

OFFICE OF THE GOVERNOR
STATE OF MONTANA



STEVE BULLOCK
GOVERNOR

MIKE COONEY
LT GOVERNOR

TO: Amy Carlson, Legislative Fiscal Analyst
Legislative Fiscal Division

FROM: Tom Livers, Budget Director *Tom*
Office of Budget and Program Planning

DATE: December 14, 2018

RE: Amendments to Governor Bullock's 2021 Biennium Executive Budget

In accordance with 17-7-112, MCA, I am submitting the following formal written amendments to my November 15 preliminary 2021 biennium Executive Budget. The changes are, for the most part, technical in nature and do not represent substantive changes to the budget. Changes are reflected in the H02 version in IBARS.

- **Department of Administration** - SWPL 1: A change was made to correct the personal services funding allocation in the Public Safety Services Bureau.
- **Department of Administration** - PL 103: The statutory appropriation in the Director's Office was decreased by \$196,431 in FY 2020 and FY 2021.
- **Department of Administration** - PL 301: The statutory appropriation in the State Financial Services Division was increased by \$169,419 in FY 2020 and by \$88,491 in FY 2021.
- **Department of Administration** - PL 703: Updates were made to FY 2019, FY 2020, and FY 2021 revenue projections, and reductions were made to the FY 2020 and FY 2021 personal services appropriations, for the State Information Technology Services Division's proprietary fund.
- **Department of Administration** - Adjustments were made to the SABHRS and Warrant Writer proprietary rates for FY 2020 and FY 2021 to match approved rates in agency budgets.
- **Department of Administration** - PL 2102: Flexible Spending Fund revenues and expenses were reduced by \$85,887 in each year of the biennium.
- **Department of Administration** - PL 2302: The appropriation in the Human Resources Information System Bureau's proprietary fund was increased by \$329,230 in each year of the biennium to include costs for the Fusion and Taleo information technology systems.
- **Department of Commerce** - PL 5106: Grant expenditures in the Office of Tourism and Business Development were decreased by \$180,124 in each year of the biennium.

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- **Department of Corrections** - NP 701: Board of Pardons and Parole had an OTO CP in the 2019 biennium to change the composition of the board. This change package permanently adds the FTE that were approved last session as an OTO. No funding is requested because the positions were included in the personnel service snapshot.
- **Department of Corrections** - NP 301: The title was changed to Provider rate increases to statewide facilities. The narrative under the Probation and Parole Division changed, and there is a decrease in the funding of \$38,712 for FY 2020 and \$36,729 in FY 2021.
- **Department of Corrections** - NP 501: In the Youth Services Division reorganization, there was small FTE change to zero out the FTE from the program.
- **Department of Fish, Wildlife & Parks** - NP 305 Drought Resiliency - Biennial: This request was flagged as OTO in the November 14 submission and should not have been.
- **Department of Justice** - SWPL 1: Funding for the Gambling Control Division was adjusted so the liquor fund (06005) is at 29% and not 28.12%. The gambling license fund (02074) was adjusted down by a like amount.
- **Department of Labor and Industry** - PL 5002 BSD PAC Sunset Fund Switch: Business Standards Division is requesting 1.00 FTE and appropriation authority for the Board of Public Accountants to be removed from the statutorily appropriated enterprise fund for the board and transferred to the state special revenue fund in HB 2 to account for the sunset provision set forth in 37-50-209, MCA.
- **Department of Public Health and Human Services** - NP 10012 Transfer of Existing FTE - DSD: The correction increases the FTE transfer from 17.5 to 18.0 to match the original narrative and intent of the change package. The correction in the Developmental Services Division increases funding and expenditures by \$21,127 in FY 2020 and \$21,064 in FY 2021.
- **Department of Transportation** - NP 207 BaRSAA Fund Switch: The amount of the fund switch was changed to \$12,800,000 in both years of the biennium. The initial CP amount was based on language in HB 473 (\$9,800,000), but this revised amount more accurately reflects anticipated budgetary needs based on the current project delivery plan and available BaRSAA revenue.
- **Department of Transportation** - NP 301 Maintenance Program Fund Switch: An adjustment was made to the state special revenue allocation within the Maintenance program. The 2017 Special Session authorized a cash transfer from the Highway non-Restricted Account (02349) to the general fund. To accommodate this transfer, MDT adjusted funding levels in the Maintenance Program by transferring budget from the Highway non-Restricted Account to the Highways State Special Revenue Account (02422) in the amount of \$7,602,163. The budget starting point for the 2021 Biennium reflects this one-time transfer. The change package restores the funding mix for the Maintenance Program to the pre-Special Session levels by transferring \$7,602,163 per year in budget

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authority from the Highways State Special Revenue Account (02422) back to the Highway non-Restricted Account (02349).

- **Judicial Branch** – PL 104 Rent Increase: The proposal requests a general fund appropriation of \$12,164 in FY 2021 to cover an increase in lease payments for the space rented at the Park Avenue building. This request reflects seven months at the new rate.
- **Office of Commissioner of Higher Education** - PL 1201 Reduce Federal Authority for GSL: FTE was reduced from 41.02 to 1.00. Most of the FTE had \$0.00 in their rate. The adjustments did cause an overall reduction in Personnel Services from \$106k to \$88k in program 12.
- **Office of Commissioner of Higher Education** - Department Language - Community College reversion language was added.
- **Office of Commissioner of Higher Education** - The proprietary table for fund 06082 updated to match the general budget.
- **Office of Public Instruction** - PL 922: The budget was increased for the NRD K-12 payment by \$4,783,000 general fund in FY 2020 and \$5,391,000 general fund in FY 2021. This increased the total expenditures to \$6.4M in FY 2020 and \$7.6M in FY 2021.
- **Office of Public Instruction** - PL 923: State special revenue authority was increased for Debt Service Assistance by decreasing the original proposed reduction by \$4,586,000 in FY 2020 and \$2,086,000 in FY 2021. This allows authority of \$4M in FY 2020 and \$6.5M in FY 2021 if cash is available.
- **State Auditor's Office** - The OTO designation was removed from present law change packages.

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

State of Montana FY 2019 and 2021 Biennium General Fund Balance Sheet (Millions \$)

December 14, 2018

<u>Description</u>	<u>Actual</u>	<u>Enacted/Prop.</u>	<u>Proposed</u>	
	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Beginning Fund Balance	47.933	185.795	168.526	226.415
Present Law Revenue Estimate (OBPP)	2,405.447	2,434.174	2,506.157	2,604.585
Contracted Agreements and Transfers-In			15.999	8.410
HELP Premiums			5.200	5.300
Cig/Tobacco Increase			24.672	23.756
Accommodations Increase			8.673	9.367
Rental Car Increase			1.966	2.028
Liquor increase			7.044	7.361
Investment License Increase			6.011	6.124
Prior Year Revenue Adjustments	1.638			
Total Funds Available	2,455.018	2,619.969	2,744.249	2,893.346
General Appropriations Act				
HB 2 Disbursements Base and SWPL	1,917.538	2,017.375	2,025.445	2,024.590
Change Packages (PL/NP)			102.427	157.116
Non-HB 2 Disbursements				
HB 1 - Feed Bill	2.401	10.172	2.713	11.494
HB 3 - Supplemental	3.320	11.748		
HB 6 - Fire Fund Transfer	25.309			
Proposed Transfer to Fire Fund		15.000		
Transfer to LRBP			2.500	
HB 13 Pay Plan	-	-	6.028	15.642
SB 9 Transfer to BSR		45.721		
BUILD MT			3.530	10.180
HB 10 IT			15.113	
Other Disbursements			0.250	0.250
Other Disbursements				
Statutory Appropriations	316.360	333.095	346.383	357.901
Transfers	19.503	21.050	18.490	18.828
Other Appropriations	2.948	2.194		
Reversions		(4.913)	(5.046)	(5.192)
Prior Year Expenditure Adjustments	(10.781)			
Total Disbursements	2,276.598	2,451.443	2,517.833	2,590.809
Fund Balance Adjustments	7.375			
Ending Fund Balance	185.795	168.526	226.415	302.537
YOY Expenditure Growth		7.68%	2.71%	2.90%
YOY Revenue Growth		1.19%	2.96%	3.93%
Fund Balance as a % of Total Spend		6.87%	8.99%	11.68%