

OFFICE OF THE GOVERNOR
BUDGET AND PROGRAM PLANNING
STATE OF MONTANA

STEVE BULLOCK
GOVERNOR



PO Box 200802
HELENA, MONTANA 59620-0802

MEMORANDUM

TO: Amy Carlson, Legislative Fiscal Analyst
Legislative Fiscal Division

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

DATE: September 15, 2016

SUBJECT: **Fee accounts with balances exceeding the biennium appropriations**

In accordance with 17-2-304, MCA, the report from the Office of Budget and Program Planning to the Legislative Finance Committee – via the Legislative Fiscal Analyst - on fee accounts with balances exceeding the biennium appropriations is attached.

The attached sheet lists for all state special revenue “charge for services” funds which exceed the limits of section 17-2-302(1) and are not exempt under 17-2-302(4): the agency and account, the fiscal year end 2016 balance, the amount the balance exceeds the limitation, and any certified exception to the limitation as allowed under 17-2-302(2).

Please let me know if you have questions or wish additional information.

CC: Affected Agency Centralized Services Administrators

Compliance with 17-2-302, MCA

Agency Name	Fund	Fund Name	Approp Authority	7/1/16 Balance	Excess Cash Balance	Certified Exception/Explanation
DOJ	02200	Permits and Transfer	0	29,755	29,755	The excess cash balance in the fund will be leveraged to defray program administration costs during the 2019 biennium.
DOJ	02798	61-3-550 MVD MERLIN	3,858,060	4,517,089	659,029	The excess cash balance in the fund will be used to pay the loan incurred for the creation of the new information technology system for motor vehicles (MERLIN) Drivers' License phase and will also be utilized to support costs directly incurred to support of the system.
FWP	02171	Smith R. Corridor En	296,887	515,789	218,902	The balance will be utilized when appropriate projects are identified and approved by the Advisory Council.
FWP	02330	Parks Snomo Fuel Tax	69,496	266,783	197,287	Revenues in this fund continue to exceed appropriated authority. FWP will be preparing a decision package to adjust the authority accordingly.
DEQ	02075	UST Leak Prevention	440,990	645,164	204,174	The excess is necessary because of a special circumstance. The program joined with Remediation Division to replace program database with an enterprise type database. Development and implementation is projected to cost \$519,600 over the next three years. Excess cash balance is required to fund this technical development.
DNRC	02430	Water Right Appropri	1,316,318	1,529,572	213,254	The division anticipates using excess cash of \$213,254 for payables, payroll, and accrued liabilities from FY 2016 and to fund the modernization of the Water Rights Database.
DNRC	02010	Oil & Gas Damage Mit	500,000	1,180,457	680,457	The excess balance is necessary due to the fluctuation in function with the rollout of the new Montana Acquisition & Contracting System (eMACS).
DNRC	02216	Water Storage St Sp	519,518	987,843	468,325	Amounts needed per biennium vary based on the projects identified needing the most critical rehabilitation for planned engineering efforts.
Commerce	02229	MT SSBCI Servicing F	0	144,415	144,415	The MT SSBCI program plans to continue to reallocate existing 2017 biennium HB 2 state special revenue authority to expend these funds within the Montana Office of Tourism and Business Development Division.
DLI	02079	Fire Protection & Pe	180,065	191,284	11,219	A position that was vacant for a most of the fiscal year contributed to this excess cash. The position has been filled and as a result the cash balance of the fund should return to an appropriate level in FY 2017.
DLI	02207	Cranes Program	217,074	223,670	6,596	The program is experiencing an increase in permit processing which will result in an increase in expenses. In addition the program has had a vacant Inspector position for 18 – 24 months. The position has been recently filled and anticipates this will result in cash returning to an appropriate level.
DLI	02580	Board of Athletic Tr	57,076	70,373	13,297	The Board has authorized a 100% abatement of renewal fees during the renewal period which ended on 8/31/2016. The reduced revenue is expected to return the cash to an appropriate level.
DLI	02832	Board Of Pharmacy	1,994,771	2,235,761	240,990	The Board will continue with a 50% fee abatement this year on license renewals and has a proposed fee decrease rule change drafted and will move forward with the noticing processes depending on the passage of legislation having to do with the Montana Prescription Drug Registry.
DLI	02814	Bd Of Hearing Aid Di	99,497	175,844	76,347	The board was experiencing a negative cash situation when a onetime fee was assessed in FY 2013 to bring the board cash positive. Since then the board has seen a steady increase in licensing revenues. The board is currently looking at a fee abatement for the next renewal period which will take place at the end of the fiscal year. The abatement is anticipated to bring the cash balance back to an appropriate level.
DLI	02764	Private Alt. Adol Pr	93,347	173,393	80,046	The board is currently looking at a fee abatement for the next renewal period which will take place at the end of the fiscal year. The abatement is anticipated to bring the cash balance back to an appropriate level.
DPHHS	02566	Medical Marijuana	347,098	2,046,471	1,699,373	Initially the program was running in a deficit, so fees were raised at that time. Since then, the number of card holders and providers has fluctuated widely. DPHHS is in the process of preparing rules to reduce the excess revenue.
DPHHS	02483	Adoption Services /	130,000	285,728	155,728	The Adoption Services fund has developed an excess cash balance due to getting a motor vehicle transfer "catch up" for prior years as well as current year late in the fiscal year.
DPHHS	02496	Family Preservation	14,166	27,343	13,177	The Family Preservation Conference has developed an excess of funds due to getting funds from the Department of Justice to use as matching funds for the Child Advocacy Center in Great Falls. These funds will be spent in FY17.