

OFFICE OF THE GOVERNOR
STATE OF MONTANA

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TO: Amy Carlson, Legislative Fiscal Analyst
Legislative Fiscal Division

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

DATE: December 17, 2012

RE: Amendments to Governor Schweitzer's 2015 Biennium Executive Budget

In accordance with 17-7-112, MCA, I am submitting the following formal written amendments to my November 15 preliminary 2015 biennium Executive Budget. All changes are technical in nature and do not represent substantive changes to the budget. Changes are reflected in the R02 version in MBARS.

- In the Department of Public Health and Human Services, Economic Securities Branch, Child and Family Services Division, \$91,231 has been removed from the HB 2 budget and included in the statutory appropriation budget.
- The names of DPs 11208, 11403, 11903 were updated in the Department of Public Health and Human Services. The narratives for DPs 22207, 22212, and 22217 were also updated. In addition, NP 22222 was adjusted, the adjusted base for RL 6911-33-03-01 was modified slightly, and DPs 33103 and 33905 were adjusted between reporting levels. The language appropriation for the recovery audit contract was changed to reflect updated recovery projection and contractual recovery payment percentages.
- In the Board of Crime Control, the budget has been updated to include state special revenue in the line-item appropriation for pass-through grants.
- HB 5 has been corrected to reflect a \$1.8 million all funds project to remodel laundry facilities at the Montana State Prison. A project at the Food Factory facility has been removed. In addition, the Malta Readiness Center was added for the Department of Military Affairs and the Statewide Armory Roof project was removed. The general fund transfer amount was revised to \$16.3 million.
- HB 11 has been revised to remove the last two projects, City of Choteau/Teton County Wastewater and City of Boulder/Jefferson County Wastewater, to align with available revenues for the program.
- HB 14 has been revised to remove the Interdisciplinary Sciences Building at the University of Montana – Missoula.
- The general fund transfer in HB 10 was reduced by \$5.975 million to \$8.808 million to take advantage of fund balance in the long-range information technology capital projects fund.

- \$6.5 million of federal special revenue has been added to HB 3 to address a shortage of federal spending authority for Homeland Security Grants awarded primarily to local governments.
- Approximately \$12,000 state special revenue per year has been added to the Architecture and Engineering Division of the Department of Administration to cover the SWCAP costs of the Long-Range Building Program.
- The narrative for decision package 2401 for Risk Management and Tort Claims Division in the Department of Administration.
- The supplemental request in HB 3 for the Montana Lottery was increased by \$500,000 of proprietary funds. An amendment will be requested during the hearing for the bill.
- In the Montana State Library budget, \$51,206 general fund has been added each year to correct the budget for information technology fixed costs.
- A one-time-only request of \$90,000 biennial general fund appropriation has been added to the Air Transportation program in the Governor's Office to address anticipated maintenance expenses in accordance with FAA requirements for the Executive Airplane.
- In the Department of Labor and Industry, there is \$36,631 changed from the general fund to federal special revenue in DP 401 (Legal Funding Switch). The change nets to zero.
- A decision package, which was inadvertently omitted from the November 15 budget, was included to add 1.00 FTE and associated funding to the Office of Community Service at the Department of Labor and Industry.
- In the Office of the Public Defender, \$317,103 general fund has been added to each year in PL 13 (Fund Career Ladder) to fully fund the negotiated pay schedules.
- The narrative for DP 1503 in the Secretary of State's Office was revised.
- In the Department of Environmental Quality, DP 2005 was reduced from \$300,000 to \$150,000; DP 5007 was changed from 100 percent general fund to 50 percent general fund and 50 percent state special revenue; DPs 5007 and 5008 were adjusted to include indirect costs; and DPs 5006, 5007, 5008, and 5009 were moved between reporting levels.
- In the Office of the Commissioner of Higher Education, PL 904 was adjusted to correct fixed cost adjustments, administrative assessments, and to separate out the Motorcycle Safety Program.
- Decision packages 909 and 203, which were inadvertently omitted from the November 15 budget, were added for WWAMI Expansion totaling approximately \$908,000 for 10 additional slots.
- State special revenue and proprietary fund revenue estimates were adjusted in MBARS for the State Auditor's Office, the Department of Fish, Wildlife and Parks, and the Office of the

MBARS has been updated as needed to reflect these changes in the R02 version and an updated balance sheet is attached.

Proposed FY 13 and 2015 Biennium General Fund Balance Sheet - December 15

<u>Description</u>	<u>Actual</u>	<u>Enacted/Proposed</u>	<u>Proposed</u>	
	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
<u>Beginning Fund Balance</u>	341.875	453.180	433.437	423.038
General Fund Revenue	1,870.954	1,978.755	2,056.447	2,119.016
Revenue Legislation			(17.297)	(18.391)
Lottery Supplemental		(1.500)		
Revenue Adjustments	8.751			
Total Funds Available	2,221.580	2,430.435	2,472.587	2,523.663
<u>HB 2 Disbursements</u>				
HB 2/HB 2 Adjusted Base	1,587.917	1,642.280	1,589.497	1,588.472
Decision Packages			154.716	201.580
OTO Decision Packages			8.749	7.182
<u>Proposed Legislation</u>				
HB 1	1.356	10.056	1.397	10.309
HB 3		123.621		
HB 5			16.300	
HB 10			8.808	
HB 13 Pay Plan			24.036	52.006
HB 13 PS Contingency			4.075	
HB 14			2.954	5.908
School Funding Bill		0.300		
Pension Legislation			30.467	30.517
Infrastructure Assistance			12.000	
Water Compact Obligations			2.420	4.840
Medicaid Expansion			1.892	3.108
<u>Other Disbursements</u>				
Statutory Appropriations	171.229	207.692	194.095	208.141
Transfers	15.469	15.112	5.962	5.985
Other Appropriations	3.665	5.554		
Reversions		(7.618)	(7.818)	(8.049)
Prior Year	(5.127)			
Total Disbursements	1,774.509	1,996.998	2,049.549	2,110.000
Fund Balance Adjustments	6.109			
Ending Fund Balance	453.180	433.437	423.038	413.663
Expenditure Growth			2.63%	2.95%
Revenue Growth			3.93%	3.04%
Fund Balance as a % of Total Spend			20.64%	19.60%
Structural Balance			41.42	0.91