



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

Room 110 Capitol Building * P.O. Box 201711 * Helena, MT 59620-1711 * (406) 444-2986 * FAX (406) 444-3036

Director
AMY CARLSON

DATE: June 17, 2015
TO: Legislative Finance Committee
FROM: Greg DeWitt
RE: Required Reports - Revised

The purpose of this memo is to provide a quick overview of required reports. In addition to the ongoing operating plan changes, program transfers, and budget amendments, a number of reports are due to either the Legislative Finance Committee (LFC) or the Legislative Fiscal Division (LFD) prior to the June LFC meeting. Other reports – Medicaid Monitoring, state chief information officer, and the HB 10 update on MMIS -- are separate agenda items and are separately discussed.

OPERATING PLAN CHANGES AND PROGRAM TRANSFERS

The Governor's Office submitted one program transfer and three operating plan changes for comment prior to approval. The program transfer would move state special revenue authority for FY 2016 and FY 2017 in the Department of Environmental Quality between programs because HB 2 had the funding in the wrong program. Funding is for the Orphan Share Expanded Usage (Restricted/Biennial/OTO) line item and is being moved from the Permitting & Compliance Division to the Remediation Division.

The three operating plan changes being held for LFC comment are all to move funding from the operating expenses category to the equipment category. All are being requested because the items being purchased would cost more than the capitalization threshold and need to be reported in the equipment category according to accounting standards.

The Governor's Office has also already approved one operating plan change, two house adjustments, and four program transfers as time sensitive.

Staff has not noted any concerns with the changes. The reports from the Office of Budget and Program Planning is attached.

BUDGET AMENDMENTS

As of June 5, 2015, the LFD received notification of 69 budget amendments certified by the Governor since the December 2015 LFC meeting totaling \$37.1 million in FY 2015. The report by Kris Wilkinson with the full listing is included separately.

RENEWABLE RESOURCE GRANT AND LOAN PROGRAM EMERGENCY GRANTS

Statute allows the Department of Natural Resources and Conservation to request up to 10% of the grant funds available and up to \$10 million for loans from the natural resources projects state special revenue account and the renewable resource loan proceeds account in any biennium to be used for emergency grant projects or loan projects. Statute requires that the department notify the Legislative Fiscal Analyst of the allocation of these funds. The report showing the allocation of \$95,000 in grants can be found at:

http://leg.mt.gov/content/Publications/fiscal/interim/2015_financemty_June/RReport_Emergency%20Grant.pdf

OFFICE OF THE GOVERNOR
BUDGET AND PROGRAM PLANNING
STATE OF MONTANA

STEVE BULLOCK
GOVERNOR



PO Box 200802
HELENA, MONTANA 59620-0802

To: Amy Carlson, Legislative Fiscal Analyst
Legislative Fiscal Division

From: Dan Villa, Budget Director
Office of Budget & Program Planning

Date: June 17, 2015

Subject: **LFC Review & Comment on Operating Budget Changes and Program Transfers –
Additional BCDs received after June 8 memo**

This memo supplements the memo previously sent on June 8, 2015. In accordance with 17-7-138 and -139, MCA, the Governor's Office of Budget and Program Planning is submitting two op plan changes that exceed \$75,000 and 25% of a budget category or \$1 million for review and comment at the June Legislative Finance Committee meeting. In addition, this office has processed program transfer that exceeded \$75,000 and 25% of a budget category or \$1 million as time sensitive.

We have reviewed the requests and find them to be in compliance with state and federal laws and policies. Your staff has also reviewed these documents and has no issues with these transactions. Please let us know if you have questions or wish additional information.

CC: Greg Dewitt
Scott Sim
Christi Jacobsen
Roche Juneau

<u>Budget Change Documents that Trigger</u>				
<u>Information submitted for the June 2015 LFC meeting - Additional BCDs submitted after June 8 memo</u>				
<u>Agency #</u>	<u>Agency Name</u>	<u>Doc #</u>	<u>Brief Explanation</u>	<u>Fiscal Year</u>
Documents Processed as Time Sensitive				
Time Sensitive				
69010	Public Health & Human Services	PT 493	This is a program transfer from Program 10 to Program 33 to 67000 Benefits for Medicaid expenditures that are greater than appropriation. Due to the expansion of the HIFA waiver, Program 33's appropriation is not sufficient to cover the increase in expenditures.	2015
Documents Being Held for Comment				
Non-Time Sensitive				
54010	Department of Transportation	OP 105	Move operating to equipment for projected IT operating expenditures that were charged to equipment. According to the MOM, "Software license purchases should be capitalized if the aggregate purchase price, not the individual price per license, is greater than the capitalization threshold." This expenditure was for the agency purchase of Oracle licenses.	2015
41100	Department of Justice	OP 510	This request moves budget authority from 62000 to 63000 to allow the Motor Vehicle Division to purchase a total of 12 sequel server licenses (SQL) and replace 3 current application hosting servers. The expenditure amounts of these purchases exceed the capitalization threshold therefore the property needs to be recorded in the equipment category.	2015



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

Room 110 Capitol Building * P.O. Box 201711 * Helena, MT 59620-1711 * (406) 444-2986 * FAX (406) 444-3036

Director
AMY CARLSON

DATE: June 11, 2015
TO: Legislative Finance Committee
FROM: Greg DeWitt
RE: Required Reports

The purpose of this memo is to provide a quick overview of required reports. In addition to the ongoing operating plan changes, program transfers, and budget amendments, a number of reports are due to either the Legislative Finance Committee (LFC) or the Legislative Fiscal Division (LFD) prior to the June LFC meeting. Other reports – Medicaid Monitoring, state chief information officer, and the HB 10 update on MMIS -- are separate agenda items and are separately discussed.

OPERATING PLAN CHANGES AND PROGRAM TRANSFERS

The Governor's Office submitted one program transfer for comment prior to approval. The change would move state special revenue authority for FY 2016 and FY 2017 in the Department of Environmental Quality between programs because HB 2 had the funding in the wrong program. Funding is for the Orphan Share Expanded Usage (Restricted/Biennial/OTO) line item and is being moved from the Permitting & Compliance Division to the Remediation Division. The Governor's Office has also already approved one operating plan change, two house adjustments, and three program transfers as time sensitive.

Staff has not noted any concerns with the changes. The report from the Office of Budget and Program Planning is attached.

BUDGET AMENDMENTS

As of June 5, 2015, the LFD received notification of 65 budget amendments certified by the Governor since the December 2015 LFC meeting totaling \$35.7 million in FY 2015. The report by Kris Wilkinson with the full listing is included separately.

RENEWABLE RESOURCE GRANT AND LOAN PROGRAM EMERGENCY GRANTS

Statute allows the Department of Natural Resources and Conservation to request up to 10% of the grant funds available and up to \$10 million for loans from the natural resources projects state special revenue account and the renewable resource loan proceeds account in any biennium to be used for emergency grant projects or loan projects. Statute requires that the

department notify the Legislative Fiscal Analyst of the allocation of these funds. The report showing the allocation of \$95,000 in grants can be found at:

http://leg.mt.gov/content/Publications/fiscal/interim/2015_financemty_June/RRReport_Emergency%20Grant.pdf

OFFICE OF THE GOVERNOR
BUDGET AND PROGRAM PLANNING
STATE OF MONTANA

STEVE BULLOCK
GOVERNOR



PO Box 200802
HELENA, MONTANA 59620-0802

To: Amy Carlson, Legislative Fiscal Analyst
Legislative Fiscal Division

From: Dan Villa, Budget Director
Office of Budget & Program Planning

Date: June 8, 2015

Subject: **LFC Review & Comment on Operating Budget Changes and Program Transfers**

In accordance with 17-7-138 and -139, MCA, the Governor's Office of Budget and Program Planning is submitting one op plan change and one HC program transfer that exceed \$75,000 and 25% of a budget category or \$1 million for review and comment at the June Legislative Finance Committee meeting. In addition, this office has processed one operating plan change, three program transfers and two house adjustments that also exceeded \$75,000 and 25% of a budget category or \$1 million as time sensitive.

We have reviewed the requests and find them to be in compliance with state and federal laws and policies. Your staff has also reviewed these documents and has no issues with these transactions. Please let us know if you have questions or wish additional information.

CC: Joe Triem
Greg Dewitt
Scott Sim
Christi Jacobsen
Frieda Houser
Terry Lazure
Jay Phillips
Peter Schaefer
Kris Schmitz

Budget Change Documents that Trigger

Information submitted for the June 2015 LFC meeting

Agency #	Agency Name	Doc #	Brief Explanation	Fiscal Year
Documents Processed as Time Sensitive				
Time Sensitive				
69010	Public Health & Human Services	PT 535	This transaction transfers Federal CHIPRA authority for the Montana State Hospital and general fund authority to Medicaid benefits.	2015
51150	Library Commission	325 HA509	Closing out LSTA 13, moving balance of authority in LSTA 14. When the budget is funded, it is just an estimate of how various projects will run. Movement must happen at the end of the grant award to balance out actual expenditures.	2015
41100	Department of Justice	180 OP505	Accounting has changed to require agencies to use transfer accounts instead of revenue/expense accounts for these types of transactions. The Gambling Division uses GenTax, a software package administered by the Department of Revenue, for licensing. The contract is between Gentax and the Department of Revenue.	2015
51020	Commissioner of Higher Education	270 PT125	In order to pay bills without causing an audit finding, OCHE needed to move authority into the correct federal fund from GSL to the GEAR UP program.	2015
67010	Dept of Military Affairs	840 HA723	This request is to move existing federal spending authority into a different sub-class to be able to continue operations for Homeland Security and the Emergency Management Performance Grant.	2015
35010	Office of Public Instruction	PT509	Program 06 - State Level Activities account 62000 needs to be increased because operating costs for providing administrative and technical assistance services to public schools exceeded the amount anticipated for the 15 biennium.	2015
Documents Being Held for Comment				
Non-Time Sensitive				
53010	Dept of Environmental Quality	PT 638	This FY16 and FY17 request is to correct the 64th Legislature HB 2, page C-3, line item 5a., moving \$3.5 million state special authority of Orphan Share Expanded Usage - RST/BIEN/OTO, which was put in the wrong program in the bill.	2016/2017