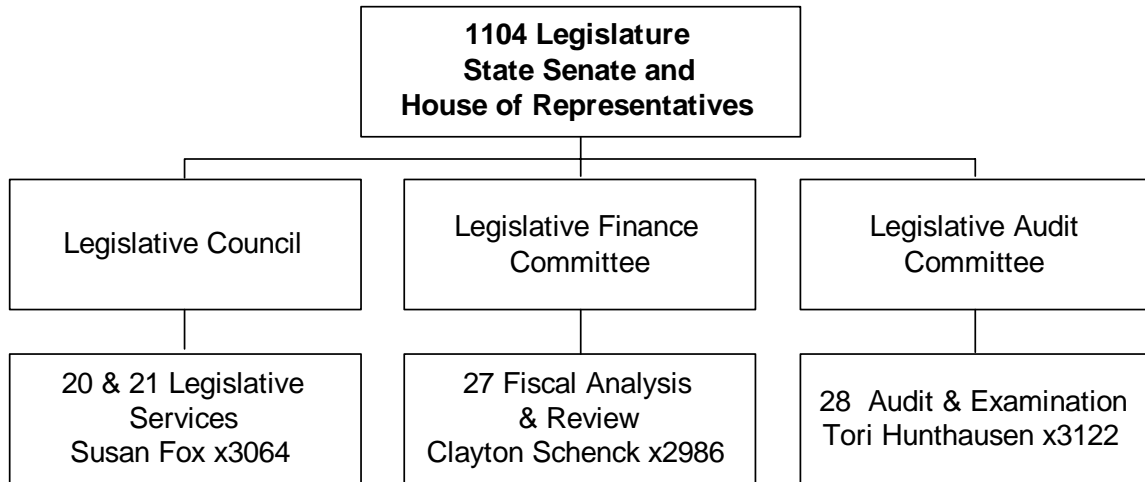


LEGISLATIVE BRANCH-1104



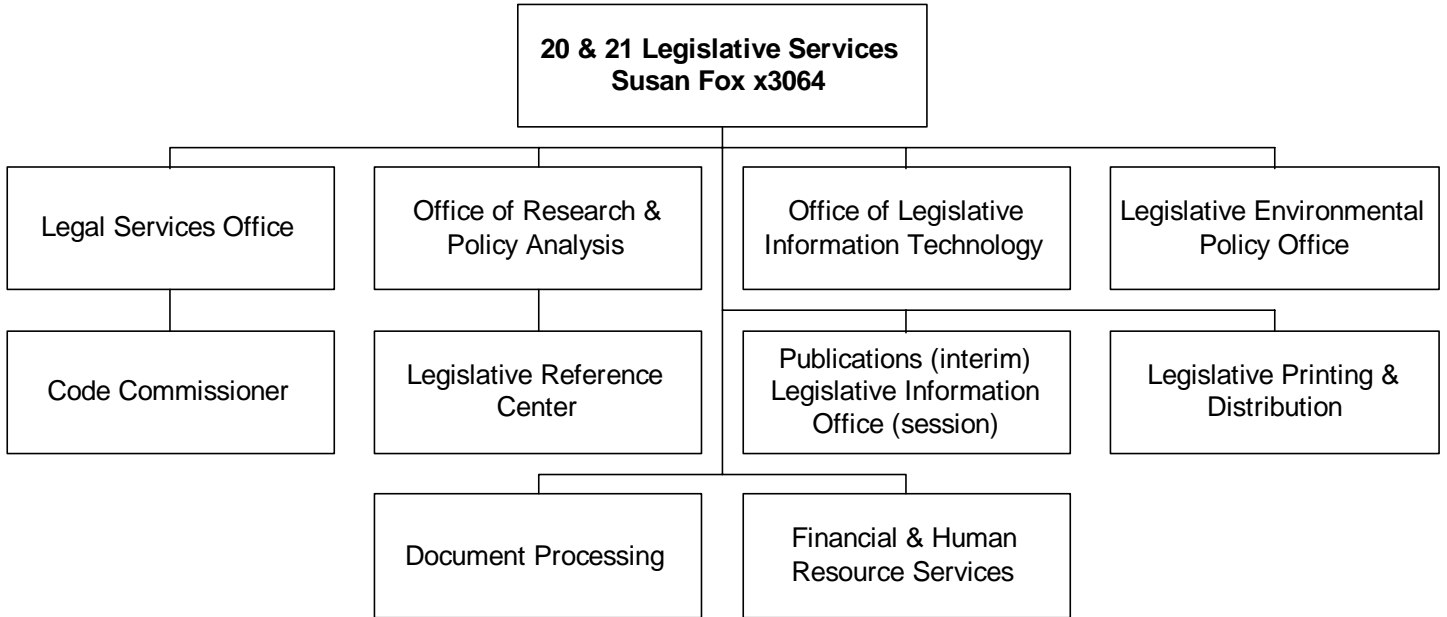
Mission Statement - The mission of the Legislature is to exercise the legislative power of state government vested in the Legislature by The Constitution of the State of Montana. The mission of the Legislative Branch, i.e., the consolidated legislative agency, is to provide the administrative structure to support accomplishment of the mission of the Legislature.

Statutory Authority - Principal statutory authority for the Legislative Services Division is found in Title 1, Chapter 11, and Title 5, Chapters 5 and 11, MCA. Principal statutory authority for the Legislative Fiscal Division is found in The Legislative Finance Act, Title 5, Chapter 12, MCA. The post-audit function of the Legislative Audit Committee is constitutionally required in Article V, Section 10, of the Montana Constitution, and supported by the Legislative Audit Division with principal statutory authority in The Legislative Audit Act, Title 5, Chapter 13, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	129.97	0.00	1.00	130.97	0.00	1.00	136.14
Personal Services	8,819,756	1,522,147	77,638	10,419,541	1,506,950	77,665	10,404,371
Operating Expenses	2,484,603	1,187,744	417,438	4,089,785	490,042	675,047	3,649,692
Equipment & Intangible Assets	69,801	5,199	0	75,000	5,199	0	75,000
Transfers	0	0	5,000,000	5,000,000	0	0	0
Total Costs	\$11,374,160	\$2,715,090	\$5,495,076	\$19,584,326	\$2,002,191	\$752,712	\$14,129,063
General Fund	9,116,067	2,284,552	5,495,076	16,895,695	2,233,522	752,712	12,102,301
State/Other Special	2,258,093	430,538	0	2,688,631	(231,331)	0	2,026,762
Total Funds	\$11,374,160	\$2,715,090	\$5,495,076	\$19,584,326	\$2,002,191	\$752,712	\$14,129,063

In accordance with 17-7-122, MCA, the budget for the Legislative Branch is presented as submitted to the Governor with no changes.

LEGISLATIVE BRANCH-1104 LEGISLATIVE SERVICES DIVISION-20



Program Description - The Legislative Services Division provides objective research, reference, legal, technical, information technology, and business services to the House, Senate, and other divisions of the Legislative Branch. Division services include: 1) bill and amendment drafting, preparation of bills for introduction, and engrossing and enrolling bills; 2) publication of legislative documents of record; 3) provision of legislative research and reference services; 4) legal counseling on legislative matters and agency legal support; 5) personnel and business services; 6) planning, installation and maintenance of agency information technology; 7) legislative committee staffing and support; 8) preparation, publication and distribution of the Montana Code Annotated text and annotations; 9) review of the text of proposed ballot measures; 10) broadcasting of state government and public policy events; and 11) provision of legislative information to the public. The Legislative Council provides policy guidance to the Legislative Services Division.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011	
FTE	56.00	0.00	1.00	57.00	0.00	1.00	62.17	
Personal Services	3,978,079	751,164	77,638	4,806,881	818,311	77,665	4,874,055	
Operating Expenses	1,886,980	789,918	417,438	3,094,336	392,197	675,047	2,954,224	
Equipment & Intangible Assets	69,801	5,199	0	75,000	5,199	0	75,000	
Transfers	0	0	5,000,000	5,000,000	0	0	0	
Total Costs	\$5,934,860	\$1,546,281	\$5,495,076	\$12,976,217	\$1,215,707	\$752,712	\$7,903,279	
General Fund	5,059,302	1,490,068	5,495,076	12,044,446	1,741,559	752,712	7,553,573	
State/Other Special	875,558	56,213	0	931,771	(525,852)	0	349,706	
Total Funds	\$5,934,860	\$1,546,281	\$5,495,076	\$12,976,217	\$1,215,707	\$752,712	\$7,903,279	

**LEGISLATIVE BRANCH-1104
LEGISLATIVE SERVICES DIVISION-20**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$643,722	\$619,974
FY 2011	\$253,077	\$547,658

PL- 1 - Program Operations, Legislative Services Division -

Increases and decreases reflect the cyclical legislative business cycle and include a \$39,348 increase in the first year and a \$278,981 decrease in the second year related to publication and distribution of the Montana Code Annotated. Other increases totaling \$52,979 in the first year and \$15,604 in the second year include an increase in library subscription costs, the addition of a videoconferencing bridge as an alternative to travel, an increase in state broadcasting distribution costs, and information officer activities not fully captured in the base year. The branch computer network budget as approved by the Computer Systems Planning Council is also included.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$41,362)	(\$41,362)
FY 2011	\$77,665	\$77,665

NP- 2 - Systems Analyst FTE and Contracted Services Reduction -

This proposal includes a biennial general fund decrease of \$119,000 in present law contracted services from the branch computer network budget and a biennial increase of \$155,303 in personal services for the 1.00 FTE systems analyst position. The net biennial increase is \$36,303. The analyst will document Legislative Fiscal Division (LFD) business processes and existing computer systems (currently supported by LFD staff who are anticipating retirement) and support and maintain those systems in the branch network environment.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$528,288	\$528,288
FY 2011	\$666,876	\$666,876

NP- 3 - TVMT Consolidation of Funding & Transmission -

The first part of this proposal is to consolidate funding for TVMT in the LSD. Payments made from carry-forward appropriations, one-time-only appropriations, and legislative feed bills are not included in the present law base. The LSD asks the Legislature to recognize the combined costs already being paid from multiple funding sources and to consolidate appropriations for TVMT. A total of \$331,336 is included in LSD's present law budget; the first part of this proposal appropriates an additional \$283,570 general fund to the LSD for the 2011 biennium to eliminate the use of carryforward funds, one-time appropriations, and beginning with the 2011 session, legislative feed bills. As directed by the Legislative Council, the second part of this proposal is to increase transmission efforts to reach Montana communities not previously included in the TVMT viewing area and to continue the same transmission effort during the legislative interim as during a legislative session. The combined cost for both years of the biennium is \$1,195,164 general fund.

**LEGISLATIVE BRANCH-1104
LEGISLATIVE SERVICES DIVISION-20**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$5,000,000	\$5,000,000
FY 2011	\$0	\$0

NP- 4 - Reserve Funds for Obsolete Systems - OTO -

Section 5-11-407, MCA, created the legislative branch reserve account to set aside funds for major legislative branch information technology projects. Funds in the reserve account are invested pursuant to Title 17, Chapter 6, and may only be expended with the approval of the Legislative Council. The estimated reserve balance at the end of FY 2009 will be \$500,000 following replacement of the House and Senate voting systems and boards and FYE 2009 reversions.

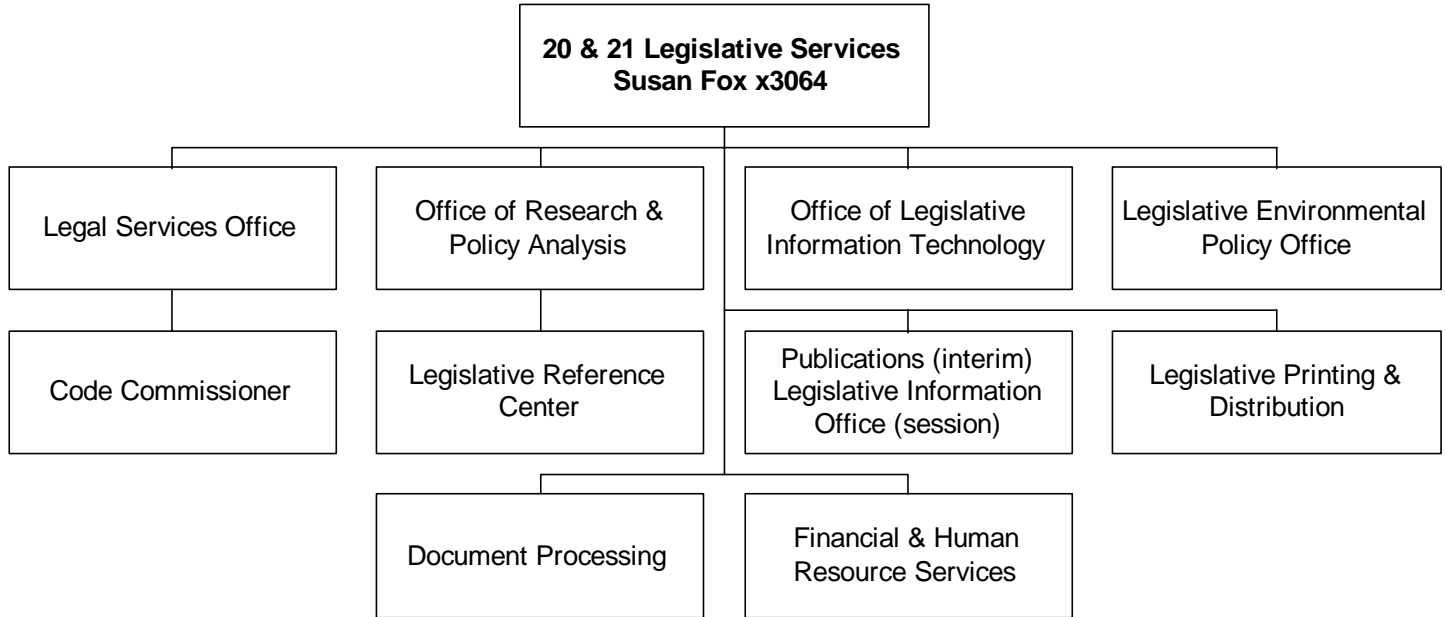
The Legislative Services Division is requesting the legislature transfer \$5 million general fund into the reserve account to provide funding for the replacement of the Legislative Automated Workflow System (LAWS) and appurtenant systems for bill drafting, engrossing, enrolling, committee minutes, journal, bill status, and code update. The replacement process is projected to take four years beginning in FY 2010 and ending in FY 2013.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$8,150	\$8,150
FY 2011	\$8,171	\$8,171

NP- 6101 - Fixed Cost Workers Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$8,150 in FY 2010 and \$8,171 in FY 2011 general fund for the Legislative Branch's allocation of the fixed cost.

LEGISLATIVE BRANCH-1104 LEGIS. COMMITTEES & ACTIVITIES-21



Program Description - The Legislative Committees and Activities Program supports the activities of standing and interim legislative committees that are conducted during the interim between legislative sessions. Program expenditures support: 1) interim study activities as defined in 5-5-202 through 5-5-217, MCA; 2) cooperative interstate, international and intergovernmental activities as outlined in 5-11-303 through 5-11-305, MCA; and 3) other legislative activities for which appropriations are made.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	0.97	0.00	0.00	0.97	0.00	0.00	0.97
Personal Services	79,884	55,305	0	135,189	(45,755)	0	34,129
Operating Expenses	393,579	336,860	0	730,439	(13,531)	0	380,048
Total Costs	\$473,463	\$392,165	\$0	\$865,628	(\$59,286)	\$0	\$414,177
General Fund	473,463	392,165	0	865,628	(59,286)	0	414,177
Total Funds	\$473,463	\$392,165	\$0	\$865,628	(\$59,286)	\$0	\$414,177

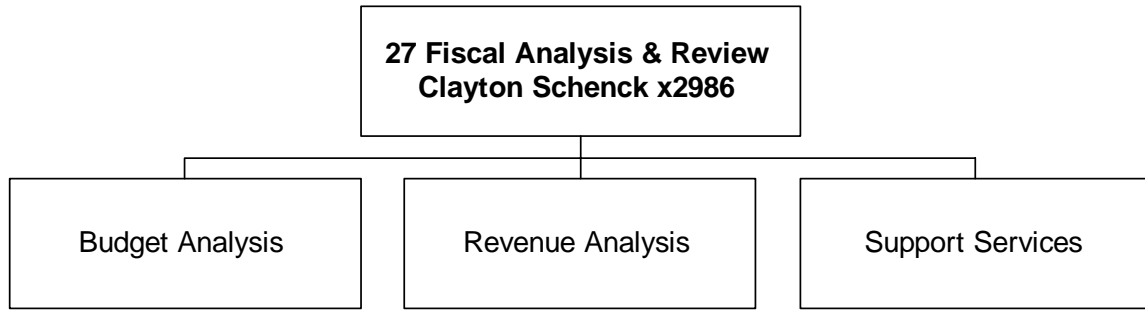
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$336,614	\$336,614
FY 2011	(\$13,802)	(\$13,802)

PL- 5 - Program Operations, Committees & Activities Program -

This proposal includes a general fund increase of \$336,614 in FY 2010 and a decrease of \$13,802 in FY 2011. First year increases and second year decreases reflect adjustments to the base year for the biennial legislative interim. Biennial program increases include increased costs of lodging and mileage only partially captured in the base year, organizational dues, training and conference registration fees, and re-establishment of the Legislative Council discretionary fund for emerging issues. Additional funding is also included for the districting and apportionment cycle and legislative liaisons to the Board of Investments now required by 2-15-1808, MCA, and the State Administration of Veteran's Affairs Interim Committee to meet statutory requirements of 5-5-228, MCA.

LEGISLATIVE BRANCH-1104 FISCAL ANALYSIS & REVIEW-27



Program Description - The Legislative Fiscal Division provides the Legislature with objective fiscal information and analysis relevant to Montana public policy and budget determination. Division services include: 1) fiscal analysis of state government and the furnishing of information bearing upon the financial matters of the state; 2) identification of ways to effect economy and efficiency in state government; 3) estimation of revenue and analysis of tax policy; 4) analysis of the executive budget; 5) compiling and analyzing fiscal information for legislators and legislative committees; and 6) staffing and support for legislative committees, including the preparation and processing of the appropriation bills for the legislative, judicial, and executive agencies. The Legislative Finance Committee provides guidance to the Legislative Fiscal Division.

Program Proposed Budget	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	18.50	0.00	0.00	18.50	0.00	0.00	18.50
Personal Services	1,457,907	202,970	0	1,660,877	205,282	0	1,663,189
Operating Expenses	41,284	110	0	41,394	43,635	0	84,919
Total Costs	\$1,499,191	\$203,080	\$0	\$1,702,271	\$248,917	\$0	\$1,748,108
General Fund	1,499,191	203,080	0	1,702,271	248,917	0	1,748,108
Total Funds	\$1,499,191	\$203,080	\$0	\$1,702,271	\$248,917	\$0	\$1,748,108

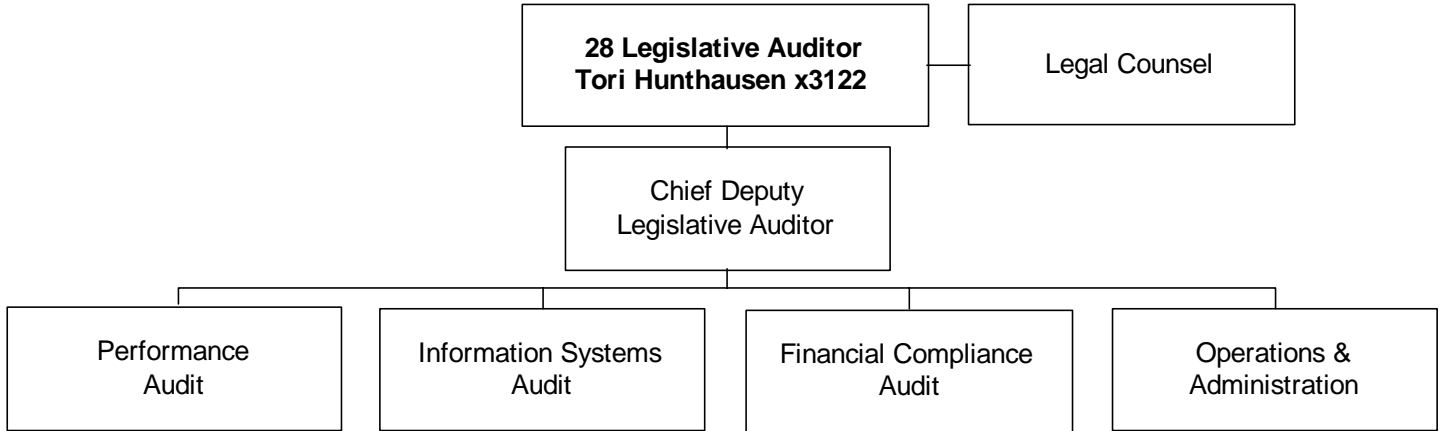
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$45,000	\$45,000

PL- 6 - Program Operations, Legislative Fiscal Division -

This proposal increases the FY 2011 budget by \$45,000 general fund in the categories of overtime, temporary services, printing, photocopy, and office supplies, and are due to cyclical legislative session costs which are not captured in the base year. This is the same amount approved for the 2009 biennium session costs, and is not an increase when comparing biennium to biennium.

LEGISLATIVE BRANCH-1104 AUDIT & EXAMINATION-28



Program Description - The Legislative Audit Division conducts independent audits and provides factual and objective information to the legislative and executive managers of the public trust. Division services include: 1) conducting and reporting of biennial financial-compliance audits, performance audits, information systems audits, and special audits of state agency operations; 2) reporting of violation of penal statutes, instances of misfeasance, malfeasance, or nonfeasance, and shortages discovered in an audit that are covered by surety; 3) auditing records of entities under contract with the state; and 4) assisting the legislature, its committees, and its members by providing information related to the fiscal affairs of state government. The Legislative Audit Committee provides policy guidance to the Legislative Audit Division.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	54.50	0.00	0.00	54.50	0.00	0.00	54.50
Personal Services	3,303,886	512,708	0	3,816,594	529,112	0	3,832,998
Operating Expenses	162,760	60,856	0	223,616	67,741	0	230,501
Total Costs	\$3,466,646	\$573,564	\$0	\$4,040,210	\$596,853	\$0	\$4,063,499
General Fund	2,084,111	199,239	0	2,283,350	302,332	0	2,386,443
State/Other Special	1,382,535	374,325	0	1,756,860	294,521	0	1,677,056
Total Funds	\$3,466,646	\$573,564	\$0	\$4,040,210	\$596,853	\$0	\$4,063,499

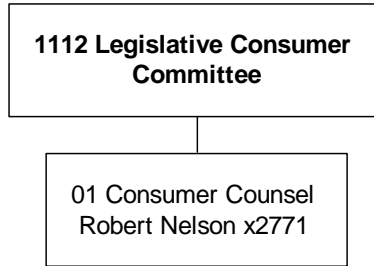
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$17,619	\$9,786
FY 2011	\$10,119	\$2,286

PL- 7 - Program Operations, Audit & Examination Program -

This present law adjustment includes changes from the adjusted base for cyclical costs associated with a Peer Review required by Government Auditing Standards, Legislative Branch audit, and contract services for the potential use of actuarial expertise on audits of the retirement systems and Montana State Fund.

CONSUMER COUNSEL-1112 ADMINISTRATION PROGRAM-01



Mission Statement - To represent the utility and transportation consuming public of the State of Montana in hearings before the Public Service Commission or any other successor agency, and before state and federal courts and administrative agencies.

Statutory Authority - Article XIII, Section 2, 1972 Montana Constitution
Title 5, Chapter 15, MCA and
Title 69, Chapters 1 and 2, MCA

Program Description - The Office of the Consumer Counsel is charged with the duty of representing consumer interests in hearings before the Public Service Commission or any other successor agency. The agency also may initiate, intervene in, or participate in appropriate proceedings in the court systems or administrative agencies on behalf of the public of Montana.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	5.54	0.00	0.00	5.54	0.00	0.00	5.54
Personal Services	364,167	197,006	0	561,173	198,059	0	562,226
Operating Expenses	898,741	291,506	165	1,190,412	301,450	143	1,200,334
Total Costs	\$1,262,908	\$488,512	\$165	\$1,751,585	\$499,509	\$143	\$1,762,560
State/Other Special	1,262,908	488,512	165	1,751,585	499,509	143	1,762,560
Total Funds	\$1,262,908	\$488,512	\$165	\$1,751,585	\$499,509	\$143	\$1,762,560

In accordance with 17-7-122, MCA, the budget for the Legislative Branch is presented as submitted to the Governor with no changes.

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$287,804	\$0
FY 2011	\$297,867	\$0

PL- 1 - Present Law Base Adjustment -

The present law budget includes \$96,568 each year of the biennium to restore the contingency appropriation to \$250,000 for costs associated with unanticipated caseload, consistent with appropriations in prior biennia. The remaining adjustments are attributed to contract amounts and anticipated workload.

**CONSUMER COUNSEL-1112
ADMINISTRATION PROGRAM-01**

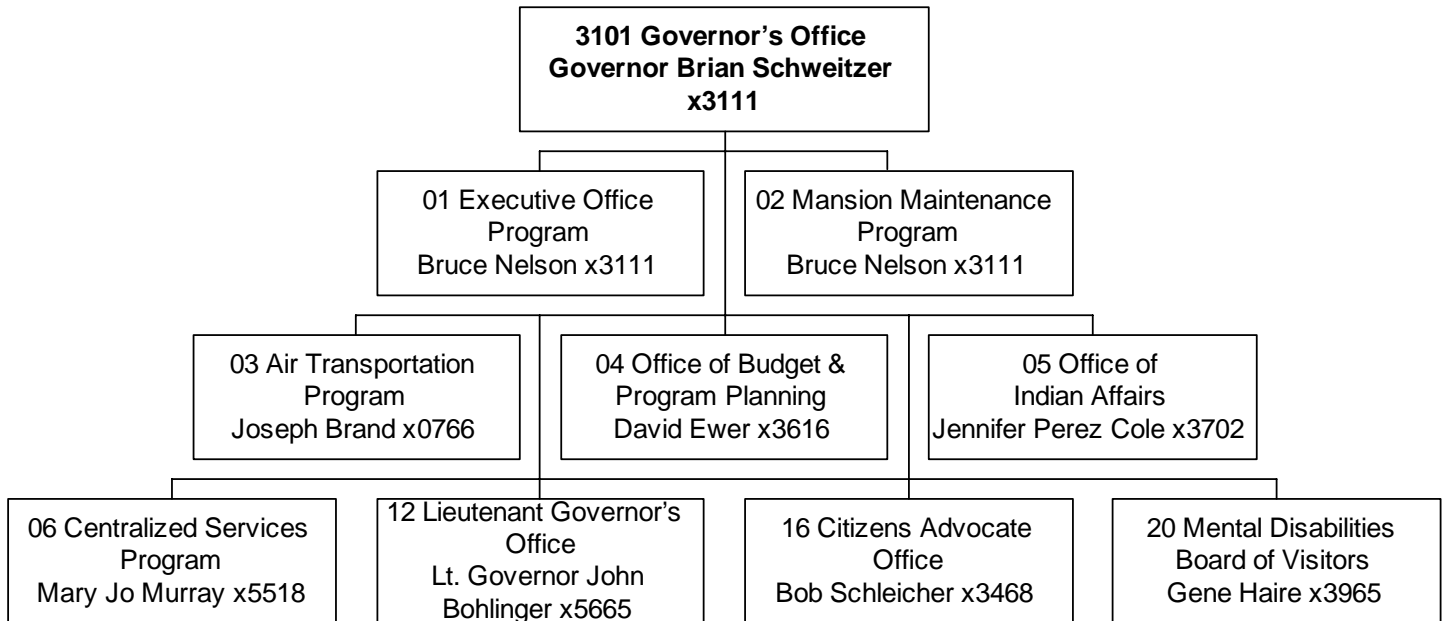
-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$165	\$0
FY 2011	\$143	\$0

NP- 6101 - Fixed Cost Workers Comp Management Program -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$165 in FY 2010 and \$143 in FY 2011 general fund for the Consumer Counsel's allocation of the fixed cost.

GOVERNORS OFFICE-3101

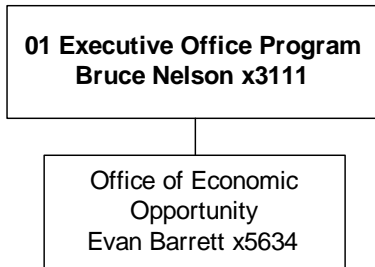


Mission Statement - To oversee and direct the activities of the Executive Branch of Montana state government, consistent with statutory and constitutional mandates, in a manner that provides necessary and affordable services to the citizens of Montana.

Statutory Authority - Primary authority is Article VI, Montana Constitution

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	60.07	0.00	0.00	60.07	0.00	0.00	60.07
Personal Services	4,324,180	154,747	0	4,478,927	159,965	0	4,484,145
Operating Expenses	1,517,318	310,030	27,153	1,854,501	145,139	26,867	1,689,324
Total Costs	\$5,841,498	\$464,777	\$27,153	\$6,333,428	\$305,104	\$26,867	\$6,173,469
General Fund	5,820,498	453,277	27,153	6,300,928	293,604	26,867	6,140,969
State/Other Special	21,000	11,500	0	32,500	11,500	0	32,500
Total Funds	\$5,841,498	\$464,777	\$27,153	\$6,333,428	\$305,104	\$26,867	\$6,173,469

GOVERNORS OFFICE-3101 EXECUTIVE OFFICE PROGRAM-01



Program Description - The Executive Office Program aids the Governor in overseeing and coordinating the activities of the Executive Branch of Montana state government. The program provides administrative, legal, and press support for the Office of the Governor. The Executive Office Program also administers programs with special impact on the citizens and governmental concerns of Montana. Special programs include the Office of Economic Development, which was created to strengthen the foundations of the state's business environment and diversify and expand existing economic endeavors to achieve long-term economic stability.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	21.63	0.00	0.00	21.63	0.00	0.00	21.63
Personal Services	1,674,183	34,937	0	1,709,120	36,095	0	1,710,278
Operating Expenses	950,901	34,015	0	984,916	35,121	0	986,022
Total Costs	\$2,625,084	\$68,952	\$0	\$2,694,036	\$71,216	\$0	\$2,696,300
General Fund	2,625,084	68,952	0	2,694,036	71,216	0	2,696,300
Total Funds	\$2,625,084	\$68,952	\$0	\$2,694,036	\$71,216	\$0	\$2,696,300

**GOVERNORS OFFICE-3101
EXECUTIVE RESIDENCE OPERATIONS-02**

**02 Mansion Maintenance
Program
Bruce Nelson x3111**

Program Description - The Governor's Residence Operations Program provides for the day-to-day operations of the official state executive residence.

Program Proposed Budget	Base Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	PL Base Adjustment	New Proposals	Total Exec. Budget
Budget Item	Fiscal 2008	Fiscal 2010	Fiscal 2010	Fiscal 2010	Fiscal 2011	Fiscal 2011	Fiscal 2011
FTE	1.50	0.00	0.00	1.50	0.00	0.00	1.50
Personal Services	60,356	(7,945)	0	52,411	(7,906)	0	52,450
Operating Expenses	32,445	3,565	25,000	61,010	3,846	25,000	61,291
Total Costs	\$92,801	(\$4,380)	\$25,000	\$113,421	(\$4,060)	\$25,000	\$113,741
General Fund	92,801	(4,380)	25,000	113,421	(4,060)	25,000	113,741
Total Funds	\$92,801	(\$4,380)	\$25,000	\$113,421	(\$4,060)	\$25,000	\$113,741

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$25,000	\$25,000
FY 2011	\$25,000	\$25,000

NP- 7 - Executive Residence - OTO -

Both the 2005 and the 2007 Legislatures provided one-time-only funding for the operations of the Executive Residence. The budget includes a request to reauthorize this one-time-only \$25,000 general fund appropriation each year of the 2011 biennium.

GOVERNORS OFFICE-3101 AIR TRANSPORTATION PROGRAM-03

**03 Air Transportation Program
Joseph Brand x0766**

Program Description - The Air Transportation Program provides the Governor with air transportation.

Program Proposed Budget Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	1.50	0.00	0.00	1.50	0.00	0.00	1.50
Personal Services	115,544	(7,864)	0	107,680	(6,793)	0	108,751
Operating Expenses	156,508	96,132	0	252,640	17,605	0	174,113
Total Costs	\$272,052	\$88,268	\$0	\$360,320	\$10,812	\$0	\$282,864
General Fund	272,052	80,268	0	352,320	2,812	0	274,864
State/Other Special	0	8,000	0	8,000	8,000	0	8,000
Total Funds	\$272,052	\$88,268	\$0	\$360,320	\$10,812	\$0	\$282,864

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$80,000	\$80,000
FY 2011	\$0	\$0

PL- 3 - Aircraft Maintenance - Biennial -

Certain major maintenance on the state-owned aircraft did not fall in the base year. Expenditures in the base year are not adequate to provide sufficient budget for propeller overhaul and wing inspections and possible wing repair. The budget request includes \$80,000 general fund, as a biennial appropriation, to allow these maintenance actions to be completed.

**GOVERNORS OFFICE-3101
OFC BUDGET & PROGRAM PLANNING-04**

**04 Office of Budget &
Program Planning
David Ewer x3616**

Program Description - The Office of Budget and Program Planning (OBPP) assists the Governor in preparing the Governor's Executive Budget and administering the state government budget. In addition, the OBPP prepares and monitors revenue estimates and collections, prepares and publishes fiscal notes on proposed legislation and initiatives, and acts as approving authority for operational plan changes, program transfers, and budget amendments in the Executive Branch, in accordance with Title 17, Chapter 7, MCA. The OBPP acts as the lead Executive Branch agency for compliance with the federal Single Audit Act.

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2008	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2010	Fiscal 2010	Fiscal 2010	Fiscal 2011	Fiscal 2011	Fiscal 2011
FTE	19.00	0.00	0.00	19.00	0.00	0.00	19.00
Personal Services	1,400,868	83,523	0	1,484,391	85,131	0	1,485,999
Operating Expenses	178,299	29,332	0	207,631	27,486	0	205,785
Total Costs	\$1,579,167	\$112,855	\$0	\$1,692,022	\$112,617	\$0	\$1,691,784
General Fund	1,579,167	112,855	0	1,692,022	112,617	0	1,691,784
Total Funds	\$1,579,167	\$112,855	\$0	\$1,692,022	\$112,617	\$0	\$1,691,784

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$15,000	\$15,000

PL- 1 - OBPP Session Costs -

Because the legislative session does not occur in the base year, costs incurred in preparing for every legislative session or not captured in the base budget for the program. The Executive Budget includes \$15,000 general fund in FY 2011 to cover the cost of printing the Governor's Executive Budget and other session-related costs.

**GOVERNORS OFFICE-3101
COORDINATOR OF INDIAN AFFAIRS-05**

05 Office of Indian Affairs Jennifer Perez Cole x3702
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Program Description - The Coordinator of Indian Affairs Program serves as the Governor's liaison with state Indian tribes, provides information and policy support on issues confronting the Indians of Montana, and advises and makes recommendations on these issues to the Legislative and Executive Branches. The coordinator also serves the Montana congressional delegation as an advisor and intermediary in the field of Indian affairs and acts as spokesperson for representative Native American organizations and groups, both public and private, whenever that support is requested. The program is mandated by 2-15-217 and 90-11-101, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	2.00	0.00	0.00	2.00	0.00	0.00	2.00
Personal Services	138,294	7,548	0	145,842	7,817	0	146,111
Operating Expenses	22,214	14,190	0	36,404	14,461	0	36,675
Total Costs	\$160,508	\$21,738	\$0	\$182,246	\$22,278	\$0	\$182,786
General Fund	160,508	21,738	0	182,246	22,278	0	182,786
Total Funds	\$160,508	\$21,738	\$0	\$182,246	\$22,278	\$0	\$182,786

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$5,000	\$5,000
FY 2011	\$5,000	\$5,000

PL- 2 - Coordinator of Indian Affairs Operating Budget -

The executive recommends \$5,000 general fund each year of the biennium for the Office of the Coordinator of Indian Affairs. Expenses for the office in FY 2006 did not reflect an adequate base. This level has carried forward into the 2009 biennium, and there is not sufficient budget to maintain a realistic level of operations.

GOVERNORS OFFICE-3101 CENTRALIZED SERVICES DIVISION-06

**06 Centralized Services
Program
Mary Jo Murray x5518**

Program Description - The Centralized Services Program provides business services to all programs within the Governor's Office. Services include payroll and personnel, accounting, central asset management and computer replacement, data processing, and budget preparation and monitoring for the entire office.

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2008	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2010	Fiscal 2010	Fiscal 2010	Fiscal 2011	Fiscal 2011	Fiscal 2011
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00
Personal Services	255,652	18,218	0	273,870	18,543	0	274,195
Operating Expenses	45,953	118,734	2,153	166,840	32,555	1,867	80,375
Total Costs	\$301,605	\$136,952	\$2,153	\$440,710	\$51,098	\$1,867	\$354,570
General Fund	301,605	136,952	2,153	440,710	51,098	1,867	354,570
Total Funds	\$301,605	\$136,952	\$2,153	\$440,710	\$51,098	\$1,867	\$354,570

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$85,515	\$85,515
FY 2011	\$37,820	\$37,820

PL- 6 - Maintain Computer Replacement Schedule - OTO -

The Governor's Office operates on the state standard 4-year replacement cycle for computer equipment. This request includes \$85,515 in FY 2010 and \$37,820 in FY 2011 to replace the computer equipment that will come due on the 4-year replacement schedule during the 2011 biennium. Funding is one-time-only general fund.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,153	\$2,153
FY 2011	\$1,867	\$1,867

NP- 5 - Workers Compensation Management Program -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$2,153 in FY 2010 and \$1,867 in FY 2011 general fund for the Governor's Office allocation of the fixed cost.

**GOVERNORS OFFICE-3101
 LIEUTENANT GOVERNOR'S OFFICE-12**

12 Lieutenant Governor's Office Lt. Governor John Bohlinger x5665

Program Description - The Office of the Lieutenant Governor is responsible for carrying out duties prescribed by statute established by Article VI, Section 4 of the Montana Constitution, as well as those delegated by the Governor. Statutory authority is Title 2, Chapter 15, part 3, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	3.94	0.00	0.00	3.94	0.00	0.00	3.94
Personal Services	290,179	8,501	0	298,680	8,689	0	298,868
Operating Expenses	49,173	5,063	0	54,236	5,159	0	54,332
Total Costs	\$339,352	\$13,564	\$0	\$352,916	\$13,848	\$0	\$353,200
General Fund	339,352	13,564	0	352,916	13,848	0	353,200
Total Funds	\$339,352	\$13,564	\$0	\$352,916	\$13,848	\$0	\$353,200

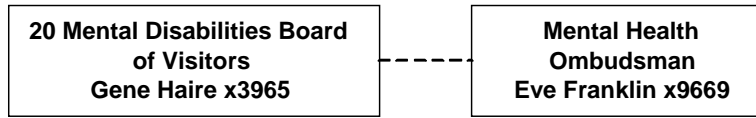
**GOVERNORS OFFICE-3101
CITIZENS' ADVOCATE OFFICE-16**

**16 Citizens Advocate Office
Bob Schleicher x3468**

Program Description - The Citizens' Advocate Office exists to provide access to state government for Montana citizens. The office provides information to citizens and functions as a referral service for public comments, suggestions, and requests for information. The office provides a toll-free number to the public.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	1.50	0.00	0.00	1.50	0.00	0.00	1.50
Personal Services	88,892	(824)	0	88,068	(720)	0	88,172
Operating Expenses	10,991	1,202	0	12,193	1,197	0	12,188
Total Costs	\$99,883	\$378	\$0	\$100,261	\$477	\$0	\$100,360
General Fund	78,883	(3,122)	0	75,761	(3,023)	0	75,860
State/Other Special	21,000	3,500	0	24,500	3,500	0	24,500
Total Funds	\$99,883	\$378	\$0	\$100,261	\$477	\$0	\$100,360

GOVERNORS OFFICE-3101 MENTAL DISABILITIES BD VISITRS-20



Program Description - The Mental Disabilities Board of Visitors is charged with formally reviewing patient care and assisting people who have complaints about services at Montana's licensed mental health centers, community hospital psychiatric units, children's residential treatment programs, and at the state facilities that serve people with mental illnesses and developmental disabilities. The board provides legal services to patients at the Montana State Hospital. The Governor appoints six board members who represent recipients of services and their families and the mental health and developmental disability professions. The board employs administrative and legal staff and contracts with mental health and developmental disability professionals to carry out its responsibilities for patient representation and facility review. The Mental Disabilities Board of Visitors Program was created by the Developmental Disabilities Act of 1975 and the Mental Commitment and Treatment Act of 1975 and exists as a state mandate.

The Mental Health Ombudsman is statutorily directed to "represent the interests of individuals with regard to need for public mental health services". The office functions with 1.5 FTE responding to statewide requests for service. The Office of the Ombudsman was created by the legislature in 1999 and is appointed by the Governor for a four year term.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00
Personal Services	300,212	18,653	0	318,865	19,109	0	319,321
Operating Expenses	70,834	7,797	0	78,631	7,709	0	78,543
Total Costs	\$371,046	\$26,450	\$0	\$397,496	\$26,818	\$0	\$397,864
General Fund	371,046	26,450	0	397,496	26,818	0	397,864
Total Funds	\$371,046	\$26,450	\$0	\$397,496	\$26,818	\$0	\$397,864

-----Present Law Adjustments-----

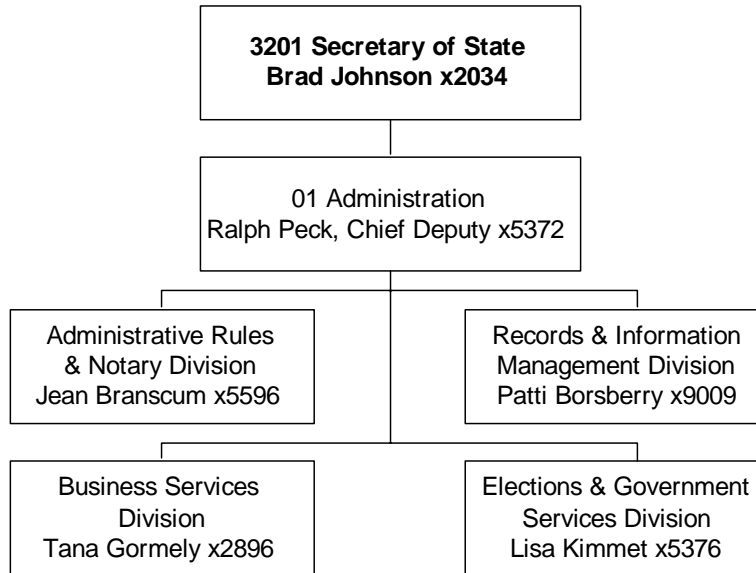
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$5,000	\$5,000
FY 2011	\$5,000	\$5,000

PL- 4 - Mental Health Ombudsman Operating -

The budget includes \$5,000 general fund each year of the 2011 biennium for the Mental Health Ombudsman. FY 2008 expenditures for the Mental Health Ombudsman Program were not representative of an adequate base. Twenty percent of the operating budget was reverted due to a transition in the Ombudsman position.

SECRETARY OF STATES OFFICE-3201 BUSINESS & GOVERNMENT SERVICES-01

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement - The Secretary of State's Office is committed to better positioning Montana for the future by embracing innovative ideas and technology to:

- Foster greater public confidence and participation in the electoral process
- Promote business activities by providing prompt and accurate service
- Act as the steward of state government records by educating agencies on the management and preservation of public documents
- Enhance the security of business transactions through the notary process
- Facilitate public participation in governmental rulemaking
- Provide easier access to information

Statutory Authority - Article VI, Section 1, Montana Constitution; 2-4-311-312, 2-6-203, and 2-15-401, MCA.

Program Description - The Secretary of State has one program, the Business and Government Program, with five divisions: 1) the Elections and Government Services Division; 2) the Business Services Division; 3) the Administrative Rules and Certification and Notary Services Division; 4) the Records and Information Management Division; and 5) the Management Services Division.

**SECRETARY OF STATES OFFICE-3201
BUSINESS & GOVERNMENT SERVICES-01**

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants	0	0	165,000	165,000	0	140,000	140,000
Total Costs	\$0	\$0	\$165,000	\$165,000	\$0	\$140,000	\$140,000
Federal Special	0	0	165,000	165,000	0	140,000	140,000
Total Funds	\$0	\$0	\$165,000	\$165,000	\$0	\$140,000	\$140,000

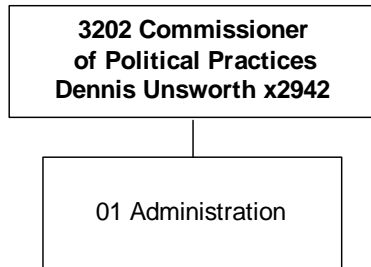
-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$165,000	\$0
FY 2011	\$140,000	\$0

NP- 3 - HAVA Interest - Bien/OTO -

Spending authority is requested for interest earned from the Help America Vote Act (HAVA) federal grant. Authority will be used for grants to counties. The spending authority of \$165,000 in FY 2010 and \$140,000 in FY 2011 is requested as biennial and one-time-only.

COMMISSIONER OF POLITICAL PRAC-3202 ADMINISTRATION-01



Mission Statement - To monitor and to enforce in a fair and impartial manner; campaign practices and campaign finance disclosure, lobbying disclosure, business interest disclosure of statewide and state district candidates, elected state officials and state department directors; ethical standards of conduct for legislators, public officers and state employees; and to investigate legitimate complaints that arise concerning any of the above.

Statutory Authority - Title 13, Chapter 37 and Title 2, Chapter 2, MCA.

Program Description - The Commissioner of Political Practices is provided for in 13-37-102, MCA, which was enacted in 1975 as part of a campaign finance and practice law reform package, with duties and responsibilities set forth in Title 13, Chapter 37, part 1, MCA. Additional responsibilities for the office were created through passage of an initiative in 1980 which provided for both lobbying disclosure and disclosure of business interests of elected officials. In 1995 the Legislature enacted the code of ethics and assigned to the Commissioner the responsibility for administering ethical standards of conduct for legislators, public officers, and state employees.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	6.00	0.00	0.00	6.00	0.00	0.00	6.00
Personal Services	218,906	69,226	0	288,132	69,354	0	288,260
Operating Expenses	146,514	16,401	82,151	245,066	9,122	79,131	234,767
Total Costs	\$365,420	\$85,627	\$82,151	\$533,198	\$78,476	\$79,131	\$523,027
General Fund	365,420	85,627	82,151	533,198	78,476	79,131	523,027
Total Funds	\$365,420	\$85,627	\$82,151	\$533,198	\$78,476	\$79,131	\$523,027

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$4,680	\$4,680
FY 2011	\$4,680	\$4,680

PL- 1 - Increases in Web/IT, Telephone, & Travel -

This request is for \$4,680 general fund each year of the biennium to cover increased costs in web administrator software, FileNet storage, telephone, and travel funding for the investigator.

**COMMISSIONER OF POLITICAL PRAC-3202
ADMINISTRATION-01**

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$59,000	\$59,000
FY 2011	\$59,000	\$59,000

NP- 2 - Additional Legal Costs Funding - OTO -

The executive recommends \$59,000 OTO general fund each year of the biennium for anticipated legal costs and to decrease the backlog of unresolved complaints.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,000	\$3,000
FY 2011	\$0	\$0

NP- 4 - Building Security Update- OTO -

This request is for a \$3,000 OTO general fund appropriation in FY 2010 to improve security by adding an alarm system and document shredding equipment at the Commissioner of Political Practices office.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$20,000	\$20,000
FY 2011	\$20,000	\$20,000

NP- 5 - IT Application Maintenance and Enhancement -

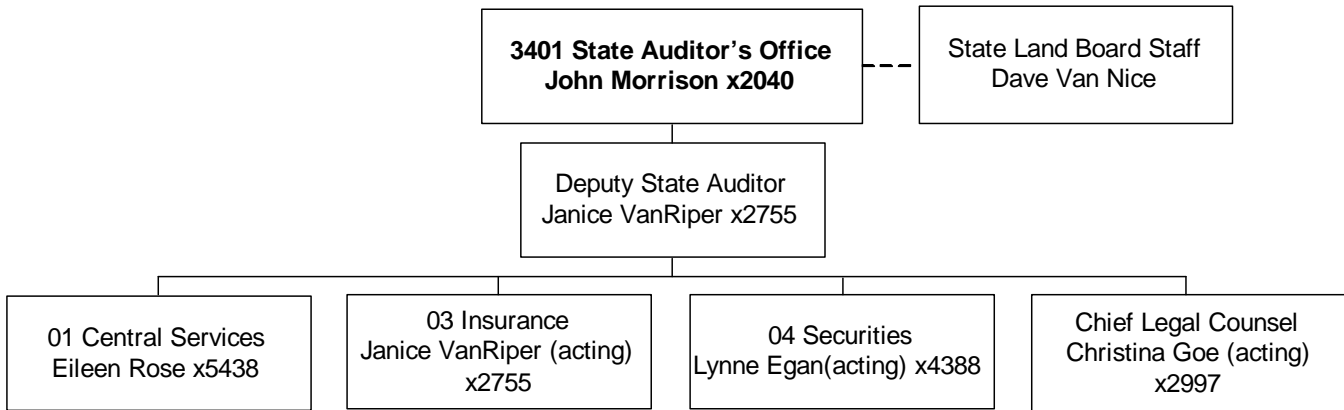
This request is for \$20,000 general fund each year of the biennium for maintenance and enhancements to two computer applications coming online in FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$151	\$151
FY 2011	\$131	\$131

NP- 6 - Fixed Cost Workers Comp Management Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$151 in FY 2010 and \$131 in FY 2011 general fund for the Commissioner of Political Practice's allocation of the fixed cost.

STATE AUDITORS OFFICE-3401

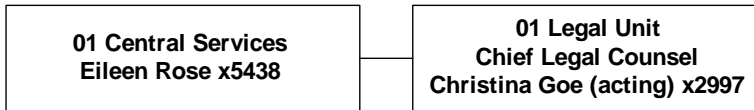


Mission Statement - The mission of the State Auditor's Office is to assure compliance with the Montana insurance and securities laws, promote captive insurance formations, administer the Insure Montana program, and assist consumers with complaints involving the securities and insurance industries. In addition, the office strives to keep abreast of regional and national developments in those industries in order to inform state policy makers about needed statutory changes and to answer inquiries.

Statutory Authority - Title 30, Chapter 10, MCA, Securities Regulation, and Title 33, MCA, Insurance.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	78.50	1.00	3.00	82.50	1.00	3.00	82.50
Personal Services	3,840,273	949,258	173,241	4,962,772	957,517	173,285	4,971,075
Operating Expenses	1,334,922	590,004	63,593	1,988,519	927,367	54,181	2,316,470
Benefits & Claims	10,152,855	1,345,800	0	11,498,655	1,345,800	0	11,498,655
Transfers	0	0	0	0	0	0	0
Total Costs	\$15,328,050	\$2,885,062	\$236,834	\$18,449,946	\$3,230,684	\$227,466	\$18,786,200
State/Other Special	15,328,050	2,885,062	236,834	18,449,946	3,230,684	227,466	18,786,200
Proprietary	0	0	0	0	0	0	0
Total Funds	\$15,328,050	\$2,885,062	\$236,834	\$18,449,946	\$3,230,684	\$227,466	\$18,786,200

**STATE AUDITORS OFFICE-3401
CENTRAL MANAGEMENT-01**



Program Description - The Central Management Division is responsible for the administrative, personnel, budgeting, and accounting functions for the State Auditor's Office. The division also provides support to the auditor in fulfilling the duties as a member of the state land and hail insurance boards.

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2008	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
	Fiscal 2008	Fiscal 2010	Fiscal 2010	Fiscal 2010	Fiscal 2011	Fiscal 2011	Fiscal 2011
FTE	10.00	0.00	0.00	10.00	0.00	0.00	10.00
Personal Services	444,468	156,264	0	600,732	156,442	0	600,910
Operating Expenses	117,281	87,090	576	204,947	85,718	499	203,498
Total Costs	\$561,749	\$243,354	\$576	\$805,679	\$242,160	\$499	\$804,408
State/Other Special	561,749	243,354	576	805,679	242,160	499	804,408
Total Funds	\$561,749	\$243,354	\$576	\$805,679	\$242,160	\$499	\$804,408

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$9,544	\$0
FY 2011	\$17,607	\$0

PL- 101 - CSD Annual Rent Increase -

Included in the executive budget is \$9,544 in FY 2010 and \$17,607 in FY 2011 of state special revenue to fund a scheduled 2% rent increase in FY 2010 and an estimated 3% rent increase in FY 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$46,064	\$0
FY 2011	\$46,064	\$0

PL- 102 - CSD - Base Adjustment -

This request of \$46,064 state special revenue each year of the biennium is for additional travel expenses. In FY 2008, three staff attended the National Association of Insurance Commissioners (NAIC) quarterly meetings and the expenditures are reimbursed by NAIC.

**STATE AUDITORS OFFICE-3401
CENTRAL MANAGEMENT-01**

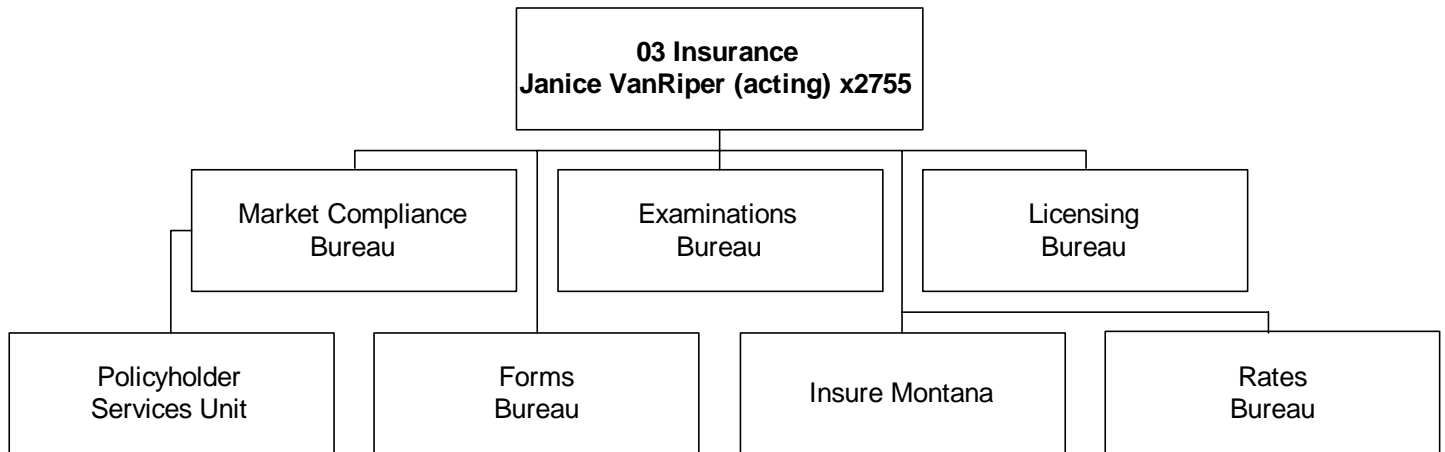
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$576	\$0
FY 2011	\$499	\$0

NP- 6101 - Fixed Cost Workers Comp Management Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$576 in FY 2010 and \$499 in FY 2011 state special revenue for the Central Management Division's allocation of the fixed cost.

STATE AUDITORS OFFICE-3401 INSURANCE-03



Program Description - The Insurance Division regulates the insurance industry in Montana. The Policyholder Services Unit is responsible for resolving insurance consumer inquiries and complaints involving agents, coverage, and companies. The Examinations Bureau is responsible for monitoring the financial solvency of insurance companies, collecting premium taxes and company fees, and auditing insurance company annual statements. Also housed in this bureau is the Captive Insurance program, which promotes and regulates captive insurers in the state. The Rates Bureau and the Forms Bureau are responsible for reviewing form filings and rate filings to ensure compliance with the applicable insurance code. The Licensing Bureau is responsible for licensing and providing continuing education to insurance agents, agencies, and adjusters. The Insure Montana Bureau administers the Small Business Health Insurance Purchasing Pool and Tax Credit program. The Legal Unit, which serves both the Insurance and Securities Divisions, provides legal support to the divisions. Investigations, which is under the Legal Unit, investigates code and rule violations, including possible criminal violations, and recommends referral of cases to county attorneys for prosecution.

Program Proposed Budget	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	55.50	1.00	3.00	59.50	1.00	3.00	59.50
Personal Services	2,912,796	512,893	173,241	3,598,930	520,201	173,285	3,606,282
Operating Expenses	1,088,078	398,400	62,744	1,549,222	729,543	53,445	1,871,066
Benefits & Claims	10,152,855	1,345,800	0	11,498,655	1,345,800	0	11,498,655
Transfers	0	0	0	0	0	0	0
Total Costs	\$14,153,729	\$2,257,093	\$235,985	\$16,646,807	\$2,595,544	\$226,730	\$16,976,003
State/Other Special	14,153,729	2,257,093	235,985	16,646,807	2,595,544	226,730	16,976,003
Proprietary	0	0	0	0	0	0	0
Total Funds	\$14,153,729	\$2,257,093	\$235,985	\$16,646,807	\$2,595,544	\$226,730	\$16,976,003

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$46,798	\$0
FY 2011	\$91,542	\$0

PL- 301 - Insurance Annual Rent Increase -

Included in the executive budget is \$46,798 in FY 2010 and \$91,542 in FY 2011 of state special revenue to fund a scheduled 2% rent increase in FY 2010 and an estimated 3% rent increase in FY 2011.

STATE AUDITORS OFFICE-3401 INSURANCE-03

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$37,489	\$0
FY 2011	\$37,489	\$0

PL- 302 - Insurance - Exam Bureau - Annualize Captive Base

This request of \$37,489 state special revenue for both FY 2010 and FY 2011 is to annualize the costs associated with hiring a new FTE in the Captive Insurance program during the base year. The 2007 Legislature authorized an additional 1.00 FTE once the number of captive companies reached 30. The new FTE was hired February 15, 2008. The statutes require the captive companies be examined every three years with the influx of exams schedule driving the operating costs. The exam costs are recovered from the captive company and results in no cost to the state.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$4,428	\$0
FY 2011	\$5,800	\$0

PL- 303 - Insurance - Rates Base Adjustment -

This base adjustment request of \$4,428 in FY 2010 and \$5,800 in FY 2011 of state special revenue is for increased travel and training costs and to purchase specialized actuary books and minor software. The software is purchased biennially and occurs in the first year of the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$15,244	\$0
FY 2011	\$15,268	\$0

PL- 304 - Insurance - Legal Base Adjustment -

This request of \$15,244 in FY 2010 and \$15,268 in FY 2011 of state special revenue funding is for additional secured storage space, increased legal, travel, and education costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$8,078	\$0
FY 2011	\$8,078	\$0

PL- 305 - Insurance - Investigations Base Adjustment -

This request of \$8,078 for FY 2010 and FY 2011 of state special revenue is for increased travel and training costs for the Investigations Bureau.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$15,166	\$0
FY 2011	\$15,166	\$0

PL- 306 - Insurance - Forms Bureau Base Adjustment -

This request of \$15,166 each year of the biennium of state special revenue is for increased travel and training costs for the Forms Bureau.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$12,575	\$0
FY 2011	\$10,580	\$0

PL- 307 - Insurance - Policyholder Services Bureau Base Adjustment -

This request of \$12,575 in FY 2010 and \$10,580 in FY 2011 is for the Policyholder Services Unit for minor software purchase and increase travel for training and educational expenditures. The funding source is state special revenue.

STATE AUDITORS OFFICE-3401 INSURANCE-03

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$145,151	\$0
FY 2011	\$441,551	\$0

PL- 308 - Insurance - Contract Examinations -

The request is for \$145,151 in FY 2010 and \$441,551 in FY 2011 of state special revenue funding to enable the examination of insurers using contractor services. The cost of the exams done by contract examiners is recovered from the insurers and results in no cost to the state. The statutes require companies be examined every 5 years.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$25,551	\$0
FY 2011	\$40,551	\$0

PL- 309 - Insurance - Captive Promotion -

This request of \$25,551 for FY 2010 and \$40,551 for FY 2011 state special revenue is to annualize the costs associated with promoting captive insurance in Montana. The 2007 Legislature authorized a state special revenue fund called the captive insurance regulatory and supervision account, which may be referred to as the captive account per 33-28-120(1), MCA, effective October 1, 2007. The purpose of the captive account is to reimburse expenses in promoting captive insurance in Montana.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$8,684	\$0
FY 2011	\$8,684	\$0

PL- 310 - Insurance - Licensing Base Adjustment -

This request of \$8,684 each year of the biennium of state special revenue funding is for travel and fees associated with Securities and Insurance Licensing Association (SILA) training.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$47,236	\$0
FY 2011	\$43,733	\$0

PL- 317 - Insurance - Forms Analyst FTE -

The budget includes \$47,236 in FY 2010 and \$43,733 in FY 2011 state special revenue funding for personal services and operating costs for 1.00 FTE to work in the Forms Bureau. The requested 1.00 FTE will work as a forms analyst and will help the bureau meet the statutory requirements of 33-1-501, MCA, which includes a "deemer" provision. This provision states that if after 60 days from the date of receipt (of a filing) by the commissioner's office; the commissioner has not approved or disapproved the form by a notice; the form is considered approved by the insurer.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,244,359	\$0
FY 2011	\$1,244,359	\$0

PL- 318 - Restore Insure MT Funding -

This request of \$1,244,359 state special revenue funding each year of the 2011 biennium restores funding for the Insure Montana Program to levels authorized by the 2007 Legislature.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$101,441	\$0
FY 2011	\$101,441	\$0

PL- 319 - Restore MCHA Funding -

This request of \$101,441 state special revenue funding each year of the 2011 biennium restores funding for the Montana Comprehensive Health Association to FY 2009 levels authorized by the 2007 legislature. This funding is derived from the state tobacco settlement payment distribution.

**STATE AUDITORS OFFICE-3401
INSURANCE-03**

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$87,871	\$0
FY 2011	\$84,313	\$0

NP- 313 - Insurance - Legal New FTE - RST -

This request for a restricted appropriation of \$87,871 in FY 2010 and \$84,313 in FY 2011 of state special revenue is for personal services and associated operating costs to hire an additional attorney in the Insurance Division of the State Auditors Office. The Legal Unit currently has an employee that has frequently been on extended USERRA protected military leave as a member of the National Guard. As a result of these extended leave periods, the Legal Unit has had to rely on temporary replacements, which has disrupted the work flow of the agency. The legal work required by this agency requires substantial training and therefore temporary attorney replacements are problematic. Recruiting temporary attorneys is difficult, and the learning curve for this position is substantial.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$85,607	\$0
FY 2011	\$84,282	\$0

NP- 314 - Insurance - Traditional Exams FTE -

This request is for \$85,607 in FY 2010 and \$84,282 in FY 2011 of state special revenue to fund 1.00 FTE and operating costs required to handle additional workload and to decrease reliance on contract examiners. This additional 1.00 FTE will require some period of training, and thereafter will be used to reduce a portion of the expected increase in exam costs. Approximately 50% of this position's salary will be recouped from domestic insurers.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$60,976	\$0
FY 2011	\$56,808	\$0

NP- 315 - Insurance - Policyholder Service Bureau Claims Examiner -

This proposal includes \$60,976 in FY 2010 and \$56,808 in FY 2011 state special revenue funding to support 1.00 FTE and operating costs to complete additional market conduct examinations and new analysis responsibilities. The Policyholder Services Bureau (PHS) is responsible for new projects assigned by the National Association of Insurance Commissioners (NAIC) to further improve and modernize the regulation of insurance. Montana has over 30 captive insurers which have been added in recent years. The captives that are risk retention groups will need to have market conduct examinations in addition to the approximately 30 in-state or domiciled insurers who are statutorily required to be examined at least once every four years.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,531	\$0
FY 2011	\$1,327	\$0

NP- 6101 - Fixed Cost Workers Comp Management Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$1,531 in FY 2010 and \$1,327 in FY 2011 state special revenue for the Insurance Program's allocation of the fixed cost.

STATE AUDITORS OFFICE-3401 SECURITIES-04

04 Securities
Lynne Egan (acting) x4388

Program Description - The Securities Division is responsible for the administration and enforcement of the Securities Act of Montana and, in particular, for the registration of securities issuers, salespeople, broker-dealers, investment advisers, and investment adviser representatives and multi-level marketing companies. The division also is responsible for the investigation of unregistered and fraudulent securities transactions. The division has sole jurisdiction for investment advisor firms with assets of under \$25 million. The division investigates securities code and rule violations, including possible criminal violations, takes appropriate administrative action and refers criminal cases to either federal authorities or county attorneys for prosecution.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	13.00	0.00	0.00	13.00	0.00	0.00	13.00
Personal Services	483,009	280,101	0	763,110	280,874	0	763,883
Operating Expenses	129,563	104,514	273	234,350	112,106	237	241,906
Transfers	0	0	0	0	0	0	0
Total Costs	\$612,572	\$384,615	\$273	\$997,460	\$392,980	\$237	\$1,005,789
State/Other Special	612,572	384,615	273	997,460	392,980	237	1,005,789
Total Funds	\$612,572	\$384,615	\$273	\$997,460	\$392,980	\$237	\$1,005,789

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$11,535	\$0
FY 2011	\$22,015	\$0

PL- 401 - Securities Annual Rent Increase -

Included in the budget is \$11,535 in FY 2010 and \$22,015 in FY 2011 of state special revenue to fund a scheduled 2% rent increase in FY 2010 and an estimated 3% rent increase in 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$37,204	\$0
FY 2011	\$37,204	\$0

PL- 402 - Securities - Exams Base Adjustments - BIEN -

This biennial request of \$74,408 state special revenue is to annualize the reimbursable costs associated with the Securities Division's responsibility for the oversight of roughly 1,400 broker/dealer firms, 750 investment advisory firms, and 75,000 securities salespersons and investment adviser representatives. The division processes applications from these entities and individuals and collects in excess of \$4,400,000 in filing fees annually.

**STATE AUDITORS OFFICE-3401
SECURITIES-04**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$47,704	\$0
FY 2011	\$49,304	\$0

PL- 403 - Securities - Base Adjustment -

This request of \$47,704 in FY 2010 and \$49,304 in FY 2011 of state special revenue is to increase the budget for the costs associated with the estimated number of contract hearings officers and North American Securities Administrator's Association (NASAA) reimbursable related travel. The Securities Division uses contract services for the cost associated with hearings officers in contested securities cases.

-----**New Proposals**-----

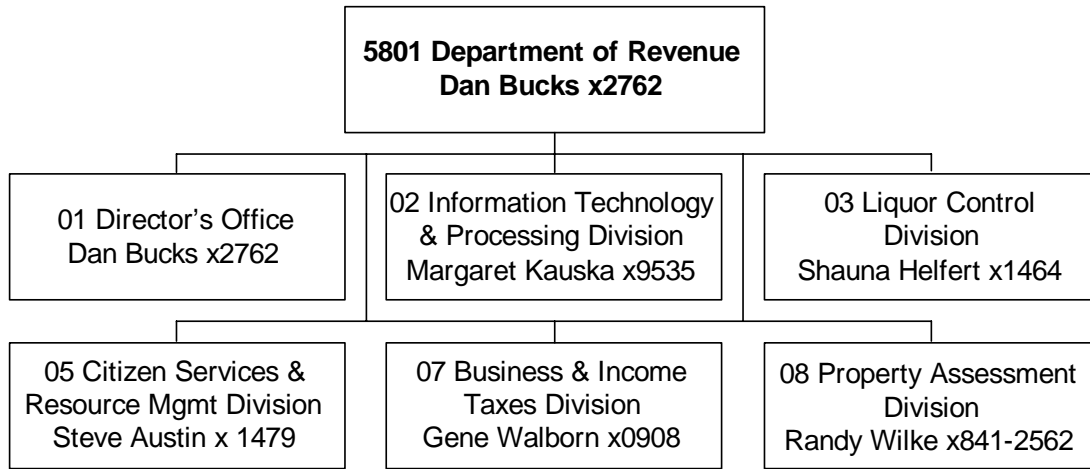
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$273	\$0
FY 2011	\$237	\$0

NP- 6101 - Fixed Cost Workers Comp Management Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$273 in FY 2010 and \$237 in FY 2011 state special revenue for the Securities Program allocation of the fixed cost.

DEPARTMENT OF REVENUE-5801

Please note that this agency also contains proprietary funding (see Section P).

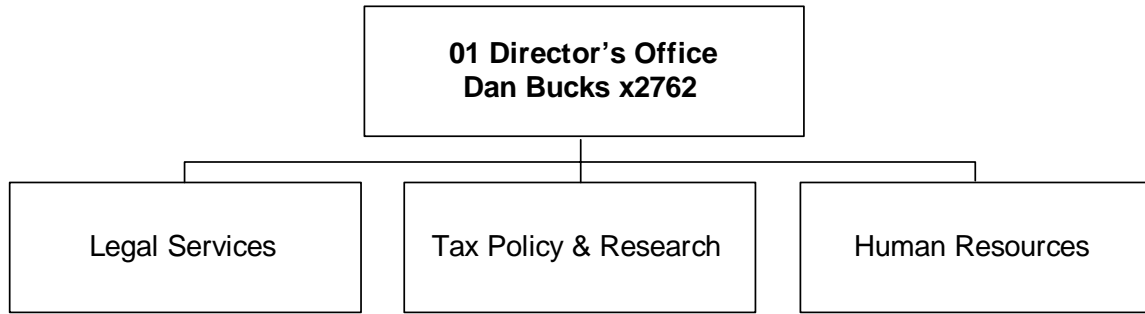


Mission Statement - The Department of Revenue implements Montana's tax laws to achieve equity and integrity, while protecting taxpayer rights and information; values all property as accurately as possible and supervises Montana's property tax system; administers liquor laws to protect public health and safety; informs and advises the Governor, the legislature and the public on tax trends and issues; and cooperates with local, state, tribal and federal governments to advance the public interest under the law.

Statutory Authority - Titles 2, 15, 16, 39, MCA

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	645.53	0.00	15.00	660.53	2.00	15.00	662.53
Personal Services	31,541,481	3,797,076	663,938	36,002,495	4,037,138	664,323	36,242,942
Operating Expenses	18,434,552	1,399,884	9,431	19,843,867	1,286,282	(149,521)	19,571,313
Equipment & Intangible Assets	220,095	0	0	220,095	0	0	220,095
Total Costs	\$50,196,128	\$5,196,960	\$673,369	\$56,066,457	\$5,323,420	\$514,802	\$56,034,350
General Fund	46,999,289	4,877,585	494,538	52,371,412	4,996,579	335,941	52,331,809
State/Other Special	823,595	(1,949)	177,814	999,460	(1,666)	177,979	999,908
Federal Special	194,192	15,008	95	209,295	14,191	83	208,466
Proprietary	2,179,052	306,316	922	2,486,290	314,316	799	2,494,167
Total Funds	\$50,196,128	\$5,196,960	\$673,369	\$56,066,457	\$5,323,420	\$514,802	\$56,034,350

**DEPARTMENT OF REVENUE-5801
DIRECTORS OFFICE-01**



Program Description - The Director's Office is composed of four primary sections: 1) Executive Office - Responsible for the general guidance and management of the agency. This office assists the director with administrative functions and communication to the public, other agencies and elected officials, and includes the Office of Taxpayer Assistance; 2) Legal Services is responsible for the overall legal efforts of the department, which include: legal representation before various courts; legislation development and review; filing bankruptcy claims; and developing policy and administrative rules. Legal Services oversees the Office of Disclosure and Taxpayer Assistance, which handles taxpayer inquiries from other taxing jurisdictions and state agencies and also coordinates security issues for the department. The Legal Services office also oversees the Office of Dispute Resolution, which reviews, facilitates, and resolves taxpayer disputes internally through a variety of means, including hearings and mediation; 3) Tax Policy and Research is responsible for the compilation of basic tax data and its publication in the Biennial Report and other documents; for the conduct of tax, economic and compliance studies; for the preparation of legislative fiscal notes that affect revenue, and the analysis of legislative proposals affecting the department, and department economic and compliance data analysis; and 4) Human Resources and Organizational Development is responsible for the human resources, payroll and benefits, and education and training functions of the department.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	48.98	0.00	0.00	48.98	0.00	0.00	48.98
Personal Services	3,201,839	459,326	0	3,661,165	524,614	0	3,726,453
Operating Expenses	2,279,318	152,286	1,557	2,433,161	(61,269)	1,350	2,219,399
Total Costs	\$5,481,157	\$611,612	\$1,557	\$6,094,326	\$463,345	\$1,350	\$5,945,852
General Fund	5,310,557	581,559	1,525	5,893,641	434,056	1,322	5,745,935
State/Other Special	84,281	24,795	32	109,108	24,876	28	109,185
Federal Special	600	400	0	1,000	(600)	0	0
Proprietary	85,719	4,858	0	90,577	5,013	0	90,732
Total Funds	\$5,481,157	\$611,612	\$1,557	\$6,094,326	\$463,345	\$1,350	\$5,945,852

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$6,000	\$6,000
FY 2011	\$61,587	\$61,587

PL- 10001 - Present Law Base Adjustment - Director's Office -

The Department of Revenue, Director's Office requests \$67,587 in general fund in the 2011 biennium to cover necessary overtime expenditures in the Tax Policy and Research Office and minor increases to operating expenses.

**DEPARTMENT OF REVENUE-5801
DIRECTORS OFFICE-01**

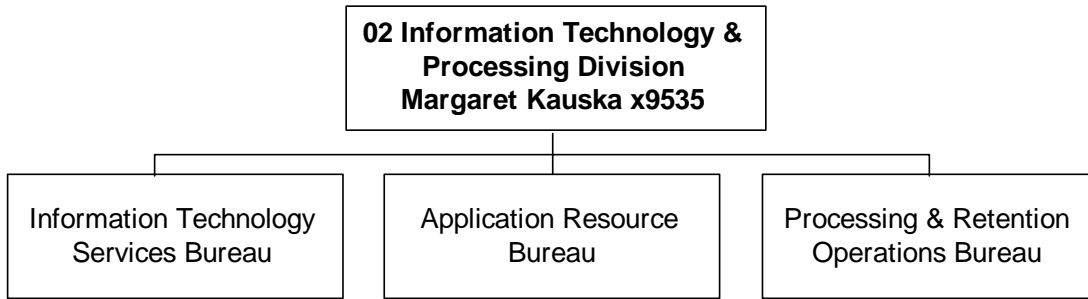
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,557	\$1,525
FY 2011	\$1,350	\$1,322

NP- 6101 - Fixed Cost Workers Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$1,557 in FY 2010 and \$1,350 in FY 2011 general fund and other funds for the Director's Office allocation of the fixed cost.

**DEPARTMENT OF REVENUE-5801
INFORMATION TECHNOLOGY & PROCESSING-02**



Program Description - The Information Technology and Processing Division provides technology support for the department and processes all tax returns, payments and other documents received, whether in paper or electronic form. This work includes application development and support services; network services including data, desktop, information security and help desk support; and tax return and payment processing including electronic data and payment development and processing, taxpayer account maintenance, cashiering, mailroom, and records management services that enable the department to meet its business objectives. These services are provided by three bureaus: Information Technology Application Resources; Information Technology Services; and Processing and Retention Operations.

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2008	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2010	Fiscal 2010	Fiscal 2010	Fiscal 2011	Fiscal 2011	Fiscal 2011
FTE	87.25	0.00	0.00	87.25	0.00	0.00	87.25
Personal Services	3,622,302	806,090	0	4,428,392	816,972	0	4,439,274
Operating Expenses	8,325,544	418,280	2,773	8,746,597	434,129	2,404	8,762,077
Equipment & Intangible Assets	181,250	0	0	181,250	0	0	181,250
Total Costs	\$12,129,096	\$1,224,370	\$2,773	\$13,356,239	\$1,251,101	\$2,404	\$13,382,601
General Fund	11,897,699	1,246,874	2,773	13,147,346	1,273,470	2,404	13,173,573
State/Other Special	161,522	(29,123)	0	132,399	(29,123)	0	132,399
Proprietary	69,875	6,619	0	76,494	6,754	0	76,629
Total Funds	\$12,129,096	\$1,224,370	\$2,773	\$13,356,239	\$1,251,101	\$2,404	\$13,382,601

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$146,510	\$146,510
FY 2011	\$149,806	\$149,806

PL- 20001 - Present Law Base Adjustment - Info Tech & Proc -

The Department of Revenue, Information Technology and Processing Division requests \$296,316 in general fund in the 2011 biennium to cover increased costs to allow the division to provide better service to taxpayers; protect the security and confidentiality of taxpayer information; and replace obsolete, unsafe vehicles with safe fuel efficient models. Minor increases in costs are expected in the following areas: post office box rental, annual maintenance agreements, and payment processing fees. In addition, the division requests to replace two old, unreliable vehicles with two leased vehicles. The department is also working in conjunction with the Department of Administration, Information Technology Services Division to set up a segregated environment in their data center to improve security of the department's Federal Tax Information and other state tax data per Internal Revenue Service guidelines.

**DEPARTMENT OF REVENUE-5801
INFORMATION TECHNOLOGY & PROCESSING-02**

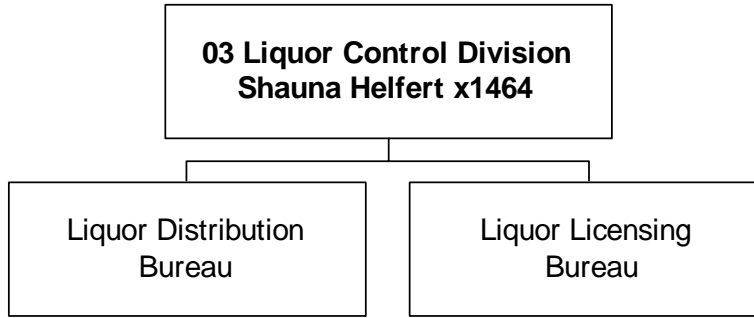
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,773	\$2,773
FY 2011	\$2,404	\$2,404

NP- 6101 - Fixed Cost Workers Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 Biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$2,773 in FY 2010 and \$2,404 in FY 2011 general fund for the Information Technology and Processing Division's allocation of the fixed cost.

**DEPARTMENT OF REVENUE-5801
LIQUOR CONTROL DIVISION-03**



Program Description - The Liquor Control Division provides effective and efficient administration of the Montana alcoholic beverage code with an emphasis on customer service and public safety. This is accomplished by applying uniform and fair regulations while ensuring an orderly system for the convenient distribution and responsible consumption of alcoholic beverages. The division consists of the Liquor Distribution Bureau, which efficiently maintains a regulated channel of distribution to fulfill the public demand for distilled spirits and fortified wine through agency liquor stores; and the Liquor Licensing Bureau, which protects the welfare and safety of the public by regulating liquor licensing laws in a uniform and fair manner.

Program Proposed Budget	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	29.00	0.00	0.00	29.00	0.00	0.00	29.00
Personal Services	1,377,931	292,853	0	1,670,784	299,106	0	1,677,037
Operating Expenses	569,163	(3,236)	922	566,849	(1,749)	799	568,213
Equipment & Intangible Assets	30,125	0	0	30,125	0	0	30,125
Total Costs	\$1,977,219	\$289,617	\$922	\$2,267,758	\$297,357	\$799	\$2,275,375
Proprietary	1,977,219	289,617	922	2,267,758	297,357	799	2,275,375
Total Funds	\$1,977,219	\$289,617	\$922	\$2,267,758	\$297,357	\$799	\$2,275,375

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$922	\$0
FY 2011	\$799	\$0

NP- 6101 - Fixed Cost Workers Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$922 in FY 2010 and \$799 in FY 2011 proprietary funds for the Liquor Control Division's allocation of the fixed cost.

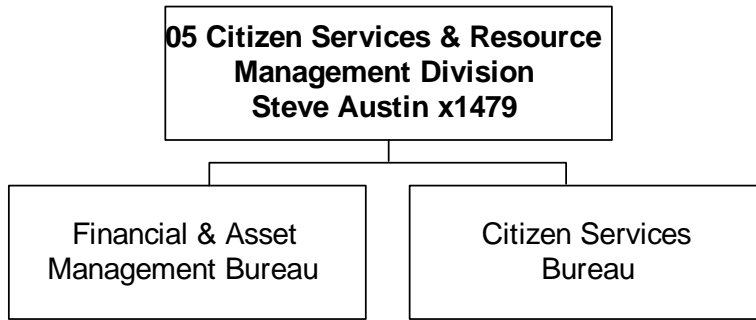
DEPARTMENT OF REVENUE-5801 LIQUOR CONTROL DIVISION-03

Language Recommendations – “Liquor control division proprietary funds necessary to maintain adequate inventories, pay freight charges, and transfer profits and taxes to appropriate accounts are appropriated from the liquor enterprise fund to the department in the amounts not to exceed \$129,000,000 in fiscal year 2010 and \$141,000,000 in fiscal year 2011.”

“In the event that the department is unable to meet statutory service levels because of the increase in demand for liquor products, the department may hire additional temporary employees or pay overtime, whichever is determined to be the most cost-effective, to maintain required service levels to agency liquor stores. In fiscal year 2010 and fiscal year 2011, the department is appropriated not more than \$50,000 each year for additional cost from the liquor enterprise fund to meet the service level requirements.”

“In the liquor control division, upon a termination that requires a payout of accrued leave balances, liquor control division proprietary funds are appropriated from the liquor enterprise fund to the department in the amount equal to the payout of the accrued leave balances, not to exceed \$40,000 for each of the fiscal years 2010 and 2011.”

**DEPARTMENT OF REVENUE-5801
CITIZEN SERVICES & RESOURCE MGMT-05**



Program Description - The Citizen Services and Resource Management Division integrates the accounting, purchasing, safety and security, and statewide facility functions through the Financial and Asset Management Bureau. The division's Citizen Services Bureau administers the call center, designs forms, coordinates one-stop business licensing, and returns to citizens unclaimed property that they own. The division focuses on the services provided to citizens, including the advancement of free electronic filing and providing support services to the other department divisions.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	28.00	0.00	0.00	28.00	0.00	0.00	28.00
Personal Services	1,304,724	212,425	0	1,517,149	216,616	0	1,521,340
Operating Expenses	708,819	14,997	890	724,706	13,830	772	723,421
Total Costs	\$2,013,543	\$227,422	\$890	\$2,241,855	\$230,446	\$772	\$2,244,761
General Fund	1,859,004	180,265	890	2,040,159	183,247	772	2,043,023
State/Other Special	108,300	41,935	0	150,235	42,007	0	150,307
Proprietary	46,239	5,222	0	51,461	5,192	0	51,431
Total Funds	\$2,013,543	\$227,422	\$890	\$2,241,855	\$230,446	\$772	\$2,244,761

-----**New Proposals**-----

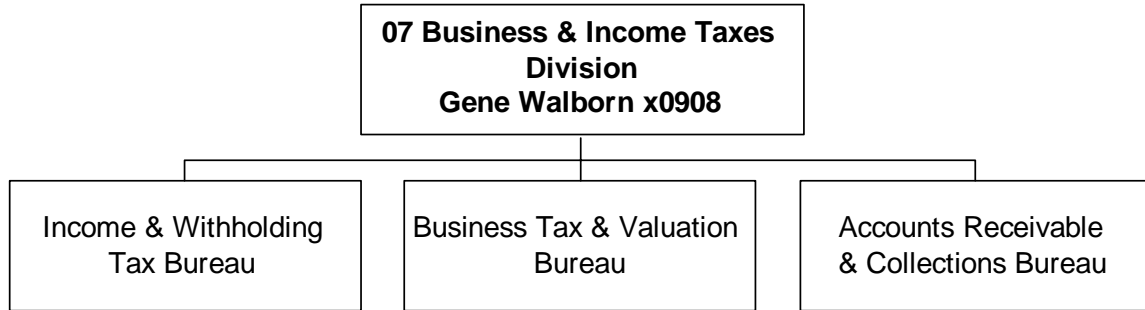
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$890	\$890
FY 2011	\$772	\$772

NP- 6101 - Fixed Cost Workers Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$890 in FY 2010 and \$772 in FY 2011 general fund for the Citizen's Services and Resource Management Division's allocation of the fixed cost.

**DEPARTMENT OF REVENUE-5801
BUSINESS AND INCOME TAXES DIVISION-07**

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Business and Income Taxes Division is responsible for the administration and collection of a total of 38 Montana taxes and fees including but not limited to corporation license, natural resource, withholding, individual income, lodging facilities, cigarette and tobacco products, contractor's gross receipts, and telecommunications taxes. The division also values all industrial and centrally assessed property in the state. Some of the duties associated with administration include: tax type expertise, taxpayer education, auditing, identification of non-filers, delinquent account collection, and overall tax compliance. The Accounts Receivable and Collections Bureau, the Business Tax and Valuation Bureau, and the Income and Withholding Tax Bureau handle these functions for the department.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	145.95	0.00	15.00	160.95	0.00	15.00	160.95
Personal Services	7,522,645	778,663	663,938	8,965,246	804,293	664,323	8,991,261
Operating Expenses	2,179,437	241,785	(481,518)	1,939,704	243,356	(482,350)	1,940,443
Total Costs	\$9,702,082	\$1,020,448	\$182,420	\$10,904,950	\$1,047,649	\$181,973	\$10,931,704
General Fund	9,103,747	1,045,142	4,543	10,153,432	1,072,005	3,939	10,179,691
State/Other Special	404,743	(39,302)	177,782	543,223	(39,147)	177,951	543,547
Federal Special	193,592	14,608	95	208,295	14,791	83	208,466
Total Funds	\$9,702,082	\$1,020,448	\$182,420	\$10,904,950	\$1,047,649	\$181,973	\$10,931,704

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$57,641	\$57,641
FY 2011	\$57,748	\$57,748

PL- 70007 - Debt Collection - Child Support Cases -

When the bad debt collection unit collects child support payments, it does not charge a collection fee to the parent like it would when collecting other types of debt. The general fund has historically paid these costs. Because some of these costs were recorded as personal services expenses in the base year, and personal services are zero based, the funding was not carried forward in the 2011 biennium budget. This request restores the funding in the operating expenses category to more appropriately reflect the expenditures. The amount restored is approximately \$57,000 general fund each year of the biennium.

**DEPARTMENT OF REVENUE-5801
BUSINESS AND INCOME TAXES DIVISION-07**

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$4,638	\$4,543
FY 2011	\$4,022	\$3,939

NP- 6101 - Fixed Cost Workers Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$4,638 in FY 2010 and \$4,022 in FY 2011 general fund and other funds for the Business and Income Tax Division's allocation of the fixed cost.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$0	\$0

NP- 70002 - Nonresident and Non-filer Tax Compliance -

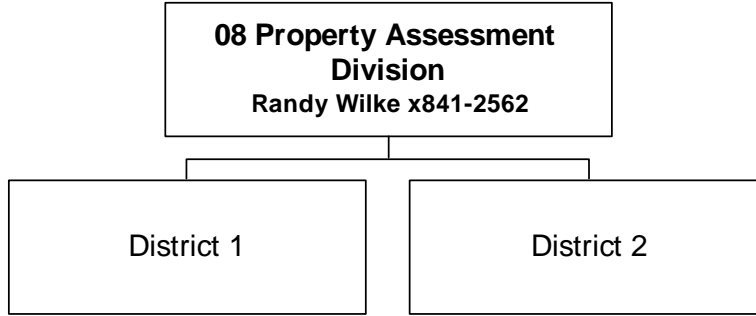
The Department of Revenue, Business and Income Taxes Division requests 12.00 FTE in the 2011 biennium to continue the department's efforts to keep taxes fair and low for Montanans by asking nonresidents and non-filers to pay the taxes they owe Montana. Through improved compliance, the requested staff will generate an estimated \$8 million during the 2011 biennium. This estimate is based on a return of \$8 for every \$1 spent on compliance. This request is for FTE only; no funding is requested. These FTE are needed to address identified compliance issues in such areas as: 1) pass-through entities' partners and shareholders that have not filed or have underreported income; 2) nonresidents selling property in Montana who have not filed or paid the appropriate tax associated with the capital gain from the sale of Montana property; and 3) non-filers or underreported income that have been identified through the cross-matching of department data with various external data sources (e.g., information from the IRS, other state agencies, and information reports such as Federal 1099s). Other compliance issues will also be addressed as they arise.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$177,782	\$0
FY 2011	\$177,951	\$0

NP- 70003 - Reduce Smoking through Tobacco Tax Compliance -

The Department of Revenue, Business and Income Taxes Division requests \$355,733 in state special revenue authority and 3.00 FTE in the 2011 biennium to continue the Tobacco Tax Compliance Program. In the 2009 biennium, the legislature approved spending authority with no FTE for this program. The department used 3.00 modified FTE to continue the program; however funds spent on modified FTE are removed from a department's base budget and therefore must be requested again. No operating expenses are needed because these expenditures are included in the department's base budget. Approval of 3.00 FTE and personal services spending authority will provide stability and continuity to this important program.

**DEPARTMENT OF REVENUE-5801
PROPERTY ASSESSMENT DIVISION-08**



Program Description - The Property Assessment Division values all residential, commercial, agricultural, forestland and business equipment property in Montana and supports the department's supervision of the property tax system. Staff located throughout the state in six geographically distinct regions, and a management analyst/administrative support bureau in Helena, perform the functions of this division.

Program Proposed Budget	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	306.35	0.00	0.00	306.35	2.00	0.00	308.35
Personal Services	14,512,040	1,247,719	0	15,759,759	1,375,537	0	15,887,577
Operating Expenses	4,372,271	575,772	484,807	5,432,850	657,985	327,504	5,357,760
Equipment & Intangible Assets	8,720	0	0	8,720	0	0	8,720
Total Costs	\$18,893,031	\$1,823,491	\$484,807	\$21,201,329	\$2,033,522	\$327,504	\$21,254,057
General Fund	18,828,282	1,823,745	484,807	21,136,834	2,033,801	327,504	21,189,587
State/Other Special	64,749	(254)	0	64,495	(279)	0	64,470
Total Funds	\$18,893,031	\$1,823,491	\$484,807	\$21,201,329	\$2,033,522	\$327,504	\$21,254,057

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$115,667	\$115,667
FY 2011	\$142,290	\$142,290

PL- 80001 - Present Law Base Adjustment - Property Assessment -

The Department of Revenue, Property Assessment Division requests \$257,957 in general fund for the 2011 biennium to pay for rent increases for existing lease obligations. The division employees over 300 employees and maintains offices in all 56 Montana counties. This proposal pays rent for space the property assessment division currently occupies for its staff throughout the state.

**DEPARTMENT OF REVENUE-5801
PROPERTY ASSESSMENT DIVISION-08**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$122,282	\$122,282
FY 2011	\$256,559	\$256,559

PL- 80002 - Improving Property Appraisal Accuracy -

The Department of Revenue, Property Assessment Division requests \$378,841 in general fund and 2.00 FTE for the 2011 biennium to begin to address the growth of property parcels in Montana that exceeds the number of appraisers available to value that property fairly and accurately. The request also provides funding to implement a self-reporting system to improve the accuracy of the data collected by the division by requesting property owners to self-report on their property. The request is designed to provide better, more efficient service to the citizens of Montana.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$9,807	\$9,807
FY 2011	\$8,504	\$8,504

NP- 6101 - Fixed Cost Workers Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$9,807 in FY 2010 and \$8,504 in FY 2011 general fund for the Property Assessment Division's allocation of the fixed cost.

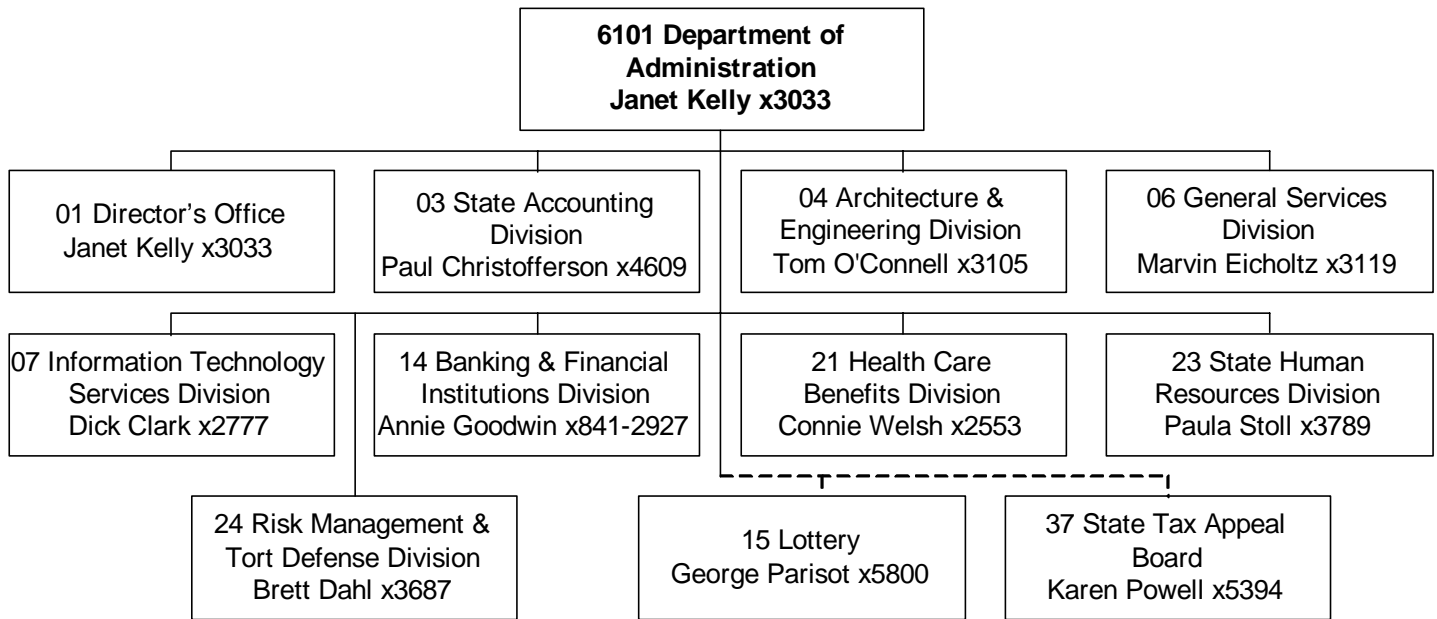
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$475,000	\$475,000
FY 2011	\$319,000	\$319,000

NP- 80008 - Improve Efficiency through Field Computers -OTO -

The Department of Revenue, Property Assessment Division, requests \$794,000 in one-time-only general fund for the 2011 biennium to help provide an increase in appraisal efficiency that is required for it to meet its constitutional charge to fairly and equally value property. This request will provide hand held laptop computers (plus the necessary software enhancement) to division staff members for field use. The exponential growth in the work of the Property Assessment Division over the past many years coupled with a net reduction in staff over that same time period means the division has to find ways to become more efficient. Eliminating as much duplication of effort is an essential ingredient to increased efficiency. The current process for performing field work functions such as capturing new construction, updating building characteristics, discussing property values with property owners, resolving AB-26 and appeal issues, etc. is cumbersome. Each event involves many pieces of paper and the involvement of multiple staff. This proposal contemplates the use of a pen-based/hand held/laptop computer system to help staff capture and maintain property information while in the field.

DEPARTMENT OF ADMINISTRATION-6101

Please note that this agency also contains proprietary funding (see Section P).



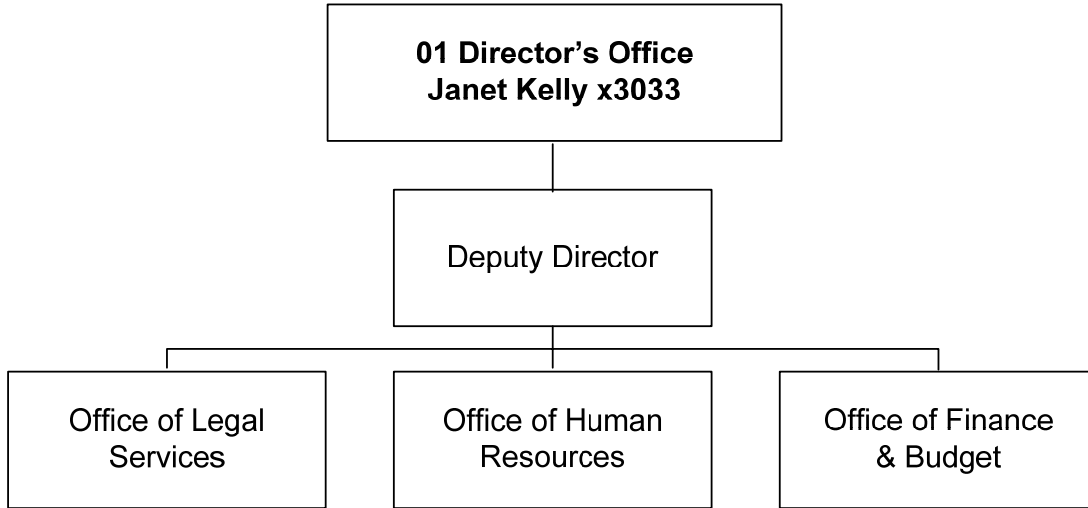
Mission Statement - The Department of Administration's mission is to serve and satisfy our customers.

Statutory Authority - Title 2, Chapters 7, 15, 17 and 18; Title 15, Chapter 2; Title 17; Title 18; Title 23, Chapter 7, Title 47, Chapter 1, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	154.62	0.00	3.50	158.12	0.00	4.00	158.62
Personal Services	8,709,460	1,407,933	62,681	10,180,074	1,541,038	75,173	10,325,671
Operating Expenses	10,010,416	638,749	2,270,761	12,919,926	483,473	25,136	10,519,025
Equipment & Intangible Assets	42,077	0	0	42,077	0	0	42,077
Local Assistance	22,633	15,000	6,400	44,033	15,000	3,000	40,633
Grants	608,576	0	0	608,576	0	0	608,576
Transfers	0	0	200,000	200,000	0	200,000	200,000
Debt Service	32,050	0	0	32,050	0	0	32,050
Total Costs	\$19,425,212	\$2,061,682	\$2,539,842	\$24,026,736	\$2,039,511	\$303,309	\$21,768,032
General Fund	6,341,405	801,003	2,260,649	9,403,057	784,398	24,799	7,150,602
State/Other Special	5,545,483	1,048,129	278,213	6,871,825	1,139,398	277,662	6,962,543
Federal Special	296,871	15,000	0	311,871	15,000	0	311,871
Capital Projects	0	0	0	0	0	0	0
Proprietary	7,241,453	197,550	980	7,439,983	100,715	848	7,343,016
Total Funds	\$19,425,212	\$2,061,682	\$2,539,842	\$24,026,736	\$2,039,511	\$303,309	\$21,768,032

**DEPARTMENT OF ADMINISTRATION-6101
DIRECTOR'S OFFICE-01**

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Director's Office is responsible for overall supervision and coordination of agency programs and administratively attached boards and agencies. The Office of Legal Services provides legal services to agency and administratively attached programs. The Office of Finance and Budget provides financial, budgeting, and accounting functions for the department. The Office of Human Resources provides personnel and payroll functions for the department.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	1.17	0.00	0.00	1.17	0.00	0.00	1.17
Personal Services	52,249	7,609	0	59,858	7,623	0	59,872
Operating Expenses	40,086	46,792	2,500	89,378	(10,409)	2,500	32,177
Local Assistance	22,133	15,000	0	37,133	15,000	0	37,133
Total Costs	\$114,468	\$69,401	\$2,500	\$186,369	\$12,214	\$2,500	\$129,182
General Fund	90,748	54,401	2,500	147,649	(2,786)	2,500	90,462
State/Other Special	1,587	0	0	1,587	0	0	1,587
Federal Special	22,133	15,000	0	37,133	15,000	0	37,133
Total Funds	\$114,468	\$69,401	\$2,500	\$186,369	\$12,214	\$2,500	\$129,182

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$6,500	\$6,500
FY 2011	\$6,500	\$6,500

PL- 103 - Burial Board -

This request is for \$13,000 general fund for the biennium to cover anticipated costs of meetings for the Burial Preservation Board which is administratively attached to the Department of Administration.

**DEPARTMENT OF ADMINISTRATION-6101
DIRECTOR'S OFFICE-01**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$15,000	\$0
FY 2011	\$15,000	\$0

PL- 105 - Flood Control -

The department requests additional \$15,000 federal special revenue authority each year of the biennium to be able to fully distribute flood control funds in the 2011 biennium. The state receives flood control funds from the United States Treasury each year. The entire amount received is required to be distributed to the counties according to the schedule provided when the funds are received.

-----**New Proposals**-----

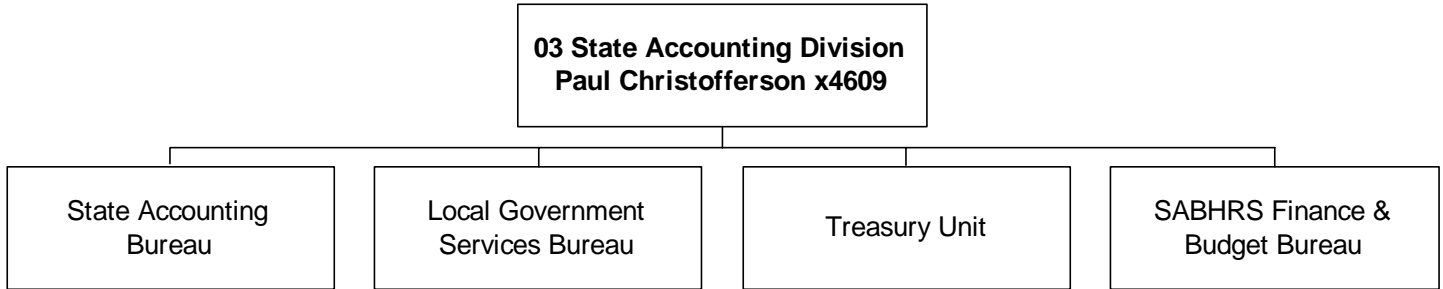
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,500	\$2,500
FY 2011	\$2,500	\$2,500

NP- 104 - Board of County Printing -

The Board of County Printing has no base costs. This board is required to meet annually under current administrative rules. The five members are entitled to travel expenses. Non-county employee board members receive \$50 per day for their service on the board. The cost for annual meetings is \$2,500 or \$5,000 for the biennium.

**DEPARTMENT OF ADMINISTRATION-6101
STATE ACCOUNTING DIVISION-03**

Please note that this program also contains proprietary funding (see Section P).



Program Description - The State Accounting Division consists of several programs/activities funded from the general, federal special, and proprietary funds.

The Accounting Bureau is the process owner of the financial portion of the Statewide Budgeting, Accounting and Human Resource Systems (SABHRS), establishes state accounting policies and procedures, administers the federal Cash Management Improvement Act, prepares and negotiates the Statewide Cost Allocation Plan (SWCAP), and prepares the state Comprehensive Annual Financial Report (CAFR). Additionally, the bureau provides accounting assistance and training to state agencies. The warrant writer activity (internal service funded) which is part of the Accounting Bureau, is discussed in the proprietary fund section below.

Local Government Services Bureau provides technical assistance and training to local government accounting and financial personnel. The bureau maintains and publishes the local government Budgetary, Accounting and Reporting System (BARS) chart of accounts and the county collection and accounting manuals. The bureau provides local government financial information to the public, legislature, federal government and other public entities. The audit review function (Enterprise funded) is discussed in the proprietary fund section below.

The Treasury Unit provides the central banking function for state agencies, reconciles the state bank accounts (approximately 60 banks), and insures the collateralization of these bank accounts is maintained at the proper level.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	18.67	0.00	0.00	18.67	0.00	0.00	18.67
Personal Services	1,049,614	65,720	0	1,115,334	69,031	0	1,118,645
Operating Expenses	239,981	35,237	200,581	475,799	35,535	503	276,019
Total Costs	\$1,289,595	\$100,957	\$200,581	\$1,591,133	\$104,566	\$503	\$1,394,664
General Fund	1,228,375	100,957	200,581	1,529,913	104,566	503	1,333,444
Federal Special	11,606	0	0	11,606	0	0	11,606
Proprietary	49,614	0	0	49,614	0	0	49,614
Total Funds	\$1,289,595	\$100,957	\$200,581	\$1,591,133	\$104,566	\$503	\$1,394,664

**DEPARTMENT OF ADMINISTRATION-6101
STATE ACCOUNTING DIVISION-03**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,898	\$3,898
FY 2011	\$4,321	\$4,321

PL- 106 - Allocate department indirect/admin costs -

This request funds the division's share of department indirect/administrative costs for services provided by proprietary funded centralized service functions of the agency.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$200,000	\$200,000
FY 2011	\$0	\$0

NP- 304 - CAFR Software -OTO -

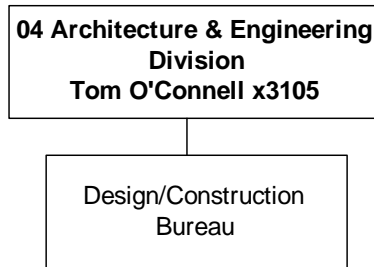
The budget includes funding to lease and implement Comprehensive Annual Financial Report (CAFR) preparation software. The request is for \$200,000 one-time-only general fund in the 2011 biennium. The CAFR preparation currently relies on a combination mainframe (Cobol) and Microsoft Access process. Information from Statewide Accounting Budgeting and Human Resource System (SABHRS) is downloaded into the mainframe and Access databases. The final financial statement information is downloaded into Lotus spreadsheets. The current process requires the hiring of outside Cobol programmers for changes to the mainframe process. These programmers are becoming scarce. The Access processes are maintained on a single desktop. The new software will eliminate the need for the mainframe and Lotus schedules and will allow for a simplified load of information from SABHRS. This software will be maintained by the SABHRS support staff in addition to an internal programmer. This will provide for more depth in the CAFR process and less risk for the state.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$581	\$581
FY 2011	\$503	\$503

NP- 6101 - Fixed Cost Work Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2009 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$581 in FY 2010 and \$503 in FY 2011 general fund for the State Accounting Division's allocation of the fixed cost.

**DEPARTMENT OF ADMINISTRATION-6101
ARCHITECTURE & ENGINEERING PGM-04**



Program Description - The Architecture and Engineering Division (A&E) manages remodeling and construction of state buildings. Its functions include planning new projects and remodeling projects; advertising, bidding, and awarding construction contracts; administering contracts with architects, engineers, and contractors; disbursing building construction payments; and providing design services for small projects. The division also formulates a long-range building plan for legislative consideration each session. This division operates under the authority found in Titles 17 and 18, MCA, as well as other state mandates.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	17.00	0.00	0.00	17.00	0.00	0.00	17.00
Personal Services	1,014,799	251,747	0	1,266,546	255,487	0	1,270,286
Operating Expenses	665,155	53,659	529	719,343	58,840	458	724,453
Total Costs	\$1,679,954	\$305,406	\$529	\$1,985,889	\$314,327	\$458	\$1,994,739
State/Other Special	1,679,954	305,406	529	1,985,889	314,327	458	1,994,739
Total Funds	\$1,679,954	\$305,406	\$529	\$1,985,889	\$314,327	\$458	\$1,994,739

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$3,550)	\$0
FY 2011	(\$3,033)	\$0

PL- 106 - Allocate department indirect/admin costs -

This request funds the division's share of department indirect/administrative costs for services provided by proprietary funded centralized service functions of the agency.

**DEPARTMENT OF ADMINISTRATION-6101
ARCHITECTURE & ENGINEERING PGM-04**

-----**New Proposals**-----

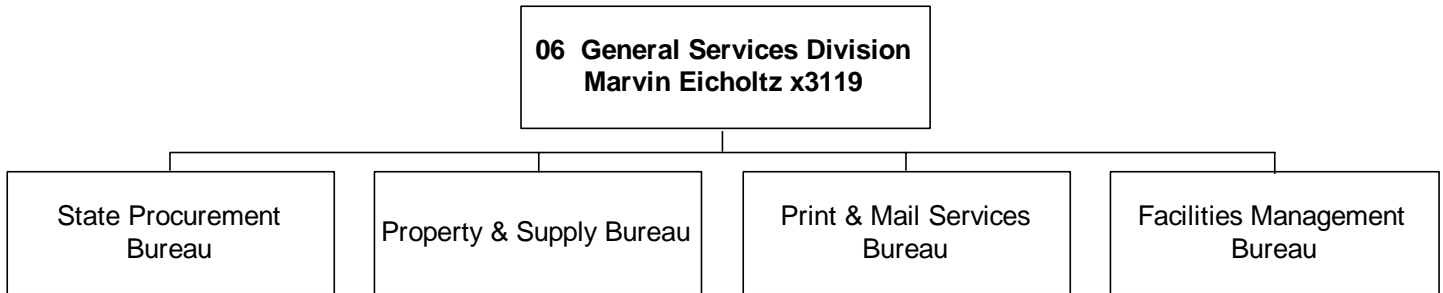
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$529	\$0
FY 2011	\$458	\$0

NP- 6101 - Fixed Cost Work Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$529 in FY 2010 and \$458 in FY 2011 state special revenue funds for the Architecture and Engineering Division's allocation of the fixed cost.

DEPARTMENT OF ADMINISTRATION-6101 GENERAL SERVICES PROGRAM-06

Please note that this program also contains proprietary funding (see Section P).



Program Description - The General Services Division is composed of four bureaus responsible for providing internal services to government agencies and the public.

The Facilities Management Bureau manages the following services for state agencies in the capitol complex and several state-owned buildings in the Helena area either directly or through the administration of service contracts: repair, maintenance, construction, energy consumption, disaster response and recovery, space allocation, lease negotiation, security, janitorial, recycling, pest control, grounds maintenance, and garbage collection.

The State Procurement Bureau procures or supervises the procurement of all supplies and services, and provides technical assistance to government agencies and the public to ensure compliance with the Montana Procurement Act. The bureau also manages the state's energy procurement, vehicle fueling, and procurement card programs.

The Print and Mail Services Bureau provides print and mail services to state agencies. Services include internal and external (contracted) printing, photocopy pool services, mail preparation, central mail operations, and inter-agency (deadhead) mail. The bureau also operates the United States post office in the Capitol Building and provides three quick copy locations on the Capitol Complex.

The Property and Supply Bureau manages the Central Stores program and the state and federal Surplus Property programs.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	11.25	0.00	0.00	11.25	0.00	0.00	11.25
Personal Services	597,183	56,195	0	653,378	58,896	0	656,079
Operating Expenses	1,895,135	172,972	350	2,068,457	201,956	303	2,097,394
Transfers	0	0	200,000	200,000	0	200,000	200,000
Debt Service	32,050	0	0	32,050	0	0	32,050
Total Costs	\$2,524,368	\$229,167	\$200,350	\$2,953,885	\$260,852	\$200,303	\$2,985,523
General Fund	2,471,442	227,357	200,328	2,899,127	259,108	200,284	2,930,834
State/Other Special	52,926	1,810	22	54,758	1,744	19	54,689
Total Funds	\$2,524,368	\$229,167	\$200,350	\$2,953,885	\$260,852	\$200,303	\$2,985,523

**DEPARTMENT OF ADMINISTRATION-6101
GENERAL SERVICES PROGRAM-06**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$4,836	\$3,508
FY 2011	\$5,115	\$3,766

PL- 106 - Allocate Department Indirect/Admin Costs -

This request funds the division's share of department indirect/administrative costs for services provided by proprietary funded centralized service functions of the agency.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$200,000	\$200,000
FY 2011	\$200,000	\$200,000

NP- 617 - Provide Support to the Surplus Property Program -

The budget includes \$200,000 per year in ongoing general fund support to the state Surplus Property Program. The transfer will allow for the continued operation of the surplus program which allows the state to appropriately dispose of property that is past its useful life. The program will now be funded by a combination of general fund and fees charged to agencies who are disposing of property.

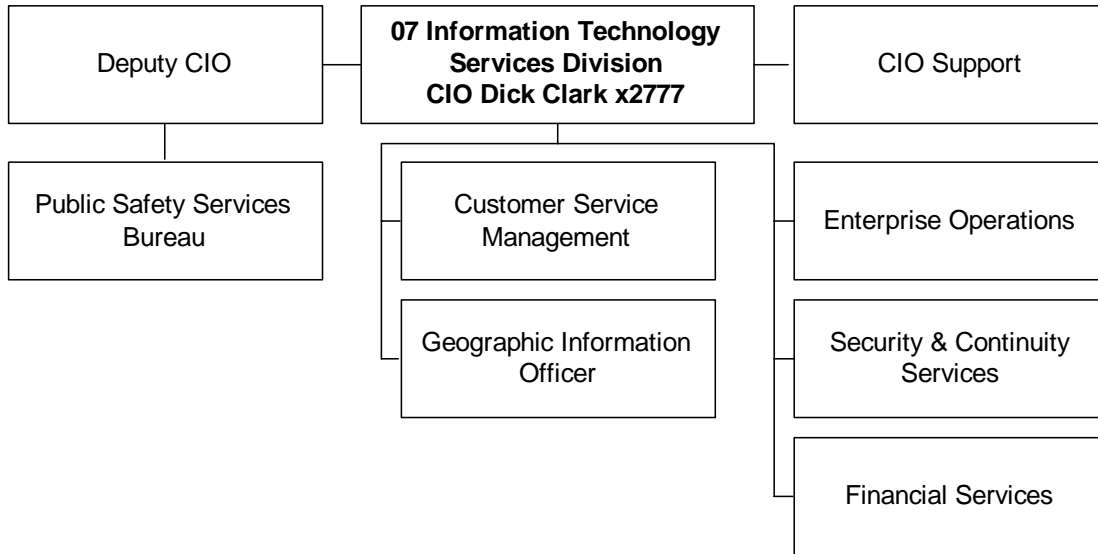
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$350	\$328
FY 2011	\$303	\$284

NP- 6101 - Fixed Cost Work Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$350 in FY 2010 and \$303 in FY 2011 general and state special funds for the General Services Division's allocation of the fixed cost.

DEPARTMENT OF ADMINISTRATION-6101 INFORMATION TECH SERV DIVISION-07

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Information Technology Services Division (ITSD) is a proprietary program that manages central computing and telecommunications services for state government. ITSD provides central mainframe and mid-tier computer services, and manages the statewide data network SummitNet, used by all agencies located throughout the state. ITSD provides local and long distance telephone network services, used by all agencies, including the university system, and manages the state's video network. ITSD coordinates electronic government services for the state, and manages the states Internet presence mt.gov. ITSD also manages the Continuity of Operations (COOP), Security, Architecture and IT PM Enterprise Offices.

The division coordinates Geographic Information Systems (GIS) development, and manages the Public Safety Services Office that includes the state's 911 and public safety radio programs. These programs are funded by state special, federal special and general funds.

Through the office of the Chief Information Officer, the division develops the Statewide Strategic IT Plan, coordinates information technology (IT) for the state, and reviews and approves IT acquisitions. The division also provides statewide IT training, and establishes hardware, software, and consulting services contracts used by agencies.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	9.00	0.00	0.00	9.00	0.00	0.00	9.00
Personal Services	606,966	85,982	0	692,948	87,499	0	694,465
Operating Expenses	613,832	28,046	2,000,390	2,642,268	25,784	338	639,954
Equipment & Intangible Assets	0	0	0	0	0	0	0
Grants	608,576	0	0	608,576	0	0	608,576
Total Costs	\$1,829,374	\$114,028	\$2,000,390	\$3,943,792	\$113,283	\$338	\$1,942,995
General Fund	734,366	83,874	1,723,910	2,542,150	83,707	(275,797)	542,276
State/Other Special	831,876	30,154	276,480	1,138,510	29,576	276,135	1,137,587
Federal Special	263,132	0	0	263,132	0	0	263,132
Total Funds	\$1,829,374	\$114,028	\$2,000,390	\$3,943,792	\$113,283	\$338	\$1,942,995

**DEPARTMENT OF ADMINISTRATION-6101
INFORMATION TECH SERV DIVISION-07**

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$11,126	(\$904)
FY 2011	\$12,060	(\$599)

PL- 106 - Allocate department indirect/admin costs -

This request funds the division's share of department indirect/administrative costs for services provided by proprietary funded centralized service functions of the agency.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$390	\$150
FY 2011	\$338	\$130

NP- 6101 - Fixed Cost Work Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$390 in FY 2010 and \$338 in FY 2011 general and state special funds for the ITSD's allocation of the fixed cost.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,000,000	\$2,000,000
FY 2011	\$0	\$0

NP- 6109 – High Performance Computing Operations – BIEN/OTO -

The 2007 legislative session approved an economic development proposal for Butte through the establishment of a high performance computer center. The proposed request is for operating funds for the start-up of the facility. It includes funding for a lease in the Thorton Building and operating costs to run the high performance computer.

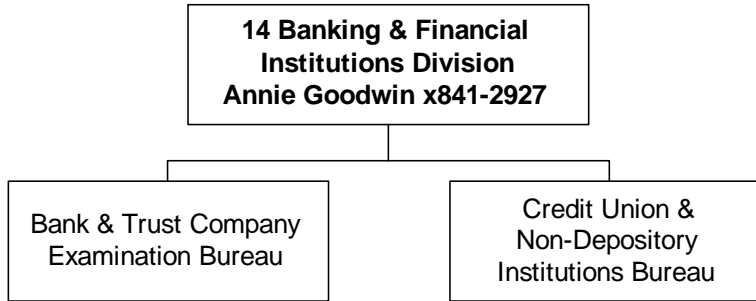
-----**Other Legislation Required to Implement HB2**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	(\$276,240)
FY 2011	\$0	(\$275,927)

NP- 6102 - Move 911 Funds from General Fund to SSR -

The budget includes a funding switch of approximately \$276,000 each year from the general fund to a state special revenue fund. Proposed agency legislation will divert funds currently deposited in the general fund to a state special revenue fund for the administration of the 9-1-1 program. This decision package removes base costs from the general fund. Any remaining funds at the end of a fiscal year in the special revenue fund will be divided equally between four 9-1-1 accounts, and distributed to the local 9-1-1 jurisdictions. The proposal is contingent on passage and approval of LC 250.

**DEPARTMENT OF ADMINISTRATION-6101
BANKING AND FINANCIAL DIVISION-14**



Program Description - The Division of Banking and Financial Institutions licenses, supervises, regulates, and examines financial institutions operating in and outside of Montana. Those institutions include 64 banks and trust companies, including 209 branch banks; 11 credit unions; 218 consumer finance companies; 163 sales finance companies; 127 deferred deposit lenders; 31 title loan companies; and 8 escrow companies. The division also licenses and examines 251 mortgage brokers and 185 loan originators. Commencing October 1, 2008, the division is responsible for the licensing and supervision of mortgage lenders. All program functions are statutorily mandated in Title 32, Chapters 1-11 and Title 31, Chapter 1, parts 7 & 8, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	39.00	0.00	0.00	39.00	0.00	0.00	39.00
Personal Services	2,246,830	599,083	0	2,845,913	711,621	0	2,958,451
Operating Expenses	689,194	106,391	1,182	796,767	74,979	1,050	765,223
Total Costs	\$2,936,024	\$705,474	\$1,182	\$3,642,680	\$786,600	\$1,050	\$3,723,674
State/Other Special	2,936,024	705,474	1,182	3,642,680	786,600	1,050	3,723,674
Total Funds	\$2,936,024	\$705,474	\$1,182	\$3,642,680	\$786,600	\$1,050	\$3,723,674

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$24,947	\$0
FY 2011	\$26,614	\$0

PL- 106 - Allocate department indirect/admin costs -

This request funds the division's share of department indirect/administrative costs for services provided by proprietary funded centralized service functions of the agency.

**DEPARTMENT OF ADMINISTRATION-6101
BANKING AND FINANCIAL DIVISION-14**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$104,175	\$0
FY 2011	\$208,350	\$0

PL- 1401 - Banking Professional Career Ladder Program -

This request is to continue funding the division's professional career ladder program. The Division is requesting \$312,525 for the 2011 biennium to fund the professional career ladder program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$36,300	\$0
FY 2011	\$6,000	\$0

PL- 1402 - Banking Replacement of Desktop & Laptop Computers -

The division is requesting \$42,300 for the 2011 biennium to replace desktop computers and laptops. This includes replacing 16 laptops and 7 desktops in FY 2010 and 2 laptops and 2 desktops in FY 2011.

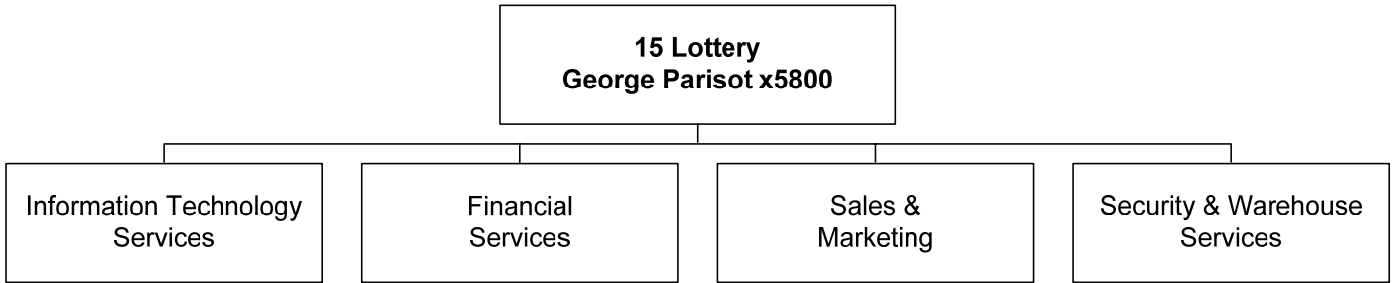
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,182	\$0
FY 2011	\$1,050	\$0

NP- 6101 - Fixed Cost Work Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2009 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$1,182 in FY 2010 and \$1,050 in FY 2011 state special revenue fund for the Banking Division's allocation of the fixed cost.

**DEPARTMENT OF ADMINISTRATION-6101
MONTANA STATE LOTTERY-15**



Program Description - The Montana Lottery designs and markets lottery games that allow players to purchase chances to win prizes. The Lottery offers a variety of instant/scratch and lotto-style games, some in cooperation with other lotteries through the Multi-State Lottery Association. A five-member Lottery Commission, appointed by the Governor, sets policy and oversees program activities and procedures. The net revenue, after prizes, sales commissions and operating expenses, is deposited in the state general fund on a quarterly basis.

The Montana Lottery is attached to the Department of Administration for administrative purposes only.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	31.50	0.00	0.00	31.50	0.00	0.00	31.50
Personal Services	1,705,624	65,386	0	1,771,010	70,489	0	1,776,113
Operating Expenses	5,444,138	132,164	980	5,577,282	30,226	848	5,475,212
Equipment & Intangible Assets	42,077	0	0	42,077	0	0	42,077
Total Costs	\$7,191,839	\$197,550	\$980	\$7,390,369	\$100,715	\$848	\$7,293,402
Proprietary	7,191,839	197,550	980	7,390,369	100,715	848	7,293,402
Total Funds	\$7,191,839	\$197,550	\$980	\$7,390,369	\$100,715	\$848	\$7,293,402

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$13,824	\$0
FY 2011	\$14,983	\$0

PL- 106 - Allocate department indirect/admin costs -

This request funds the division's share of department indirect/administrative costs for services provided by proprietary funded centralized service functions of the agency.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,250	\$0
FY 2011	\$1,250	\$0

PL- 1501 - Lottery Commission Per Diem -

In accordance with 23-7-201 and 202, MCA, this request restores zero based per-diem for Lottery Commission members of \$1,250 proprietary funds each year.

**DEPARTMENT OF ADMINISTRATION-6101
MONTANA STATE LOTTERY-15**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$14,049	\$0
FY 2011	\$17,909	\$0

PL- 1502 - Lottery Rent -

The budget includes \$14,049 in FY 2010 and \$17,909 in FY 2011 to fund an anticipated 3% per year rent increase.

-----**New Proposals**-----

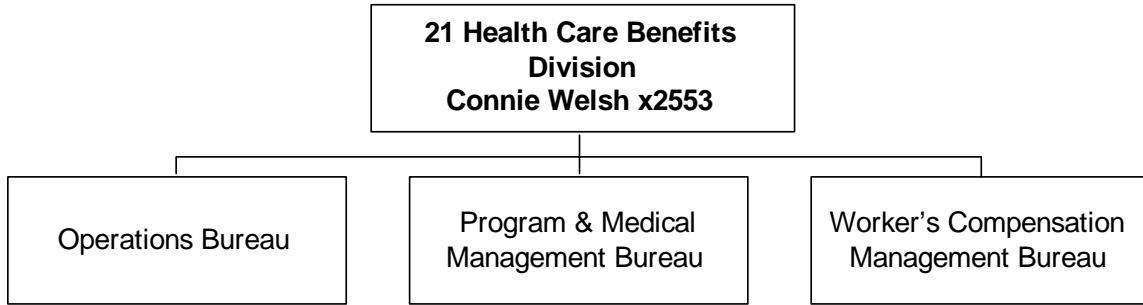
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$980	\$0
FY 2011	\$848	\$0

NP- 6101 - Fixed Cost Work Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$980 in FY 2010 and \$848 in FY 2011 proprietary funds for the Montana Lottery's allocation of the fixed cost.

**DEPARTMENT OF ADMINISTRATION-6101
HEALTH CARE & BENEFITS DIVISION-21**

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Health Care and Benefits Division provides state employees, retirees, members of the legislature, judges and judicial branch employees, and their dependents with group benefits in an efficient manner and at an affordable cost by administering a solvent, prudent benefits program. The division administers benefits plans including health, dental, prescription drug, life, long-term care, vision coverage, long-term disability, flexible spending accounts, a sick leave fund, employee assistance services, health promotion, and a voluntary employee benefit health care expense trust. The division administers a lease and contract to provide daycare services for Helena area state employees. Finally, the division is responsible for the centralized oversight and management of workers' compensation related matters impacting the state as an employer.

Employee benefits are governed by 2-18-701 et seq., 2-18-801 et seq., 2-18-1101 et seq., 2-18-1301 et seq., and 33-2-712, MCA. The Montana Safety Culture Act as it applies to state government is found in 39-71-1501 et seq.

Language Recommendations – “The department is appropriated up to \$500,000 of state special revenue each year of the biennium to assist agencies in reducing workers' compensation injuries and costs. These funds may not be expended for activities that duplicate other agency expenditures or programs.”

Program Proposed Budget	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	0.00	0.00	3.00	3.00	0.00	3.00	3.00
Operating Expenses	43,116	5,285	0	48,401	7,151	0	50,267
Total Costs	\$43,116	\$5,285	\$0	\$48,401	\$7,151	\$0	\$50,267
State/Other Special	43,116	5,285	0	48,401	7,151	0	50,267
Total Funds	\$43,116	\$5,285	\$0	\$48,401	\$7,151	\$0	\$50,267

-----**Present Law Adjustments**-----

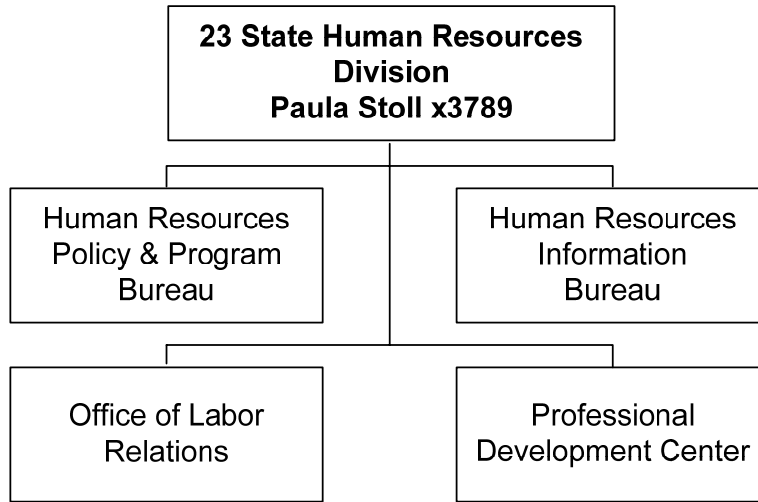
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$5,285	\$0
FY 2011	\$7,151	\$0

PL- 2104 - Daycare Lease Rate -

In November 2005, the Health Care and Benefits Division (HCBBD) renegotiated its lease with the Helena School District for daycare facilities located at the Ray Bjork School. Following the three year contract, the lease agreement allows for annual renewals with a rent rate increase equal to the current cost per square foot multiplied by the CPI index for all urban consumers for the previous year. This request funds the anticipated increase.

**DEPARTMENT OF ADMINISTRATION-6101
STATE HUMAN RESOURCES DIVISION-23**

Please note that this program also contains proprietary funding (see Section P).



Program Description - The State Human Resources Division provides statewide human resource services and programs under the authority of Title 2, Chapter 18, and 39-31-301, MCA. The division houses:

the Human Resources Policy and Programs (HRPP) Bureau which establishes the human resource rules, policies and standards for Montana's executive branch, the State Office of Labor Relations which represents the governor's office in all matters relating to collective bargaining, the Professional Development Center (PDC) which offers training and other professional development services to Montana state government and other organizations, and the Human Resources Information Services Bureau which supplies payroll and other HR information systems for all branches of state government.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	19.53	0.00	0.50	20.03	0.00	1.00	20.53
Personal Services	1,085,933	195,835	36,681	1,318,449	198,767	66,173	1,350,873
Operating Expenses	318,393	44,753	60,015	423,161	45,673	9,934	374,000
Total Costs	\$1,404,326	\$240,588	\$96,696	\$1,741,610	\$244,440	\$76,107	\$1,724,873
General Fund	1,404,326	240,588	96,696	1,741,610	244,440	76,107	1,724,873
Total Funds	\$1,404,326	\$240,588	\$96,696	\$1,741,610	\$244,440	\$76,107	\$1,724,873

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$5,023	\$5,023
FY 2011	\$5,540	\$5,540

PL- 106 - Allocate Department Indirect/Admin Costs -

This request funds the division's share of department indirect/administrative costs for services provided by proprietary funded centralized service functions of the agency.

**DEPARTMENT OF ADMINISTRATION-6101
STATE HUMAN RESOURCES DIVISION-23**

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$36,681	\$36,681
FY 2011	\$66,173	\$66,173

NP- 2301 - Training Development Spec. FTE Funding Switch -

The State Human Resources Division (SHRD) is asking for a funding switch to the general fund of 0.50 FTE in FY 2010 and 1.00 FTE in FY 2011. The cost to the general fund would be \$102,854 for the 2011 biennium to make the funding switch for the existing Training Manager position in the Professional Development Center. This position has been supported by proprietary funding since the 1989 biennium. Funding this position would greatly enhance the division's effort in workforce planning.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$9,408	\$9,408
FY 2011	\$9,408	\$9,408

NP- 2302 - Interagency Disabilities Advisory Council -

The budget requests \$18,816 general fund for the 2011 biennium to cover the meeting costs of the Interagency Disabilities' Advisory Council. The council is administratively attached to the department.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$50,000	\$50,000
FY 2011	\$0	\$0

NP- 2303 - Workplace Accommodations for Disabled Employees - OTO

Title I of the Americans with Disabilities Act of 1990 (ADA) requires employers to provide reasonable accommodations to qualified individuals with disabilities who are employees or applicants for employment, unless doing so would cause undue hardship. This request provides \$50,000 one-time-only general fund for the biennium to assist state agencies in funding requests for reasonable accommodations.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$607	\$607
FY 2011	\$526	\$526

NP- 6101 - Fixed Cost Work Comp Mgmt Pgm Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$607 in FY 2010 and \$526 in FY 2011 for the State Human Resources Division's allocation of the fixed cost.

**DEPARTMENT OF ADMINISTRATION-6101
STATE TAX APPEAL BOARD-37**

37 State Tax Appeal Board
Karen Powell x5394

Program Description - The State Tax Appeal Board, established by Article VIII, Section 7, of the Montana Constitution and 15-2-101, MCA, provides a tax appeal system for all actions of the Department of Revenue. It hears appeals from decisions of the 56 county tax appeal boards, primarily involving residential and commercial property valuation, and takes original jurisdiction in matters involving income taxes, corporate taxes, severance taxes, centrally-assessed property and new industry property, motor fuels taxes, vehicle taxes, and cabin site leases. The board travels throughout the state to hear appeals from decisions of the county tax appeal boards and to conduct informational meetings for the various county tax appeal boards. The State Tax Appeal Board directs the county tax appeal board secretaries, who are state employees, and pays their salaries and employee benefits from its personal services appropriation. The board also reviews and pays the expenses, including employee benefits, of those county tax appeal board secretaries who are county employees. In addition, the board pays the clerical-related expenses for all 56 county tax appeal boards, including supplies, postage and copies, but excluding office equipment.

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2008	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2010	Fiscal 2010	Fiscal 2010	Fiscal 2011	Fiscal 2011	Fiscal 2011
FTE	7.50	0.00	0.00	7.50	0.00	0.00	7.50
Personal Services	350,262	80,376	26,000	456,638	81,625	9,000	440,887
Operating Expenses	61,386	13,450	4,234	79,070	13,738	9,202	84,326
Local Assistance	500	0	6,400	6,900	0	3,000	3,500
Total Costs	\$412,148	\$93,826	\$36,634	\$542,608	\$95,363	\$21,202	\$528,713
General Fund	412,148	93,826	36,634	542,608	95,363	21,202	528,713
Total Funds	\$412,148	\$93,826	\$36,634	\$542,608	\$95,363	\$21,202	\$528,713

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,525	\$3,525
FY 2011	\$3,696	\$3,696

PL- 106 - Allocate Department Indirect/Admin Costs -

This request will fund changes in the department's indirect/administrative costs for services received from other proprietary funded centralized service functions of the agency.

**DEPARTMENT OF ADMINISTRATION-6101
STATE TAX APPEAL BOARD-37**

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$36,400	\$36,400
FY 2011	\$21,000	\$21,000

NP- 3701 - STAB 2009 Statewide Reappraisal of Property -

All residential, commercial, and timber land will be reevaluated for tax purposes effective January 2009. This will be the first reevaluation in six years and will generate an increased number of property tax appeals. The entire request is for County Tax Appeal Board expense to process appeals. The personal services amount is for per-diem for the County Tax Appeal Board.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$234	\$234
FY 2011	\$202	\$202

NP- 6101 - Fixed Cost Work Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$234 in FY 2010 and \$202 in FY 2011 general fund for the State Tax Appeal Board's allocation of the fixed cost.

MONTANA CONSENSUS COUNCIL-6106 MT CONSENSUS COUNCIL-01

Mission Statement - The Montana Consensus Council shall promote fair, effective, and efficient processes for building agreement on natural resource and other public policy issues that are important to Montanans.

Statutory Authority - State mandated the Montana Consensus Council under MCA 2-15-1027.

Program Description - The Montana Consensus Council is a public organization that helps citizens and officials build agreement and resolve disputes on natural resource and other public policy issues. The Montana Consensus Council assists state agencies and private organizations with resolving workplace conflict and providing workplace hostility prevention training.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	2.50	0.00	(2.50)	0.00	0.00	(2.50)	0.00
Personal Services	101,214	62,393	(163,607)	0	62,444	(163,658)	0
Operating Expenses	35,221	(7,518)	(27,703)	0	(7,507)	(27,714)	0
Transfers	13,000	0	(13,000)	0	0	(13,000)	0
Total Costs	\$149,435	\$54,875	(\$204,310)	\$0	\$54,937	(\$204,372)	\$0
General Fund	86,978	(10,962)	(76,016)	0	(10,962)	(76,016)	0
State/Other Special	62,457	65,837	(128,294)	0	65,899	(128,356)	0
Total Funds	\$149,435	\$54,875	(\$204,310)	\$0	\$54,937	(\$204,372)	\$0

-----Other Legislation Required to Implement HB2-----

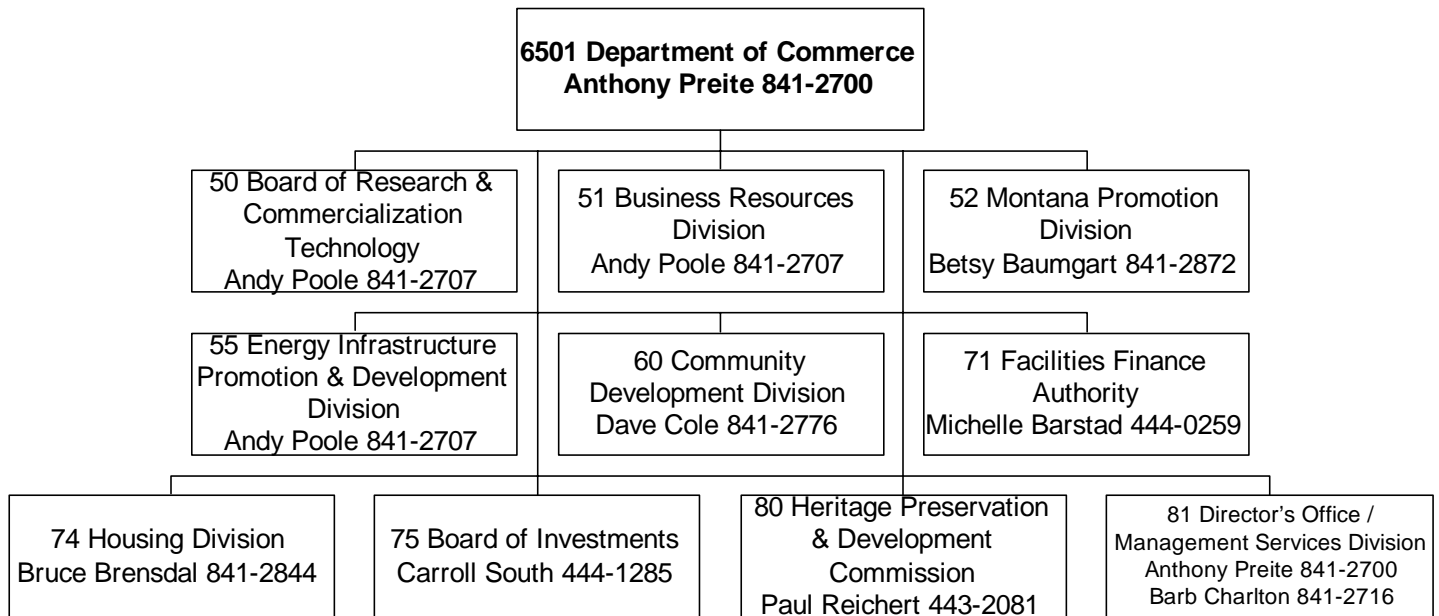
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$204,310)	(\$76,016)
FY 2011	(\$204,372)	(\$76,016)

NP- 1 - Eliminate Montana Consensus Council Budget -

On February 22, 2008, the Montana Consensus Council (MCC) Board voted to terminate the MCC's operations effective June 30, 2008. The decision packages zeroes out the budget for the MCC and is related to proposed legislation (LC 257).

DEPARTMENT OF COMMERCE-6501

Please note that this agency also contains proprietary funding (see Section P).



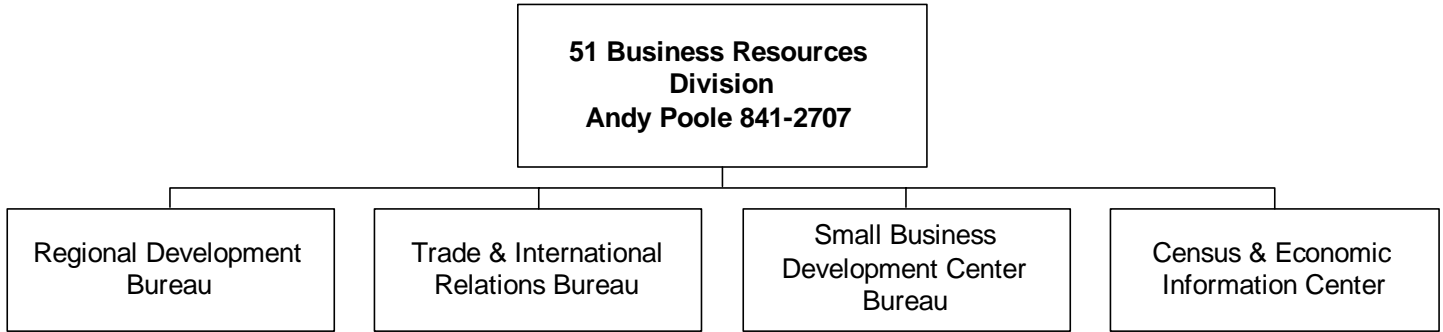
Mission Statement -The Department of Commerce through its employees, community partners, public outreach, and media contacts enhances economic prosperity in Montana; fosters community lead diversification and sustainability of a growing economy; maintains and improves our infrastructure, housing and facilities; and promotes and enhances Montana's positive national and international image.

"The Department of Commerce will enhance and sustain a healthy economy so Montana businesses, communities, and people can prosper."

Statutory Authority - The Department is mandated in 2-15-18, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	46.66	1.00	11.00	58.66	1.00	11.00	58.66
Personal Services	2,755,120	334,468	687,709	3,777,297	343,873	687,365	3,786,358
Operating Expenses	2,526,589	2,526,311	796,628	5,849,528	2,483,902	418,700	5,429,191
Equipment & Intangible Assets	97,650	0	0	97,650	0	0	97,650
Grants	15,597,961	8,218,318	4,544,372	28,360,651	5,326,222	4,544,143	25,468,326
Transfers	0	0	354,886	354,886	0	0	0
Total Costs	\$20,977,320	\$11,079,097	\$6,383,595	\$38,440,012	\$8,153,997	\$5,650,208	\$34,781,525
General Fund	2,452,220	414,662	5,933,521	8,800,403	411,968	5,555,178	8,419,366
State/Other Special	2,442,145	4,881,122	449,352	7,772,619	1,855,274	94,404	4,391,823
Federal Special	16,082,955	5,783,313	722	21,866,990	5,886,755	626	21,970,336
Total Funds	\$20,977,320	\$11,079,097	\$6,383,595	\$38,440,012	\$8,153,997	\$5,650,208	\$34,781,525

**DEPARTMENT OF COMMERCE-6501
BUSINESS RESOURCES DIVISION-51**



Program Description - The Business Resources Division is comprised of a variety of programs aimed at improving, enhancing, and diversifying Montana's economic and business climate. Working closely with the private sector, the Governor's Office, the Legislature, economic and community development partners, other department divisions, state agencies, and federal and private programs; the division strives to enhance the economic base of Montana through business creation, expansion, and retention efforts.

Business Resources Division responsibilities are mandated primarily in Title 30, Chapter 16; Title 17, Chapter 6; and Title 90, Chapter 1 and 10, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	25.16	1.00	5.00	31.16	1.00	5.00	31.16
Personal Services	1,562,436	181,847	311,953	2,056,236	186,645	311,268	2,060,349
Operating Expenses	1,219,100	2,214,407	267,650	3,701,157	2,207,820	245,062	3,671,982
Grants	2,632,421	858,545	4,544,372	8,035,338	858,545	4,544,143	8,035,109
Total Costs	\$5,413,957	\$3,254,799	\$5,123,975	\$13,792,731	\$3,253,010	\$5,100,473	\$13,767,440
General Fund	2,008,230	214,293	5,123,454	7,345,977	211,272	5,100,021	7,319,523
State/Other Special	176,100	2,168,474	142	2,344,716	2,167,409	123	2,343,632
Federal Special	3,229,627	872,032	379	4,102,038	874,329	329	4,104,285
Total Funds	\$5,413,957	\$3,254,799	\$5,123,975	\$13,792,731	\$3,253,010	\$5,100,473	\$13,767,440

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,145,546	\$50,110
FY 2011	\$2,148,319	\$51,357

PL- 5105 - BRD Administrative Costs Adjustments HB 2 -

The executive recommends operating adjustments for the Business Resources Division. Additional operating cost adjustments include: travel, communications, rent, training costs, indirect costs, and software for reporting to the federal government in the Small Business Development Center (SBDC) bureau. In addition, the request includes \$2 million state special revenue each year to record loans to certified Microbusiness development corporations on the state accounting system. The total amount of the request is \$2,145,546 in FY 2010 and \$2,148,319 in FY 2011 including general fund of \$50,110 in FY 2010 and \$51,357 in FY 2011.

**DEPARTMENT OF COMMERCE-6501
BUSINESS RESOURCES DIVISION-51**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$858,545	\$0
FY 2011	\$858,545	\$0

PL- 5106 - BRD Federal Grants Adjustment HB 2 -

This decision package adjusts normal ongoing federal appropriations for grants received by the Business Resources Division to match anticipated available federal funds for the 2011 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$100,000	\$100,000
FY 2011	\$100,000	\$100,000

PL- 6105 - Montana Equity Capital Act - OTO -

This request provides funding for the State Capital Investment Board. The board was created by the 2005 Legislature, but was not funded. The board was given authority to provide contingent, deferred tax credits to enable a "Fund of Funds" manager to promote equity capital investments in Montana companies. The one-time-only appropriation of \$100,000 general fund each year of the biennium will fund the program, and anticipated costs involved in participating in a Supreme Court test case to determine if the Act is constitutional.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,997,361	\$3,997,361
FY 2011	\$3,997,361	\$3,997,361

NP- 5190 - BRD New Worker Training -OTO -

The New Worker Training provides funding for companies in Montana to apply for workforce training grants from the Department of Commerce. A seven-member Grant Review Committee, consisting of both public and private members, makes the grant award decisions and adopts the administrative rules to implement the workforce training grant program. The request includes nearly \$4 million general fund each year to continue the level of funding approved for the 2009 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$798,496	\$798,496
FY 2011	\$798,496	\$798,496

NP- 5191 - BRD Tribal Economic Development - OTO -

The administration requests a one-time-only general fund appropriation of approximately \$798,000 each year of the biennium to support tribal business development projects, workforce training projects, entrepreneurial training, feasibility studies, and other types of Tribal economic development activities and projects. Each tribal government is eligible to apply.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$948	\$427
FY 2011	\$822	\$370

NP- 6101 - HB 2 Fixed Cost Workers Comp Mgmt Program -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$948 in FY 2010 and \$822 in FY 2011 general, state special, and federal funds for the Business Resource Division's allocation of the fixed cost.

**DEPARTMENT OF COMMERCE-6501
BUSINESS RESOURCES DIVISION-51**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$125,000	\$125,000
FY 2011	\$125,000	\$125,000

NP- 6103 - Montana Main Street Program - OTO -

Funding to implement the Montana Main Street Program will be used to help communities rejuvenate their downtown and historic districts. The executive requests general fund in the amount of \$125,000 each year as a one-time-only appropriation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$100,000	\$100,000
FY 2011	\$100,000	\$100,000

NP- 6104 - Made in Montana Program - OTO -

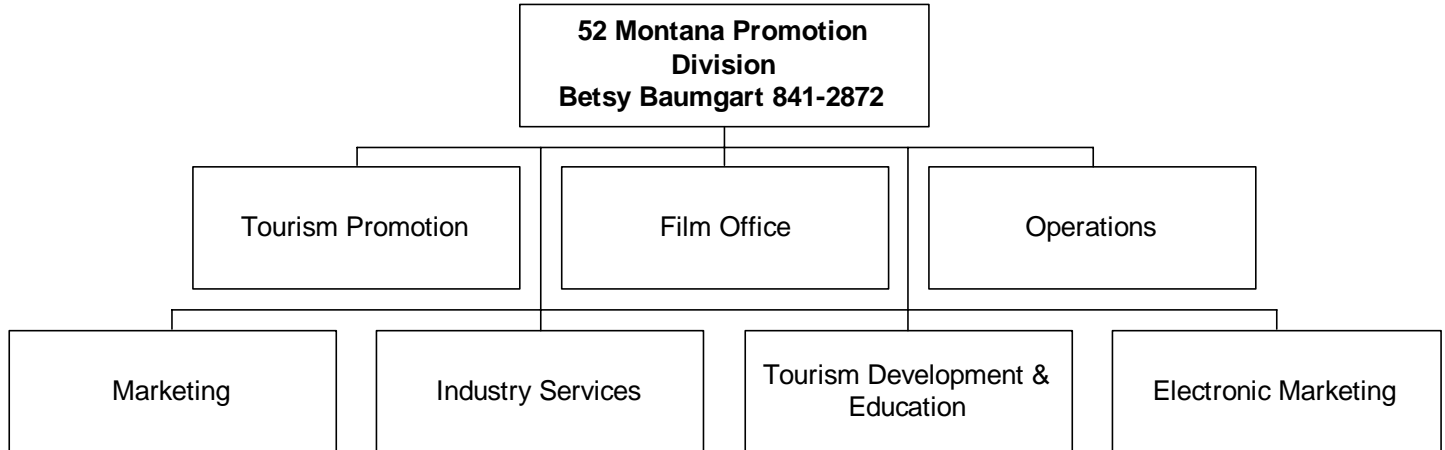
The Made In Montana initiative is designated as a one time only appropriation for the 2011 biennium. The executive requests \$100,000 of general fund each year to provide further technical (business-to-business) support, marketing information, and coaching to selected Montana businesses.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$102,170	\$102,170
FY 2011	\$78,794	\$78,794

NP- 6106 - 2010 Decennial Census- OTO -

The budget includes general fund of \$102,170 in FY 2010 and \$78,794 in FY 2011 for the Census and Economic Information Center to continue its long-standing commitment and partnership with the U.S. Census Bureau and take full responsibility for promoting the decennial census in Montana and coordinate with the Census Bureau, the 56 counties, and the 126 incorporated cities/towns and numerous organizations and educational institutions throughout the state in an effort to ensure an accurate population count for the state.

**DEPARTMENT OF COMMERCE-6501
MONTANA PROMOTION DIVISION-52**



Program Description - The Montana Promotion Division strives to strengthen Montana's economy through increased visitor travel, visitor expenditures, and film production in the state. The division focuses on attracting high value, low impact visitors who contribute to Montana's economic and social prosperity while respecting and appreciating Montana's authentic natural and cultural assets. This program goal is accomplished through various marketing efforts, networking with the state's public and private sector tourism and recreation industry and agencies, along with education and development assistance. The division works to project a positive image of the state through consumer advertising, electronic marketing, public relations efforts, international and domestic group travel marketing, printing and distribution of literature, assisting in the development of tourism infrastructure and marketing to motion picture and television production companies. The division provides training and assistance to the Montana tourism industry, administers, and distributes infrastructure grants and oversees expenditures of six regional non-profit corporations and the eleven qualified convention and visitors bureaus. The Montana Promotion Division is primarily funded by the statutorily appropriated lodging facility use tax. Montana Promotion Division responsibilities are mandated primarily in Title 15, Chapter 65, and Title 2, Chapter 15, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	636,359	138,867	0	775,226	113,641	0	750,000
Grants	0	0	0	0	0	0	0
Total Costs	\$636,359	\$138,867	\$0	\$775,226	\$113,641	\$0	\$750,000
General Fund	0	0	0	0	0	0	0
State/Other Special	636,359	138,867	0	775,226	113,641	0	750,000
Total Funds	\$636,359	\$138,867	\$0	\$775,226	\$113,641	\$0	\$750,000

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$119,968	\$0
FY 2011	\$119,968	\$0

PL- 5203 - MPD Private Funds & Audit Adjustments HB 2 -

The Montana Promotion Division has historically adjusted its HB 2 private funds appropriation to \$750,000 for each year of the biennium. This proposal continues the historically established trend.

**DEPARTMENT OF COMMERCE-6501
ENERGY PROMOTION & DEVELOPMENT DIVISION-55**

**55 Energy Infrastructure
Promotion & Development
Division
Andy Poole 841-2707**

Program Description - The Energy Promotion and Development (EPDD) Division facilitates the promotion, planning, development, economic analysis, and coordination of energy facilities that impact Montana.

Program Proposed Budget	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
Budget Item							
FTE	0.00	0.00	5.00	5.00	0.00	5.00	5.00
Personal Services	0	0	297,878	297,878	0	298,219	298,219
Operating Expenses	0	0	157,122	157,122	0	156,781	156,781
Total Costs	\$0	\$0	\$455,000	\$455,000	\$0	\$455,000	\$455,000
General Fund	0	0	455,000	455,000	0	455,000	455,000
Total Funds	\$0	\$0	\$455,000	\$455,000	\$0	\$455,000	\$455,000

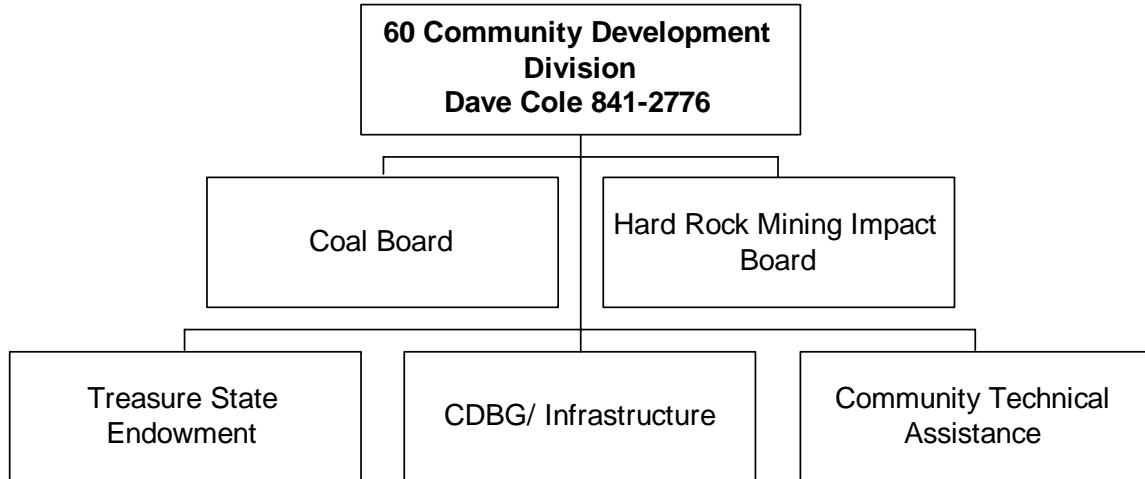
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$455,000	\$455,000
FY 2011	\$455,000	\$455,000

NP- 5192 - EPDD Energy Division - Reauthorize OTO -

The creation of the Energy Promotion and Development Division was funded with a one-time-only general fund appropriation by the 2007 Legislature. This budget request reauthorizes the one-time-only appropriation of \$330,000 for the 2011 biennium to continue the operation of the division and adds an additional \$125,000 to the program. The division will have a total of 5.00 FTE.

**DEPARTMENT OF COMMERCE-6501
COMMUNITY DEVELOPMENT DIVISION-60**



Program Description - The original enabling legislation for the Department of Commerce was the Planning and Economic Development Act of 1967. Supporting sound community planning and local economic development have been parallel missions for the department ever since. The missions of the Community Development Division (CDD) are primarily mandated in Title 90, Chapter 1 and Chapter 6, MCA; and federal authorizations 24 CFR 570, subpart 1; and 42 USC 5301.

The CDD administers three programs directly: the Community Technical Assistance Program (CTAP), the Community Development Block Grant Program (CDBG), and the Treasure State Endowment Program (TSEP).

Two citizen boards, appointed by the Governor, are attached to the CDD for administrative purposes. The division provides office facilities, staff, and administrative support for the two boards: the Montana Coal Board and the Montana Hard Rock Mining Impact Board.

Language Recommendation: - "The department is appropriated up to \$800,000 for the 2011 biennium from the state special revenue account established in 90-6-304, MCA, for the purposes of disbursing hard rock mining impact funds to the impacted counties per 90-6-331, MCA, if revenue exceeds the appropriated amount in HB 2."

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	15.00	0.00	1.00	16.00	0.00	1.00	16.00
Personal Services	902,064	57,808	77,878	1,037,750	60,338	77,878	1,040,280
Operating Expenses	371,226	93,805	16,725	481,756	87,612	16,645	475,483
Grants	6,969,025	4,121,570	0	11,090,595	1,121,570	0	8,,090,595
Total Costs	\$8,242,315	\$4,273,183	\$94,603	\$12,610,101	\$1,269,520	\$94,523	\$9,606,358
General Fund	434,130	116,703	181	551,014	117,011	157	551,298
State/Other Special	1,629,025	2,424,442	94,324	4,147,791	(575,115)	94,281	1,148,191
Federal Special	6,179,160	1,732,038	98	7,911,296	1,727,624	85	7,906,869
Total Funds	\$8,242,315	\$4,273,183	\$94,603	\$12,610,101	\$1,269,520	\$94,523	\$9,606,358

**DEPARTMENT OF COMMERCE-6501
COMMUNITY DEVELOPMENT DIVISION-60**

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,461,587	\$43,027
FY 2011	(\$536,724)	\$43,475

PL- 6002 - CDD Administrative Costs Adjustments HB 2 -

This adjustment includes per diem for the Hard Rock Mining Impact Board and Coal Board and the maintenance of a reserve account that is set forth in statute for the Hard Rock Mining Impact Board. Additional costs of the decision package include a rent adjustment, local impact grants for the Coal Board, and authority to disperse funds to the counties from the hard-rock mining impact trust account.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,741,165	\$0
FY 2011	\$1,741,165	\$0

PL- 6003 - CDD CDBG Federal Grants Adjustment HB 2 -

This decision package adjusts federal grants received by the Community Development Division for the Community Development Block Grant (CDBG) program for estimated federal authority in the 2011 biennium.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$94,000	\$0
FY 2011	\$94,000	\$0

NP- 6001 - CDD TSEP Engineer HB 2 -

The request includes 1.00 FTE and \$94,000 state special revenue each year of the biennium for an in-house engineer and related operating expenses for the Treasure State Endowment Program.

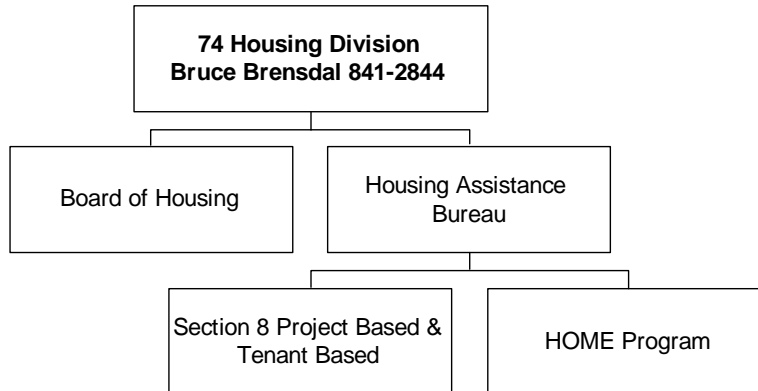
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$603	\$181
FY 2011	\$523	\$157

NP- 6101 - HB 2 Fixed Cost Workers Comp Mgmt Program -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$603 in FY 2010 and \$523 in FY 2011 general fund and other funds for the Community Development Division's allocation of the fixed cost.

DEPARTMENT OF COMMERCE-6501 HOUSING DIVISION-74

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Housing Division established on July 1, 1995, consolidated housing programs within the Department of Commerce into one division. The division includes the Housing and Urban Development (HUD) HOME Investment Partnerships program, the HUD Tenant Based and Project Based Section 8 Housing programs, and the Board of Housing and its programs.

Housing Division responsibilities are mandated primarily in Title 2, Chapter 15; Title 90, Chapter 1, and Chapter 6, MCA; 24 CFR 91, and 92; 24 CFR 5, 792, 813, 887, 982, and 984; and the Governor's Executive Order 27-81.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	6.50	0.00	0.00	6.50	0.00	0.00	6.50
Personal Services	290,620	94,813	0	385,433	96,890	0	387,510
Operating Expenses	299,904	79,232	355,131	734,267	74,829	212	374,945
Equipment & Intangible Assets	97,650	0	0	97,650	0	0	97,650
Grants	5,270,867	3,238,203	0	8,509,070	3,346,107	0	8,616,974
Transfers	0	0	354,886	354,886	0	0	0
Total Costs	\$5,959,041	\$3,412,248	\$710,017	\$10,081,306	\$3,517,826	\$212	\$9,477,079
General Fund	9,860	83,666	354,886	448,412	83,685	0	93,545
State/Other Special	661	149,339	354,886	504,886	149,339	0	150,000
Federal Special	5,948,520	3,179,243	245	9,128,008	3,284,802	212	9,233,534
Total Funds	\$5,959,041	\$3,412,248	\$710,017	\$10,081,306	\$3,517,826	\$212	\$9,477,079

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$77,909	\$18,668
FY 2011	\$78,711	\$18,666

PL- 7405 - HD Administrative Costs Adjustments HB 2 -

This decision package annualizes the cost of the mobile home renovation program and adjusts other fixed costs such as rent and indirect costs to the program.

**DEPARTMENT OF COMMERCE-6501
HOUSING DIVISION-74**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,238,203	\$0
FY 2011	\$3,346,107	\$0

PL- 7406 - HD Federal Grants Adjustment HB 2 -

This decision package adjusts normal ongoing federal appropriations for grants received by the Housing Division to match anticipated available federal funds for the 2011 biennium.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$245	\$0
FY 2011	\$212	\$0

NP- 6101 - HB 2 Fixed Cost Workers Comp Management Program -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$245 in FY 2010 and \$212 in FY 2011 federal special revenue funds for the Department of Commerce Housing Division's allocation of the fixed cost.

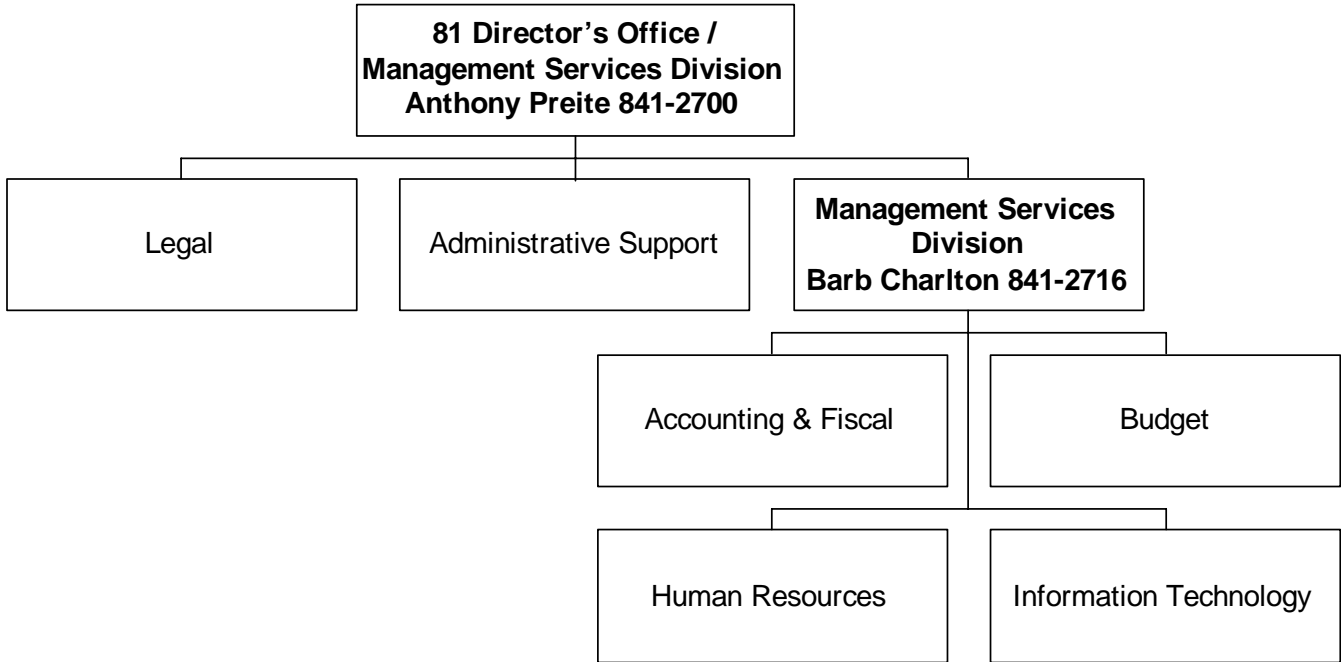
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$709,772	\$354,886
FY 2011	\$0	\$0

NP- 7409 - Manufactured Home Renovation - Bien/OTO -

The Manufactured Home Renovation Program was established in HB 2 in the 2007 legislative session for a pilot project to provide safe, decent, energy efficient, and affordable replacement housing, and decommission pre-HUD Code (1976) owner occupied manufactured housing. The strategy for accomplishing this goal would be to finance the replacement and decommissioning of individual pre-HUD Code manufactured homes with terms and conditions that assure affordability. This request includes \$354,886 one-time-only general fund transferred to the Manufactured Home Renovation state special revenue fund. In addition, it includes a \$354,886 appropriation from the state special revenue fund for the program implementation.

**DEPARTMENT OF COMMERCE-6501
DIRECTOR/MANAGEMENT SERVICES-81**

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Director's Office/Management Services Division consists of three programs:

The Director's Office provides overall leadership, communication, and management support to the Department of Commerce staff, programs, bureaus, divisions and administratively attached boards. The office provides executive, administrative, legal, and policy direction along with offering problem-solving guidance. The office keeps abreast of department related issues and acts in a public relations and informational capacity to ensure a positive image of the Department. The office works closely with economic and community development organizations, businesses, communities, governmental entities, elected official and the public to diversify and expand the state's economic base. The office acts as the liaison with private business, local governments, administratively attached boards, public and private interest groups, the legislature, Indian tribes, individuals, other governmental agencies, and the Governor's Office.

The Management Services Division (MSD) provides effective and efficient internal support to Department of Commerce staff, programs, bureaus, divisions and administratively attached boards in a positive customer service oriented manner. Services provided by the Management Services Division include budgeting, accounting, fiscal management, internal controls, contracting, purchasing, asset management, information technology, human resources, payroll, benefits, training and assistance with the implementation of and compliance with policies, rules, regulations and statutes.

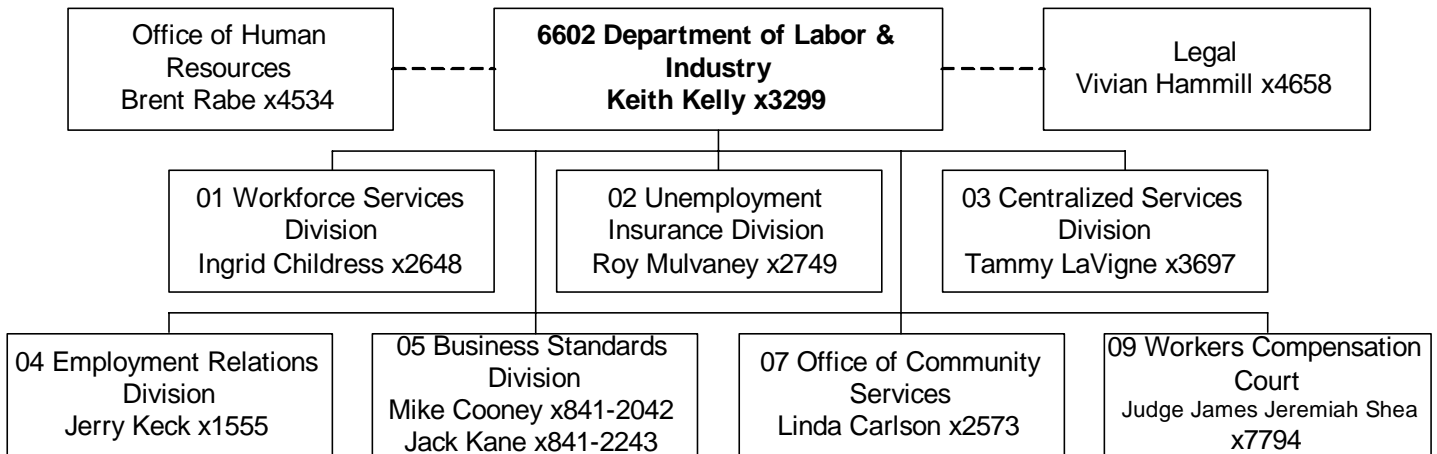
The Montana Council on Developmental Disabilities is a citizen based advocacy group. Its members, appointed by the Governor, work to provide increased independence, integration and productivity for persons with developmental disabilities.

**DEPARTMENT OF COMMERCE-6501
DIRECTOR/MANAGEMENT SERVICES-81**

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011	
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Grants	725,648	0	0	725,648	0	0	725,648	
Total Costs	\$725,648	\$0	\$0	\$725,648	\$0	\$0	\$725,648	
Federal Special	725,648	0	0	725,648	0	0	725,648	
Total Funds	\$725,648	\$0	\$0	\$725,648	\$0	\$0	\$725,648	

DEPARTMENT OF LABOR & INDUSTRY-6602

Please note that this agency also contains proprietary funding (see Section P).



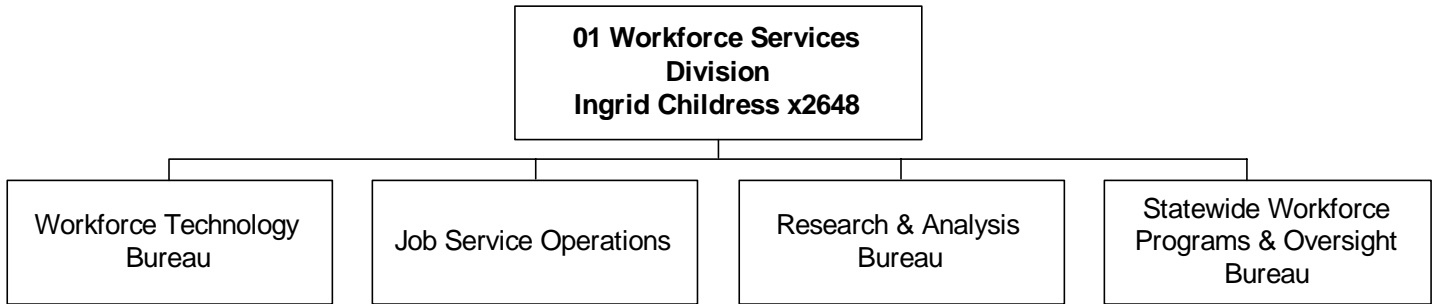
Mission Statement - The purpose of the Department of Labor and Industry is to promote the well-being of Montana's workers, employers, and citizens, and to uphold their rights and responsibilities.

Statutory Authority - Primarily Titles 18, 30, 37, 39, 49, 50, and 90, MCA, and the federal Corporation for National Service.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	730.08	0.00	40.00	770.08	0.00	40.00	770.08
Personal Services	37,295,537	3,126,931	2,287,491	42,709,959	3,259,543	2,292,481	42,847,561
Operating Expenses	17,451,034	2,806,600	953,758	21,211,392	2,756,768	936,573	21,144,375
Equipment & Intangible Assets	437,097	44,006	(65)	481,038	37,006	(65)	474,038
Capital Outlay	0	0	163,700	163,700	0	0	0
Grants	8,087,502	0	0	8,087,502	0	0	8,087,502
Benefits & Claims	126,085	0	0	126,085	0	0	126,085
Transfers	1,011,753	(378,197)	0	633,556	(375,670)	0	636,083
Debt Service	3,775	0	0	3,775	0	0	3,775
Total Costs	\$64,412,783	\$5,599,340	\$3,404,884	\$73,417,007	\$5,677,647	\$3,228,989	\$73,319,419
General Fund	2,235,593	175,965	550,000	2,961,558	178,077	550,000	2,963,670
State/Other Special	33,593,817	850,738	4,224,884	38,669,439	879,018	4,378,989	38,851,824
Federal Special	28,535,931	4,529,905	(1,370,000)	31,695,836	4,577,770	(1,700,000)	31,413,701
Proprietary	47,442	42,732	0	90,174	42,782	0	90,224
Total Funds	\$64,412,783	\$5,599,340	\$3,404,884	\$73,417,007	\$5,677,647	\$3,228,989	\$73,319,419

**DEPARTMENT OF LABOR & INDUSTRY-6602
WORK FORCE SERVICES DIVISION-01**

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Workforce Services Division (WSD) operates through four bureaus. The Field Operations Bureau functions through a network of 25 Job Service Workforce Centers. The division is a gateway to government services in the area of employment and training services. The WSD performs services that include retraining and reemployment services for laid-off workers and employment and training services for people transitioning from welfare to work, as well as for youth, veterans, seasonal/migrant farm workers, and general job seekers. Other bureaus include Workforce Technology, Statewide Workforce Programs & Oversight Bureau, and Research and Analysis.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	302.95	0.00	0.00	302.95	0.00	0.00	302.95
Personal Services	13,310,138	2,904,431	150,000	16,364,569	2,966,838	150,000	16,426,976
Operating Expenses	4,454,878	772,092	800,000	6,026,970	754,396	800,000	6,009,274
Equipment & Intangible Assets	21,288	0	0	21,288	0	0	21,288
Grants	5,919,834	0	0	5,919,834	0	0	5,919,834
Transfers	171,924	0	0	171,924	0	0	171,924
Total Costs	\$23,878,062	\$3,676,523	\$950,000	\$28,504,585	\$3,721,234	\$950,000	\$28,549,296
General Fund	738,774	61,018	550,000	1,349,792	61,444	550,000	1,350,218
State/Other Special	8,251,698	(205,515)	400,000	8,446,183	(187,266)	400,000	8,464,432
Federal Special	14,887,590	3,821,020	0	18,708,610	3,847,056	0	18,734,646
Total Funds	\$23,878,062	\$3,676,523	\$950,000	\$28,504,585	\$3,721,234	\$950,000	\$28,549,296

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$685,430	\$16,478
FY 2011	\$663,457	\$15,650

PL- 101 - WSD General Operating Increase -

The budget includes base adjustments in overtime, per diem, and operating cost increases for the Workforce Services Division. This includes off-campus rent, leased vehicles, and indirect costs. This request is for \$685,430 in FY 2010 and \$663,457 in FY 2011 which is funded by general fund, federal, and state revenues.

**DEPARTMENT OF LABOR & INDUSTRY-6602
WORK FORCE SERVICES DIVISION-01**

-----**New Proposals**-----

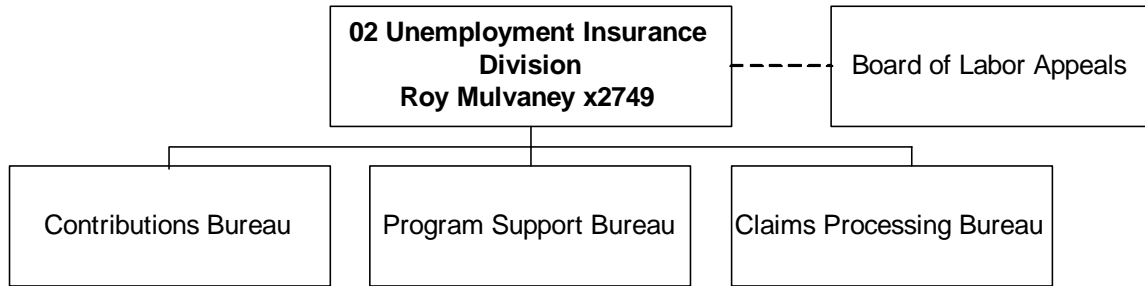
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$950,000	\$550,000
FY 2011	\$950,000	\$550,000

NP- 102 - 21st Century Workforce -

Montana needs to ensure a 21st Century workforce is ready for the jobs of today and tomorrow. Emerging technology, new job skills, and the demands of a changing economy, require Montana to quickly adapt the state's workforce to the needs of business and industry. The most efficient and cost effective way to prepare students entering the job market and those already in the workforce is to coordinate efforts and leverage resources. This budget request contains a dual-faceted approach to integrate an in-process reorganization at the Department of Labor and Industry with a proposal to identify gaps and respond to emerging workforce demands by helping workers receive necessary training in a variety of circumstances. The reorganization includes workforce technology infrastructure and moves the Jobs for Montana Graduates program, the Apprenticeship and Training program, the WIRED program, and the Statewide Workforce Investment Board (SWIB) into the 21st Century Workforce Technology, Apprenticeship, and Training Bureau. In addition, it increases the Incumbent Worker Training program. The proposal adds \$550,000 general fund and \$400,000 state special revenue each year of the 2011 biennium for administration of a Worker Development and Training Fund, including a Community College Student Growth account, which can quickly respond to rapid growth in high demand fields. In addition, these funds will support the coordination of these programs with other partners in the bureau and in the state of Montana, including education and economic development to best develop a responsive workforce.

DEPARTMENT OF LABOR & INDUSTRY-6602 UNEMPLOYMENT INSURANCE DIVISION-02

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Unemployment Insurance (UI) Division administers the state unemployment insurance law and related federal programs, which provide temporary, partial wage replacement to unemployed workers. The bureaus are: Contributions, Claims Processing, and Program Support. The Contributions Bureau is responsible for UI employer registration, contribution rate assignments, tax and wage report collection, wage revisions, and employer audits. The Claims Processing Bureau has two claims processing centers (Billings and Helena) that file and process claims (monetary eligibility, issue investigation, adjudication, and employer charging), and respond to all UI claim related inquiries. The Claims Processing Bureau is also responsible for Trade Readjustment Assistance, military, federal, and multi-state claims. The Program Support Bureau manages the information technology systems and infrastructure, the division budget and accounting, and the UI trust fund. They also provide management analysis and research for economic, program management, reporting, and legislative purposes in addition to operating tax and benefit quality control, benefit payment control, and integrity programs.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	155.00	0.00	0.00	155.00	0.00	0.00	155.00
Personal Services	7,444,367	647,441	0	8,091,808	670,818	0	8,115,185
Operating Expenses	3,360,896	720,004	0	4,080,900	709,190	0	4,070,086
Capital Outlay	0	0	163,700	163,700	0	0	0
Transfers	564,555	(378,197)	0	186,358	(375,670)	0	188,885
Debt Service	3,775	0	0	3,775	0	0	3,775
Total Costs	\$11,373,593	\$989,248	\$163,700	\$12,526,541	\$1,004,338	\$0	\$12,377,931
State/Other Special	1,623,269	380,369	1,533,700	3,537,338	377,705	1,700,000	3,700,974
Federal Special	9,750,324	608,879	(1,370,000)	8,989,203	626,633	(1,700,000)	8,676,957
Total Funds	\$11,373,593	\$989,248	\$163,700	\$12,526,541	\$1,004,338	\$0	\$12,377,931

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$230,083	\$0
FY 2011	\$219,425	\$0

PL- 201 - UI General Operating Increase -

The executive recommends \$230,083 in FY 2010 and \$219,425 in FY 2011 state and federal special revenue funding for base adjustments in overtime, per diem, and operating costs. This includes costs for additional off-campus rent, central imaging costs, interactive voice response phone system costs, postage, system maintenance contractor costs, and indirect costs.

**DEPARTMENT OF LABOR & INDUSTRY-6602
UNEMPLOYMENT INSURANCE DIVISION-02**

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$0	\$0

NP- 203 - UI Funding Switch -

In the 2007 Legislature, HB 790 was passed to decrease employers' State Unemployment Insurance Contributions tax rate schedules and generate additional revenue for administration of the Unemployment Insurance Division. This new rate structure did not become effective until January 1, 2008; therefore, the revenue collected in the base year was for only one quarter. This request for \$1.4 million in FY 2010 and \$1.7 million in FY 2011 state special revenue funding in place of federal special revenue funding will complete the funding switch for an entire fiscal year.

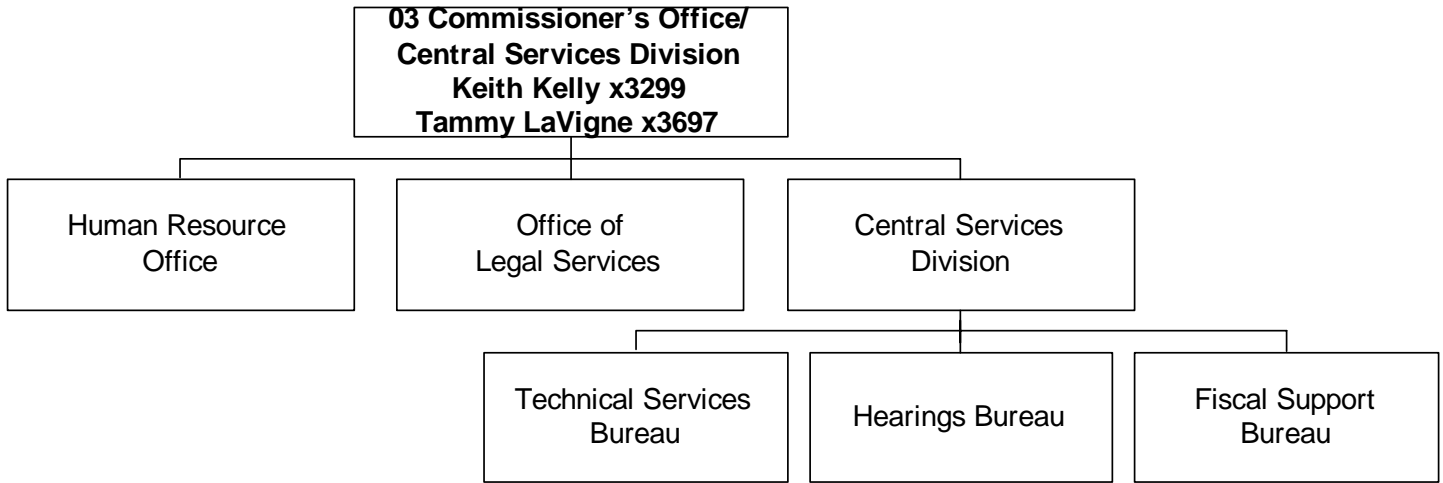
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$163,700	\$0
FY 2011	\$0	\$0

NP- 204 - UI Parking & Building Repair Bien - OTO -

The Unemployment Insurance Division Claims Processing Center in Billings is a state owned building. This request of \$163,700 FY 2010 state special and federal special revenue funding is to use funds from the sale of a parking lot a block away from the building and to request additional funds to develop an unpaved lot adjacent to the building and resurface the lot directly in front of the building. In addition, this request would allow the department to replace the carpet within the building.

**DEPARTMENT OF LABOR & INDUSTRY-6602
COMMISSIONER'S OFFICE/CSD-03**

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Commissioner's Office and the Centralized Services Division provide program direction, legal, administration, and support services to the department's five programs and two administratively attached entities.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	17.00	0.00	0.00	17.00	0.00	0.00	17.00
Personal Services	1,044,380	226,525	0	1,270,905	230,585	0	1,274,965
Operating Expenses	336,425	74,461	0	410,886	74,010	0	410,435
Total Costs	\$1,380,805	\$300,986	\$0	\$1,681,791	\$304,595	\$0	\$1,685,400
General Fund	259,167	6,929	0	266,096	7,433	0	266,600
State/Other Special	595,756	161,359	0	757,115	162,942	0	758,698
Federal Special	478,440	89,966	0	568,406	91,438	0	569,878
Proprietary	47,442	42,732	0	90,174	42,782	0	90,224
Total Funds	\$1,380,805	\$300,986	\$0	\$1,681,791	\$304,595	\$0	\$1,685,400

-----Present Law Adjustments-----

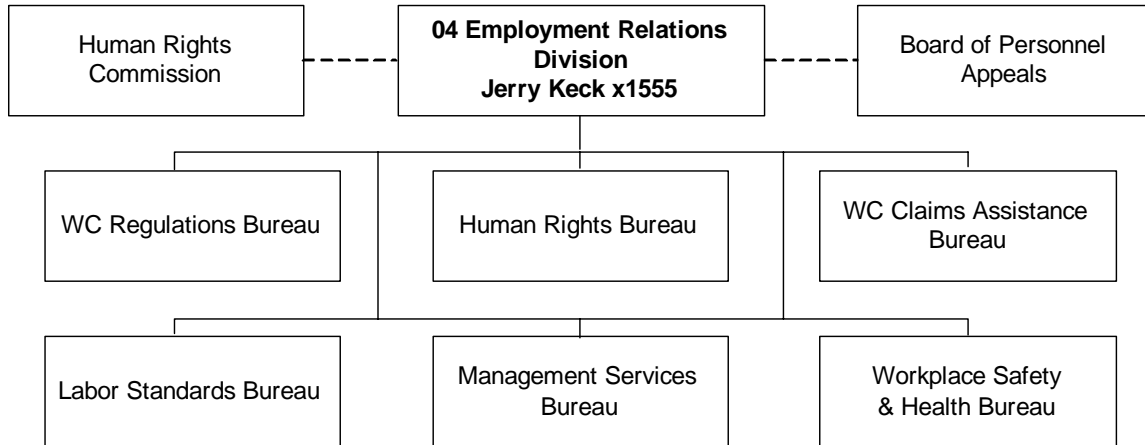
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$49,546	\$9,899
FY 2011	\$47,512	\$9,431

PL- 301 - CSD General Operating Increase -

This request of \$49,546 in FY 2010 and \$47,512 in FY 2011 is for indirect costs to support the Centralized Services Division. The funding sources for this request include general fund, state special, and federal special revenues. The affect of this proposal is immaterial to the proprietary rate.

DEPARTMENT OF LABOR & INDUSTRY-6602 EMPLOYMENT RELATIONS DIVISION-04

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Employment Relations Division (ERD) provides five service areas to the public: 1) Workers' Compensation (WC) Regulation Bureau, which regulates WC insurance coverage requirements, policy compliance, medical regulations, contractor registration, and independent contractor exemptions; 2) WC Claims Assistance Bureau, which assists organizations and individuals to arrive at early, less expensive settlements of their disputes, and provides management information on the workers' compensation system; 3) Labor Standards Bureau (and administratively attached Board of Personnel Appeals), which enforces state and federal labor laws related to the payment of wages, and provides collective bargaining mediation; 4) Workplace Safety and Health Bureau, which administers federal and state industrial safety laws; and 5) Human Rights Bureau (and administratively attached Human Rights Commission), which enforces the Montana Human Rights Act and Governmental Code of Fair Practices through investigations, conciliation, hearings, and education. ERD also has one bureau, Management Services Bureau, which provides administrative and IT support to the other five bureaus.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	128.10	0.00	3.00	131.10	0.00	3.00	131.10
Personal Services	6,836,094	791,075	160,299	7,787,468	813,851	160,410	7,810,355
Operating Expenses	3,717,829	347,465	75,949	4,141,243	342,979	66,965	4,127,773
Equipment & Intangible Assets	64,878	0	0	64,878	0	0	64,878
Benefits & Claims	126,085	0	0	126,085	0	0	126,085
Total Costs	\$10,744,886	\$1,138,540	\$236,248	\$12,119,674	\$1,156,830	\$227,375	\$12,129,091
General Fund	1,112,653	107,761	0	1,220,414	108,885	0	1,221,538
State/Other Special	8,970,029	1,025,241	236,248	10,231,518	1,040,780	227,375	10,238,184
Federal Special	662,204	5,538	0	667,742	7,165	0	669,369
Total Funds	\$10,744,886	\$1,138,540	\$236,248	\$12,119,674	\$1,156,830	\$227,375	\$12,129,091

**DEPARTMENT OF LABOR & INDUSTRY-6602
EMPLOYMENT RELATIONS DIVISION-04**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$296,266	\$38,348
FY 2011	\$284,726	\$36,834

PL- 401 - ERD General Operating Increase -

This request of \$296,266 in FY 2010 and \$284,726 in FY 2011 is funded by general fund, federal, and state special revenue to support board per diem, indirect costs, leased vehicles, server hosting, and off-campus rent.

-----New Proposals-----

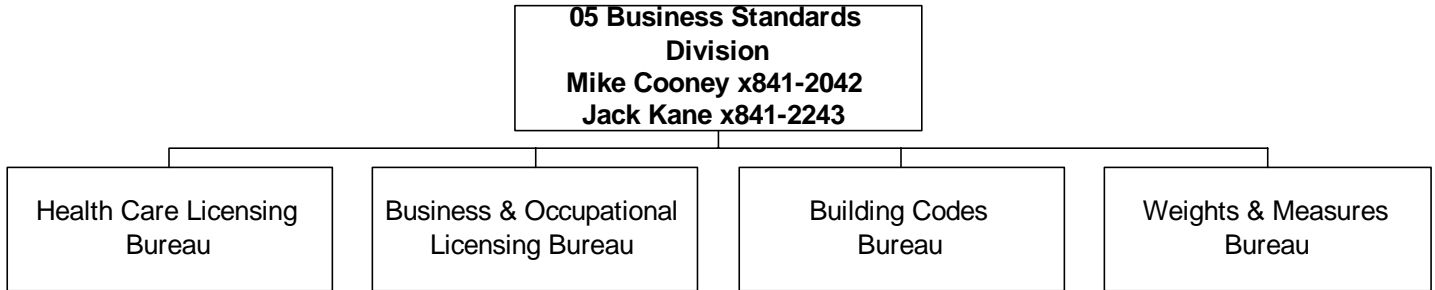
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$236,248	\$0
FY 2011	\$227,375	\$0

NP- 402 - WorkSafeMT - Safety Initiative -

The executive recommends \$236,248 in FY 2010 and \$227,375 in FY 2011 state special revenue funding for an additional 3.00 FTE to fulfill the vision of a safer workplace in Montana. WorkSafeMT is a statewide safety initiative, its mission is to reduce the incidence of workplace injury, illness, and disease thereby providing workers with a clean, safe, and healthy work environment; enhancing employer competitiveness through a healthy productive workforce; resulting in correspondingly low workers' compensation rates relative to peer states.

**DEPARTMENT OF LABOR & INDUSTRY-6602
BUSINESS STANDARDS DIVISION-05**

Please note that this program also contains proprietary funding (see Section P).



Program Description - The Business Standards Division consists of four bureaus: the Building Codes Bureau, Weights & Measures Bureau, Health Care Licensing Bureau (HCLB), and Business & Occupational Licensing Bureau (BOLB). The Building Codes Bureau establishes and enforces minimum building, plumbing, mechanical, electrical, energy, elevator, and boiler codes throughout Montana. The bureau approves and certifies local government code enforcement programs adopted by the bureau and also assists the Board of Plumbers and State Electrical Board with license law enforcement by checking for proper licensing when inspecting projects for code compliance. The bureau also provides administrative, clerical, and compliance support for five licensing programs. The Weights & Measures Bureau is responsible for licensing, inspecting, testing, and certifying all weighing and measuring devices used in making commercial transactions in Montana and enforces laws and regulations pertaining to the quantity control of prepackaged goods, the quality control of petroleum products, and is responsible for maintaining the state standards of mass and volume applied when calibrating other mass and volume standards used in testing commercial devices. The HCLB provides administrative, clerical, and compliance support for 21 licensing boards and 1 program that license professionals and individuals working in the health care field. The licensing boards and program in HCLB include 130 board members and 8 advisory counsel members appointed by the Governor. The BOLB provides administrative, clerical, and compliance support for 11 licensing boards and 1 licensing program that license professionals and individuals working in non-health-care-related professions and occupations. The licensing boards in BOLB include 78 board members appointed by the Governor.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	117.03	0.00	36.00	153.03	0.00	36.00	153.03
Personal Services	7,970,150	(1,426,004)	1,928,725	8,472,871	(1,406,946)	1,933,580	8,496,784
Operating Expenses	5,194,309	844,334	72,308	6,110,951	826,520	63,796	6,084,625
Equipment & Intangible Assets	350,931	44,006	(65)	394,872	37,006	(65)	387,872
Grants	11,881	0	0	11,881	0	0	11,881
Total Costs	\$13,527,271	(\$537,664)	\$2,000,968	\$14,990,575	(\$543,420)	\$1,997,311	\$14,981,162
State/Other Special	13,527,271	(537,664)	2,000,968	14,990,575	(543,420)	1,997,311	14,981,162
Total Funds	\$13,527,271	(\$537,664)	\$2,000,968	\$14,990,575	(\$543,420)	\$1,997,311	\$14,981,162

**DEPARTMENT OF LABOR & INDUSTRY-6602
BUSINESS STANDARDS DIVISION-05**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$71,483	\$0
FY 2011	\$63,468	\$0

PL- 503 - Administration General Operating Increase -

This request is for \$71,483 in FY 2010 and \$63,468 in FY 2011, general operating increases including off-campus rent, indirect costs to support the Centralized Services Division, annual software purchase with ITSD, and \$7,000 to replace a server in FY 2010. This request is funded by state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$388,126	\$0
FY 2011	\$372,696	\$0

PL- 504 - Health Care Licensing Bureau Operating Increases -

This request of \$388,126 in FY 2010 and \$372,696 in FY 2011 state special revenue funding is for board per diem, contracted services, supplies and materials, travel, off-campus rent increase, indirect costs, legal costs, and other miscellaneous administrative operating expenses.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$267,173	\$0
FY 2011	\$257,552	\$0

PL- 505 - BOLB General Operating Increase -

The budget includes \$267,173 in FY 2010 and \$257,552 in FY 2011 for board member per diem, contracted services, supplies and materials, travel, rent, indirect costs, recharges, and other miscellaneous administrative operating expenses. This request is funded by state special revenue funds within the Business & Occupational Licensing Boards.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$22,670	\$0
FY 2011	\$22,452	\$0

PL- 506 - Weights and Measures Bureau Operating Increase -

This request within the Weights and Measures Bureau is to restore FY 2008 base level funding to cover supplies & materials, travel expenses, increases in rent, and indirect costs. The request is for \$22,670 in FY 2010 and \$22,452 in FY 2011 and is funded by state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$141,672	\$0
FY 2011	\$138,324	\$0

PL- 507 - Building Codes General Operating Increase -

This request within the Building Codes Bureau is to restore FY 2008 base level funding to cover various operating expenses that will be associated with a fully staffed inspection team. In addition, it will cover increases in rent, legal costs, and indirect costs. The request is for \$141,672 in FY 2010 and \$138,324 in FY 2011 and is funded by state special revenue.

**DEPARTMENT OF LABOR & INDUSTRY-6602
BUSINESS STANDARDS DIVISION-05**

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,831,310	\$0
FY 2011	\$1,835,900	\$0

NP- 501 - BSD - Funding Switch -

This request is to move 33.00 proprietary FTE to HB 2. The FTE are currently accounted for in an internal service fund whereby a "recharge" is assessed to the boards and programs who use their services. The operating costs related to the FTE are in HB 2 base authority. Moving the FTE to HB 2 would more properly account for the cost of services provided through cost allocation rather than a "recharge". There is no net increase in costs for this proposal.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$66,286	\$0
FY 2011	\$63,336	\$0

NP- 509 - BSD IT Support Specialist FTE -

This request is for \$66,286 in FY 2010 and \$63,336 in FY 2011 including 1.00 FTE information support specialist and related operating costs. Currently there are only 5.00 FTE supporting the division. With a growing customer base, the IT and e-commerce needs are growing. This request is funded by state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$74,453	\$0
FY 2011	\$69,156	\$0

NP- 510 - BSD Central Cashier FTE -

This request is for 2.00 FTE and \$74,453 in FY 2010 and \$69,156 in FY 2011 and associated costs of hiring two full time central cashiers for the Central Cashier Unit to address a legislative audit recommendation. The audit recommended that the division implement adequate controls for its deposit and reconciliation processes. To comply with this recommendation, the division has created a Central Cashier Unit.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$70,000	\$0
FY 2011	\$70,000	\$0

NP- 511 - BSD Restore Legal Contingency Fund - OTO -

This one time only proposal for \$70,000 state special revenue funding each year of the biennium is to restore the legal contingency fund for the Business & Occupational and the Health Care Licensing Bureaus. This contingency fund has been included in the budget since the 1993 biennium and isn't used if it isn't needed.

-----**Other Legislation Required to Implement HB2**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$41,081)	\$0
FY 2011	(\$41,081)	\$0

NP- 502 - Sunset the Athletics Licensing Program -

The number of events covered by this statute has declined to a point that the Athletics Licensing Program cannot bring in the revenue to support the cost of doing business. This request removes funding for the program and results in a decrease in state special revenue of \$41,081 each year of the 2011 biennium. It is contingent on passage and approval of LC 519 which eliminates the program.

**DEPARTMENT OF LABOR & INDUSTRY-6602
OFFICE OF COMMUNITY SERVICES-07**

07 Office of Community Services Linda Carlson x2573
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Program Description - The Office of Community Services provides administration for the Corporation for National and Community Service programs (AmeriCorps), community service, and volunteer efforts statewide. The office was created by the 1993 Legislature at the request of the Governor in order to support community-based volunteer programs focused on addressing critical community needs. The vision of the office and its Commission on Community Service is to cultivate service as a lifelong "habit of the heart" for all citizens, and in particular, instill an ethic of community service in young Montanans.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00
Personal Services	242,130	503	0	242,633	1,207	0	243,337
Operating Expenses	248,208	4,256	0	252,464	4,586	0	252,794
Grants	2,155,787	0	0	2,155,787	0	0	2,155,787
Transfers	275,274	0	0	275,274	0	0	275,274
Total Costs	\$2,921,399	\$4,759	\$0	\$2,926,158	\$5,793	\$0	\$2,927,192
General Fund	124,999	257	0	125,256	315	0	125,314
State/Other Special	39,027	0	0	39,027	0	0	39,027
Federal Special	2,757,373	4,502	0	2,761,875	5,478	0	2,762,851
Total Funds	\$2,921,399	\$4,759	\$0	\$2,926,158	\$5,793	\$0	\$2,927,192

**DEPARTMENT OF LABOR & INDUSTRY-6602
WORKERS COMPENSATION COURT-09**

09 Workers Compensation Court Judge James Jeremiah Shea x7794
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Program Description - The Workers' Compensation Court provides a venue for Montana employees, employers, and the insurance industry to resolve disputes arising from work-related injuries and occupational diseases. The Court is attached to the department for administrative purposes only.

Language Recommendations - "The workers' compensation court is appropriated up to \$20,000 state special revenue for the 2011 biennium to contract for replacement judges when the workers' compensation judge must recuse himself from a case. The appropriation is contingent on passage and approval of LC 683."

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2008	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2010	Fiscal 2010	Fiscal 2010	Fiscal 2011	Fiscal 2011	Fiscal 2011
FTE	6.00	0.00	1.00	7.00	0.00	1.00	7.00
Personal Services	448,278	(17,040)	48,467	479,705	(16,810)	48,491	479,959
Operating Expenses	138,489	43,988	5,501	187,978	45,087	5,812	189,388
Total Costs	\$586,767	\$26,948	\$53,968	\$667,683	\$28,277	\$54,303	\$669,347
State/Other Special	586,767	26,948	53,968	667,683	28,277	54,303	669,347
Total Funds	\$586,767	\$26,948	\$53,968	\$667,683	\$28,277	\$54,303	\$669,347

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$38,689	\$0
FY 2011	\$39,556	\$0

PL- 901 - Workers Comp Court Operating Increase -

This request of \$38,689 in FY 2010 and \$39,556 in FY 2011 is for indirect costs to support the Centralized Services Division, off-campus rent increase, and contracted services. The funding source is state special revenue.

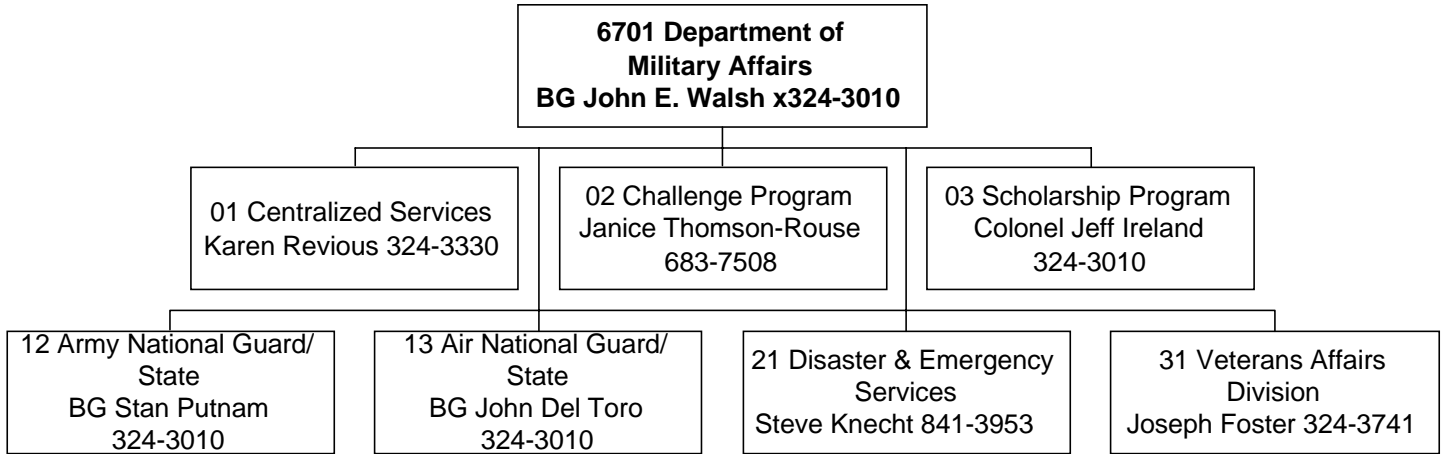
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$53,968	\$0
FY 2011	\$54,303	\$0

NP- 902 - Judicial Clerical Clerk FTE -

This proposal includes \$53,968 in FY 2010 and \$54,303 in FY 2011 state special revenue funding for 1.00 FTE to perform clerical duties within the court and indirect costs. Duties this position will perform include writing and formatting the court's administrative rules, docking court files, updating and maintaining the court's website, and keeping the court's statistical information current.

DEPT OF MILITARY AFFAIRS-6701

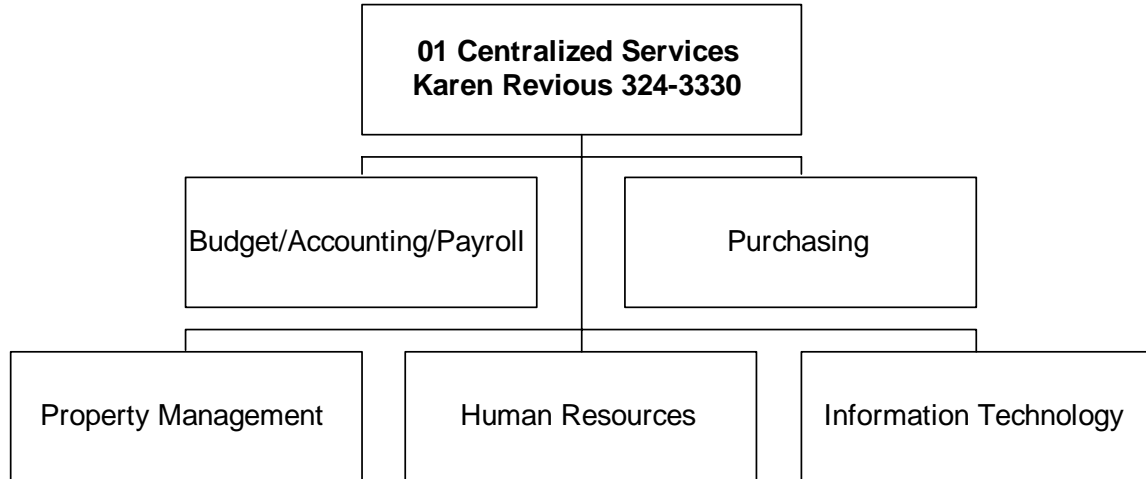


Mission Statement - To provide for safety and well being for citizens of Montana through mission-ready forces, for federal and state activations, emergency services as directed by the Governor, and services to Montana Veterans.

Statutory Authority - Article I, U.S. Constitution; Article VI, Section 13, Montana Constitution; Title 10, MCA

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	182.15	7.50	3.00	192.65	7.50	3.00	192.65
Personal Services	9,331,043	1,099,807	94,170	10,525,020	1,142,701	94,203	10,567,947
Operating Expenses	15,431,921	603,761	290,870	16,326,552	777,371	289,971	16,499,263
Equipment & Intangible Assets	273,976	50,000	0	323,976	50,000	0	323,976
Grants	1,287,008	147,970	12,179,453	13,614,431	147,970	12,179,453	13,614,431
Benefits & Claims	2,280	0	0	2,280	0	0	2,280
Total Costs	\$26,326,228	\$1,901,538	\$12,564,493	\$40,792,259	\$2,118,042	\$12,563,627	\$41,007,897
General Fund	5,345,653	253,290	124,369	5,723,312	364,572	124,066	5,834,291
State/Other Special	1,004,215	424,318	121	1,428,654	393,699	105	1,398,019
Federal Special	19,976,360	1,223,930	12,440,003	33,640,293	1,359,771	12,439,456	33,775,587
Total Funds	\$26,326,228	\$1,901,538	\$12,564,493	\$40,792,259	\$2,118,042	\$12,563,627	\$41,007,897

**DEPT OF MILITARY AFFAIRS-6701
CENTRALIZED SERVICES DIVISION-01**



Program Description - The Centralized Services Division provides departmental administration through the Office of the Adjutant General and department-wide support for accounting, fiscal management, personnel, labor relations, and purchasing and property management oversight. The program operates in accordance with Title 2, Chapter 15, part 12 and Title 10, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	11.20	0.00	0.00	11.20	0.00	0.00	11.20
Personal Services	670,827	130,712	0	801,539	131,949	0	802,776
Operating Expenses	91,829	4,424	452	96,705	27	389	92,245
Equipment & Intangible Assets	1,291	0	0	1,291	0	0	1,291
Benefits & Claims	2,280	0	0	2,280	0	0	2,280
Total Costs	\$766,227	\$135,136	\$452	\$901,815	\$131,976	\$389	\$898,592
General Fund	548,684	118,648	452	667,784	115,132	389	664,205
Federal Special	217,543	16,488	0	234,031	16,844	0	234,387
Total Funds	\$766,227	\$135,136	\$452	\$901,815	\$131,976	\$389	\$898,592

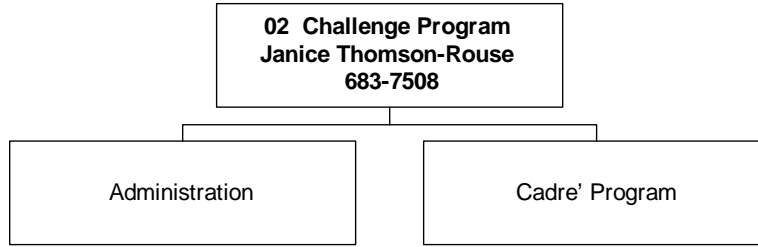
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$452	\$452
FY 2011	\$389	\$389

NP- 6101 - Fixed Cost Workers Comp Management Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$452 in FY 2010 and \$389 in FY 2011 general fund for the Centralized Services Division allocation of the fixed cost.

**DEPT OF MILITARY AFFAIRS-6701
CHALLENGE PROGRAM-02**



Program Description - The Montana National Guard Youth Challenge Program is a volunteer program for youth ages 16 to 18 who have stopped attending secondary school before graduating. Challenge is a 17-month, voluntary two-phased military modeled training program targeting unemployed, drug-free, and crime-free high school dropouts. The program provides an opportunity for high school "at risk" youth to enhance their life skills, increase their educational levels, and their employment potential. Phase I of the program is a 22 week residential stay on the campus of Western Montana College of the University of Montana in Dillon focusing on physical training, classroom instruction, personal development, and life skills. Phase II is a year-long mentoring relationship with a specially-trained member of the community where the youth resides to provide a positive role model and to assist the student in gaining employment or enrolling in post-secondary schooling.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	47.65	1.50	0.00	49.15	1.50	0.00	49.15
Personal Services	2,060,522	83,561	0	2,144,083	90,455	0	2,150,977
Operating Expenses	1,110,658	81,034	2,499	1,194,191	72,336	2,167	1,185,161
Total Costs	\$3,171,180	\$164,595	\$2,499	\$3,338,274	\$162,791	\$2,167	\$3,336,138
General Fund	1,251,661	59,242	999	1,311,902	58,278	866	1,310,805
Federal Special	1,919,519	105,353	1,500	2,026,372	104,513	1,301	2,025,333
Total Funds	\$3,171,180	\$164,595	\$2,499	\$3,338,274	\$162,791	\$2,167	\$3,336,138

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$38,356	\$15,342
FY 2011	\$38,364	\$15,346

PL- 201 - Improve Challenge Recruiting Efforts -

The executive recommends \$38,356 in FY2010 and \$38,364 in FY 2011 in additional general fund and federal special revenue funding for 1.00 FTE to improve Montana Youth Challenge Program (MYCP) recruiting efforts. Due to the large size of the state and the limited number of recruiters in the program, the program has been unable to generate adequate applications for entry into the MYCP. Lack of applications has adversely affected the graduation rates and the viability of the program. It is essential to add another recruiter to work with high schools and parents in several locations to give youth who drop out of high school a second chance. The 2005 Legislative Audit identified that in the Billings, Bozeman, Butte, Missoula, and Kalispell/Flathead Valley areas of the state and the Crow, Rocky Boy's, and Flathead Indian Reservations, the program's recruitment rates were less than the drop out rate. The audit recommended that the program analyze program recruitment data and target recruitment resources based on the student drop out rate for individual high school districts.

**DEPT OF MILITARY AFFAIRS-6701
CHALLENGE PROGRAM-02**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$35,000	\$14,000
FY 2011	\$35,000	\$14,000

PL- 202 - Funding for Challenge 24/7 Overtime -

The budget includes \$35,000 general fund and federal special revenue funding each year of the biennium to support overtime, holidays worked, and comp time costs for the Montana Youth Challenge program. These costs are zero based and are not included in the program's base budget. These costs are incurred because the program is required to have staff coverage 24 hours a day, 7 days a week.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$18,833	\$7,533
FY 2011	\$18,836	\$7,534

PL- 203 - Challenge Mentoring Activity Support -

The executive recommends \$18,833 in FY 2010 and \$18,836 in FY 2011 general fund and federal special revenue funding to add 0.50 FTE to serve as a case manager for mentoring activities for the Montana Youth Challenge Program. The program currently has 2.50 FTE who are case managers responsible for managing the mentoring caseload of the two post residential classes as well as placement and mentoring activities of the current residential class.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$50,000	\$0
FY 2011	\$50,000	\$0

PL- 204 - Federal Spending Authority for Challenge Training -

This request is for \$50,000 of 100% federal spending authority each year of the biennium for Challenge employees to participate in essential training classes required by National Guard Bureau. These federal funds do not require any state matching funds.

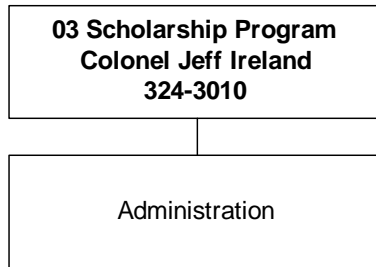
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,499	\$999
FY 2011	\$2,167	\$866

NP- 6101 - Fixed Cost Workers Comp Management Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$2,499 in FY 2010 and \$2,167 in FY 2011 federal special revenue and general fund for the Challenge Program's allocation of the fixed cost.

**DEPT OF MILITARY AFFAIRS-6701
SCHOLARSHIP PROGRAM-03**



Program Description - The Montana National Guard Scholarship Program provides scholarships to eligible Montana National Guard personnel enrolled as undergraduate students in Montana colleges, universities, or training programs. The program assists Montana in recruiting and retaining personnel in both the Army and Air National Guard and in enhancing its operational readiness to assume both state and federal active duty missions. Scholarships also reward guard members for their service to the state by helping defray their educational costs at Montana post-secondary institutions.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	250,000	0	0	250,000	0	0	250,000
Total Costs	\$250,000	\$0	\$0	\$250,000	\$0	\$0	\$250,000
General Fund	250,000	0	0	250,000	0	0	250,000
Total Funds	\$250,000	\$0	\$0	\$250,000	\$0	\$0	\$250,000

**DEPT OF MILITARY AFFAIRS-6701
STARBASE-04**

Program Description - The Montana STARBASE "Big Sky" Program is a program for elementary school aged children to raise the interest and improve the knowledge and skills of at-risk youth in math, science, and technology by exposing them and their teachers to real world applications of math and science through experimental learning, simulations, experiments in aviation and space-related fields as it deals with a technological environment and by utilizing the positive role models found on military bases and installations. The program also addresses drug use prevention, health, self esteem, and life skills with a math and science based program. The program implements policies, responsibilities, and procedures for execution of the program under the authority of Section 2193b of Title 10, United States Code and Department of Defense Instruction, 1025.7.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00
Personal Services	95,963	116,987	0	212,950	117,046	0	213,009
Operating Expenses	154,039	3,528	81	157,648	2,813	70	156,922
Total Costs	\$250,002	\$120,515	\$81	\$370,598	\$119,859	\$70	\$369,931
Federal Special	250,002	120,515	81	370,598	119,859	70	369,931
Total Funds	\$250,002	\$120,515	\$81	\$370,598	\$119,859	\$70	\$369,931

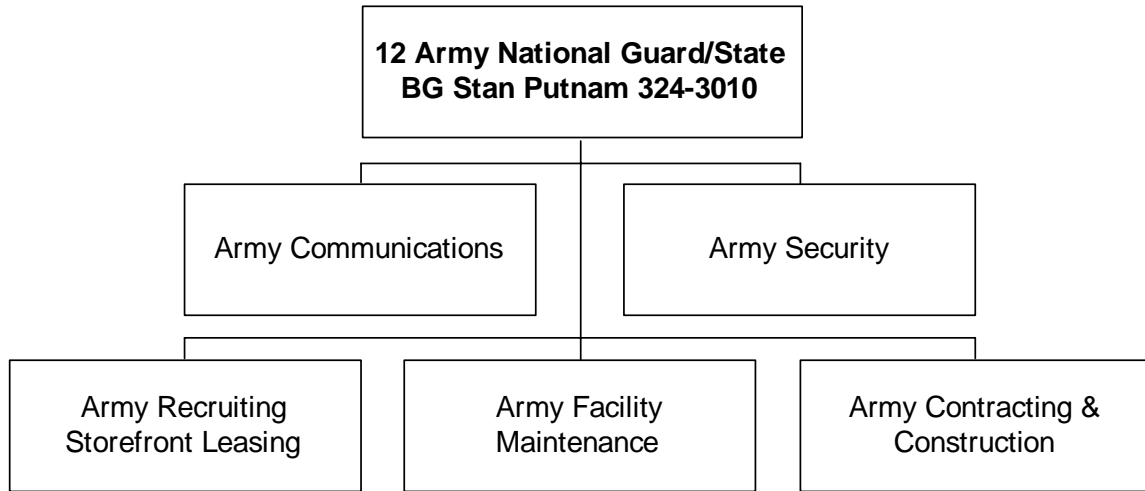
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$81	\$0
FY 2011	\$70	\$0

NP- 6101 - Fixed Cost Workers Comp Management Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$81 in FY 2010 and \$70 in FY 2011 federal special revenue for the Starbase Program's allocation of the fixed cost.

**DEPT OF MILITARY AFFAIRS-6701
ARMY NATIONAL GUARD PGM-12**



Program Description - The Army National Guard, until federalized, is a state military organization which provides trained and equipped military units for use in the event of a state or national emergency. The federal/state cooperative agreement provides funding for facilities management, environmental, and communications support to the organization by: 1) providing professional and skilled personnel for the administration, planning, and execution of statewide repair and maintenance functions on facilities and training areas; 2) planning, programming and contracting for construction; 3) ensuring all activities and facilities comply with environmental regulations; and 4) providing state-wide communication services, security contracts, and leases for buildings and land used by the Army National Guard. The program is mandated by the U.S. and Montana constitutions and Title 10, Chapters 1-3, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	37.30	4.00	0.00	41.30	4.00	0.00	41.30
Personal Services	2,098,036	320,322	0	2,418,358	324,481	0	2,422,517
Operating Expenses	11,385,229	188,386	1,410	11,575,025	422,114	1,224	11,808,567
Equipment & Intangible Assets	254,955	50,000	0	304,955	50,000	0	304,955
Total Costs	\$13,738,220	\$558,708	\$1,410	\$14,298,338	\$796,595	\$1,224	\$14,536,039
General Fund	1,191,692	73,701	142	1,265,535	192,050	124	1,383,866
Federal Special	12,546,528	485,007	1,268	13,032,803	604,545	1,100	13,152,173
Total Funds	\$13,738,220	\$558,708	\$1,410	\$14,298,338	\$796,595	\$1,224	\$14,536,039

**DEPT OF MILITARY AFFAIRS-6701
ARMY NATIONAL GUARD PGM-12**

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$96,199	\$28,413
FY 2011	\$285,134	\$85,255

PL- 1201 - Operational Support for New ARNG Facilities -

The budget includes \$96,199 in FY 2010 and \$285,134 in FY 2011 general fund and federal special revenue funding to support the operational costs of Army National Guard facilities that will come on-line after the base year. This funding is to provide a basic level of janitorial services, utilities, ground maintenance, and code required inspections such as fire sprinkler, fire alarm, and kitchen hood inspections. An additional 80% federally funded FTE is needed to maintain the additional square footage and bring our maintenance staff closer to the necessary level for adequate maintenance of the facilities.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$209,596	\$0
FY 2011	\$209,656	\$0

PL- 1202 - 100% Federal Support for National Guard Operations -

This request of \$209,596 in FY 2010 and \$209,656 in FY 2011 federal special revenue funding will allow the department to hire 3.00 FTE and operations funding to support the Army National Guard (ARNG) mission. 1.00 FTE will provide supervision for the Geographic Information Systems employees while the other 2.00 FTE will replace contracted services for weapons vault and supply room alarm systems. Replacing contracted security services with 2.00 FTE will save the program approximately \$30,000 per year.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,410	\$142
FY 2011	\$1,224	\$124

NP- 6101 - Fixed Cost Workers Comp Management Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$1,410 in FY 2010 and \$1,224 in FY 2011 federal special revenue and general fund for the Army National Guard's allocation of the fixed cost.

**DEPT OF MILITARY AFFAIRS-6701
AIR NATIONAL GUARD PGM-13**

**13 Air National Guard/State
BG John Del Toro 324-3010**



Program Description - The Air National Guard, until federalized, is a state military organization which provides trained and equipped military units for use in the event of a state or national emergency. The federal/state cooperative agreement provides for administrative, facilities maintenance, security, and fire protection support to the Air National Guard base at Gore Hill near Great Falls. The Air National Guard program operates under both federal and state mandates in accordance with its dual missions and is mandated by the United States and Montana Constitutions and Title 10, Chapter 1-3, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	34.00	0.00	0.00	34.00	0.00	0.00	34.00
Personal Services	1,992,722	184,077	0	2,176,799	207,190	0	2,199,912
Operating Expenses	1,756,659	47,276	1,330	1,805,265	45,265	1,154	1,803,078
Total Costs	\$3,749,381	\$231,353	\$1,330	\$3,982,064	\$252,455	\$1,154	\$4,002,990
General Fund	351,740	23,658	70	375,468	24,117	61	375,918
Federal Special	3,397,641	207,695	1,260	3,606,596	228,338	1,093	3,627,072
Total Funds	\$3,749,381	\$231,353	\$1,330	\$3,982,064	\$252,455	\$1,154	\$4,002,990

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$329,254	\$0
FY 2011	\$341,844	\$0

PL- 1301 - Federal Spending Authority for ANG Firefighter OT -

The budget includes \$329,254 in FY 2010 and \$341,844 in FY 2011 federal special revenue funding to restore overtime and benefit costs incurred by the Air National Guard firefighters in Great Falls at FY 2008 base levels. Overtime costs are zero based and must be reestablished each biennium.

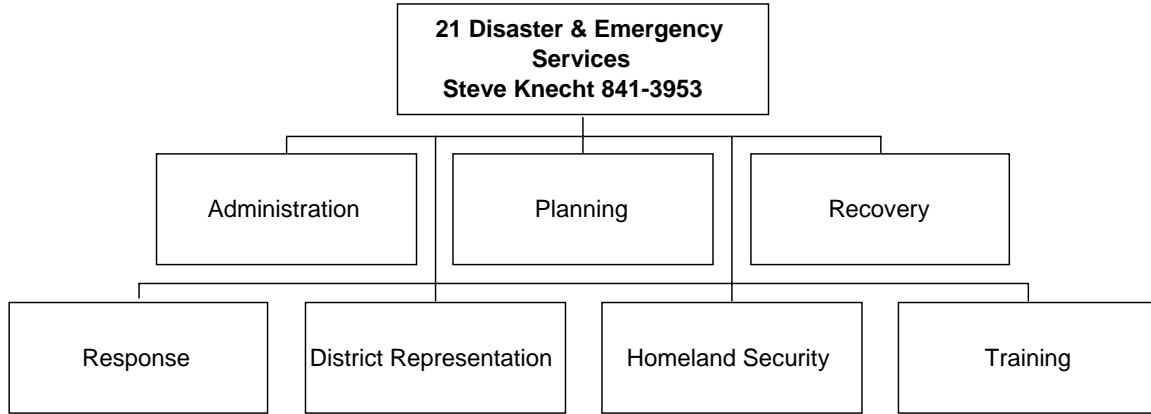
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,330	\$70
FY 2011	\$1,154	\$61

NP- 6101 - Fixed Cost Workers Comp Management Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$1,330 in FY 2010 and \$1,154 in FY 2011 federal special revenue and general fund for the Air National Guard's allocation of the fixed cost.

DEPT OF MILITARY AFFAIRS-6701 DISASTER & EMERGENCY SERVICES-21



Program Description - The Disaster and Emergency Services Division duties and responsibilities are provided for under Title 10, Chapter 3, MCA. The division is responsible for the coordination, development and implementation of emergency management planning, mitigation, response, and recovery statewide. This responsibility includes the administration and disbursement of federal Homeland Security and Emergency Management funds to eligible political subdivisions and tribal nations across the state. The division maintains a 24-hour-a-day point of contact to coordinate the volunteer, state, and federal response for assistance to political subdivisions and tribal nations in the event of a incident, emergency, or disaster.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	23.00	0.00	0.00	23.00	0.00	0.00	23.00
Personal Services	1,177,516	183,266	0	1,360,782	187,742	0	1,365,258
Operating Expenses	317,232	109,951	256,824	684,007	69,104	256,771	643,107
Grants	1,287,008	147,970	12,179,453	13,614,431	147,970	12,179,453	13,614,431
Total Costs	\$2,781,756	\$441,187	\$12,436,277	\$15,659,220	\$404,816	\$12,436,224	\$15,622,796
General Fund	1,046,158	(89,699)	383	956,842	(92,869)	332	953,621
State/Other Special	90,471	242,014	0	332,485	212,013	0	302,484
Federal Special	1,645,127	288,872	12,435,894	14,369,893	285,672	12,435,892	14,366,691
Total Funds	\$2,781,756	\$441,187	\$12,436,277	\$15,659,220	\$404,816	\$12,436,224	\$15,622,796

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$242,029	\$0
FY 2011	\$212,029	\$0

PL- 2101 - State Special Revenue Spending Authority -

The executive requests an increase in state spending authority of \$242,029 in FY 2010 and \$212,029 in FY 2011 to provide necessary reimbursements through the Emergency Management Assistance Compact and account for expenditures at the annual Governor's Emergency Preparedness Summit. A portion of this additional authority will also be used to reimburse county sheriffs and local search and rescue units for expenses related to search and rescue missions, training, and equipment.

**DEPT OF MILITARY AFFAIRS-6701
DISASTER & EMERGENCY SERVICES-21**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$19,537	\$9,769
FY 2011	\$19,537	\$9,769

PL- 2103 - DES Duty Officer Overtime -

The budget includes \$19,537 general fund and federal special revenue funding each year of the biennium to restore overtime to FY 2008 base levels for DES Duty Officers to provide 24 hour, 7 day a week disaster and emergency response. Overtime is zero based and must be reestablished each biennium.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$12,435,390	\$0
FY 2011	\$12,435,455	\$0

NP- 2102 - Additional Federal Spending Authority -

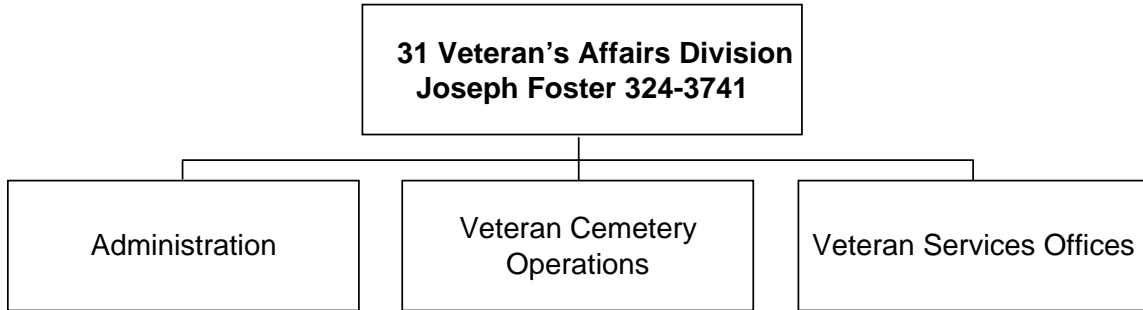
Montana Disaster and Emergency Services (DES) is the State Administrative Agency for various FEMA and Homeland Security grants. The receipt of these grants does not always align with the budgeting cycle. In an effort to integrate these grants into the budget cycle, DES is requesting the spending authority to execute these grants so the department does not have to submit budget amendment requests outside the legislative budgeting process. Total request is for \$24,870,845 federal special revenue authority in the 2011 biennium with \$511,939 for operating expenses and \$24,358,906 for grants. Anticipated grants for the 2011 biennium are: Homeland Security Grant, Buffer Zone Protection Program, Interoperable Emergency Communications Program, Hazardous Materials Emergency Preparedness Grant, Stonegarden, and the Comprehensive Environmental Response, Compensation and Liability Act.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$887	\$383
FY 2011	\$769	\$332

NP- 61010 - Fixed Cost Workers Comp Management Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$887 in FY 2010 and \$769 in FY 2011 federal special revenue and general fund for the Disaster and Emergency Services' allocation of the fixed cost.

**DEPT OF MILITARY AFFAIRS-6701
VETERANS AFFAIRS PROGRAM-31**



Program Description - The Veteran's Affairs Division assists discharged veterans and their families, cooperates with state and federal agencies, promotes the general welfare of veterans, and provides information on veterans' benefits. The program also administers the veterans' cemeteries located at Miles City, Fort Harrison, in Helena and Missoula. The Board of Veterans' Affairs is administratively attached to the Department of Military Affairs, and operates under a state mandate provided in Title 10, Chapter 2, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	25.00	2.00	3.00	30.00	2.00	3.00	30.00
Personal Services	1,235,457	80,882	94,170	1,410,509	83,838	94,203	1,413,498
Operating Expenses	366,275	169,162	28,274	563,711	165,712	28,196	560,183
Equipment & Intangible Assets	17,730	0	0	17,730	0	0	17,730
Total Costs	\$1,619,462	\$250,044	\$122,444	\$1,991,950	\$249,550	\$122,399	\$1,991,411
General Fund	705,718	67,740	122,323	895,781	67,864	122,294	895,876
State/Other Special	913,744	182,304	121	1,096,169	181,686	105	1,095,535
Total Funds	\$1,619,462	\$250,044	\$122,444	\$1,991,950	\$249,550	\$122,399	\$1,991,411

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$220,405	\$0
FY 2011	\$220,499	\$0

PL- 3101 - VA Cemetery Operations Support -

This Executive Branch request is for \$220,405 in FY 2010 and \$220,499 in FY 2011 state special revenue spending authority and 2.00 FTE to support the operations and maintenance of the Montana State Veterans Cemeteries located at Fort Harrison in Helena, Eastern Montana State Veterans Cemetery in Miles City, and the new Western Montana State Veterans Cemetery in Missoula. The requested 2.00 FTE will operate and maintain the newly constructed Western Montana State Veterans Cemetery in Missoula.

**DEPT OF MILITARY AFFAIRS-6701
VETERANS AFFAIRS PROGRAM-31**

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$121,436	\$121,436
FY 2011	\$121,525	\$121,525

NP- 3102 - Expand and Enhance Statewide Veterans Services -

The executive recommends 3.00 FTE and operating funds to provide better service to the state's veterans at a general fund cost of \$121,436 in FY 2010 and \$121,525 in FY 2011. The "signature" disabilities associated with the continual influx of Global War on Terror veterans is post traumatic stress disorder and traumatic brain injury. Further, the average number of disabilities has increased to ten per veteran claim, from an average of 4 in 2000. The increasing quantity and complexity of veterans disability claims mandates a proportional increase in the State of Montana's capability of serving our veterans. Therefore, the request includes 3.00 FTE to better serve Montana's veteran population. The positions would be Veterans Service Officers, and would be stationed in Polson, Billings, and Helena.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,008	\$887
FY 2011	\$874	\$769

NP- 6101 - Fixed Cost Workers Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$1,008 in FY 2010 and \$874 in FY 2011 state special revenue and general fund for the Veterans Affairs Program's allocation of the fixed cost.