



GOVERNOR  
GREG GIANFORTE  
STATE OF MONTANA

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GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

# Office of Budget and Program Planning Staff Listing

**As of November 15, 2022**

**Ryan Osmundson, Budget Director**

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

**Revenue Analysts**

Ralph Franklin	Chris Watson
Nancy Hall	Brian Hannan

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

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

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

69010.....	Dept. of PHHS.....	Brian Hannan and Aimee Franks
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**Section C – Natural Resources and Transportation**

52010.....	Dept. of Fish, Wildlife & Parks.....	Christine Hultin
53010.....	Dept. of Environmental Quality.....	Christine Hultin
54010.....	Dept. of Transportation.....	Christine Hultin
56030.....	Dept. of Livestock.....	Jason Harlow
57060.....	Dept. of Natural Resources and Cons.....	Christine Hultin
62010.....	Dept. of Agriculture.....	Christine Hultin

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

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

**Office of Budget and Program Planning  
Staff Listing**

**Section E – Education**

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

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

## Budget Background and Additional Information

**Personal Services** – The personal services portion of the executive budget is based upon a “snapshot” of actual salaries for authorized FTE, as they existed on the Statewide Accounting, Budgeting and Human Resources System (SABHRS) on July 12, 2022. OBPP prepared the FY 2024 and FY 2025 personal services budgets to reflect HB 2 as well as HB 13 passed by the 2021 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 2023 and thus authorized to continue into the 2025 biennium.

**Inflation/Deflation** - For the 2025 biennium, inflation factors will be applied at the second level of expenditure. The SWPL sub-schedule will automatically calculate inflation based upon standard budgets captured from SABHRS for the reporting level. The incremental change in inflation/deflation accounts from FY 2023 to FY 2024 and FY 2023 to FY 2025 will be posted to the SWPL 3 change package.

**The following accounts have been inflated/deflated from the FY 2023 starting point amounts entered above as follows:**

<u>Acct</u>	<u>Name</u>	<u>FY 2024</u>	<u>FY 2025</u>
62100	Other Services	5.30%	7.06%
62200	Supplies & Materials	14.36%	14.24%
62300	Communications	5.90%	6.57%
62700	Repair & Maintenance	12.87%	16.06%
**	Motor Pool	9.45%	14.50%

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

No other inflation or deflation is included for FY 2024 and FY 2025. Agency requests for other budgetary changes must be included in present law adjustment change packages (PLs).

**Fixed Costs** - Although most agencies will be billed in the 2025 biennium consistent with the amounts budgeted for fixed costs, there may be a few exceptions including various information technology charges, which are based upon actual usage, warrant writing fees for warrants actually issued, and the portion of leased vehicles based on the number of miles driven. The total of fixed costs for the 2025 biennium is shown for each fiscal year. A brief summary of each fixed cost follows, and the manner in which each of these services was adjusted in the budget is summarized.

<b>Fixed Costs for the 2025 Biennium</b>		
<u>Fixed Cost Account</u>	<u>FY 2024 Amount</u>	<u>FY 2025 Amount</u>
Insurance (62104)	\$24,151,012	\$24,151,012
Warrant Writer (62113)	\$865,806	\$872,812
Payroll Service (62114)	\$3,849,451	\$3,849,451
Workers' Comp. Mgmt. (62114A)	\$363,535	\$370,616
Legislative Audit Fees (62122)	\$4,749,799	
SABHRS (62148)	\$4,585,437	\$4,372,127
ITSD Fees (Various)	\$63,914,975	\$64,308,597
Messenger Services (62307)	\$365,550	\$365,550
Capitol Complex Rent (62527)	\$11,601,765	\$11,795,233
SWCAP (62888)	\$4,500,000	\$4,500,000
NRIS/GIS (621L1)	\$398,698	\$398,698

## Budget Background and Additional Information

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

FY 2023 budget: \$25,612,316      FY 2024 Budgeted: \$24,151,012      FY 2025 Budgeted: \$24,151,012

Due to the existence of remaining funds from settlements, the program has established rates, but the OBPP has determined that rates will not be charged to agencies in the 2025 biennium, and likely the 2027 biennium, to right-size reserves for the program.

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

FY 2023 budget: \$730,491      FY 2024 Projected: \$865,806      FY 2025 Projected: \$872,812

**Payroll Service** - Payroll processing for more than 13,500 state employees has projected operating expenses of \$3,849,451 in FY 2024 and FY 2025.

**Workers Compensation Management** – All state agencies utilize the services of the Workers' Compensation Management Bureau, which serves as the central resource to enhance existing safety, loss-prevention, and return to work activities. Fees are based on the estimated average payroll advice per pay period for the fiscal year. Budgeted costs are \$363,535 in FY 2024 and \$370,616 in FY 2025.

**Audit** - Total statewide financial compliance audit costs for the 2025 biennium are \$4,749,799. Biennium financial compliance audit costs for the 2023 biennium were \$4,528,862, which did not include the community colleges.

**SABHRS** - Costs to finance the Statewide Accounting, Budgeting, and Human Resources System (SABHRS) have been distributed to state agency budgets. The SABHRS operations bureau will maintain the uniform central management system with total budgeted operating expenses of \$8,957,564 in the 2025 biennium. State agencies will pay this in distributed fixed costs, allocated by FTE and transaction usage, using all funds proportionately.

**Information Technology Services Division (ITSD) Fees** - ITSD's rates are estimated using an activity-based budgeting model. Due to an increase of services, and agency predicted growth, ITSD's FY 2023 base fees of \$52,295,736 are projected to increase to \$63,914,975 in FY 2024 and \$64,308,597 in FY 2025.

**Messenger Service** - Mail sorting, volume of incoming and interagency mail, and number of mail deliveries per day to all state agencies within the Helena area is a budgeted cost, which is then distributed as a fixed cost to customer agencies. The distributed fixed costs are \$365,550 in each year of the 2025 biennium.

**Department of Administration Rent** - Agencies within the Capitol Complex will pay \$11.415 per square foot in FY 2024 and \$11.421 per square foot in FY 2025 for office space. Non-office (formerly warehouse space) is budgeted at \$7.599 per square foot in FY 2024 and \$7.605 per square foot in FY 2025. These costs include rent, grounds maintenance, snow removal, and water charges for each year of the 2025 biennium.

**SWCAP (Statewide Cost Allocation Plan)** - The costs recovered under the Statewide Cost Allocation Plan are deposited into the general fund and are recovered from non-general fund programs. Services associated with the allowable general fund programs benefit all agencies, including the university system. The following general fund services are allowed to be included in the SWCAP: state accounting, state personnel, state procurement, budget office, and buildings shared by more than one agency. The total amount allocated to agencies is \$9,000,000 in the 2025B biennium.

**NRIS/GIS** – The Montana State Library charges fees to agencies for access to their Natural Resources Information System and Geographic Information System. Fees for the 2025 biennium are \$398,698 per fiscal year.

**Vacancy Savings** – Vacancy savings of 2 percent was applied to all agencies, except those with fewer than 20.00 FTE, elected officials, university system faculty, the legislative branch, and the judicial branch. In addition, the Montana Highway Patrol, Game Wardens in the Department of Fish, Wildlife & Parks, and the Montana School for the Deaf and Blind are

## Budget Background and Additional Information

statutorily exempt from vacancy savings. The vacancy savings from the HB 2 base budgets of the affected agencies generated \$23.5 million in all funds each year of the 2023 biennium.

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

**Agency Budgets** – The detailed budget for each state agency is available on the Internet at

[https://budget.mt.gov/docs/execbudgets/2025\\_budget/ExecBudget/HB2\\_Summary.pdf](https://budget.mt.gov/docs/execbudgets/2025_budget/ExecBudget/HB2_Summary.pdf)

[https://budget.mt.gov/docs/execbudgets/2025\\_budget/ExecBudget/SA\\_Summary.pdf](https://budget.mt.gov/docs/execbudgets/2025_budget/ExecBudget/SA_Summary.pdf)

**Agency Mission, Goals and Objectives** - The mission for each state agency is printed as part of the budget. Goals and objectives also are required in accordance with 17-7-111(3)(c), MCA, and are available on the Internet at [https://budget.mt.gov/Budgets/2025\\_Budget\\_AgencyGoals-Objectives](https://budget.mt.gov/Budgets/2025_Budget_AgencyGoals-Objectives)

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

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

### Supplemental Appropriations (HB 3)

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

1. The Office of Public Instruction has requested \$86,000 in general fund for National Board Certification teacher stipends.
2. HB 3 will contain a \$1.761 M state special revenue appropriation for the Department of Revenue for IT system costs in the Cannabis Control Division.
3. The Department of Revenue, Alcoholic Beverage Control Division, has requested \$152,000 proprietary funds for workload demands due to increased sales.
4. The bill will include a \$2.906 M general fund appropriation to the Department of Justice, for the MHP Boulder Campus and settlement costs.
5. The Department of Corrections has requested \$52,498 general fund for expenses related to unfunded FY 23 provider rate increases passed by the 2021 legislature, expenses related to exonerated inmates, and unanticipated costs related to MASC and Passages.
6. HB 3 will contain a \$143,888 general fund appropriation for Department of Military Affairs for unanticipated expenses for IT expenses, NG Scholarship, and ANG utility costs.

## Budget Background and Additional Information

7. The Office of Public Defender requests \$4.5 million for higher than anticipated contract attorney expenses and unfunded Capital Cases.

### Pay Plan (HB 13)

The state and labor unions reached a tentative agreement for a pay plan proposal in October 2022. The tentative agreement includes the following components:

- The state will introduce legislation (HB 13) to increase each employee's base by either \$1.50 per hour or 4%, whichever is greater, on July 1 of each year of the biennium.
- HB 13 will also provide each employee a one-time payment effective on the first full pay period after passage and approval as follows:
  - Works less than 20 hours per week - \$520
  - Work 20 hours per week but less than 40 hours - \$780
  - Works 40 hours per week - \$1,040
- HB 13 will adjust meal per diem rates as follows:
  - Breakfast – From \$7.50 to \$8.25
  - Lunch - From \$8.50 to \$9.50
  - Dinner – From \$14.50 to \$16.00
- HB 13 will replace the Election Day holiday for state employees that occurs in even years, with an annual floating holiday, effective January 1, 2024. An unused floating holiday cannot be carried over from one calendar year to the next. An unused floating holiday will not be paid out.
- The state has committed that member-paid employee health benefit coverage costs for single members will not increase through plan year 2025. The cost of single-member health benefit coverage will be covered by the state share contribution, after the health incentive is applied. Member contributions, copay amounts, deductibles, coinsurance levels, and maximum out-of-pocket levels for employee-only coverage will not increase through plan year 2025.

# Budget Background and Additional Information

## Budget Bills

<u>Bill No</u>	<u>LC No</u>	<u>Bill Title</u>	<u>Executive Budget Reference</u>
HB 2	LC0002	General Appropriations Act	Volume 1 (Sect A – E)
HB 3	LC0003	Supplemental Appropriations Bill	Volume 1, R-5
HB 4	LC0004	Appropriations by Budget Amendment	N/A
HB 5	LC0005	Long-Range Building Cash Projects	Volume 3
HB 6	LC0006	Renewable Resource Grants	Volume 6
HB 7	LC0007	Reclamation and Development Grants Program	Volume 5
HB 8	LC0008	Renewable Resource Grants and Loans	Volume 6
HB 9	LC0009	Cultural & Aesthetic Grants	Volume 7
HB 10	LC0010	Long-Range Information Technology	Volume 10
HB 11	LC0011	Treasure State Endowment Program	Volume 4
HB 12	LC0012	Historic Preservation Grant Program	Volume 8
HB 13	LC0013	State Employee Pay Plan	Volume 1, R-6
HB 15	LC0015	Implement Statutory K-12 inflation	Volume 1 (Sect E)

## Other Budget Bills Description

<u>Bill No/(LC No)</u>	<u>“Bill Title”/Description</u>
HB/SBx (LCxxxx)	Generally Revise Marijuana Laws
HB/SBx (LCxxxx)	Generally Revise State Finance Laws