)	0	236,323
Operating Expenses	61,492	11,615	0	73,107	11,634	0	73,126
Total Costs	\$300,244	\$9,533	\$0	\$309,777	\$9,205	\$0	\$309,449
General Fund	204,989	10,779	0	215,768	10,494	0	215,483
Federal Special	95,255	(1,246)	0	94,009	(1,289)	0	93,966
Total Funds	\$300,244	\$9,533	\$0	\$309,777	\$9,205	\$0	\$309,449

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

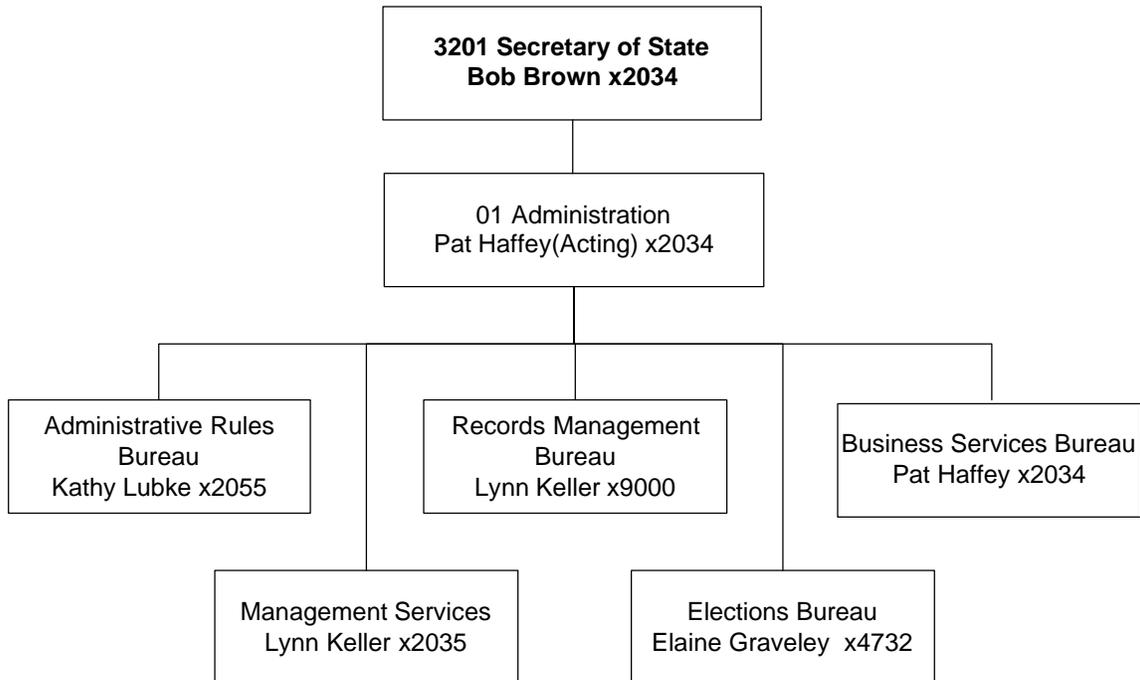
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$10,000	\$10,000
FY07	\$10,000	\$10,000

PL- 1 - Board of Visitors Operating Expenses -

This request of \$10,000 general fund each year of the biennium will restore the programs travel and operating budget. The Board of Visitors has a statutory obligation to visit Montana's public mental health facilities.

Secretary of State Office-3201

Business & Government Services-01



Mission Statement - To serve the voters, business community, and governmental agencies of Montana by overseeing the elections process, facilitating business activities, commissioning notaries, publishing the Administrative Rules of Montana, and preserving documents and records. The Secretary of State works for and with its customers, continuously striving to improve service.

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

Program Description - The Secretary of State has one program with five bureaus.

The Elections Bureau 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 bureau also oversees the implementation of the Help America Vote Act, (HAVA).

The Business Services Bureau 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 Administrative Rules Bureau executes the duties of the Secretary of State's Office under the Montana Administrative Procedure Act. These duties include, but are not limited to, the filing, indexing, organizing for publication, and distribution of Administrative Rules adopted by state agencies. These filings are published in the Administrative Rules of Montana (ARM) and the Montana Administrative Register (MAR), under statutorily mandated deadlines.

The Records Management Bureau 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.

The Management Services Bureau provides personnel, accounting, budgeting and other administrative support to the other bureaus.

This agency is also found in Section P of Volume 3.

**Secretary of State Office-3201
Business & Government Services-01**

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
Personal Services	0	48,300	0	48,300	48,300	0	48,300
Operating Expenses	0	5,039,305	0	5,039,305	5,115,254	0	5,115,254
Equipment	0	381,924	0	381,924	393,382	0	393,382
Total Costs	\$0	\$5,469,529	\$0	\$5,469,529	\$5,556,936	\$0	\$5,556,936
Federal Special	0	5,469,529	0	5,469,529	5,556,936	0	5,556,936
Total Funds	\$0	\$5,469,529	\$0	\$5,469,529	\$5,556,936	\$0	\$5,556,936

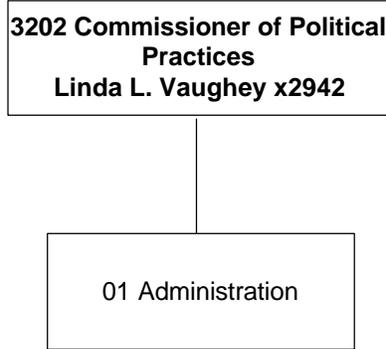
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$5,469,529	\$0
FY07	\$5,556,936	\$0

PL- 1 - Help America Vote Act -

Help America Vote Act (HAVA) - Statewide Voter Registration System (SVRS) charges the Secretary of State, as the chief state election official, to develop a computerized statewide voter registration list. Federal funding has been provided through HAVA and will be spent for technology development projects. There is no proprietary or general fund included.

Commissioner of Political Practices-3202 Administration-01



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

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

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

Program Indicators -

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Lobbyists registered	906	914	914	800	800	800
Committees registered (all types)	422	691	643	800	600	600
Candidates registered (State, State District, and Local)	1993	1742	1320	1800	1400	1800
Official complaints filed	16	11	8	15	10	15

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	5.00	(1.00)	0.00	4.00	(1.00)	0.00	4.00
Personal Services	184,827	3,837	0	188,664	4,333	0	189,160
Operating Expenses	124,490	16,819	0	141,309	4,075	0	128,565
Total Costs	\$309,317	\$20,656	\$0	\$329,973	\$8,408	\$0	\$317,725
General Fund	309,317	20,656	0	329,973	8,408	0	317,725
Total Funds	\$309,317	\$20,656	\$0	\$329,973	\$8,408	\$0	\$317,725

**Commissioner of Political Practices-3202
Administration-01**

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$6,365	\$6,365
FY07	\$0	\$0

PL- 1 - Computer replacement -

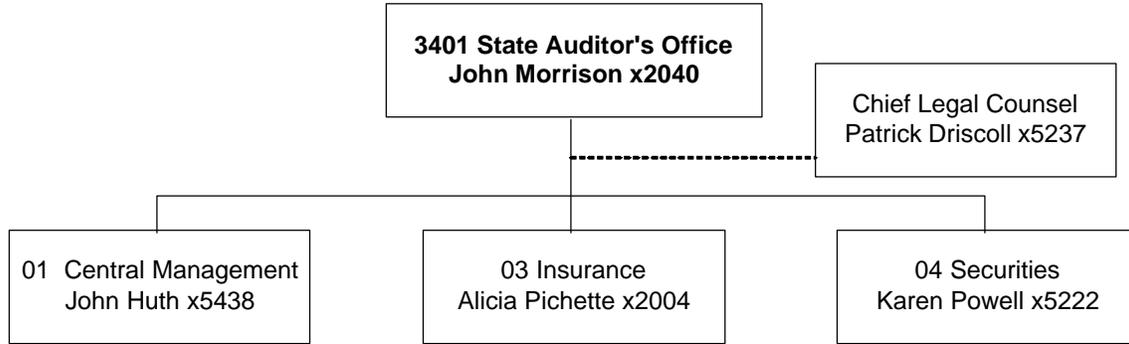
The state standard for computer replacement is every four years. The budget includes \$6,365 general fund in FY 2006 for replacement of the Commissioner's five computer stations purchased in FY 2002.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$32,963)	(\$32,963)
FY07	(\$32,878)	(\$32,878)

PL- 2 - Permanent FTE Reduction -

The 2003 Legislature reduced funding for a vacant data manager position but did not reduce the FTE. This proposal makes permanent that budget reduction by eliminating 1.00 FTE and approximately \$33,000 general fund each year of the biennium.

State Auditors Office-3401



Mission Statement - The State Auditor is the Commissioner of Insurance and the Commissioner of Securities. The auditor also serves as a member of the Board of Land Commissioners and the Crop Hail Insurance Board. The auditor is charged with licensing, registering, and regulating insurance companies and producers, securities issuers, salespeople, broker-dealers, investment advisers, and investment adviser representative within the state.

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

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	71.50	0.00	2.00	73.50	0.00	2.00	73.50
Personal Services	3,096,095	242,016	95,850	3,433,961	240,982	95,578	3,432,655
Operating Expenses	733,518	334,376	16,470	1,084,364	371,591	9,650	1,114,759
Grants	573,215	0	0	573,215	0	0	573,215
Total Costs	\$4,402,828	\$576,392	\$112,320	\$5,091,540	\$612,573	\$105,228	\$5,120,629
State/Other Special	4,402,828	576,392	112,320	5,091,540	612,573	105,228	5,120,629
Total Funds	\$4,402,828	\$576,392	\$112,320	\$5,091,540	\$612,573	\$105,228	\$5,120,629

State Auditors Office-3401 Central Management-01

**01 Central Management
John Huth x5438**

Program Description - The Central Management Division is responsible for the administrative, personnel, budgeting, and accounting functions for the State Auditor's Office. The division also provides support to the auditor in fulfilling the duties as a member of the state land and hail insurance boards.

Program Proposed Budget	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	10.00	0.00	0.00	10.00	0.00	0.00	10.00
Personal Services	435,843	53,264	0	489,107	51,945	0	487,788
Operating Expenses	89,661	5,925	0	95,586	1,212	0	90,873
Total Costs	\$525,504	\$59,189	\$0	\$584,693	\$53,157	\$0	\$578,661
State/Other Special	525,504	59,189	0	584,693	53,157	0	578,661
Total Funds	\$525,504	\$59,189	\$0	\$584,693	\$53,157	\$0	\$578,661

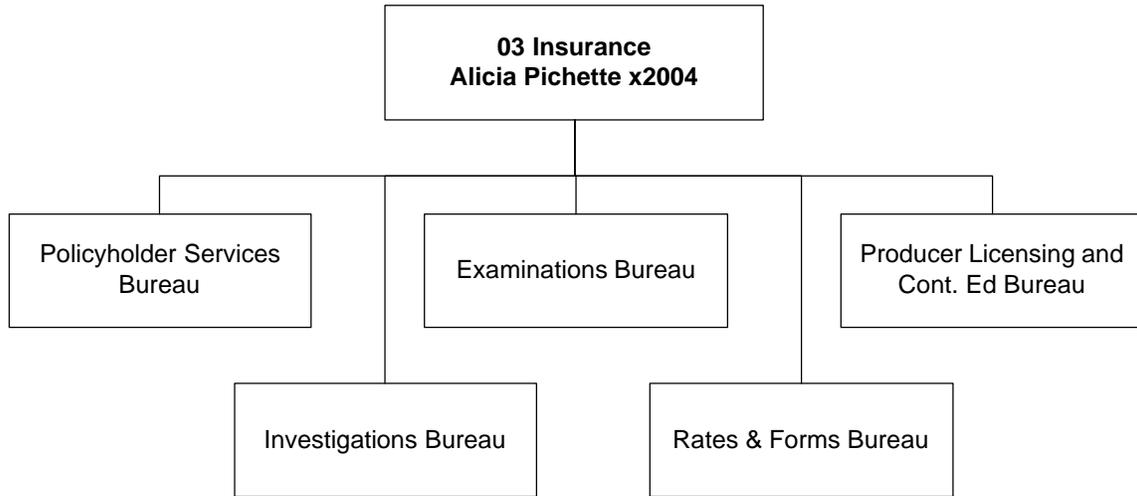
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,106	\$0
FY07	\$1,676	\$0

PL- 101 - Rent Increase -

The budget includes an increase of \$1,106 in FY 2006 and \$1,676 in FY 2007 state special revenue to fund a scheduled two percent rent increase, based on a contract negotiated by Department of Administration.

State Auditors Office-3401 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. The Rates and Forms Bureau is responsible for reviewing form filings and rate filings to ensure compliance with the applicable insurance code. The Licensing Bureau is responsible for licensing and providing continuing education to insurance agents, agencies, and adjusters. The Investigations Bureau investigates insurance code and rule violations, including possible criminal violations, and refers cases to county attorneys for prosecution.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	48.50	0.00	2.00	50.50	0.00	2.00	50.50
Personal Services	2,134,568	133,211	95,850	2,363,629	134,358	95,578	2,364,504
Operating Expenses	538,261	264,850	16,470	819,581	300,659	9,650	848,570
Grants	573,215	0	0	573,215	0	0	573,215
Transfers	0	0	0	0	0	0	0
Total Costs	\$3,246,044	\$398,061	\$112,320	\$3,756,425	\$435,017	\$105,228	\$3,786,289
State/Other Special	3,246,044	398,061	112,320	3,756,425	435,017	105,228	3,786,289
Total Funds	\$3,246,044	\$398,061	\$112,320	\$3,756,425	\$435,017	\$105,228	\$3,786,289

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$6,532	\$0
FY07	\$9,432	\$0

PL- 301 - Office Rent & Secured Storage Increase -

The budget includes an increase of \$6,532 in FY 2006 and \$9,432 in FY 2007 state special revenue to fund scheduled two percent rent increase and for additional secured storage space, based on a contract negotiated by the Department of Administration.

**State Auditors Office-3401
Insurance-03**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$227,820	\$0
FY07	\$283,544	\$0

PL- 305 - Contract Insurance Examinations –RST-

The Executive recommends \$227,820 in FY 2006 and \$283,544 in FY 2007 of state special revenue which will establish the restricted appropriation for Insurance Contract Exams. The budget is based upon the examination schedule for the biennium. Insurance companies will reimburse the examination expenses.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$19,200	\$0
FY07	\$19,200	\$0

PL- 306 - Captive Insurance –RST-

This restricted state special revenue request is recommended by the Executive to fund \$19,200 each year for review costs of new Captive Insurance applications in the 2007 biennium. An independent contract actuary reviews each application for financial viability costing \$3,200. The applicant reimburses these reviews cost.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$59,575	\$0
FY07	\$56,016	\$0

NP- 303 - Rates and Forms FTE -

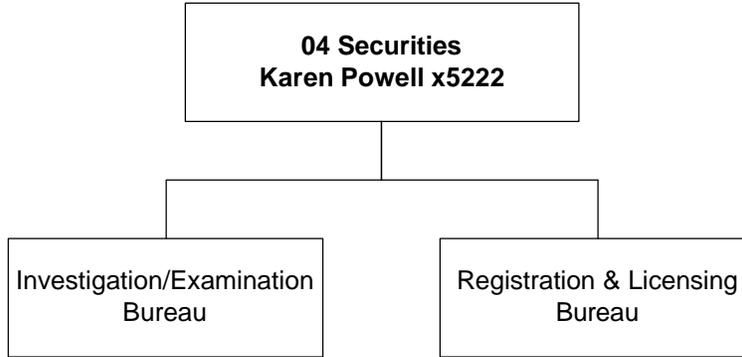
This request proposes \$59,575 state special revenue in FY 2006 and \$56,016 in FY 2007 to hire 1.00 FTE in order to expedite the review of insurance policy forms. The agency's goal is to approve or reject policy forms submitted to the State Auditor's Office within 20 days of submission. This goal is achieved by neighboring states and would make Montana a more competitive market and allow insurance products get to market more rapidly.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$52,745	\$0
FY07	\$49,212	\$0

NP- 304 - Policyholder Services FTE -

This budget includes \$52,745 in FY 2006 and \$49,212 in FY2007 of state special funding and an additional 1.00 FTE. This position will supervise and assist with the increased workload due to the recently signed Medicare Prescription legislation, the federal Health Insurance Portability and Accountability Act (HIPAA), the continuation of changes to state insurance statutes, and due to federal Employee Retirement Income Security Act (ERISA) Montanans who are covered by plans exempt from our jurisdiction.

State Auditors Office-3401 Securities-04



Program Description - The Securities Division is responsible for the administration and enforcement of the Securities Act of Montana and, in particular, for the registration of securities issuers, salespeople, broker-dealers, investment advisers, and investment adviser representatives. 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 \$25 million. The Investigations Bureau investigates securities code and rule violations, including possible criminal violations, and refers cases to county attorneys for prosecution.

Program Proposed Budget	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	13.00	0.00	0.00	13.00	0.00	0.00	13.00
Personal Services	525,684	55,541	0	581,225	54,679	0	580,363
Operating Expenses	105,596	63,601	0	169,197	69,720	0	175,316
Total Costs	\$631,280	\$119,142	\$0	\$750,422	\$124,399	\$0	\$755,679
State/Other Special	631,280	119,142	0	750,422	124,399	0	755,679
Total Funds	\$631,280	\$119,142	\$0	\$750,422	\$124,399	\$0	\$755,679

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$2,412	\$0
FY07	\$3,192	\$0

PL- 401 - Office Rent & Secured Storage Increase -

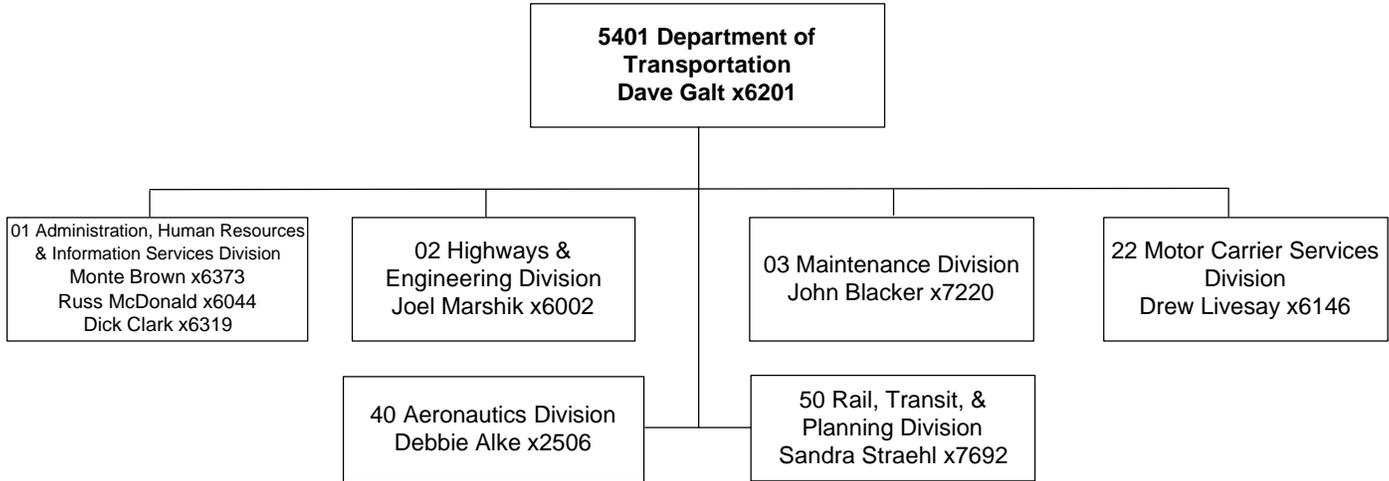
The budget includes an increase of \$2,412 in FY 2006 and \$3,192 in FY 2007 state special revenue to fund the scheduled two percent rent increase and for additional secured storage space, based on a contract negotiated by the Department of Administration.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$60,792	\$0
FY07	\$65,792	\$0

PL- 403 - Contract Securities Examinations -

The Executive recommends this budget increase of \$60,792 in FY 2006 and \$65,792 in FY 2007 of state special revenue which will establish the restricted appropriation for Securities Contract Exams. The budget is based upon the examination schedule for the biennium. Security companies will reimburse the examination expenses.

Department of Transportation-5401



Mission Statement - To serve the public by providing a transportation system and services that emphasize quality, safety, cost effectiveness, economic vitality and sensitivity to the environment.

Statutory Authority - Title 2, Chapter 15, part 25; and Titles 23 and 60, MCA; USC 134 and 135; Title 23, Chapter 1, CFR.

Language - " The department may adjust appropriations in the general operations, construction, maintenance, and transportation planning programs between state special revenue and federal special revenue fund types if the total state special revenue authority for these programs is not increased by more than 10 percent of the total appropriations established by the legislature for each program. All transfers between state special revenue and federal special revenue funds must be fully explained, justified, and reported in accordance with the requirements of 17-7-138 or 17-7-139, MCA, as applicable."

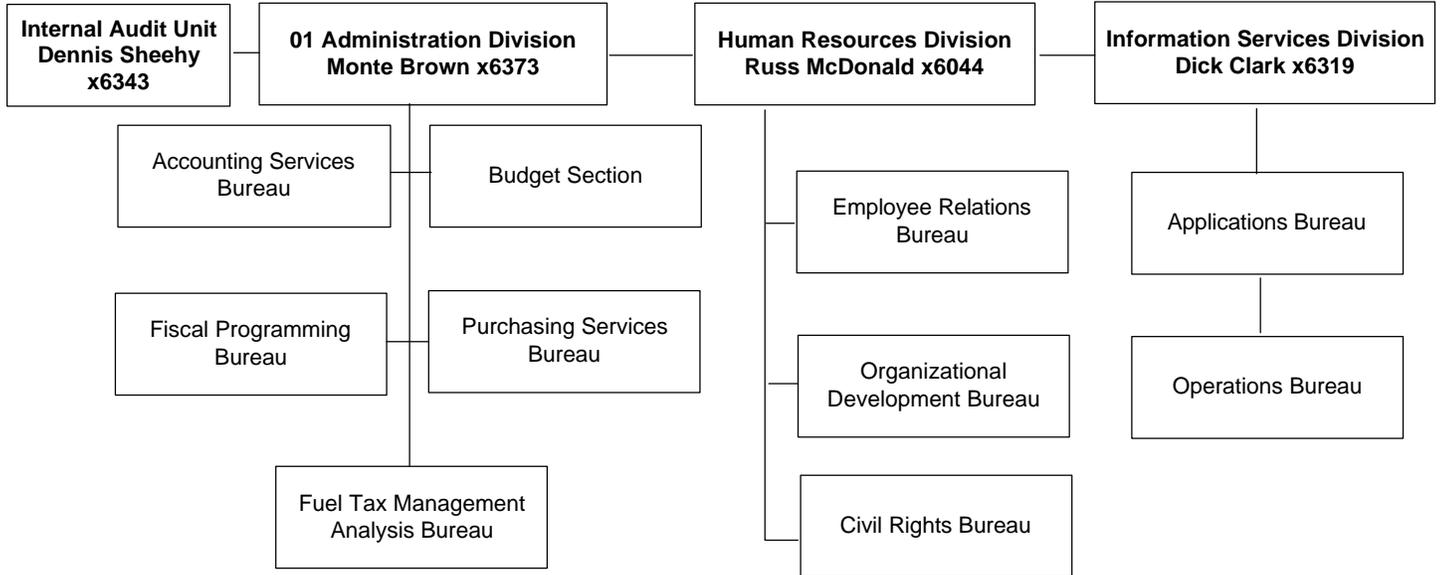
" All federal special revenue appropriations in the department are biennial."

" All appropriations in the general operations, construction, maintenance, and transportation planning programs are biennial."

" All remaining federal pass-through grant appropriations for Highway Traffic Safety, including reversions, for the 2005 biennium are authorized to continue and are appropriated in fiscal year 2006 and fiscal year 2007."

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	2,176.13	40.65	13.63	2,230.41	11.65	17.50	2,205.28
Personal Services	103,543,485	10,002,857	808,404	114,354,746	9,271,119	1,015,065	113,829,669
Operating Expenses	361,067,272	107,290,948	4,434,475	472,792,695	95,367,087	2,165,815	458,600,174
Equipment	1,456,438	62,000	549,254	2,067,692	62,000	67,244	1,585,682
Capital Outlay	15,533,494	516,663	0	16,050,157	516,663	0	16,050,157
Local Assistance	95,225	0	0	95,225	0	0	95,225
Grants	9,014,582	1,786,343	0	10,800,925	753,343	0	9,767,925
Transfers	18,221	0	0	18,221	0	0	18,221
Debt Service	750	0	0	750	0	26,000	26,750
Total Costs	\$490,729,467	\$119,658,811	\$5,792,133	\$616,180,411	\$105,970,212	\$3,274,124	\$599,973,803
State/Other Special	237,162,066	48,042,318	2,162,370	287,366,754	21,245,254	1,731,861	260,139,181
Federal Special	253,567,401	71,616,493	3,629,763	328,813,657	84,724,958	1,542,263	339,834,622
Total Funds	\$490,729,467	\$119,658,811	\$5,792,133	\$616,180,411	\$105,970,212	\$3,274,124	\$599,973,803

Department of Transportation-5401 General Operations Program-01



Program Description - The General Operations Program administers motor fuel taxes and provides administrative support services for the department, including general administration and management; accounting and budgeting; public affairs; information technology services; human resources activities; compliance review; and goods and services procurement. The General Operations Program is authorized by 2-15-2501(3), MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	164.77	0.00	5.00	169.77	0.00	6.00	170.77
Personal Services	8,227,383	348,321	203,986	8,779,690	347,333	208,753	8,783,469
Operating Expenses	11,505,433	(594,039)	596,897	11,508,291	(617,786)	713,621	11,601,268
Equipment	399,626	0	96,000	495,626	0	0	399,626
Grants	75,000	0	0	75,000	0	0	75,000
Debt Service	750	0	0	750	0	0	750
Total Costs	\$20,208,192	(\$245,718)	\$896,883	\$20,859,357	(\$270,453)	\$922,374	\$20,860,113
State/Other Special	19,466,174	(322,104)	896,883	20,040,953	(369,158)	922,374	20,019,390
Federal Special	742,018	76,386	0	818,404	98,705	0	840,723
Total Funds	\$20,208,192	(\$245,718)	\$896,883	\$20,859,357	(\$270,453)	\$922,374	\$20,860,113

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$232,831	\$0
FY07	\$232,831	\$0

PL- 103 - Commercial Vehicle Operations Enhancements -

The Motor Carrier Services Division (MCS) protects Montana's investment in its highway system and assures the safety of the traveling public through regulation, licensing, and permitting for the commercial motor carrier industry and enforcement of state and federal commercial motor carrier laws and regulations. The division has invested in VISTA software, supplied by Affiliated Computer Services, to provide International Registration Plan (IRP) credentialing, International Fuel Tax Agreement (IFTA) licenses and tax returns, Single State Registration System (SSRS) registration receipt, permitting, and internet access technologies. This request is to restore 2003 biennium funding level, in the amounts of \$126,566 highway state special revenue and \$106,265 federal special revenue for each year of the 2007 biennium.

Department of Transportation-5401 General Operations Program-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$50,000	\$0
FY07	\$0	\$0

PL- 104 - Local Option Tax -

This request is for system modifications to accommodate a local option tax and is needed to modify current systems and implement a local option tax as allowed under 7-14-301 and 7-14-304, MCA. These cost estimates are based on the assumption that proposed legislation (LC# 187) passes. The proposed legislation does not allow any refunds of the local option tax. If the proposed legislation does not pass, the costs would be higher since the department would be required to refund local option taxes on gasoline that is used off-road. The biennial request is for \$50,000 highway state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$65,866	\$0
FY07	\$65,866	\$0

PL- 105 - Overtime and Differential Pay -

The department requests to reestablish base year overtime and differential pay with associated benefits. The biennial cost is \$131,732 highway state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$5,441	\$0
FY07	\$5,425	\$0

PL- 106 - Equipment Rental -

The rate schedule required in the budgeting process as a means of providing adequate revenue for the Equipment Program, computes an adjustment to the users of the equipment in the amount of \$10,866 highway state special revenue for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$10,943	\$0
FY07	\$10,934	\$0

PL- 108 - Human Resource Compliance -

The Executive recommends adding authority for Disadvantaged Business Enterprise (DBE) on-site reviews and to develop and maintain contractor tracking records to ensure compliance with federal labor and EEO requirements. The biennial request is for \$21,877 highway state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$57,827	\$0
FY07	\$57,826	\$0

PL- 109 - DBE Support Services Expansion -

The budget includes a biennial request of \$115,653 federal special revenue to offer expanded support services to Disadvantaged Business Enterprise (DBE) companies in the form of increased reimbursements, additional meetings and training workshops, an improved monthly newsletter and additional marketing and financial assistance necessary to be in compliance with federal regulations.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$10,800	\$0
FY07	\$10,800	\$0

PL- 110 - Video Conferencing -

Seven additional video conferencing units were purchased at the end of the base year. This request adds \$21,600 of highway state special revenue to cover the costs of the service level agreement with Department of Administration ITSD that were not captured in the base.

**Department of Transportation-5401
General Operations Program-01**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$63,250	\$0
FY07	\$66,700	\$0

PL- 111 - Fuel Tax Evasion -

The grant plan for the federal fuel tax evasion grant includes an interface between the Distributor Processing system and the Vista system and the purchase of training videos, mobile audio/video recorders and the maintenance of an increased number of cell phones for the Motor Carrier Services (MCS) enforcement officers. The biennial adjustment needed for these expenditures is \$10,000 in highway state special revenue and \$119,950 highway federal special revenue.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$646,883	\$0
FY07	\$672,374	\$0

NP- 101 - Integrated Financials -

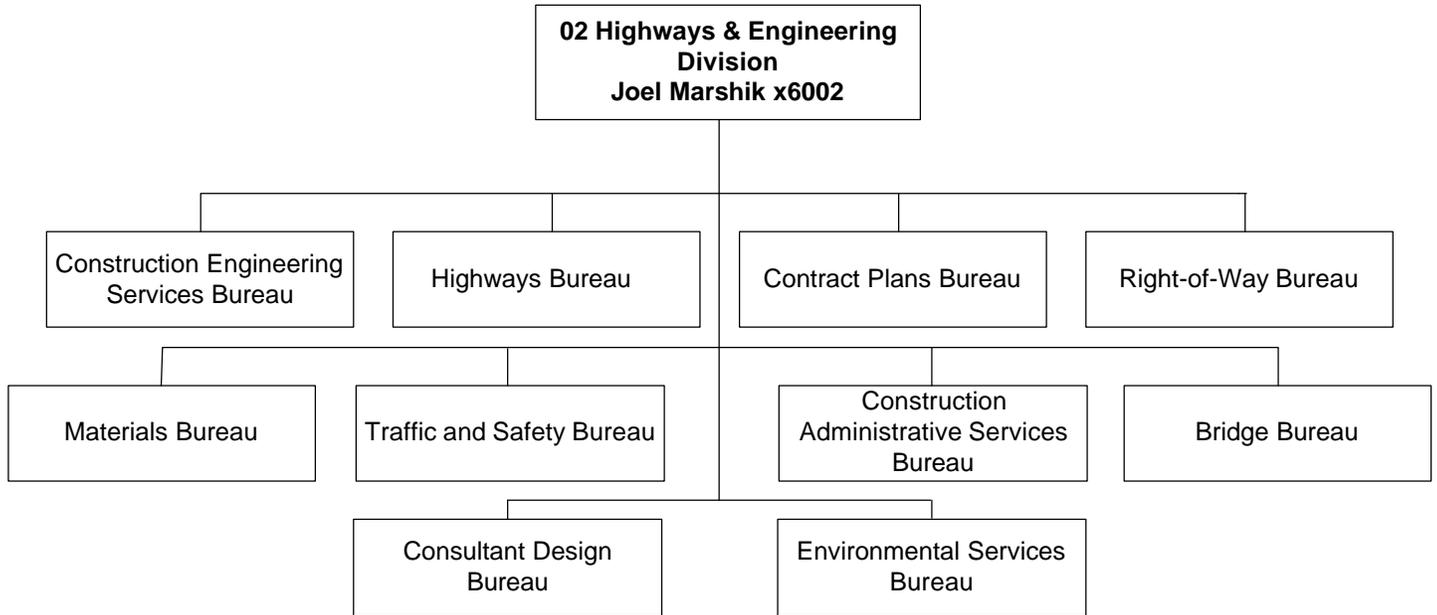
The Integrated Financials project focuses on defining the business processes necessary to integrate the departments planning efforts with the financial processes for developing and monitoring budgets and the use of federal obligation authority, managing cash reserves, and maximizing the use of the project scheduling system and PeopleSoft financials. Incremental steps will be taken during the 2007 biennium, however delivery of the entire plan could take up to eight years. Funding this request, which is included in the department's IT strategic plan, will result in: better definition of business processes that integrate project resource planning with financial planning, migrating current financial systems that use extremely old technology to the Oracle platform, and implementing a common coding structure. This request requires \$646,883 in FY 2006 and \$672,374 in FY 2007 highway state special revenue. The request also adds 5.00 FTE in FY 2006 and 6.00 FTE in FY 2007.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$250,000	\$0
FY07	\$250,000	\$0

NP- 102 - Remote Computer Connectivity -

The Department of Transportation has approximately 300 remote facilities with computer equipment that connects to the network via low speed dial-up connections. These low speed connections are inefficient, often costly in terms of phone charges, and preclude the remote sites from accessing many of the computer applications necessary to complete their critical business processes. This request is for \$250,000 state special revenue each year to be used in supplying improved computer access to some of the remote facilities by pursuing digital subscriber lines (DSL) and cable broadband where available, and satellite equipment where no other solution exists.

Department of Transportation-5401 Construction Program-02



Program Description - The Construction Program is responsible for construction project planning and development from the time a project is included in the long-range work plan through actual construction. Program responsibilities include such tasks as design, accessing environmental documents and permits, making right-of-way acquisitions, issuing contract bids, awarding contracts, and administering construction contracts. Contract administration is the documentation, inspection, and testing of highway construction projects from the time the contract is awarded to a private contractor until the project is completed and the work is approved. The program also provides traffic improvement and educational programs to promote public safety, health, and welfare. The Construction Program is mandated by 2-15-2501(1), MCA; Title 60, MCA; and 23 USC 116.

Program Indicators -

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Percentage of all projects finalized within 120 days of certificate of completion	95.1%	85.0%	85.0%	85.0%	85.0%	85.0%
Develop plans for and let 85% of planned fiscal year projects	66.0%	85.0%	85.0%	85.0%	85.0%	85.0%
Maintain statewide average construction engineering costs under 8.5% of total contract costs	10.0%	8.5%	8.5%	8.5%	8.5%	8.5%
Maintain statewide final costs under 10% above award amount	3.3%	2.5%	2.5%	2.5%	3.0%	3.0%

Department of Transportation-5401 Construction Program-02

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	1,069.59	40.65	0.00	1,110.24	11.65	0.00	1,081.24
Personal Services	52,793,815	6,090,053	0	58,883,868	5,290,771	0	58,084,586
Operating Expenses	290,599,940	103,874,326	0	394,474,266	92,539,192	0	383,139,132
Equipment	857,670	0	0	857,670	0	0	857,670
Capital Outlay	15,526,338	473,663	0	16,000,001	473,663	0	16,000,001
Local Assistance	95,225	0	0	95,225	0	0	95,225
Grants	3,549,690	0	0	3,549,690	0	0	3,549,690
Total Costs	\$363,422,678	\$110,438,042	\$0	\$473,860,720	\$98,303,626	\$0	\$461,726,304
State/Other Special	126,894,127	38,852,572	0	165,746,699	13,150,792	0	140,044,919
Federal Special	236,528,551	71,585,470	0	308,114,021	85,152,834	0	321,681,385
Total Funds	\$363,422,678	\$110,438,042	\$0	\$473,860,720	\$98,303,626	\$0	\$461,726,304

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$118,576	\$0
FY07	\$118,252	\$0

PL- 201 - Traffic Engineers -

This request is for 2.00 FTE for each year of the biennium. Both positions are traffic engineer specialists with responsibilities in traffic engineering design and analysis. The responsibilities involve preliminary engineering design and project development related to the department's federal aid program. The total request for the biennium is \$236,828. This consists of \$92,020 highway state special revenue and \$144,808 federal special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$19,211,644)	\$0
FY07	(\$19,273,491)	\$0

PL- 202 - Contractor Payments/State Construction Program -

The department is required to spend a minimum amount of state funds in order to receive a favorable ratio of federal participation on federal aid projects. The department requests to decrease the amount of state funded construction by \$38,485,135 for the 2007 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$60,444,067	\$0
FY07	\$77,079,593	\$0

PL- 203 - Contractor Payments/Federal Aid Construction Program -

The contractor payment request is computed by using the Tentative Construction Plan (TCP), which indicates when various construction projects will be let and the type of work to be completed. This information is entered into the Project Cost Scheduling system (PCS), which uses information such as let dates, type of work, and other criteria to estimate when and what amount of actual payments will be made for future fiscal years. The request is for an additional \$137,523,660 for the 2007 biennium. This consists of \$16,224,979 highway state special revenue authority and \$121,298,681 federal special revenue spending authority.

Department of Transportation-5401 Construction Program-02

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$60,328,868	\$0
FY07	\$32,671,650	\$0

PL- 204 - US HWY 93 -

The department has chosen to accelerate the construction process on Highway 93 from Evaro Hill to Polson in order to provide the traveling public with a highway of double the current traffic capacity as well as addressing severe safety problems. In order to accelerate the construction process the funding of these projects will be from the sale of bonds. The sale of bonds will provide the necessary funding to construct these projects in a three year time period, where it would normally require ten or more years to design and construct projects of this magnitude. This highway is on the Flathead Indian Reservation, which causes the entire cost of the project to be 100 percent federally funded. As the bonds mature and are redeemed the amounts will be converted to federal aid with the Federal Highway Administration (FHWA) and the bond and interest will be paid off. The total request for the 2007 biennium is \$93,000,518.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$2,253,954	\$0
FY07	\$1,247,606	\$0

PL- 205 - Construction Management FTE -

The Tentative Construction Plan (TCP) indicates a need for additional budget authority for 38.65 FTE in FY 2006 and an increase of 9.65 FTE in FY 2007. The total request for the biennium is an increase of \$3,501,560. This consists of an increase of \$1,129,834 highway state special revenue and \$2,371,726 federal special revenue. This adjustment, also referred to as the Construction Management System (CMS) adjustment is done every budget cycle.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,672,959	\$0
FY07	\$1,672,959	\$0

PL- 206 - Aggregate Position Funding -

The Construction Program has certain organizational units that have aggregate positions (a position with several incumbents). Because MBARS, the state's budgeting system, computes positions by funding all the FTE at the rate of the most recent employee hired into that position, in most cases the lowest paid person in the position, all the other employees in that position are under funded. The department calculates a need to increase spending authority for the biennium by \$3,345,918. This consists of \$1,044,094 highway state special revenue and \$2,301,824 federal special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$785,945	\$0
FY07	\$785,945	\$0

PL- 207 - Right of Way/Utilities -

This request is to increase the right of way and utility spending authority by \$1,571,890 for the biennium for consultant fees in relation to utilities relocation. The department is expecting an increased number of utility relocations and land purchases due to the increase in construction projects. This request consists of \$276,339 highway state special revenue and \$1,295,551 federal special revenue.

Department of Transportation-5401 Construction Program-02

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$400,000	\$0
FY07	\$400,000	\$0

PL- 208 - Community Transportation Enhancement Program -

Community Transportation Enhancement Program (CTEP) projects are transportation related activities that are designed to strengthen the cultural, aesthetic, and environmental aspects of Montana's inter-modal transportation system. The CTEP program provides for the implementation of a variety of non-traditional projects. The Executive recommends an increase of \$800,000 for the biennium. The program under spent historical levels in the base year. The goal is to push more projects through to spend the federal dollars that are specifically allocated for these projects. The request consists of \$103,120 highway state special revenue and \$696,880 federal special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$4,378,929	\$0
FY07	\$4,378,929	\$0

PL- 209 - Overtime and Differential Pay -

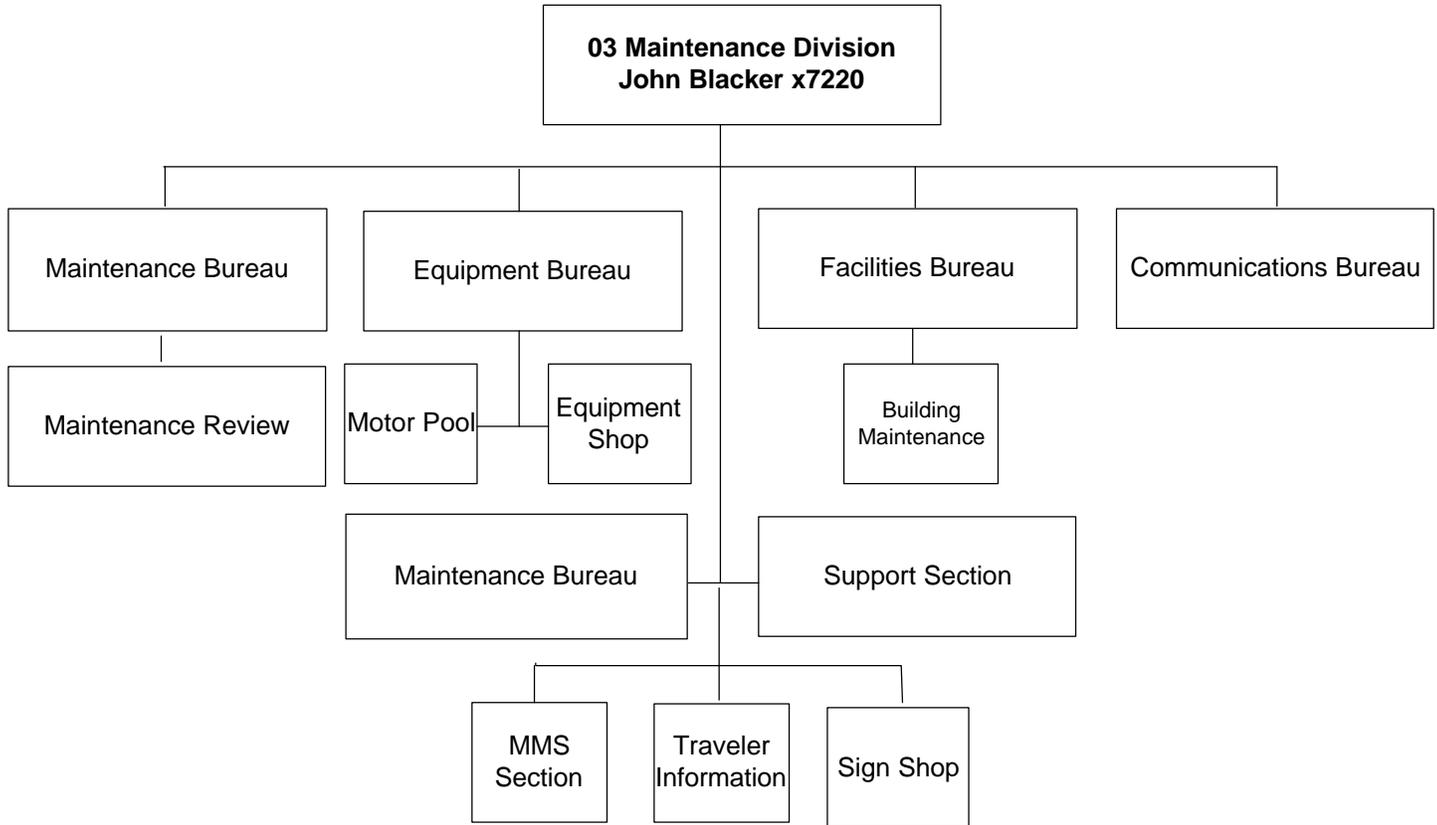
This request is to reestablish base year overtime and differential pay with associated benefits. The 2007 biennial cost is \$8,757,858. This includes \$4,064,522 highway state special revenue and \$4,693,336 federal special revenue spending.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$369,126	\$0
FY07	\$368,065	\$0

PL- 210 - Equipment Rental -

The rate schedule, required in the budgeting process as a means of providing adequate revenue for the Equipment Program, computes an adjustment to the users of the equipment. The biennial adjustment to the Construction program is \$737,191. This consists of \$299,220 highway state special revenue and \$437,971 federal special revenue.

Department of Transportation-5401 Maintenance Program-03



Program Description - The Maintenance Program provides for repairs and preventive maintenance of state highways and the various signs and structures within the highway right-of-way. Winter plowing and sanding and year-round repairs to the state highway system are the responsibility of the staff in the Maintenance Program. The Maintenance Program is authorized by 2-15-2501(1), MCA; Title 60, MCA, and 23 USC 116.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	761.17	0.00	0.00	761.17	0.00	0.00	761.17
Personal Services	35,186,585	3,174,965	0	38,361,550	3,244,311	0	38,430,896
Operating Expenses	56,190,657	3,287,287	75,000	59,552,944	3,359,068	75,000	59,624,725
Equipment	164,987	62,000	0	226,987	62,000	0	226,987
Capital Outlay	7,156	43,000	0	50,156	43,000	0	50,156
Total Costs	\$91,549,385	\$6,567,252	\$75,000	\$98,191,637	\$6,708,379	\$75,000	\$98,332,764
State/Other Special	83,203,653	7,606,205	75,000	90,884,858	7,622,695	75,000	90,901,348
Federal Special	8,345,732	(1,038,953)	0	7,306,779	(914,316)	0	7,431,416
Total Funds	\$91,549,385	\$6,567,252	\$75,000	\$98,191,637	\$6,708,379	\$75,000	\$98,332,764

Department of Transportation-5401 Maintenance Program-03

Program Indicators -

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Miles of road plowed during Winter Maintenance	3,360,453	2,962,872	3,2195,08	3,250,000	3,250,000	3,250,000
Square yards of chip seal on Montana highways	6,000,000	4,201,850	3,358,928	5,000,000	5,000,000	5,000,000
Miles of 4" stripes applied to Montana highways	19,271	19,097	18,875	25,000	25,000	25,000

Includes Secondary Roads takeover – SB333.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$234,552	\$0
FY07	\$316,152	\$0

PL- 301 - Additional Secondary Roads -

This request increases state special revenue by \$550,704 for the biennium to purchase materials to maintain additional paved secondary roads transferred from the counties to the state under the guidelines provided in 60-2-203, MCA. The department would assume maintenance responsibilities for 52.65 additional lane miles from all around Montana.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$256,918	\$0
FY07	\$256,919	\$0

PL- 304 - Communications - Two Way Radios -

The Executive recommends replacing current mobile two-way radio communication equipment that will be, on average, 18-21 years old by the time they would be replaced under this request. The manufacturer will no longer provide support and/or parts and materials for the radios being replaced. Estimated cost for 171 radios is \$333,345. In addition, a renegotiated multi-state contract (WSCA) will increase the cost of two-way radios by 25 percent. Additionally, new phone systems in Bozeman, Havre, and Shelby required changes in system circuits that weren't included in the base at a cost of \$3,941 per year. The biennial adjustment is \$513,837 highway state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$361,611	\$0
FY07	\$361,611	\$0

PL- 305 - Rest Areas, Vaults and New Utilities -

This request is to provide funding for changes in existing rest area contracts, the addition of new section sites and the addition of vault toilets at roadside pullouts primarily used by the trucking industry. The biennial adjustment is \$723,222 highway state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$230,075	\$0
FY07	\$230,075	\$0

PL- 306 - RWIS System Maintenance and Expansion -

The department's Roadway Weather Information System (RWIS) consists of a variety of weather monitoring equipment, including web cameras located throughout Montana on state maintained highways. This request is for hardware and software replacements of RWIS in the amount of \$230,075 per year highway state special revenue.

Department of Transportation-5401 Maintenance Program-03

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$2,060,428	\$0
FY07	\$2,056,097	\$0

PL- 308 - Equipment Rental -

The rate schedule, required in the budgeting process as a means of providing adequate revenue for the Equipment Program, computes an adjustment to the users of the equipment. The biennial adjustment for the Maintenance program is \$4,116,525 highway state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$846,497)	\$0
FY07	(\$846,497)	\$0

PL- 309 - Biennial Appropriation Adjustments -

This decrease is to adjust the Pavement Preservation program to \$14.5 million annually. Due to completion of more pavement preservation contracts than anticipated, the program overspent the FY 2004 projections by approximately \$846,000. This program is managed on a biennial basis. The biennial reduction is \$1,692,994 highway state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$519,819	\$0
FY07	\$519,819	\$0

PL- 310 - Pavement Markings -

This request is to reestablish contracted pavement markings at a \$5 million annual level. Pavement markings are painted centerlines, edge lines, crosswalks and special messages that are applied by contractors. The program under spent the base pavement markings budget due to a number of contracts that were completed but not paid in the base year because the contracts are in a dispute resolution process. The biennial adjustment is \$230,696 highway state special revenue and \$808,942 federal special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$2,379,075	\$0
FY07	\$2,379,075	\$0

PL- 311 - Overtime and Differential Pay -

This request is to reestablish zero-based overtime and differential pay with associated benefits at a biennial cost of \$4,758,150 highway state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$80,000	\$0
FY07	\$80,000	\$0

PL- 313 - 511 Travelers information Program -

An Intelligence Transportation System (ITS) earmark that currently funds the department's 511 Travelers Information Program will no longer be available in July 2005. This adjustment is to continue the service provided by the system for Montana's travelers. The biennial cost is \$160,000 highway state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$305,336	\$0
FY07	\$305,336	\$0

PL- 314 - Noxious Weed Control -

This request is for an additional \$610,672 highway state special revenue for the biennium to fund noxious weed control measures along additional paved secondary road rights-of-way.

**Department of Transportation-5401
Maintenance Program-03**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$57,749	\$0
FY07	\$58,085	\$0

PL- 315 - City Maintenance Contracts -

This request funds the increased cost of city maintenance contracts with the cities of Missoula and Billings. The biennial cost is \$115,834 highway state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$43,000	\$0
FY07	\$43,000	\$0

PL- 316 - Land Acquisition -

This request is to purchase land for stockpile sites and facility sites statewide in the Long Range Building Program. The biennial cost is \$86,000 highway state special revenue.

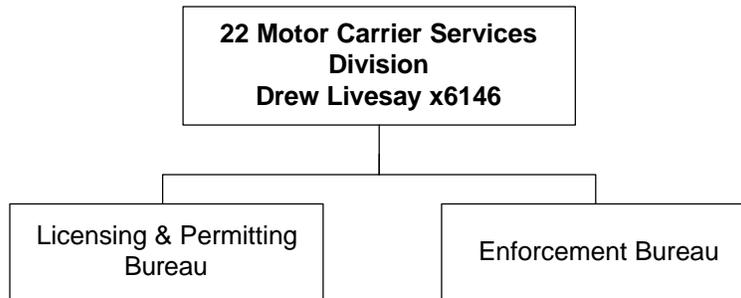
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$75,000	\$0
FY07	\$75,000	\$0

NP- 307 - City Rest Area -

Providing basic operational funding to facilitate the continued operation of City Park Rest Areas (CPRA) reduces and/or eliminates the need for the department to construct and maintain similar facilities. The CPRAs are located in smaller communities and they do provide potential economic stimulus to those communities. The traveling public gains additional clean and maintained rest facilities. The biennial adjustment is \$150,000 highway state special revenue.

Department of Transportation-5401 Motor Carrier Services Division-22



Program Description - The Motor Carrier Services Division enforces state and federal commercial motor carrier laws including laws on vehicle size and weight, insurance, licensing, fuel, and vehicle and driver safety. The Licensing and Permit Bureau registers interstate fleet vehicles, issues commercial vehicle licenses, issues oversize/overweight permits, and collects and distributes fees and taxes. The Enforcement Bureau operates a statewide weigh station and mobile enforcement program and assigns uniformed officers to inspect commercial vehicles for compliance with state and federal safety, registration, fuel, insurance and size/weight laws. The Motor Carrier Services Program is mandated by Title 61, Chapter 9, MCA.

Program Indicators -

Indicator	Actual FY 2002	Actual FY 2003	Actual FY 2004	Estimated FY 2005	Requested FY2006	Requested FY2007
Contacts	127,926	128,812	143,777	134,440	135,676	137,964
Trucks weighed*						
Platform & Portable	490,840	506,432	445,110	470,673	474,072	463,285
WIM *	114,385	146,260	172,132	206,558	247,870	297,444
Total Weights	605,225	652,692	617,242	677,231	721,942	760,729

*Trucks weighed: Trucks are weighed on platform scales, portable scales, and electronic weigh-in-motion (WIM) scales.

* WIM Weights are collected at the following locations:

- Culbertson Weigh Station beginning July 1998.
- Lima Weigh Station beginning January 1999
- Mossmain (Billings) Weigh Station beginning January 2000
- Armington Junction Weigh Station beginning July 2001

The State of Wyoming is anticipating that the Dietz Joint Port of Entry Weigh Station will become operational late in 2005. MCS program indicators will include Dietz information at that time.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	111.50	0.00	8.63	120.13	0.00	11.50	123.00
Personal Services	4,248,192	225,817	604,418	5,078,427	225,048	806,312	5,279,552
Operating Expenses	805,983	45,398	949,828	1,801,209	43,082	1,221,444	2,070,509
Equipment	0	0	103,254	103,254	0	67,244	67,244
Total Costs	\$5,054,175	\$271,215	\$1,657,500	\$6,982,890	\$268,130	\$2,095,000	\$7,417,305
State/Other Special	5,054,175	271,215	607,500	5,932,890	268,130	695,000	6,017,305
Federal Special	0	0	1,050,000	1,050,000	0	1,400,000	1,400,000
Total Funds	\$5,054,175	\$271,215	\$1,657,500	\$6,982,890	\$268,130	\$2,095,000	\$7,417,305

**Department of Transportation-5401
Motor Carrier Services Division-22**

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$55,771	\$0
FY07	\$55,771	\$0

PL- 2202 - Overtime and Differential Pay -

This request is to reestablish base year overtime and differential pay with associated benefits at a biennial cost of \$111,542 highway state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$18,896	\$0
FY07	\$16,300	\$0

PL- 2203 - Equipment Rental -

The rate schedule, required in the budgeting process as a means of providing adequate revenue for the Equipment Program, computes an adjustment to the users of the equipment. The biennial adjustment is \$35,196 highway state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$25,000	\$0
FY07	\$25,000	\$0

PL- 2204 - Credit Card Fees -

In response to customer requests, MCS developed and implemented a credit card payment option for automated commercial motor carrier service transactions in late FY 1997. Increased customer use of these automated services has resulted in a corresponding increase in credit card fees. MCS expects credit card use to continue to grow. This biennial request is for an additional \$50,000 highway state special revenue.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$345,000	\$0
FY07	\$345,000	\$0

NP- 2201 - MT/WY Dietz Joint Port of Entry -

The Montana/Wyoming Dietz Joint Port-Of-Entry will be staffed with Wyoming personnel who will enforce Montana size and weight laws, issue Montana permits and collect Montana GVW fees under a Montana/Wyoming contracted services agreement. In return, Montana will reimburse Wyoming for one-half of the salaries of up to ten Wyoming employees and for one-half of annual maintenance expenses at a cost of \$690,000 state special revenue for the biennium.

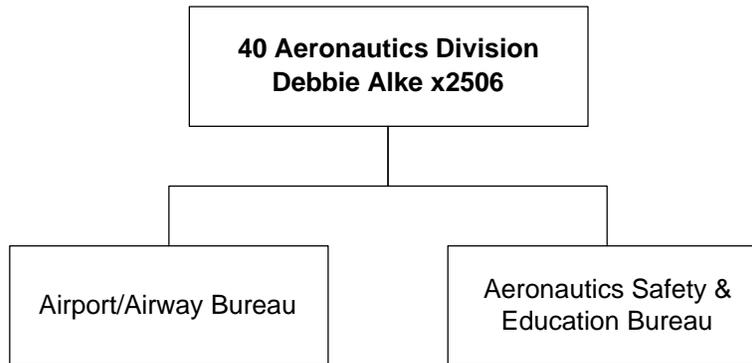
-----Other Legislation Required to Implement HB2-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,312,500	\$0
FY07	\$1,750,000	\$0

NP- 2205 - Transfer MCSAP from the Dept of Justice -

By mutual agreement of the Department of Justice, the Department of Transportation, and the Governor's Office, it has been determined that efficiencies could be realized by moving the Motor Carriers Safety Assistance Program (MCSAP) from the Department of Justice to the Department of Transportation. This would consolidate all commercial motor vehicle regulation functions in one program. This move would be effective Oct 1, 2005, which is the start of the new federal fiscal year and would be contingent on the passage and approval of a bill that makes the move statutorily. The decision package is also contingent on the passage and approval of LC # 125.

Department of Transportation-5401 Aeronautics Program-40



Program Description - The Montana Aeronautics Division: 1) facilitates the operation and infrastructure of airports and airways, both public and private, throughout Montana; 2) provides mechanisms for funding of airport and aviation related projects throughout the state; 3) registers aircraft and pilots in accordance with Montana laws and regulations; and fosters, promotes, and supervises aviation and aviation safety through educational efforts and programs; and 4) coordinates and supervises aerial search and rescue operations. In accordance with the maintenance and safety aspects of the division's purpose, it administers a loan and grant program to municipal governments to fund airport improvement projects. The Aeronautics Board approves all loan and grant requests and advises on matters pertaining to aeronautics.

The division serves in a liaison capacity between the State of Montana and various entities including the U.S. Department of Transportation, the Federal Aviation Administration (FAA), other federal and state entities, and commercial airlines to assure the retention and continuation of airline service to the rural communities of the state. The division is also responsible for operation of the air carrier airport at West Yellowstone and for 14 other state-owned airports. Montana Aeronautics Division is authorized by 2-15-2501(2), MCA; Title 67, MCA; and various federal laws.

Program Indicators -

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Pilots registered	2100	1980	1840	1860	1880	1890
Aircraft registered	3372	3275	3393	3395	3395	3395
Search and Rescue incidences	64	95	80	95	95	95
Loans administered	7	6	14	18	20	22
Grants distributed	20	23	34	43	50	58

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	10.00	0.00	0.00	10.00	0.00	0.00	10.00
Personal Services	452,378	25,135	0	477,513	23,935	0	476,313
Operating Expenses	398,010	535,952	2,437,750	3,371,712	(99,220)	155,750	454,540
Equipment	11,233	0	350,000	361,233	0	0	11,233
Grants	517,664	515,336	0	1,033,000	(517,664)	0	0
Transfers	18,221	0	0	18,221	0	0	18,221
Debt Service	0	0	0	0	0	26,000	26,000
Total Costs	\$1,397,506	\$1,076,423	\$2,787,750	\$5,261,679	(\$592,949)	\$181,750	\$986,307
State/Other Special	1,279,347	535,036	507,987	2,322,370	(516,847)	39,487	801,987
Federal Special	118,159	541,387	2,279,763	2,939,309	(76,102)	142,263	184,320
Total Funds	\$1,397,506	\$1,076,423	\$2,787,750	\$5,261,679	(\$592,949)	\$181,750	\$986,307

**Department of Transportation-5401
Aeronautics Program-40**

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$9,280	\$0
FY07	\$9,280	\$0

PL- 210 – Overtime Pay and Board Per Diem-

This request is to reestablish base levels of overtime and differential pay totaling \$3,780, and per diem for the Aeronautics Board in the amount of \$5,500 per year. These amounts are biennial and funded with state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$515,336	\$0
FY07	(\$517,664)	\$0

PL- 212 - Grants – Biennial-

This request includes adjustments to both years of the biennium to create biennial appropriations for the Aeronautics Division's grant programs. The state special revenue adjustments are for the safety and development airport grants, commercial airport pavement preservation grants, and rural airport courtesy car grants. The increase in FY 2006 and decrease in FY 2007 are technical adjustments to create the biennial appropriation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$218,711	\$0
FY07	(\$131,289)	\$0

PL- 213 - System Plan – Biennial-

The update of the Montana State Aviation System Plan is a cooperative effort between the Aeronautics Division and the Federal Aviation Administration. This report is intended to identify the current resources and trends in the state's aviation system. This study is 95 percent federally funded and 5 percent state funded. The FY 2006 increase will create a \$350,000 biennial appropriation. The reduction of \$131,289 is a technical adjustment to create the biennial appropriation in the first year of the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$30,115	\$0
FY07	\$30,115	\$0

PL- 214 - Program/Service Adjustments -

The total request for the 2007 biennium is \$60,230, and consists of \$51,348 state special revenue and \$8,882 federal special revenue. This decision package includes funding for: maintenance on state owned airports, fuel increases due to federal contract requirements, equipment upgrades, education services, search and rescue operations, increased cost due to new facilities, board approved brochures, and other program/service adjustments.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$285,000	\$0
FY07	\$0	\$0

PL- 215 - West Yellowstone Airport – Biennial -

The total request for the biennium is \$300,000 and is a biennial appropriation. This consists of \$285,000 federal special revenue and \$15,000 of proprietary funds. The proprietary portion is included in the proprietary budget shown in Volume 3, Section P of the Executive Budget. The funding will be used for the West Yellowstone phase II airport improvement projects.

**Department of Transportation-5401
Aeronautics Program-40**

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$2,399,750	\$0
FY07	\$149,750	\$0

NP- 207 - Runway Rehab Lincoln Airport -

The Lincoln Airport runway is in need of a total rehabilitation of the runway pavement to maintain Federal Aviation Administration standards. This request is for \$2,549,500, of which, \$2,422,026 is federal revenue and \$127,474 is state special revenue. The division received \$1.8 million of one-time-only funding for the 2005 biennium. Due to FAA mandates, the airport had to undergo a master plan, airport layout plan, feasibility study, and environmental assessment before moving to the design and construction phase. This requirement has lengthened the time of completion for the project that began in the summer of 2004 and will be completed in the fall of 2005. Therefore, the Aeronautics division is requesting the budget authority be re-appropriated to allow the project to be completed.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$32,000	\$0
FY07	\$0	\$0

NP- 208 - Aircraft Engine and Propeller – Biennial-

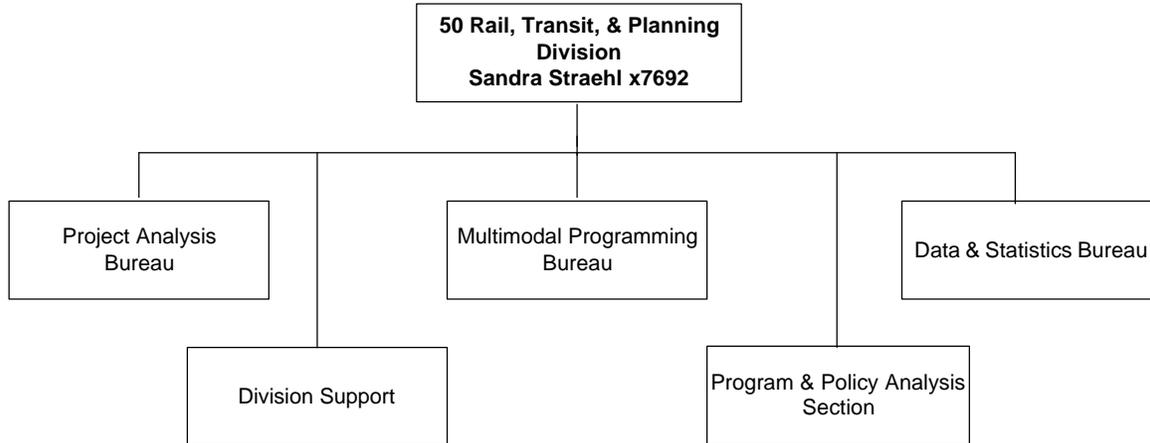
The Aeronautics Division owns and operates a 1975 A-36 Beechcraft Bonanza aircraft. The aircraft engine and propeller are recommended by the manufacturer to be overhauled when the hours flown reaches 1,700. The aircraft engine and propeller will exceed the recommended 1,700 hours flight time in the next biennium and must be overhauled. The division is requesting a biennial appropriation to be established in the first year of the biennium in the amount of \$32,000 state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$356,000	\$0
FY07	\$32,000	\$0

NP- 209 - Aircraft Purchase -

The division owns a 1966 Cessna T-41, ex-military trainer aircraft. This aircraft has 9,200 hours on the airframe and power plant. The aircraft is used primarily for air search and rescue. The division is the first response in case of a missing or downed aircraft per an agreement with the Governor and the United States Air Force. The division requests to sell the Cessna T-41 and purchase a Cessna Turbo 182, model year 2000 or greater. The Cessna Turbo 182 is a comparable aircraft capable of maximum performance in slow flight for minimum controllable airspeed, in the mountains, at backcountry airstrips, at high elevations and for short field takeoff and landing capability. The value of the T-41 is approximately \$60,000 and the remaining \$290,000 would be borrowed. The loan would be repaid over a 20-year period. The funding request is \$388,000 of state special revenue with \$350,000 for the purchase of the aircraft and \$38,000 for insurance and the repayment of the loan.

Department of Transportation-5401 Transportation Planning Division-50



Program Description - The Transportation Planning Division provides: 1) an inventory of transportation infrastructure to allocate funds, maintain Department of Transportation eligibility for grant and federal funds, and aid the process of project prioritization and selection; 2) a statewide planning program and assistance to local area transportation planning; and 3) response to legislative or regulatory actions necessitating representation before courts, congressional hearings, the US DOT, the Surface Transportation Board, and others. This planning results in a program of projects which includes buses for transit systems, street and highway improvements, railroad track rehabilitation, transportation enhancements for non-motorized use, and beautification improvements. The division is authorized by 7-14-102, 15-70-101, Title 60, Chapters 3 & 11, and Title 61, Chapter 2, part 1, MCA.

Program Indicators –

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Federal aid resources for Montana which lapsed and were made available to other states	0%	0%	0%	0%	0%	0%
High priority goals and objectives in the DOT long-range plan which progressed significantly or were completed	96%	96%	94%	95%	95%	95%

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	59.10	0.00	0.00	59.10	0.00	0.00	59.10
Personal Services	2,635,132	138,566	0	2,773,698	139,721	0	2,774,853
Operating Expenses	1,567,249	42,965	375,000	1,985,214	42,947	0	1,610,196
Equipment	22,922	0	0	22,922	0	0	22,922
Grants	4,872,228	1,271,007	0	6,143,235	1,271,007	0	6,143,235
Total Costs	\$9,097,531	\$1,452,538	\$375,000	\$10,925,069	\$1,453,675	\$0	\$10,551,206
State/Other Special	1,264,590	1,000,335	75,000	2,339,925	989,838	0	2,254,428
Federal Special	7,832,941	452,203	300,000	8,585,144	463,837	0	8,296,778
Total Funds	\$9,097,531	\$1,452,538	\$375,000	\$10,925,069	\$1,453,675	\$0	\$10,551,206

**Department of Transportation-5401
Transportation Planning Division-50**

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$145,989	\$0
FY07	\$145,989	\$0

PL- 5001 - SB 448 Transade -

Funding for TRANS-ADE (Transportation Assistance for the Disabled and Elderly) is derived from a 25 cent fee collected on all vehicle registrations with the exception of trailers and semi-trailers. Projected expenditures are \$340,000 per year and are based on historical fee collection for the last 2.5 years. The base year expenditures of \$194,011 are low due to the program gear-up in FY 2004. This request is to fulfill the purpose of SB 448, passed by the 2001 Legislature, to offer operating assistance to transportation providers for the disabled and elderly. The request is \$145,989 state special revenue each year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$2,898	\$0
FY07	\$2,898	\$0

PL- 5005 - Overtime and Differential -

This request is to reestablish base year overtime and differential pay with associated benefits. The biennial adjustment is \$5,796, of which, \$1,912 of highway state special revenue and 3,884 of federal special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$31,821	\$0
FY07	\$31,771	\$0

PL- 5006 - Equipment Rental -

The rate schedule, required in the budgeting process as a means of providing adequate revenue for the Equipment Program, computes an adjustment to the users of the equipment. The biennial adjustment is \$12,718 of highway state special revenue and \$50,874 of federal revenue for a total of \$63,592.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$11,384	\$0
FY07	\$11,384	\$0

PL- 5008 - Accrual Accounting Error -

This request is to restore \$11,384 to the program in each year of the biennium. A prior year accounting correction in an accrual was charged to a one-time-only project in the base year. The biennial adjustment is \$22,768 with \$4,554 of highway state special revenue and \$18,214 of federal special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$969,101	\$0
FY07	\$969,101	\$0

PL- 5009 - FTA Grants -

The Federal Transit Administration's (FTA) section 5309-capital assistance and 5311-operating program provides funds for transit capital assistance and operating projects. Section 5309 projects are submitted through and supported by the Montana congressional delegation. The capital assistance federal funds are to be used for the procurement and/or construction of transit facilities and the purchase of transit vehicles. Section 5311 operating federal funds are to be used for the operation of transit vehicles in rural areas. The biennial adjustment is \$1,938,202 of federal special revenue.

**Department of Transportation-5401
Transportation Planning Division-50**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$155,917	\$0
FY07	\$155,917	\$0

PL- 5010 - FHWA Metropolitan Planning Grant -

The Metropolitan Planning grant is given to Billings, Great Falls, and Missoula to conduct transportation planning in each urbanized area. The planning process requirements include updating each area's long-range transportation plan, which must be updated every three years in order for state and local projects funded with Title 23, U.S.C. funds to advance. A greater number of plan updates will be developed and are due in FY 2006 and FY 2007 than were developed in the base year. The biennial adjustment is \$311,834, of which \$62,366 is highway state special revenue and \$249,468 is federal revenue.

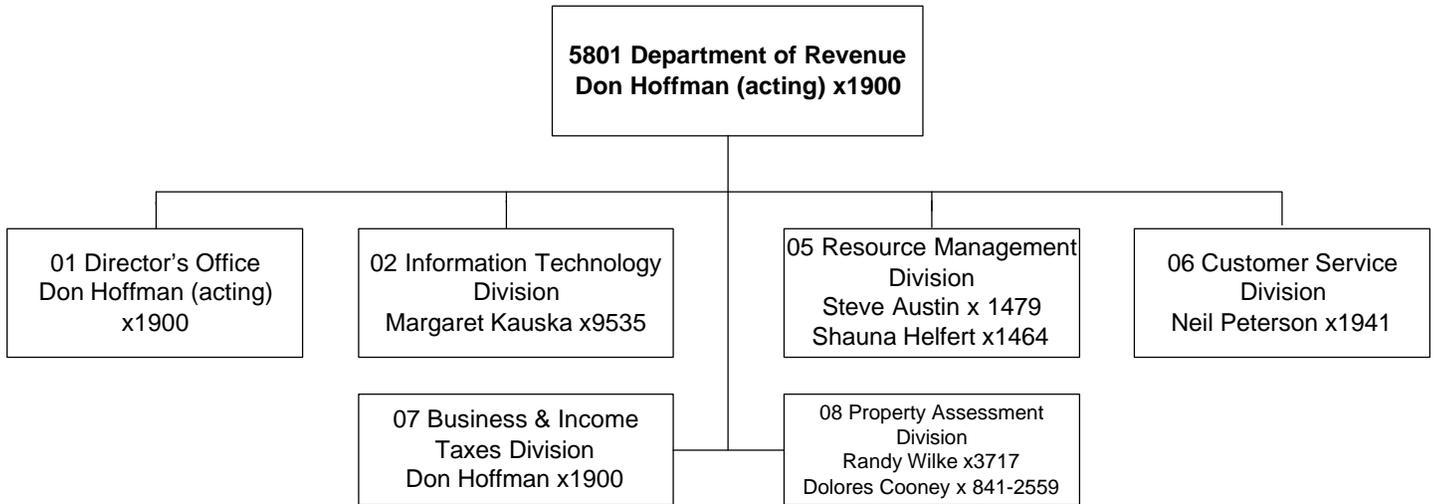
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$375,000	\$0
FY07	\$0	\$0

NP- 5007 - Corridor Studies -

This request is to fund various corridor studies intended to evaluate the existing transportation system within and along a specific corridor, and identify how the system could be improved to meet existing and long-term needs. The biennial adjustment is \$375,000 with \$75,000 in highway state special revenue and \$300,000 in federal special revenue.

Department of Revenue-5801



Mission Statement - The Department of Revenue provides accurate and timely information to all our customers, and applies tax laws fairly and consistently, with a competent workforce committed to success.

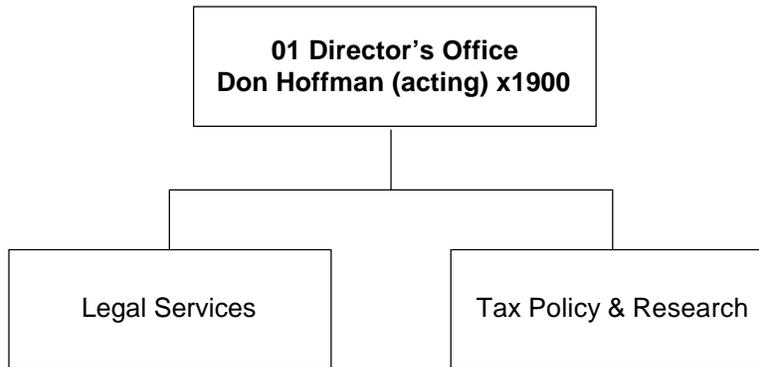
Statutory Authority - Titles 2, 15, 16, 39, MCA

Reorganization - In FY 2004, the Department of Revenue reorganized the Compliance Valuation & Resolution program into two programs. The new programs are the Business & Income Taxes Division and the Property Assessment Division. This reorganization was completed to improve the effectiveness and efficiencies of each of the individual programs. The functions of the programs are discussed further under the applicable program.

Executive Recommended Legislation - SB 294, passed by the 2003 Legislature, required counties to send the 95-mill and 6-mill levy portion of protested property tax payments made by centrally assessed companies to the state. As the settlement of large protests takes considerable time, and it is not possible to predict the year the protest will be settled or the resolution of the settlement, the Governor has prepared a bill to put half of the protested property tax payments received by the state into a state special revenue account so that a reserve will be there to pay any refunds to the companies due upon resolution of the protest. At this time, it is estimated that the general fund portion of the centrally assessed protested property tax balance will be approximately \$8.1 million at the end of FY 2005. The proposed bill, LC# 166, will contain a \$4 million general fund appropriation for this purpose.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	609.53	(9.45)	12.00	612.08	(9.50)	12.00	612.03
Personal Services	24,716,824	(688,939)	960,000	24,987,885	(586,864)	0	24,129,960
Operating Expenses	9,381,179	3,866,110	3,150,000	16,397,289	2,433,987	2,750,000	14,565,166
Equipment	93,986	0	40,000	133,986	0	0	93,986
Debt Service	2,452	16,000,000	0	16,002,452	0	0	2,452
Total Costs	\$34,194,441	\$19,177,171	\$4,150,000	\$57,521,612	\$1,847,123	\$2,750,000	\$38,791,564
General Fund	29,279,359	21,056,482	4,150,000	54,485,841	3,714,199	2,750,000	35,743,558
State/Other Special	549,014	72,907	0	621,921	83,316	0	632,330
Federal Special	2,362,285	(2,063,864)	0	298,421	(2,060,783)	0	301,502
Proprietary	2,003,783	111,646	0	2,115,429	110,391	0	2,114,174
Total Funds	\$34,194,441	\$19,177,171	\$4,150,000	\$57,521,612	\$1,847,123	\$2,750,000	\$38,791,564

**Department of Revenue-5801
Director's Office-01**



Program Description - The Director's Office supports the agency's director and is composed of six work units. The basic function for each unit is: (1) Legal Services supervises the overall legal efforts of the department, which includes rules, policies and the Office of Dispute Resolution. (2) Tax Policy & Research is responsible for the state revenue legislation and legislative proposals affecting the department, and department economic data analysis. (3) The budget analyst ensures the consolidation of the department budget. (4) Communications manages the department's communication activities, including information dissemination, media relations, document editing, stakeholder relations, website maintenance, public involvement and special events. (5) Internal Quality Assurance is responsible for providing management with information about the adequacy and the effectiveness of its system of internal controls and quality of its operations with established standards and management expectations. (6) Administrative Support assists all units in the Director's Office with administrative responsibilities including, preparing for legislative committees, transcribing legal hearings, editing correspondence and finalizing mass mailings.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	29.00	(1.00)	0.00	28.00	(1.00)	0.00	28.00
Personal Services	1,657,995	(111,183)	0	1,546,812	(110,683)	0	1,547,312
Operating Expenses	670,634	3,058,951	0	3,729,585	887,057	0	1,557,691
Debt Service	0	16,000,000	0	16,000,000	0	0	0
Total Costs	\$2,328,629	\$18,947,768	\$0	\$21,276,397	776,374	\$0	\$3,105,003
General Fund	2,177,182	19,071,083	0	21,248,265	900,489	0	3,077,671
Federal Special	121,280	(120,480)	0	800	(121,280)	0	0
Proprietary	30,167	(2,835)	0	27,332	(2,835)	0	27,332
Total Funds	\$2,328,629	\$18,947,768	\$0	\$21,276,397	\$776,374	\$0	\$3,105,003

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$120,480
FY07	\$0	\$120,480

PL- 101 - Replacement of Federal Funds - UI Transfer -

Due to the transfer of Unemployment Insurance back to the Department of Labor and Industry and an associated loss of federal funds for administrative costs during the base year, the department is requesting a general fund replacement in the amount of \$120,480 each year of the biennium.

**Department of Revenue-5801
Director's Office-01**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$63,826)	(\$63,826)
FY07	(\$63,643)	(\$63,643)

PL- 104 - Statewide FTE Reduction -

This decision package implements an FTE reduction equivalent to the reductions taken in the 2003 legislative session. This 1.00 FTE and nearly \$64,000 of general fund are removed each year from the budget permanently.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$16,000,000	\$16,000,000
FY07	\$0	\$0

PL- 105 – Pay Off the IRIS Computer System Loan – RST/OTO -

The Executive recommends paying off the loan made from the Board of Investments to fund the IRIS computer system. The loan balance is approximately \$16 million. As a result of repaying the loan, the department will be reducing approximately \$3 million per year in payments for the next 5.5 years. The reduction of these payments eliminates the assessment against personal income tax revenue and results in approximately \$3 million of additional general fund revenue each year of the biennium. This appropriation is general fund and one-time-only and restricted. This proposal also addresses an issue raised by the Legislative Auditor.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$3,000,000	\$3,000,000
FY07	\$1,000,000	\$1,000,000

PL- 106 – Replace the Remainder of the POINTS System – RST/OTO -

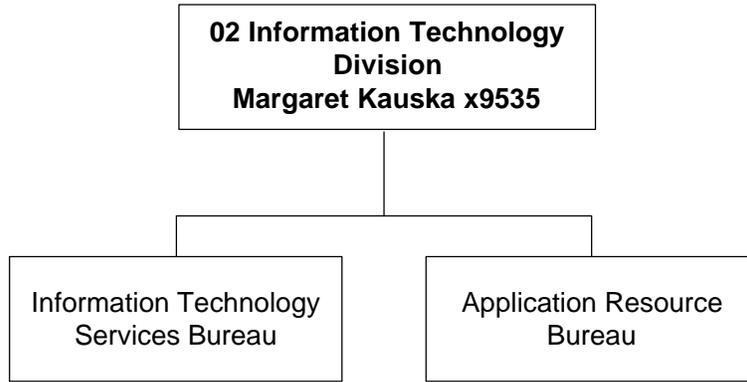
The budget includes a \$4,000,000 one-time-only restricted and biennial general fund appropriation to shut down the POINTS system. This funding will allow the department to contract for the implementation of the remaining tax types including: consumer counsel, contractor's gross receipts, electrical energy, metal mines, nursing facility beds, public service regulation, resource indemnity, retail communication excise, wholesale energy transaction, 911, abandon property, coal gross proceeds, coal severance, other tobacco products, telephone device for the deaf (TDD), and liquor (beer, wine, and hard cider).

Language Recommendations –

"Any funds remaining from the appropriation authorized in Section 11(2), Chapter 597, Laws of 2003 are re-appropriated to the Department of Revenue for the 2007 biennium for the stated purpose."

"Any funds remaining from the appropriation authorized in section 12 (1), Chapter 597, Laws of 2003 are re-appropriated to the Department of Revenue for the 2007 biennium for the stated purpose."

Department of Revenue-5801 Information Technology-02



Program Description - The Information Technology Division provides service in the area of data, applications, technology support, and user assistance, all of which enables the department to meet its business objectives.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	31.00	(2.00)	0.00	29.00	(2.00)	0.00	29.00
Personal Services	1,410,743	142,308	0	1,553,051	141,571	0	1,552,314
Operating Expenses	1,394,083	379,993	0	1,774,076	1,019,833	0	2,413,916
Equipment	5,688	0	0	5,688	0	0	5,688
Total Costs	\$2,810,514	\$522,301	\$0	\$3,332,815	\$1,161,404	\$0	\$3,971,918
General Fund	2,530,552	733,933	0	3,264,485	1,373,036	0	3,903,588
Federal Special	215,490	(215,490)	0	0	(215,490)	0	0
Proprietary	64,472	3,858	0	68,330	3,858	0	68,330
Total Funds	\$2,810,514	\$522,301	\$0	\$3,332,815	\$1,161,404	\$0	\$3,971,918

Program Indicators -

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Customer Intake						
Call Center (calls rec'd)	190,049	171,160	180,000	180,000	180,000	
Cigarette Stamps Issued	63,733,000	66,899,000	59,491,747	59,000,000	59,000,000	
One Stop Licenses	7,500	9,548	6,235	6,300	6,100	
Abandoned Property Claims	1,747	2,023	2,323	2,500	2,700	
Liquor Licenses Issued	2,210	2,157	2,233	2,300	2,400	
Accounts Receivable & Collections						
Amount Collected	N/A	9,104,411	16,801,856	18,000,000	22,000,000	
Collection Actions	N/A	4,322	5,078	5,000	5,000	
Processing & Retention Operations						
Electronically Filed Income Tax Returns	140,034	168,231	193,350	215,500	237,050	
Paper Filed Income Tax Returns	430,043	434,229	430,192	431,000	431,000	
Income Tax Returns Filed Electronically	33%	39%	45%	50%	55%	

Department of Revenue-5801 Information Technology-02

Refund Timeliness (days)	31	29	30	35	35	
Individual Income Tax Payments Processed	784,663	960,869	907,704	900,000	900,000	
Liquor Distribution						
Liquor Cases Distributed	463,881	490,153	513,885	538,885	563,885	588,885
Liquor Service Level	99.45%	99.38%	99.14%	99%	99%	99%
Liquor Accuracy	99.735%	99.961%	99.915%	99%	99%	99%
Human Resources						
Employee Retention	90%	90%	90%	90%	90%	90%
Financial Management						
HB124 Entitlement Share Distributions	\$79,346,718	\$80,398,028	\$82,299,523	\$84,775,437	Pending	Pending
Oil and Natural Gas Production Taxes	\$50,303,611	\$73,389,377	\$92,676,049	\$97,000,000	Pending	Pending
Liquor Vendor Payments	\$34,731,624	\$36,795,086	\$39,377,111	\$42,506,401	\$45,245,163	\$48,160,388
Business and Income Taxes						
Audit Collections	24,730,000	34,517,000	46,623,000	25,808,000	30,308,000	30,808,000
Property Tax						
Property Tax Collections	\$826,840,237	\$883,510,356	Estimate not available	Estimate not available	Estimate not available	
Improved Property Parcels	452,640	466,625	480,610	495,030	509,880	
Unimproved Property Parcels	96,275	94,270	92,265	91,420	90,450	
Unimproved Property Acres	54,431,600	54,245,685	54,059,770	53,859,770	53,659,770	
Exempt Parcels	105,700	106,000	106,329	106,630	107,000	
Personal Property Accounts	103,835	104,885	109,945	112,900	115,000	
Number of Assessments	191,990	*662,750	162,289	164,000	166,000	
Number of CTAB Appeals Filed	72	* 360	78			
Number of STAB Appeals Filed	24	* 101				

* Reappraisal year – new values used for this tax year

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$215,490
FY07	\$0	\$215,490

PL- 201 - Replacement of Federal Funds - UI Transfer -

Due to the transfer of Unemployment Insurance back to the Department of Labor and Industry and an associated loss of federal funds for administrative costs during the base year, the department is requesting a general fund replacement in the amount of \$215,490 each year of the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$491,665	\$491,665
FY07	\$1,131,414	\$1,131,414

PL- 202 - IRIS Operating Costs -

The Integrated Revenue Information System (IRIS) was not in place during the base year. The department is requesting funding for on going operating costs for the new system. These include costs paid to the Department of Administration for hosting data on their mid-tier servers, to GenTax for vendor maintenance and support services, and for additional printing and mailing costs of account receivable statements required to be mailed monthly with the new system. The department was able to identify many efficiencies resulting in cost savings by moving to the new system. This request reflects the net effect of the increase/decrease of general fund in the amounts of \$491,665 in FY 2006 and \$1,131,414 in FY 2007.

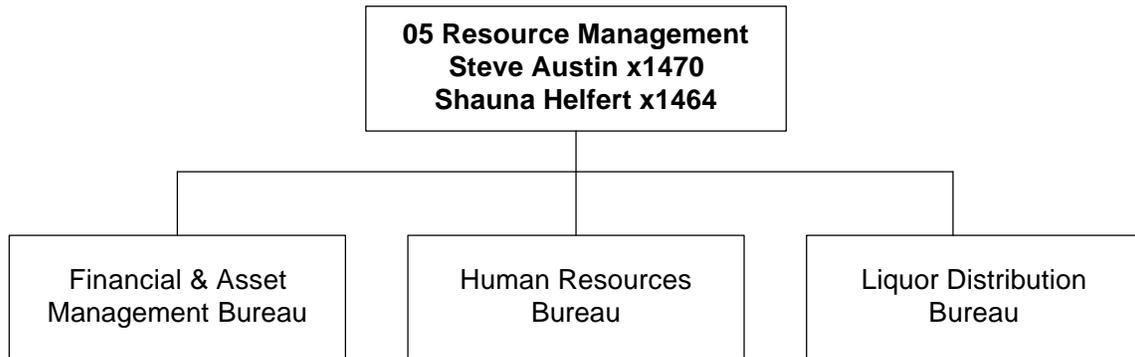
**Department of Revenue-5801
Information Technology-02**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$88,417)	(\$88,417)
FY07	(\$88,172)	(\$88,172)

PL- 203 - Statewide FTE Reduction -

This decision package implements an FTE reduction equivalent to the reductions taken in the 2003 legislative session. This 2.00 FTE and \$88,417 in FY 2006 and \$88,172 in FY 2007 of general fund are removed from the budget permanently.

**Department of Revenue-5801
Resource Management-05**



Program Description - The Resource Management Division provides service and support to the department by integrating human resources, payroll and benefits, education and training, liquor distribution, accounting and facilities management.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	37.50	(1.00)	0.00	36.50	(1.00)	0.00	36.50
Personal Services	1,582,022	98,850	0	1,680,872	98,046	0	1,680,068
Operating Expenses	471,967	16,323	0	488,290	14,555	0	486,522
Equipment	57,121	0	0	57,121	0	0	57,121
Total Costs	\$2,111,110	\$115,173	\$0	\$2,226,283	\$112,601	\$0	\$2,223,711
General Fund	862,809	128,332	0	991,141	127,015	0	989,824
Federal Special	106,677	(106,677)	0	0	(106,677)	0	0
Proprietary	1,141,624	93,518	0	1,235,142	92,263	0	1,233,887
Total Funds	\$2,111,110	\$115,173	\$0	\$2,226,283	\$112,601	\$0	\$2,223,711

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$106,677
FY07	\$0	\$106,677

PL- 501 - Replacement of Federal Funds - UI Transfer -

Due to the transfer of Unemployment Insurance back to the Department of Labor and Industry and an associated loss of federal funds for administrative costs during the base year, the department is requesting general fund replacement in the amount of \$106,677 each year of the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$63,807)	(\$63,807)
FY07	(\$63,622)	(\$63,622)

PL- 505 - Statewide FTE Reduction -

This decision package implements an FTE reduction equivalent to the reductions taken in the 2003 legislative session. This 1.00 FTE and \$63,807 in FY 2006 and \$63,622 in FY 2007 of general fund are removed from the budget permanently.

Department of Revenue-5801 Resource Management-05

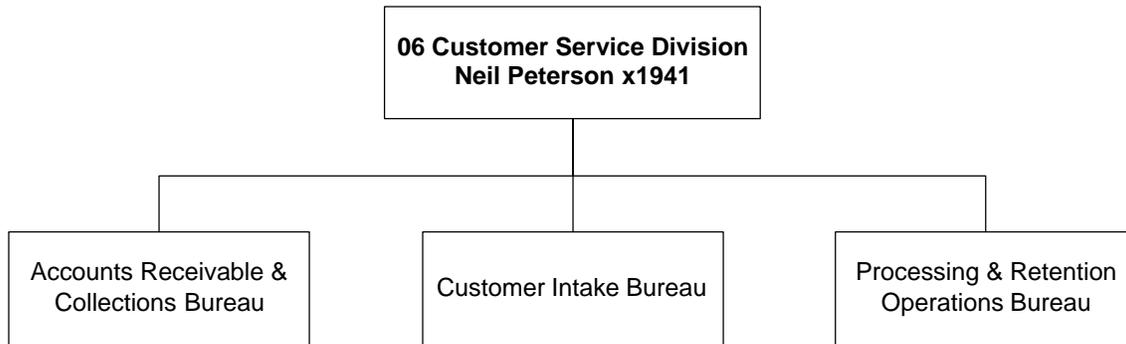
Language Recommendations –

"Liquor division proprietary funds necessary to maintain adequate inventories, pay freight charges, and transfer profit and taxes to appropriate accounts are appropriated from the liquor enterprise fund (06005) to the department in amounts not to exceed \$78,766,985 in fiscal year 2006 and \$83,497,337 in fiscal year 2007."

"In the event the department is unable to meet statutory service levels because of the increase in demand for liquor products, the department may hire additional temporary employees or pay overtime, whichever is determined to be the more cost-effective, to maintain required service levels to stores. In fiscal year 2006 and in fiscal year 2007, the department is appropriated not more than \$40,000 each year for additional costs from the liquor enterprise fund (06005) to meet the service level requirements."

"In the liquor division, upon a termination that requires a payout of accrued leave balances, liquor division proprietary funds are appropriated from the liquor enterprise fund (06005) to the department in the amount equal to the payout of the accrued leave balances, not to exceed \$30,000 for each of fiscal years 2006 and 2007."

Department of Revenue-5801 Customer Service Division-06



Program Description - The Customer Service Division is designed to provide centralized and consistent customer service, revenue collection, and document processing for the department and for state agency partners. The basic function of each bureau is: 1.) Customer Intake is the initial contact point for customers and is the central point for the development and design of "user friendly" forms and instructions. Customer information consultants are supported by up-to-date technology, enabling them to answer customer inquiries for all tax types. 2.) Processing & Retention Operations is responsible for electronic commerce, document capture, remittance processing, records management, direct deposit of cash receipts and revenue, and mail distribution. 3.) Accounts Receivable & Collections is a single point of contact for debtors and is responsible for consistent delinquent account collection and enforcement activities.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	108.25	(1.00)	0.00	107.25	(1.00)	0.00	107.25
Personal Services	3,933,401	(441,850)	0	3,491,551	(361,351)	0	3,572,050
Operating Expenses	2,354,053	(55,418)	0	2,298,635	(57,940)	0	2,296,113
Equipment	18,162	0	0	18,162	0	0	18,162
Total Costs	\$6,305,616	(\$497,268)	\$0	\$5,808,348	(\$419,291)	\$0	\$5,886,325
General Fund	4,511,183	(1,301)	0	4,509,882	70,782	0	4,581,965
State/Other Special	359,397	62,044	0	421,441	67,938	0	427,335
Federal Special	667,516	(575,116)	0	92,400	(575,116)	0	92,400
Proprietary	767,520	17,105	0	784,625	17,105	0	784,625
Total Funds	\$6,305,616	(\$497,268)	\$0	\$5,808,348	(\$419,291)	\$0	\$5,886,325

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$51,076)	\$188,878
FY07	(\$51,076)	\$188,878

PL- 601 - Replacement of Federal Funds - UI Transfer -

Due to the transfer of Unemployment Insurance back to the Department of Labor and Industry and an associated loss of federal funds for administrative costs during the base year, the department is requesting general fund replacement in the amount of \$188,878 each year of the biennium.

**Department of Revenue-5801
Customer Service Division-06**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$27,537)	(\$27,537)
FY07	(\$27,467)	(\$27,467)

PL- 602 - Statewide FTE Reduction -

This decision package implements an FTE reduction equivalent to the reductions taken in the 2003 legislative session. This 1.00 FTE and \$27,537 in FY 2006 and \$27,467 in FY 2007 of general fund are removed from the budget permanently.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$161,892)	(\$161,892)
FY07	(\$76,158)	(\$76,158)

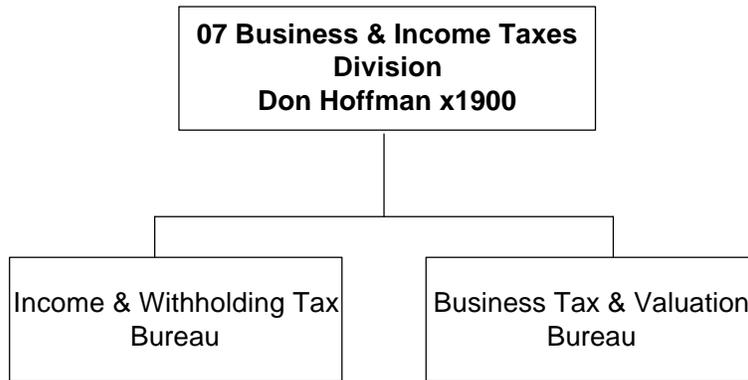
PL- 603 - Reductions in Seasonal Returns Processing Staff -

The budget includes a reduction in personal services funding for seasonal help in the Customer Service Division, Processing and Retention Operations unit. The funding reduction requires the department to process returns during peak times with existing staff and a reduced temporary work force. The general fund amounts reduced are \$161,892 in FY 2006 and \$76,158 in FY 2007.

Language Recommendations –

"The Department of Revenue is appropriated up to \$475,000 of general fund for the 2007 biennium. Funds are restricted for the payment of commission expenses charged by the bad debt collection agency."

**Department of Revenue-5801
Business And Income Taxes Division-07**



Program Description - Business and Income Taxes Division oversees audits and verifies tax-paying entities are in compliance with the law.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	102.78	(1.30)	0.00	101.48	(1.35)	0.00	101.43
Personal Services	4,491,320	(41,697)	0	4,449,623	(24,270)	0	4,467,050
Operating Expenses	981,685	8,347	0	990,032	9,086	0	990,771
Equipment	13,000	0	0	13,000	0	0	13,000
Total Costs	\$5,486,005	(\$33,350)	\$0	\$5,452,655	(\$15,184)	\$0	\$5,470,821
General Fund	4,091,878	1,005,076	0	5,096,954	1,014,846	0	5,106,724
State/Other Special	142,805	7,675	0	150,480	12,190	0	154,995
Federal Special	1,251,322	(1,046,101)	0	205,221	(1,042,220)	0	209,102
Total Funds	\$5,486,005	(\$33,350)	\$0	\$5,452,655	(\$15,184)	\$0	\$5,470,821

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$182,391)	\$67,528
FY07	(\$182,391)	\$67,528

PL- 701 - Replacement of Federal Funds - UI Transfer -

Due to the transfer of Unemployment Insurance back to the Department of Labor and Industry and an associated loss of federal funds for administrative costs during the base year, the department is requesting general fund replacement in the amount of \$67,528 each year of the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$30,520	\$0
FY07	\$30,520	\$0

PL- 702 - Funding Federal Royalty Costs at FY 2004 Level -

The department requests \$30,520 each year of the biennium in federal funding for operating costs associated with the Federal Royalty Audit Program.

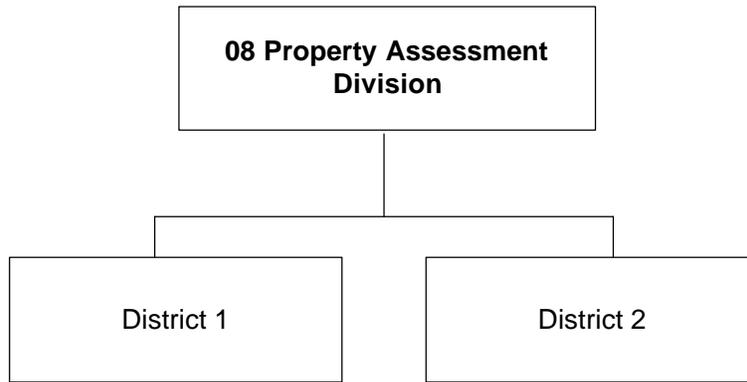
**Department of Revenue-5801
Business And Income Taxes Division-07**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$47,954)	(\$47,954)
FY07	(\$49,251)	(\$49,251)

PL- 703 - Statewide FTE Reduction -

This decision package implements an FTE reduction equivalent to the reductions taken in the 2003 legislative session. This 1.35 FTE and \$47,954 in FY 2006 and \$49,251 in FY 2007 of general fund are removed from the budget permanently.

Department of Revenue-5801 Property Assessment Division-08



Program Description - The Property Assessment Division is responsible for the valuation and assessment of real and personal property throughout the state for property tax purposes. The division is comprised of a central office located in Helena and six regions. There is a local DOR office located in each of the county seats within the regional areas.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	301.00	(3.15)	12.00	309.85	(3.15)	12.00	309.85
Personal Services	11,641,343	(335,367)	960,000	12,265,976	(330,177)	0	11,311,166
Operating Expenses	3,508,757	457,914	3,150,000	7,116,671	561,396	2,750,000	6,820,153
Equipment	15	0	40,000	40,015	0	0	15
Debt Service	2,452	0	0	2,452	0	0	2,452
Total Costs	\$15,152,567	\$122,547	\$4,150,000	\$19,425,114	\$231,219	\$2,750,000	\$18,133,786
General Fund	15,105,755	119,359	4,150,000	19,375,114	228,031	2,750,000	15,333,786
State/Other Special	46,812	3,188	0	50,000	3,188	0	50,000
Total Funds	\$15,152,567	\$122,547	\$4,150,000	\$19,425,114	\$231,219	\$2,750,000	\$18,133,786

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$374,358	\$374,358
FY07	\$396,261	\$396,261

PL- 801 - Field Office Rent -

Provisions in 15-8-102, MCA, give counties the ability to charge the department rent for space that the department occupies in the county offices. The rate cannot exceed the amount charged by the Department of Administration to other state agencies. This request is for payment of rent for space occupied in county courthouses and for office space occupied that is not currently in the base. The Executive recommends \$374,358 general fund in FY 2006 and \$396,261 general fund in FY 2007 for the rent payments to counties.

**Department of Revenue-5801
Property Assessment Division-08**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$90,378	\$90,378
FY07	\$172,080	\$172,080

PL- 802 - Request for Leased Vehicles -

The department has a fleet of 155 vehicles, of which, 60 are owned by the department and 95 are leased from the State Motor Pool. These vehicles are used for field inspections, property appraisals, audits of in-state taxpayers, and travel for trainings and meetings. The department owned vehicles are old and have high mileage. This request is to replace department owned vehicles with Motor Pool leased vehicles. The department will replace 25 vehicles in FY 2006 costing \$90,378 and an additional 24 vehicles in FY 2007 totaling \$172,080.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$144,004)	(\$144,004)
FY07	(\$143,618)	(\$143,618)

PL- 803 - Statewide FTE Reduction -

This decision package implements an FTE reduction equivalent to the reductions taken in the 2003 legislative session. This 3.15 FTE and \$144,004 in FY 2006 and \$143,618 in FY 2007 of general fund are removed from the budget permanently.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$2,750,000	\$2,750,000
FY07	\$2,750,000	\$2,750,000

NP- 804 – Property Tax Computer System Replacement – RST/OTO -

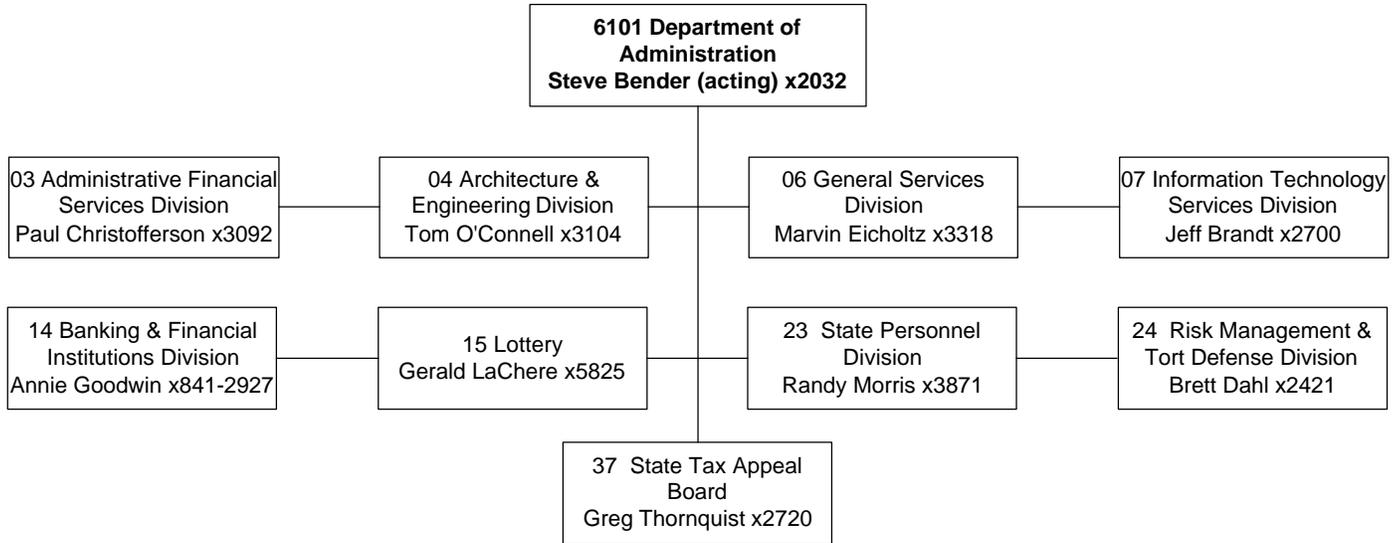
The Department of Revenue is responsible for the valuation and assessment of all real and personal property in the state for property tax purposes. This process involves over 850,000 pieces of real and personal property and over one billion dollars in annual property tax collections. Use of the current obsolete property tax system technology now places the entire property tax system in serious jeopardy. Therefore, the Executive recommends a \$5.5 million restricted, one-time-only, biennial general appropriation to fund the development and implementation of a new technologically sound property tax computer system. The new system would interface with IRIS and provide increased functionality for the other taxes the department administers.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,400,000	\$1,400,000
FY07	\$0	\$0

NP- 805 – Agricultural/Forest Land Classification and Valuation System – RST/OTO -

The Executive recommends a \$1.4 million restricted, one-time-only, biennial general fund appropriation for an agricultural/forest land classification and valuation system. The system would come online for the 2009 tax year. The proposed system would update Montana’s current agricultural and forest land classification and productive grading system, and bring the state into compliance with current law that requires classification and grading of agricultural and forest land be kept current and that it be “equitable and uniform.” With the current system, the department has not been able to maintain current classifications and grade determinations for these lands.

Department of Administration-6101



Mission Statement - The Department of Administration seeks to deliver superior and responsive services to agencies, employees and the public while minimizing costs and maximizing effectiveness. The department strives to continuously improve services delivery by; continuing to refine procedures, fostering government coordination and cooperation, promoting access to services, and developing innovating uses for emerging technologies.

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

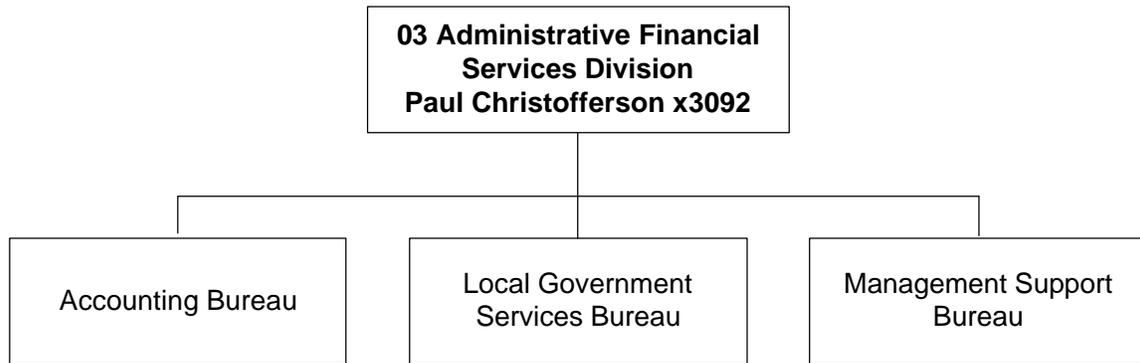
Language –

"There is appropriated from the general fund to the department for payments to the Montana highway patrol pension fund the amount required for this transfer, not to exceed \$350,000 for each fiscal year. "

"There is appropriated from the general fund to the department the amount required to be refunded to the federal government for their participation in the Workers' Compensation Old Fund transfer to the general fund, not to exceed \$300,000 in fiscal year 2006."

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	151.07	2.65	4.00	157.72	2.65	4.00	157.72
Personal Services	6,995,736	706,415	220,161	7,922,312	704,786	221,094	7,921,616
Operating Expenses	8,108,925	948,648	4,889,000	13,946,573	306,791	669,000	9,084,716
Equipment	245,179	7,000	150,000	402,179	0	150,000	395,179
Local Assistance	28,637	0	0	28,637	0	0	28,637
Grants	0	0	1,160,000	1,160,000	0	1,160,000	1,160,000
Transfers	500,000	0	0	500,000	0	0	500,000
Debt Service	1,167,367	(1,135,317)	0	32,050	(1,135,317)	0	32,050
Total Costs	\$17,045,844	\$526,746	\$6,419,161	\$23,991,751	(\$123,740)	\$2,200,094	\$19,122,198
General Fund	3,363,958	250,871	4,400,000	8,014,829	229,206	300,000	3,893,164
State/Other Special	3,715,679	598,435	1,400,833	5,714,947	575,816	1,401,336	5,692,831
Federal Special	1,049,961	(7,768)	498,328	1,540,521	(8,772)	498,758	1,539,947
Capital Projects	511,542	(11,542)	0	500,000	(11,542)	0	500,000
Proprietary	8,404,704	(303,250)	120,000	8,221,454	(908,448)	0	7,496,256
Total Funds	\$17,045,844	\$526,746	\$6,419,161	\$23,991,751	(\$123,740)	\$2,200,094	\$19,122,198

**Department of Administration-6101
Administrative Financial Services Division-03**



Program Description - The Administrative Financial Services Division consists of several units. The Director's Office is responsible for overall supervision and coordination of agency programs and administratively attached boards and agencies. The Legal Unit provides legal services to agency and administratively attached programs. The Accounting Bureau is the process owner of the financial portion of the Statewide Budgeting, Accounting and Human Resource Systems (SABHRS), establishes state accounting policies and procedures, administers the federal Cash Management Improvement Act, processes warrants for all state agencies, and prepares the state Comprehensive Annual Financial Report (CAFR). The Management Support Bureau and personnel function provides financial, budgeting, accounting, personnel, and payroll functions for the department. Local Government Services Bureau provides technical assistance and training to local government accounting and financial personnel and defines, reviews and enforces auditing requirements for Montana's local governments. The Consumer Protection Office advocates on behalf of Montana's consumers in matters of unfair or deceptive acts in the conduct of any business.

Program Indicators -

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
LGS Systems Program - On Site Assistance (Hours)	5,140	5,379	5,028	5,700	5,700	5,700
LGS Audit Review Program - Local Government Audits	471	467	488	480	480	480

LGS Audit Review Program

The number of audits reported above as actual for FY 2002, FY 2003, and FY 2004 represent the number of audit reports actually received by the program during those three fiscal years. The audits received during FY 2002 covered FY 2001, or were biennial audits and covered FY 2000 and FY 2001. The audits received during FY 2003 covered FY 2002, or were biennial audits and covered FY 2001 and FY 2002. The audits received during FY 2004 covered FY 2003, or were biennial audits and covered FY 2002 and FY 2003. Audits are always conducted after the close of the last fiscal year of the audit period. The audits are submitted to the program during the fiscal year following the last fiscal year covered by the audit.

**Department of Administration-6101
Administrative Financial Services Division-03**

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	28.34	0.00	0.00	28.34	0.00	0.00	28.34
Personal Services	1,253,963	124,192	0	1,378,155	124,945	0	1,378,908
Operating Expenses	387,697	54,122	0	441,819	35,773	0	423,470
Local Assistance	22,133	0	0	22,133	0	0	22,133
Total Costs	\$1,663,793	\$178,314	\$0	\$1,842,107	\$160,718	\$0	\$1,824,511
General Fund	1,154,645	79,254	0	1,233,899	61,946	0	1,216,591
State/Other Special	406,518	92,589	0	499,107	92,314	0	498,832
Federal Special	58,675	5,429	0	64,104	5,479	0	64,154
Proprietary	43,955	1,042	0	44,997	979	0	44,934
Total Funds	\$1,663,793	\$178,314	\$0	\$1,842,107	\$160,718	\$0	\$1,824,511

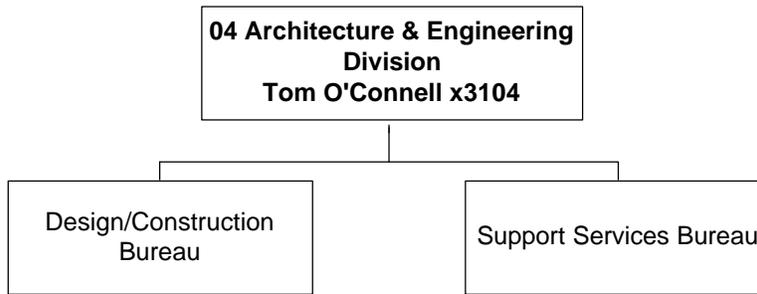
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$27,337	(\$3,084)
FY07	\$27,328	(\$3,084)

PL- 301 - Indirect/Administrative Costs -

This request is to fund increases of \$27,337 in FY 2006 and \$27,328 in FY 2007 for indirect/administrative costs for services received from other proprietary funded centralized service functions of the agency.

Department of Administration-6101 Architecture & Engineering Division-04



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

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	17.00	0.00	0.00	17.00	0.00	0.00	17.00
Personal Services	860,497	69,406	0	929,903	68,141	0	928,638
Operating Expenses	301,654	22,588	0	324,242	21,310	0	322,964
Total Costs	\$1,162,151	\$91,994	\$0	\$1,254,145	\$89,451	\$0	\$1,251,602
State/Other Special	1,150,609	103,536	0	1,254,145	100,993	0	1,251,602
Capital Projects	11,542	(11,542)	0	0	(11,542)	0	0
Total Funds	\$1,162,151	\$91,994	\$0	\$1,254,145	\$89,451	\$0	\$1,251,602

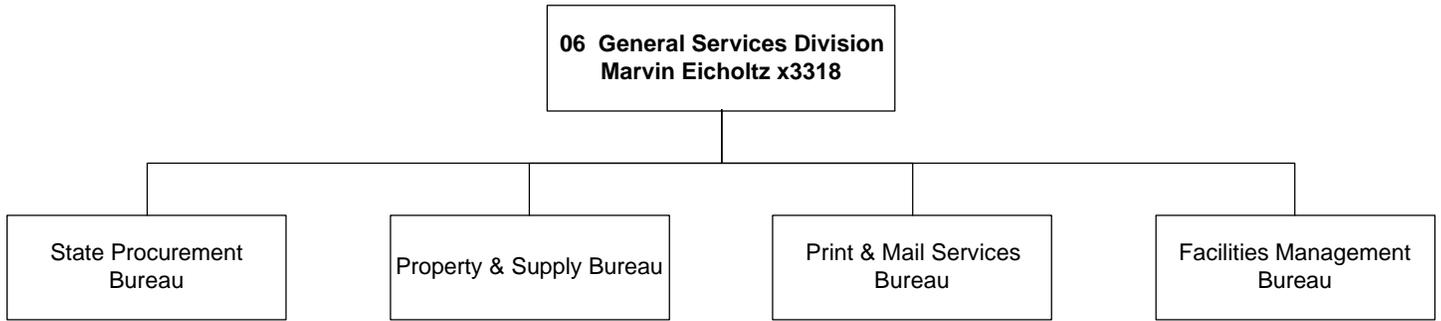
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$5,305	\$0
FY07	\$5,287	\$0

PL- 301 - Indirect Administrative Costs -

This request is to fund changes in the department's indirect/administrative costs for services received from other proprietary funded centralized service functions of the agency.

Department of Administration-6101 General Services Division-06



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

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

The State Procurement Bureau procures or supervises the procurement of all supplies and services needed by the state and provides technical assistance to government agencies and the public to ensure compliance with the Montana Procurement Act. In addition, the bureau manages the state's vehicle fueling, energy procurement, and procurement card functions. The state general fund is reimbursed for a portion of the Bureau's administrative expenditures through the statewide cost allocation plan.

The Print and Mail Services Bureau provides print and mail services to state agencies. The print services program operates a central facility for duplicating and binding, mail preparation, desktop publishing, layout and design, graphic illustration, and forms design. It operates three quick copy centers, administers the state photocopy pool, and approves the procurement of all printing and printing-related purchases for state agencies. The mail services program operates a centralized facility that manages incoming, outgoing, and interagency mail. In addition, the bureau operates a full service contract United States post office in the state capitol building.

The Property and Supply Bureau manages the Central Stores program and the State and Federal Surplus Property programs.

See Volume 3, Section P for further budgetary information on this program.

Program Indicators -

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Work Orders Issued	5,397	5,106	5,373	5,373	5,373	5,373
Active Leases	220	250	276	276	276	276
Number of Buildings serviced by GSD staff	44	45	45	45	46	46

**Department of Administration-6101
General Services Division-06**

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	9.95	0.90	0.00	10.85	0.90	0.00	10.85
Personal Services	427,589	80,368	0	507,957	80,061	0	507,650
Operating Expenses	107,917	15,907	0	123,824	12,384	0	120,301
Transfers	500,000	0	0	500,000	0	0	500,000
Debt Service	32,050	0	0	32,050	0	0	32,050
Total Costs	\$1,067,556	\$96,275	\$0	\$1,163,831	\$92,445	\$0	\$1,160,001
General Fund	567,556	96,275	0	663,831	92,445	0	660,001
Capital Projects	500,000	0	0	500,000	0	0	500,000
Total Funds	\$1,067,556	\$96,275	\$0	\$1,163,831	\$92,445	\$0	\$1,160,001

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,333	\$1,333
FY07	\$1,333	\$1,333

PL- 301 - Indirect Administrative Costs -

This request will fund changes that have occurred in the department's indirect/administrative costs for services received from other proprietary funded centralized service functions of the agency.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$56,828	\$56,828
FY07	\$53,677	\$53,677

PL- 604 - Increase FTE in State Procurement Bureau -

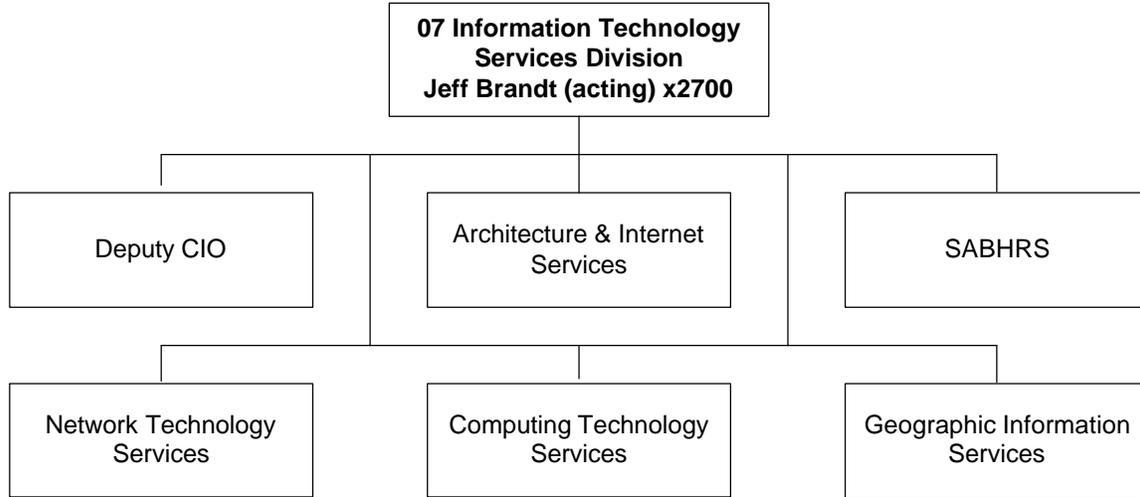
This request is for 1.00 FTE, contracts officer, to assist with the increased contracting workload in the State Procurement Bureau. The proposal adds \$56,828 general fund in FY 2006 and \$53,677 general fund in FY 2007 to assist in addressing this workload.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$4,735)	(\$4,735)
FY07	(\$4,774)	(\$4,774)

PL- 608 - Fund Switch -

This request moves a partial FTE from the HB 2 budget to the non-appropriated proprietary budget.

Department of Administration-6101 Information Technology Services Division-07



Program Description - Information Technology Services Division (ITSD) is a proprietary program that manages central computing and telecommunications services for state government. ITSD provides central mainframe and mid-tier computer services, and manages the statewide data network SummitNet used by all agencies throughout the state. ITSD provides local and long-distance telephone network services used by all agencies, including the university system, and manages the state's video network METNET. ITSD coordinates electronic government services for the state, and manages the states Internet presence www.discoveringmontana.com. ITSD also manages the Statewide Accounting, Budgeting, and Human Resources Systems (SABHRS) system for the state.

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

The division also coordinates Geographic Information Systems (GIS) development, manages the state's 911 programs, and coordinates Public Safety Communications issues.

This program can also be found in Volume 3, Section P of the Executive Budget.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	5.00	0.00	4.00	9.00	0.00	4.00	9.00
Personal Services	321,010	(4,674)	220,161	536,497	(4,601)	221,094	537,503
Operating Expenses	620,277	(14,246)	4,769,000	5,375,031	(16,340)	669,000	1,272,937
Equipment	206,340	0	150,000	356,340	0	150,000	356,340
Grants	0	0	1,160,000	1,160,000	0	1,160,000	1,160,000
Total Costs	\$1,147,627	(\$18,920)	\$6,299,161	\$7,427,868	(\$20,941)	\$2,200,094	\$3,326,780
General Fund	156,341	(5,723)	4,400,000	4,550,618	(6,690)	300,000	449,651
State/Other Special	0	0	1,400,833	1,400,833	0	1,401,336	1,401,336
Federal Special	991,286	(13,197)	498,328	1,476,417	(14,251)	498,758	1,475,793
Total Funds	\$1,147,627	(\$18,920)	\$6,299,161	\$7,427,868	(\$20,941)	\$2,200,094	\$3,326,780

**Department of Administration-6101
Information Technology Services Division-07**

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$5,236)	(\$828)
FY07	(\$5,236)	(\$828)

PL- 301 - Indirect Administrative Costs -

This request is to fund changes in the department's indirect/administrative costs for services received from other proprietary funded centralized service functions of the agency.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$707,000	\$0
FY07	\$707,000	\$0

NP- 718 - MSDI Federal Request -

The executive requests approval of a \$707,000 yearly federal appropriation needed for the continuing development of the Montana Spatial Data Infrastructure (MSDI).

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$91,328	\$300,000
FY07	\$91,758	\$300,000

NP- 721 - Public Safety Communications Program - GF -

This request will fund the administrative expenses for Public Safety Services in the Department of Administration. The request offsets lost federal funds of nearly \$209,000 per year and increases general fund support by approximately \$91,000 each year .

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$4,100,000	\$4,100,000
FY07	\$0	\$0

NP- 722 - Emergency Telecommunications Infrastructure – RST/OTO -

The Northern Tier Interoperability Project (NTIP) is a partnership of local, state, tribal, and federal government agencies, each with challenging requirements for radio communications. Several have projects already underway and NTIP will interconnect standards-based systems to make the most of existing resources, extend them to neighboring cooperators, and expand capabilities for all. The Montana National Guard's homeland security mission will be enhanced through highly reliable, redundant communications capabilities to its highline armories.

The anticipated cost for the entire project is \$13.4 million. Of this total cost, \$5.7 million will be paid for through the Office for Domestic Preparedness (ODP) federal grant. \$1.4 million will come from the Montana Board of Crime Control, through their Law Enforcement Terrorism Prevention funding. \$2.2 million will be covered by collaborating with the Montana National Guard. The total funds currently available are \$9.3 million (\$5.7 + \$1.4 + \$2.2). The remaining \$4.1 million will be provided by a one-time-only, restricted, and biennial appropriation of general fund to the Department of Administration to complete this project.

**Department of Administration-6101
Information Technology Services Division-07**

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,400,833	\$0
FY07	\$1,401,336	\$0

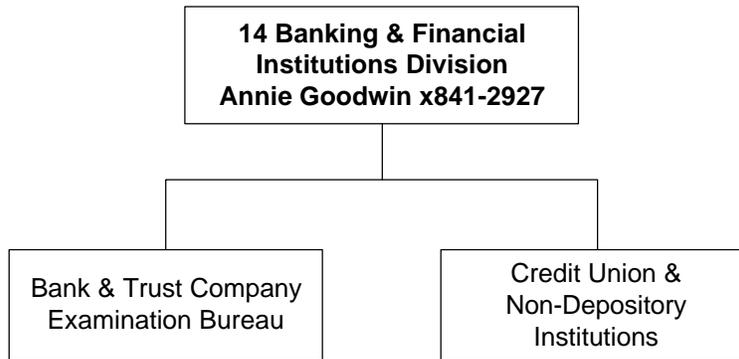
NP- 719 - Montana Land Information Act -

The department has requested legislation (LC# 79) called the Montana Land Information Act. The bill would provide funding to a special earmarked revenue account. This account would fund grants to state, local, and tribal entities, and to match federal funding and to pay for the collection, maintenance, integration, and distribution of databases described as being part of the Montana Spatial Data Infrastructure and consists of 12 critical layers. They are: land ownership, transportation, surface waters, hydrologic units, jurisdictional boundaries, geodetic control, elevation, aerial imagery, geology, critical infrastructures, land cover, and soils. This request would appropriate approximately \$1.4 million state special revenue each year collected under the act and is contingent on the passage and approval of LC# 79.

Language Recommendations –

“Any funds remaining from the appropriation authorized in section 11, Chapter 597, Laws of 2003 are re-appropriated to the department of administration for the 2007 biennium for the stated purpose.”

Department of Administration-6101 Banking and Financial Division-14



Program Description - The Division of Banking and Financial Institutions licenses, supervises, regulates and examines a variety of financial institutions operating in and outside of Montana. At present, those institutions include 67 banks and trust companies, including 209 branch banks; 14 credit unions; 330 consumer finance companies; 153 sales finance companies; 103 deferred deposit lenders; 46 title loan companies; and 10 escrow companies. The Montana Mortgage Broker and Loan Originator Licensing Act was passed by the 2003 Legislature, and licensing of mortgage brokers and loan originators began on July 1, 2004. As of August 2004, over 200 license applications had been received. The division estimates between 1,000 and 1,500 licenses will have been issued by December 31, 2004. The division also would be responsible for the supervision, regulation and examination of any institutions operating under the state's savings and loan laws or the Foreign Capital Depository Act. All program functions are statutorily mandated in 2-31, 32, MCA.

Supervision of regulated financial institutions is accomplished primarily through examinations. The safety and soundness of Montana state chartered banks and credit unions, which hold in excess of \$10.5 billion in deposits as of June 30, 2004, is under the supervision of the division. Banks are statutorily required to be examined at least once every 24 months. Credit unions are examined according to a schedule determined by the division; in practice each credit union is examined at no more than 18 month intervals. Consumer loan, deferred deposit and title loan companies are to be examined annually. Escrow companies may be examined as necessary. Transactions of mortgage brokers may be examined at any time. Examinations investigate the methods of operation, review compliance with state and federal financial and banking laws and regulations and, for the protection of bank and credit union depositors, determine whether the institutions are operating in a safe and sound manner. The division also provides a consumer complaint process to resolve matters with the regulated financial institutions.

The State Banking Board is administratively attached to the division. The board is responsible for making final determinations of applications for new bank charters and foreign capital depository charters; hearing appeals of division decisions on branch bank, merger, or relocation applications; and also acts in an advisory capacity with respect to the duties and powers given by statute or otherwise to the department as the duties and powers relate to banking and to the regulation of foreign capital depositories.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	31.75	3.25	0.00	35.00	3.25	0.00	35.00
Personal Services	1,558,544	329,420	0	1,887,964	328,360	0	1,886,904
Operating Expenses	570,483	70,174	0	640,657	51,433	0	621,916
Total Costs	\$2,129,027	\$399,594	\$0	\$2,528,621	\$379,793	\$0	\$2,508,820
State/Other Special	2,129,027	399,594	0	2,528,621	379,793	0	2,508,820
Total Funds	\$2,129,027	\$399,594	\$0	\$2,528,621	\$379,793	\$0	\$2,508,820

Department of Administration-6101 Banking and Financial Division-14

Program Indicators -

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Bank examinations	32	33	24	31	31	33
Number of state chartered banks	68	68	67	68	67	65
Bank charter and merger applications	3	4	2	1	1	2
Credit union examinations	9	16	14	16	12	13
Number of state chartered credit unions	14	15	14	13	12	12
Credit union charter and merger applications	0	1	4	1	1	0
Consumer loan licensee examinations	8	12	26	45	48	48
Consumer loan licenses outstanding	248	287	330	355	330	300
Consumer loan license applications processed	59	99	81	85	80	80
Deferred deposit loan licensee examinations	7	20	44	90	95	95
Deferred deposit loan licenses outstanding	82	84	100	110	107	105
Deferred deposit loan license applications processed	14	9	18	15	12	12
Title loan examinations	2	9	19	45	50	50
Title loan licenses outstanding	36	41	45	47	50	50
Title loan license applications processed	36	5	4	6	5	5
Mortgage broker and loan originator license applications	N/A*	N/A*	N/A*	500	250	250
Mortgage broker and loan originator license outstanding	N/A*	N/A*	N/A*	500	550	600
Other examinations and investigations	1	0	5	5	12	17
Sales finance company licenses outstanding	149	168	153	150	150	150
Sales finance company license applications processed	15	15	24	22	18	18
Escrow company licenses outstanding	14	12	9	9	9	9
Complaints processed	38	64	24	N/A**	N/A**	N/A**
Refunds, rebates and penalties from lenders to borrowers as a result of examinations	Number	50	135	10,145	N/A**	N/A**
	Amount	\$632	\$31,194	\$2,027,478	N/A**	N/A**

*Licensing was not required before July 1, 2004.

**There is no basis for estimating these numbers.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$4,882)	\$0
FY07	(\$4,915)	\$0

PL- 301 - Indirect Administrative Costs -

This request reflects changes in the department's indirect/administrative costs for services received from other proprietary funded centralized service functions of the agency.

**Department of Administration-6101
Banking and Financial Division-14**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$227,563	\$0
FY07	\$221,298	\$0

PL- 1401 - Request 3.25 FTE Bank Examiners -

This request funds 3.25 FTE examiners, supporting office equipment, and additional travel authority to allow the Division of Banking and Financial Institutions to conduct investigations and periodic examinations of state-licensed banks, credit unions, consumer loan companies, deferred deposit lenders, title lenders, escrow companies, and mortgage brokers and loan originators, as required by law. This state special revenue request adds \$227,563 in FY 2006 and \$221,298 in FY 2007.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$11,150	\$0
FY07	\$0	\$0

PL- 1402 - Replace Desktop Computers and Network Printer. -

The division currently has five desktop computer systems that are scheduled for replacement during FY 2006, at a cost of \$11,150 state special revenue, which complies with the state's replacement policy.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$5,000	\$0
FY07	\$5,000	\$0

PL- 1403 - Fund Ongoing CSBS Accreditation Program -

The Division of Banking and Financial Institutions requests \$5,000 state special revenue each year to continue accreditation through the Conference of State Bank Supervisors (CSBS). Accreditation is available to state banking departments to recognize the attainment of certain performance standards and assure the department's ability to discharge its responsibilities.

**Department of Administration-6101
Montana State Lottery-15**

15 Montana State Lottery Gerald LaChere x5825

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

Program Indicators -

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Transfer to General Fund (in millions)	\$7.47	\$7.45	\$8.11	\$7.20	\$7.40	\$8.00

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	31.50	0.00	0.00	31.50	0.00	0.00	31.50
Personal Services	1,395,508	17,046	0	1,412,554	17,292	0	1,412,800
Operating Expenses	5,791,085	806,979	120,000	6,718,064	208,598	0	5,999,683
Equipment	38,839	7,000	0	45,839	0	0	38,839
Debt Service	1,135,317	(1,135,317)	0	0	(1,135,317)	0	0
Total Costs	\$8,360,749	(\$304,292)	\$120,000	\$8,176,457	(\$909,427)	\$0	\$7,451,322
Proprietary	8,360,749	(304,292)	120,000	8,176,457	(909,427)	0	7,451,322
Total Funds	\$8,360,749	(\$304,292)	\$120,000	\$8,176,457	(\$909,427)	\$0	\$7,451,322

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$1,008)	\$0
FY07	(\$1,041)	\$0

PL- 301 - Indirect Administrative Costs -

This request reflects changes in department indirect/administrative costs for services received from other proprietary funded centralized service functions of the agency.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$7,000	\$0
FY07	\$0	\$0

PL- 1501 - Administrative Server - OTO -

The Lottery replaces equipment per the Information Technology Services Division (ITSD) recommended schedule. The administrative server that controls the Local Area Network encompassing the individual pcs and allows connection to the state's network is scheduled for replacement in FY 2006, as part of the five year replacement cycle. The Lottery estimates a cost of \$7,000 proprietary funds for a new server.

**Department of Administration-6101
Montana State Lottery-15**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,250	\$0
FY07	\$1,250	\$0

PL- 1502 - Commission Per Diem -

Per 23-7-201 and 202, MCA, the Lottery Commission has five members who must meet at least every three months and must be paid per diem of \$50 each day they are engaged in duties on behalf of the Lottery. In addition to the quarterly meetings, experience has been that at least one other meeting per year for a variety of purposes has been required. Since per diem is not included in the base budget, these funds must be re-appropriated each biennium. The request is for five Commissioners to attend five meetings per year at \$50 per meeting. The request is funded with Lottery proprietary funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$600,000	\$0
FY07	\$0	\$0

PL- 1503 - Operating System -

The Lottery is requesting a continuing biennial appropriation to replace, refurbish or buy new equipment and software as necessary to continue operation of the systems. The Lottery is requesting a total of \$600,000 for the biennium or an average of \$300,000 proprietary funds per year to be spent in either year as needed.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$2,640	\$0
FY07	\$3,992	\$0

PL- 1506 - Rent -

This request adds approximately \$6,600 proprietary funds over the biennium for a scheduled rent increase.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$150,000	\$0
FY07	\$250,000	\$0

PL- 1507 - Vendor Fees RST-

The budget includes \$400,000 proprietary funds for the biennium to pay additional vendor fees in the 2007 biennium based upon anticipated increased sales.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$1,135,317)	\$0
FY07	(\$1,135,317)	\$0

PL- 1550 - Reduce Debt Service -

This request reduces the Lottery budget by more than \$1.1 million proprietary funds per year because the lottery will not have any debt service in the 2007 biennium.

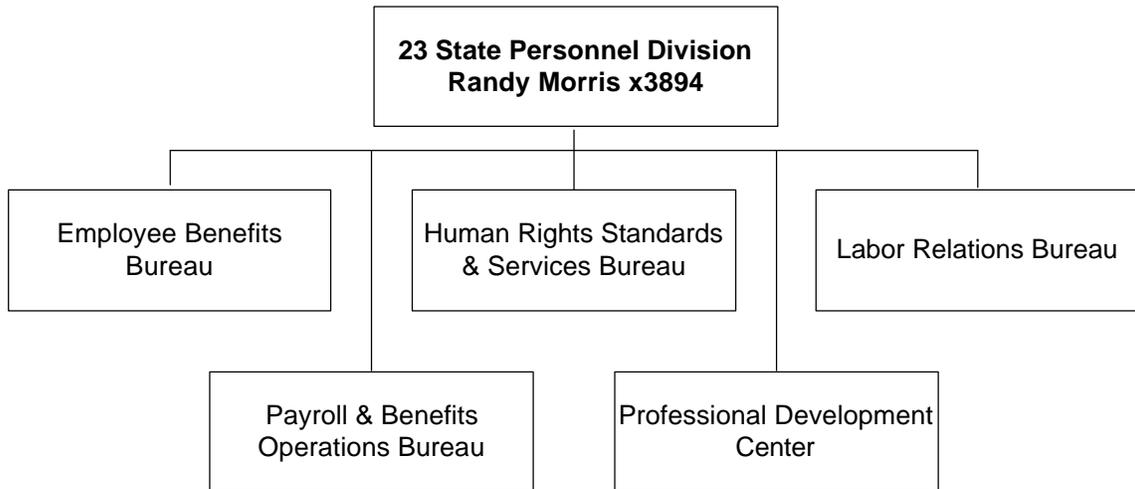
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$120,000	\$0
FY07	\$0	\$0

NP- 1504 - Permanent Signage -

The Lottery requests \$120,000 proprietary funds in FY 2006 to replace permanent signage at Lottery retailers throughout the state.

**Department of Administration-6101
State Personnel Division-23**



Program Description - The State Personnel Division provides state agencies with a variety of human resource management programs including training, position classification and pay, collective bargaining, employee relations, and assistance with compliance with state and federal employment law. The state general fund is reimbursed for administrative costs of the State Personnel Division through the statewide cost allocation plan. The division publishes state rules, standards, and policies relating to recruitment, selection, discipline, grievance, performance appraisal, leave, and other personnel matters. The division administers benefits plans including health, life, long-term care, dental, and vision insurance, flexible spending accounts, a sick leave fund, employee incentive awards, health promotion, and a voluntary employee benefit health care expense trust. In addition, the division administers a lease and contract to provide daycare services for Helena area state employees. The division also prepares, maintains, and distributes payroll for all state employees.

The Human Resources Standards and Services Bureau and Labor Relations Bureau functions are governed by 2-18-2; 2-18-102; 2-18-301 through 303; 2-18-604; 2-18-1011 through 1013; 39-29-112; 39-30-106; and 39-31-101 through 409, MCA. The payroll unit is governed by 2-18-401 et seq, MCA. Employee benefits are governed by 2-18-701 et seq., 2-18-801 et seq., 2-18-1101 et seq., 2-18-1301 et seq., and 33-2-712, MCA. The Professional Development Center is governed by 2-18-102 (1)(b), MCA.

The remainder of the State Personnel Division's budget can be found in Volume 3, section P.

Program Indicators -

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
State Benefit Plan – Monthly average total cost per member, including claims, administrative and operating costs (in dollars)	405.57	425.71	452.58	495.85	570.23	655.76
Professional Development Center - Central Training Program (PDC) – Student hours of training delivered	23,827	20,487	26,839	26,100	26,800	30,100

**Department of Administration-6101
State Personnel Division-23**

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	20.53	(1.00)	0.00	19.53	(1.00)	0.00	19.53
Personal Services	954,369	52,994	0	1,007,363	53,733	0	1,008,102
Operating Expenses	266,152	(5,927)	0	260,225	(5,566)	0	260,586
Total Costs	\$1,220,521	\$47,067	\$0	\$1,267,588	\$48,167	\$0	\$1,268,688
General Fund	1,190,996	44,351	0	1,235,347	45,451	0	1,236,447
State/Other Special	29,525	2,716	0	32,241	2,716	0	32,241
Total Funds	\$1,220,521	\$47,067	\$0	\$1,267,588	\$48,167	\$0	\$1,268,688

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$2,715	\$0
FY07	\$2,715	\$0

PL- 3 - State Daycare Lease Rate Increase -

The State Personnel Division manages a lease contract with Helena School District No. 1 to lease a portion of the Ray Bjork School. This space houses a daycare center that provides daycare services for children related to state employees. Effective July 1, 2004, the lease rate increased from \$2,443/month to \$2,670/month due to increased utility rates the school district has incurred, for this same space, over the last few years. To make up for this shortfall in funding, the program requests an additional \$2,715 state special revenue each year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$2,936	\$2,936
FY07	\$2,936	\$2,936

PL- 4 - Governor's Advisory Council on Disability -

The Governor's Advisory Council on Disability (GACD) plans to extend their quarterly meetings from one day to two. The additional meeting day will provide the council additional time to address issues presented to them and reach a consensus agreement. The American Disabilities Act (ADA) issues faced by the council are often conceptual in nature, and require great depth of analysis, which time does not allow for during a one day meeting. The State Personnel Division is requesting \$2,936 general fund each year to cover the additional costs from hotel stays, meals, and council duty fees that will result from the council extending their meetings by the additional day.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$1,202)	(\$1,202)
FY07	(\$1,202)	(\$1,202)

PL- 301 - Indirect Administrative Costs -

This request is to fund changes in the department's indirect/administrative costs for services received from other proprietary funded centralized service functions of the agency.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$43,051)	(\$43,051)
FY07	(\$42,919)	(\$42,919)

PL- 2310 - Statewide FTE Reduction -

This decision package implements an FTE reduction equivalent to the reductions taken in the 2003 legislative session. The 1.00 FTE and approximately \$43,000 of general fund are removed from the budget each year of the biennium permanently.

**Department of Administration-6101
State Tax Appeal Board-37**

37 State Tax Appeal Board
Greg Thornquist x2720

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

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2004	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2006	Fiscal 2006	Fiscal 2006	Fiscal 2007	Fiscal 2007	Fiscal 2007
FTE	7.00	(0.50)	0.00	6.50	(0.50)	0.00	6.50
Personal Services	224,256	37,663	0	261,919	36,855	0	261,111
Operating Expenses	63,660	(949)	0	62,711	(801)	0	62,859
Local Assistance	6,504	0	0	6,504	0	0	6,504
Total Costs	\$294,420	\$36,714	\$0	\$331,134	\$36,054	\$0	\$330,474
General Fund	294,420	36,714	0	331,134	36,054	0	330,474
Total Funds	\$294,420	\$36,714	\$0	\$331,134	\$36,054	\$0	\$330,474

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$127	\$127
FY07	\$127	\$127

PL- 301 - Indirect Administrative Costs -

This request is to fund changes in the department's indirect/administrative costs for services received from other proprietary funded centralized service functions of the agency.

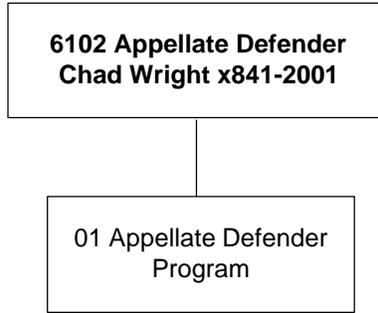
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$15,927)	(\$15,927)
FY07	(\$15,891)	(\$15,891)

PL- 2310 - Statewide FTE Reduction -

This decision package implements an FTE reduction equivalent to the reductions taken in the 2003 legislative session. The 0.50 FTE and approximately \$16,000 in each year of the biennium of general fund are removed from the budget permanently.

Appellate Defender-6102

Appellate Defender-01



Mission Statement - To permit state courts to fulfill, in a cost-effective manner, federal and state constitutional and statutory obligations to appoint counsel to effectively represent indigent persons who wish to pursue their rights to challenge criminal convictions, by means of appeals to the supreme court or by other post-conviction challenges; to assist defense counsel in appeals on request; to aid the Appellate Defender Commission in promulgating standards for the appointment of trial and appellate counsel in Montana; and to develop and maintain a roster of defense attorneys eligible for appointment in Montana.

Statutory Authority - State mandates are established at 46-8-210 through -213, MCA.

Program Description - The Office of the Appellate Defender is an agency administratively attached to the Department of Administration and funded by a general fund appropriation. Prior to creation of the agency by the 1995 legislature, the Appellate Defender Program was administratively attached to the Department of Administration and funded by a statutory appropriation. The appellate defender is hired by and serves at the pleasure of the Appellate Defender Commission. The appellate defender provides legal counsel for indigent persons who have been convicted and then appeal their district court conviction or petition for post-conviction relief from proceedings in district court. The appellate defender also aids the commission in compiling and keeping current a roster of Montana attorneys eligible for appointment by an appropriate court as trial and appellate defense counsel for the indigent.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	3.00	0.00	0.00	3.00	0.00	0.00	3.00
Personal Services	145,942	3,811	0	149,753	3,738	0	149,680
Operating Expenses	40,673	10,176	0	50,849	6,661	0	47,334
Total Costs	\$186,615	\$13,987	\$0	\$200,602	\$10,399	\$0	\$197,014
General Fund	186,615	13,987	0	200,602	10,399	0	197,014
Total Funds	\$186,615	\$13,987	\$0	\$200,602	\$10,399	\$0	\$197,014

**Appellate Defender-6102
Appellate Defender-01**

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$6,662	\$6,662
FY07	\$3,116	\$3,116

PL- 101 - Fixed cost and computer replacement -

The budget includes \$6,662 general fund in FY 2006 and \$3,116 general fund in FY 2007 for equipment replacement, office rent, indirect costs, and replacement of the three computers in FY 2006.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$3,150)	(\$3,150)
FY07	(\$3,150)	(\$3,150)

PL- 102 - Alternative Pay Plan Reduction -

The Executive recommends a reduction of \$3,150 each year to fund the Appellate Defender's alternative pay plan adjustment. The total reduction in the program is \$6,300 general fund for the biennium.

Public Employee Retirement Administration - 6104

**6104 Public Employee
Retirement Administration
Mike O'Connor x3154**

Mission Statement – The Montana Public Employee Retirement Administration will efficiently provide quality benefits, education and service to help our plan members and beneficiaries achieve a quality retirement.

Statutory Authority – Montana Constitution, Article VIII, Sections 13 and 15; Title 2, Chapter 15; Title 19, Chapters 2,3,5,6,7,8,9,13,17 and 50, MCA; and Internal Revenue Service Codes.

Program Description -- The Public Employees' Retirement Board (PERB) is charged under the State's Constitution as fiduciaries to administer ten retirement plans and the related member education. The retirement plans are eight defined benefit plans, a defined contribution plan and a deferred compensation plan. The *defined benefit* retirement plans are the Public Employees' Retirement System, Municipal Police Officers' Retirement System, Game Wardens' and Peace Officers' Retirement System, Sheriffs' Retirement System, Judges' Retirement System, Highway Patrol Officers' Retirement System, Firefighters' Unified Retirement System, and the Volunteer Firefighters' Compensation Act. The *defined contribution* retirement plan was implemented July 1, 2002, and is available only to eligible members of the Public Employees' Retirement System (PERS). The *deferred compensation* plan (IRC § 457) is available to employees of the state, university and local subdivisions that contract with the plan.

The PERB also administers two education funds. The PERS defined benefit retirement plan education fund was established to provide the tools necessary for the member to choose between the defined benefit retirement plan and the defined contribution retirement plan. The PERS defined contribution retirement plan also has an education fund to provide members with ongoing education. The PERB is allocated to the Department of Administration, which means that the PERB hires the staff for the Montana Public Employee Retirement Administration (MPERA), which carries out the daily administration of the plans. The MPERA has 32 employees. This agency accounts for over \$3.9 billion held in trust. Monthly retirement disability and death benefits are paid to over 17,500 recipients. Annual benefit payments exceed \$180 million. Over 525 state and local government employers report contributions for over 32,000 active members.

Indicator	Actual FY 2001	Actual FY 2002	Actual FY 2003	Actual FY 2004	Estimated FY 2005	Estimated FY 2006	Estimated FY 2007
Defined Benefit Retirement Plans:							
Benefits	143,127,966	157,749,114	166,955,174	180,524,045	189,304,713	198,517,048	208,182,412
Defined Benefit Assets	3,317,431,288	3,068,957,940	3,240,530,624	3,649,632,040	3,780,108,475	4,054,672,383	4,371,787,818
Defined Contribution Retirement Plans:							
Deferred Comp Assets	200,280,113	196,420,108	208,341,039	224,750,174	233,753,583	247,740,740	262,494,341
PERS – Defined Contribution Assets	(585,007)	(1,026,748)	14,880,418	19,305,068	22,669,914	26,417,195	30,526,236

Summary of FY 2004 Expenditures	
FTE	32
Personal Services	\$ 1,702,348
Operating Expenses	1,327,929
Depreciation / Amortization	303,611
Total	\$ 3,333,888

Teachers' Retirement System - 6105

**6105 Teacher's Retirement
Administration
Dave Senn x3134**

Mission Statement - To maintain a financially sound system that is actuarially funded that will provide the broadest and fairest possible range of disability, death and retirement benefits to teachers and other eligible members of the State of Montana as prescribed by state statutes.

Statutory Authority – Montana Constitution, Article VIII, Sections 13 and 15; Title 19, Chapter 20, MCA; and Internal Revenue Service codes.

Program Description - The Teachers' Retirement Board, which consists of six members appointed by the Governor, is responsible for the administration of the Teachers' Retirement System (TRS). To assist in fulfilling its duties, the board employs a full-time staff. The TRS administers retirement, disability, and survivor benefits for all Montana teachers and their beneficiaries.

Indicator	Actual FY 2001	Actual FY 2002	Actual FY 2003	Actual FY 2004	Estimated FY 2005	Estimated FY 2006	Estimated FY 2007
Contributions	99,878,990	100,153,392	104,252,279	107,927,036	112,244,117	116,733,882	121,403,237
Benefits	118,841,895	130,014,779	140,229,496	150,270,797	160,789,753	170,437,138	180,663,366
Net Assets	2,239,208,114	2,041,691,136	2,123,634,260	2,354,844,199	2,402,647,536	2,538,156,857	2,695,268,766

Summary of FY 2004 Expenditures	
FTE	16
Personal Services	\$ 757,814
Operating Expenses	585,557
Depreciation / Amortization	163,323
Total	\$ 1,506,694

Montana Consensus Council-6106

Montana Consensus Council-01

6106 Montana Consensus Council
Judy Edwards x9838

Mission Statement - The Montana Consensus Council shall promote fair, effective, and efficient processes for building agreement on natural resource and other public policy issues that are important to Montanans.

Statutory Authority - State mandates for the Montana Consensus Council are found under MCA 2-15-1027.

Program Description - The Montana Consensus Council is a public organization that helps citizens and officials build agreement and resolve disputes on natural resource and other public policy issues.

Program Proposed Budget	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	2.00	0.00	0.00	2.00	0.00	0.00	2.00
Personal Services	129,438	(2,339)	0	127,099	(2,704)	0	126,734
Operating Expenses	110,362	(39,094)	0	71,268	(38,915)	0	71,447
Total Costs	\$239,800	(\$41,433)	\$0	\$198,367	(\$41,619)	\$0	\$198,181
State/Other Special	239,800	(41,433)	0	198,367	(41,619)	0	198,181
Total Funds	\$239,800	(\$41,433)	\$0	\$198,367	(\$41,619)	\$0	\$198,181

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$42,753)	\$0
FY07	(\$42,755)	\$0

PL- 301 - Indirect Administrative Costs/Base Adjustments -

The budget includes a reduction of approximately \$42,750 state special revenue each year of the biennium. The reduction includes \$40,000 in contracted services that will be performed in house, \$5,000 for one-time-only software purchased in the base year, and offsetting increases in indirect costs assessed against the agency.