

Office of Budget and Program Planning Staff Listing

As of November 15, 2010

David Ewer, Budget Director

Amy Sassano, Deputy Budget Director

Ryan Evans, Finance Manager

Shawn Graham, Information Systems
Manager

Evelyn Davis, Budget Compliance
Spec.

Jeanne Nevins, Executive Assistant

Revenue Analysts

Ralph Franklin

Eric Dale

<u>Code</u>	<u>Agency</u>	<u>Budget Analyst</u>
Section A – General Government		
1104	Legislative Branch	Mark Bruno
1112	Consumer Counsel	Mark Bruno
3101	Governor's Office	Amy Sassano
3201	Secretary of State	Mark Bruno
3202	Comm. of Political Practices	Christine Hultin-Brus
3401	State Auditor	Christine Hultin-Brus
5801	Dept. of Revenue	Mark Bruno
6101	Dept. of Administration	Mark Bruno
6103	State Fund	Mark Bruno
6104	PERS (non-budgeted)	Mark Bruno
6105	TRS (non-budgeted)	Mark Bruno
6501	Dept of Commerce	Christine Hultin-Brus
6602	Dept of Labor & Industry	Mark Bruno
6701	Dept of Military Affairs	Christine Hultin-Brus

Section B – Public Health and Human Services

6901 Dept. of PHHS Pat Sullivan and Bob Andersen

Section C – Natural Resources and Transportation

5201	Dept. of Fish, Wildlife & Parks	James Chamberlain
5301	Dept. of Environmental Quality	James Chamberlain
5401	Dept of Transportation	James Chamberlain
5603	Dept. of Livestock	Shawn Graham
5706	Dept. of Natural Resources and Cons.	James Chamberlain
6201	Dept. of Agriculture	Shawn Graham

Office of Budget and Program Planning Staff Listing

Section D – Judicial Branch, Law Enforcement, & Justice

2110	Judicial Branch	Brent Doig
4107	Crime Control Division	Brent Doig
4110	Dept. of Justice	Brent Doig
4201	Public Service Regulation	Brent Doig
6108	Office of Public Defender	Brent Doig
6401	Dept. of Corrections	Brent Doig

Section E - Education

3501	OPI	Nancy Hall
3511-5	Colleges of Technology	Nate Thomas
5101	Board of Public Education	Nancy Hall
5102	Commissioner of Higher Education	
5103-8	MUS Six Units	Nate Thomas
	Community Colleges and Research	Nate Thomas
5109	MAES	Nate Thomas
5110	MCES	Nate Thomas
5111	Forestry Experiment Station	Nate Thomas
5112	Bureau of Mines	Nate Thomas
5113	School for the Deaf & Blind	Nancy Hall
5114	Montana Arts Council	Nancy Hall
5115	State Library	Nancy Hall
5117	Montana Historical Society	Nancy Hall
5119	Fire Services Training School	Nate Thomas

Section F – Long Range Planning – Christine Hultin-Brus

Budget Background Information

Details on How the 2013 Biennium Budget was Developed

Personal Services – The personal services portion of the executive budget is based upon a “snapshot” of actual salaries for authorized FTE, as they existed on the Statewide Accounting, Budgeting and Human Resources System (SABHRS) on June 30, 2010, which was the end of the fiscal year. OBPP prepared the FY 2012 and FY 2013 personal services budgets to reflect HB 2 and HB 13 adopted by the 2009 Legislature, workers comp, unemployment insurance, FICA, retirement contribution rates, number of hours each fiscal year, longevity adjustments, and health insurance rates. These personal services schedules are included in the present law base for current level positions that are authorized for FY 2011 and thus authorized to continue into the 2013 biennium.

Inflation/Deflation - The adjusted base for FY 2012 and FY 2013 includes fully funded personal services costs in the 61000 expenditure accounts. It does not include overtime, shift differential pay and holidays worked. In addition, the following accounts have been inflated/deflated from the FY 2010 base amounts due to the new recommended amounts/rates:

<u>Account</u>	<u>Name</u>	<u>FY 2012</u>	<u>FY 2013</u>
62205	Food	3.3%	5.54%
62251-98	Meat and Misc Food Items	3.3%	5.54%
62216	Gasoline	14.03%	18.46%
62216A	Aviation Gasoline	14.03%	18.46%
62242	Diesel Fuel	13.94%	17.99%
62242A	Jet Fuel	13.94%	17.99%
62304	Postage	4.50%	4.50%
62404	In State Motor Pool	(21.22%)	(20.92%)
62414	Out of State Motor Pool	(21.22%)	(20.92%)
62434	In State Motor Pool Trng	(21.22%)	(20.92%)
62445	Out of State Mtr Pool Trng	(21.22%)	(20.92%)
62510	Motor Pool Leased Veh.	(21.22%)	(20.92%)
62601	Electricity	0.51%	2.81%
62603	Natural Gas	(35.45)%	(35.45)%
62604	Laboratory Gas	9.99%	14.76%
62607	Propane	9.99%	14.76%

No other inflation or deflation is included in the adjusted base budgets for FY 2012 and FY 2013. Agency requests for other changes to the adjusted base budget were submitted in decision packages (DPs), which will be listed individually in Sections A – E of the budget.

Fixed Costs - Although most agencies will be billed in the 2013 biennium consistent with the amounts budgeted for fixed costs, there may be a few exceptions, various Information Technology charges which are based upon actual usage, warrant writing fees for warrants actually issued, and that portion of lease vehicles based on number of miles driven. The total of fixed costs for the 2013 biennium is shown for each fiscal year just above. A brief summary of each fixed cost follows and the manner in which each of these objects was adjusted in the budget is summarized.

Fixed Costs for the 2013 Biennium		
<u>Fixed Cost Account</u>	<u>FY 2012 Amount</u>	<u>FY 2013 Amount</u>
Insurance (62104)	\$12,297,458	\$12,297,456
Warrant Writer (62113)	\$977,004	\$957,753
Payroll Service (62114)	\$2,910,342	\$2,935,457
Legislative Audit Fees (62122)	\$3,695,120	
SABHRS (62148)	\$3,554,526	\$3,795,313
ITSD Fees (Various)	\$38,930,218	\$39,155,959
Messenger Services (62307)	\$297,659	\$297,659
Capitol Complex Rent (62527)	\$9,642,535	\$9,691,091
Grounds Maintenance (62770)	\$476,438	\$476,438
SWCAP (62888)	\$4,159,821	\$4,367,810

Budget Background Information

Details on How the 2013 Biennium Budget was Developed

Insurance - The state self-insures for property losses under \$250,000 and claims for general liability, errors and omissions, inland marine, auto liability, and foster care liability.

FY 2010 Budget: \$12,297,443 FY 2012 Budgeted: \$12,297,458 FY 2013 Budgeted: \$12,297,456

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

FY 2010 budget: \$1,087,866 FY 2012 projected: \$977,004 FY 2013 projected: \$957,753

Payroll Service - Payroll processing for more than 13,500 state employees has projected operating expenses of \$2,910,342 in FY 2012 and \$2,935,457 in FY 2013.

Audit - Total statewide financial compliance audit costs for the 2011 biennium are \$3,560,300. Biennium financial compliance audit costs for the 2013 biennium were \$3,695,120 including the community colleges.

SABHRS - Costs to finance the Statewide Accounting, Budgeting, and Human Resource System (SABHRS) have been distributed to state agency budgets. The SABHRS operations bureau will maintain the uniform central management system with total budgeted operating expenses of \$7,349,839 in the 2013 biennium. State agencies will pay this in distributed fixed costs, allocated by FTE and transaction usage, using all funds proportionately.

Information Technology Services Division (ITSD) Fees - ITSD's rates are based on the FullCost Maturity Model (FMM), an activity based budgeting model. Over the past year ITSD has reorganized its rates structure and defined over 260 services, allocated costs and staff time to each service, and estimated units of service provided to each agency. For a wide variety of services, agencies will have the choice of using the service or altering the units consumed. Based on increase of services and agency predicted growth, ITSD's FY2010 base expenditures of \$40,209,096 is requested to decrease to \$38,930,218 in FY2012 and \$39,155,959 in FY2013.

Messenger Service - Mail sorting, outgoing pickup and incoming mail delivery to all state agencies within the Helena area is a budgeted cost, then distributed as a fixed cost to customer agencies, based upon historical volume, the number of FY 2008 holdouts (similar to a post office box), and the number of FY 2010 deliveries. The distributed fixed costs are \$297,659 each year of the 2013 biennium.

Department of Administration Rent - Agencies within the Capitol Complex will pay \$8.412 and \$8.460 per square foot for office space in FY 2012 and FY 2013, respectively. Warehouse space is budgeted at \$4.844 per square foot (psf) in FY 2012 and \$4.876 psf in FY 2013.

Grounds Maintenance - Capitol grounds maintenance, snow removal, and water charges are paid by Capitol Complex agencies at a rate of \$0.494 psf of rented office space in FY 2012 and \$0.494 in FY 2013.

SWCAP (Statewide Cost Allocation Plan) - The costs of certain general government services financed from the general fund are recovered from non-general fund programs. The OBPP, the Accounting Principles and Financial Reporting Sections, the Treasury, the Classification unit, Labor Relations unit, and the Administration & Policy unit of the State Personnel Division are allocated. The SWCAP is based upon an allocation to each state agency for the cost center budget based on indirect measures of workload generated by that agency. The total amount allocated to agencies is \$8,527,631 in the 2013 biennium.

Vacancy Savings - Vacancy savings of 4 percent was applied to all agencies, except those with fewer than 20.00 FTE, elected officials, university system faculty, the legislative branch, and the judicial branch. In addition, the Montana Highway Patrol and Game Wardens in the Department of Fish, Wildlife & Parks are statutorily exempt from vacancy savings. The vacancy savings from the HB 2 base budgets of the affected agencies generated \$65.6 million in all funds for the biennium.

HB 13 pay plan bill also includes a very important biennial contingency account of \$3 million general fund and \$3 million other funds for agencies that are unable to achieve the 4 percent vacancy savings due to lack of staff turnover and agencies that are unable to absorb the full costs of retirement payouts. A number of agencies are projecting very significant, costly retirements in the 2011 biennium and the Executive recommends this contingency, rather than funding individual agencies for unknown projected costs.

Budget Background Information

Details on How the 2013 Biennium Budget was Developed

Agency Budgets – The detailed budget for each state agency is available on the Internet at http://budget.mt.gov/content/2013_Budget/2013b_HB2_Summary and http://budget.mt.gov/content/2013_Budget/2013B_SA_Summary .

Agency Mission, Goals and Objectives - The mission for each state agency is printed as part of the budget. Goals and objectives also are required in accordance with 17-7-111(3)(c), MCA, and are available on the Internet at http://budget.mt.gov/2013_Budget/2013b_goals_objectives.mcp .

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

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

Supplemental Appropriations, Pay Plan, and Other Budget Bills

Supplemental Appropriations (HB 3)

HB 3 will contain appropriations for 4 agencies.

1. The bill will contain a \$330,000 general fund appropriation for the Office of Public Instruction for State Tuition Payments under 20-5-324(2)(a), MCA, due to increased tuition obligation requests from K-12 school districts.
2. The bill will also contain a \$300,000 general fund appropriation for the Office of Public Instruction for Pupil Transportation Payments under 20-10-145, MCA, due to increased state transportation payment obligations.
3. The Department of Corrections has a \$900,000 general fund appropriation in the bill for operating costs and vacancy savings that the department was unable to mitigate. The agency had projected a much larger shortfall at the beginning of the biennium but was able to mitigate a large portion of it and also had carry-forward funds available from FY 2009.
4. The Department of Administration, Health Care and Benefits Division will receive a supplemental appropriation to repay the Voluntary Employee Benefits Association (VEBA) plan's loan and associated interest to: comply with state law, resolve outstanding legislative audit findings and to help address the ongoing viability of the VEBA plan. The loan balance as of June 30, 2010, including accrued interest through June 30, 2011, is \$470,767. If this supplemental appropriation is not approved, the loan will be repaid from VEBA operating funds, which is estimated to take 25 to 30 years.
5. The bill includes \$850,000 general fund for the Office of the Public Defender. In May of 2009 agency management informed the Governor's budget office of a potential \$1.2 to \$1.5 million funding shortfall for each of FY 2010 and FY 2011 or between \$2.4 and \$3 million for the biennium. Agency management immediately developed and instituted a cost control and reduction plan commonly referred to as the "Agency Mitigation Plan." This plan has reduced costs and by the end of FY 2010 the funding shortfall for this fiscal year went from the original estimate of \$1.2 to \$1.5 million to only \$390,000. The agency's mitigation plan continues to work as the current estimated funding shortfall for the 2011 biennium has been reduced from the original estimate of \$2.4 to \$3 million to about \$850,000.
6. The Montana Lottery will receive a \$950,000 supplemental appropriation from proprietary lottery funds due to the Montana Lottery exceeding projected ticket sales for FY 2011. Due to the increase in ticket sales, the additional authority is needed to allow the Montana Lottery to meet its contractual prize expenses and commissions to private vendors.

Pay Plan (HB 13)

The executive has allocated \$11.4 million general fund - \$21.6 million all funds for the biennium for a 1% pay increase effective January 1, 2012 and a 3% pay increase effective January 1, 2013. With the exception of a one-time \$450 payment to employees making \$45,000 or less, state employees have not received a pay increase since October 1, 2008. The bill will also include \$4 million general fund, \$7 million all funds for the personal services contingency fund and \$75,000 general fund for the labor – management training initiative. No increase in the state contribution toward employee health insurance contributions is recommended for the 2013 biennium.

Supplemental Appropriations, Pay Plan, and Other Budget Bills

Other Budget Bills

<u>Bill No</u>	<u>LC No</u>	<u>Bill Title</u>
HB 2	LC0119	General Appropriations Act
HB 3	LC0120	Supplemental Appropriations Bill
HB 4	LC0121	Appropriations by Budget Amendment
HB 5	LC0122	Long-Range Building Appropriations
HB 6	LC0123	Renewable Resource Grants
HB 7	LC0124	Reclamation & Development Grants
HB 8	LC0125	Renewable Resource Bonds & Loans
HB 9	LC0126	Cultural & Aesthetic Grants
HB 10	LC0127	Long-Range Information Technology Appropriations
HB 11	LC0128	Treasure State Endowment Program
HB 13	LC0130	State Employee Pay Plan
HB 15	LC0132	School Facilities Grant Program
	LC0360	School Funding Bill
		Water Protection Funding
		Big Sky Economic Development Fund
		Fire Suppression Account
		MUS Optional Retirement Program
		Local Government Entitlement Share
		General Obligation Bonds for Blackfoot Water Compact
		Coal Bed Methane Protection Account

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