

Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	86.75	86.75	90.75	90.75	86.75	90.75	4.00	4.61%
Personal Services	4,481,208	4,347,984	4,921,722	4,928,267	8,829,192	9,849,989	1,020,797	11.56%
Operating Expenses	6,889,877	6,722,512	7,684,674	7,409,681	13,612,389	15,094,355	1,481,966	10.89%
Equipment & Intangible Assets	25,050	238,120	25,050	25,050	263,170	50,100	(213,070)	(80.96%)
Total Costs	\$11,396,135	\$11,308,616	\$12,631,446	\$12,362,998	\$22,704,751	\$24,994,444	\$2,289,693	10.08%
General Fund	11,134,395	11,046,759	12,252,915	11,989,905	22,181,154	24,242,820	2,061,666	9.29%
State Special	124,805	124,804	124,804	124,804	249,609	249,608	(1)	0.00%
Other	136,935	137,053	253,727	248,289	273,988	502,016	228,028	83.23%
Total Funds	\$11,396,135	\$11,308,616	\$12,631,446	\$12,362,998	\$22,704,751	\$24,994,444	\$2,289,693	10.08%

Program Description

The Information Management and Technology Division serves as the operational foundation for the department's business units. Refunds and other key services for taxpayers, tax compliance collections, valuation of property, and the certification of property values to local governments all depend on the operation of this division. The division's deposits of over \$1.7 billion dollars in annual taxpayer payments enhance the state's investment earnings and ensure the fiscal integrity of the state. These services are provided while ensuring the security and protection of confidential taxpayer information, facilitating the department's mission to serve the citizens of Montana in a fair and equitable manner.

Program Highlights

Information Management and Technology Division Major Budget Highlights	
◆	The \$2.3 million budget increase in this division is primarily due to: <ul style="list-style-type: none"> • 4.00 new FTE to expand electronic services for property and other taxes • Personal services statewide present law adjustments primarily from raises provided in FY 2012 • Vendor contracts and new information technology funding

Program Narrative

The legislature approved a budget increase of \$2.3 million, which primarily resulted from:

- The addition of 4.00 FTE with total costs of \$857,567 to expand electronic services for property taxes and other non-individual income taxes
 - Development and contracting costs, one-time-only, of \$304,790
 - Personal service costs of \$498,641
 - Ongoing operating expenses of \$54,136
- Statewide personal service present law adjustments, a net increase of \$388,932, which are driven by raises provided in the base year
- Funding of \$1.0 million for expanded vendor support maintenance activities for the GenTax system, because the system functionality has increased over time

Funding

The following table shows program funding by source of authority for the 2015 biennium as adopted by the legislature.

Total Department Of Revenue Funding by Source of Authority 2015 Biennium Budget - Information Management & Technology Div							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$24,242,820	\$0	\$0	\$24,242,820	97.0%		
State Special Total	\$249,608	\$0	\$0	\$249,608	1.0%		
02088 Ssr Administrative Funds	\$249,608	\$0	\$0	\$249,608	1.0%		
Proprietary Total	\$502,016	\$0	\$0	\$502,016	2.0%		
06005 Liquor Division	\$502,016	\$0	\$0	\$502,016	2.0%		
Total All Funds	\$24,994,444	\$0	\$0	\$24,994,444	100.0%		
Percent - Total All Sources	100.0%	0.0%	0.0%				

The Information Management and Technology Division is primarily funded with general fund. State special revenue funds support of the administration of hail insurance premiums, the livestock per capita fee, and the lodging facilities tax. SB 162 redirects the administration of the hail insurance premiums to the Department of Agriculture beginning January 1, 2014. As a result, the division will no longer receive the administrative hail insurance premiums fees associated with its oversight. The proprietary funding is from a direct appropriation of Liquor Control Division proprietary fund and is for the Liquor Control Division share of division support costs. The allocation is a percentage of the program's budget. Liquor Control Division proprietary funds are an indirect use of general fund since net liquor revenues are deposited in the general fund after operating costs are deducted.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	11,134,395	11,134,395	22,268,790	91.86%	11,396,135	11,396,135	22,792,270	91.19%
Statewide PL Adjustments	19,556	43,539	63,095	0.26%	136,347	154,892	291,239	1.17%
Other PL Adjustments	517,601	535,767	1,053,368	4.35%	517,601	535,767	1,053,368	4.21%
New Proposals	581,363	276,204	857,567	3.54%	581,363	276,204	857,567	3.43%
Total Budget	\$12,252,915	\$11,989,905	\$24,242,820		\$12,631,446	\$12,362,998	\$24,994,444	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					385,689					392,889
Vacancy Savings					(194,680)					(194,966)
Inflation/Deflation					20,669					37,478
Fixed Costs					(75,331)					(80,509)
Total Statewide Present Law Adjustments		\$19,556	(\$1)	\$0	\$136,347*		\$43,539	(\$1)	\$0	\$154,892*
DP 50 - Initial Motion to FY 2012 Base	0.00	(19,556)	1	0	(136,347)*	0.00	(43,539)	1	0	(154,892)*
DP 51 - Adjustment for Statewide Personal Services	0.00	186,622	2,092	0	191,009*	0.00	193,377	2,168	0	197,923*
DP 52 - Adjustment for Statewide Operations	0.00	(53,406)	(599)	0	(54,662)*	0.00	(42,043)	(471)	0	(43,031)*
DP 53 - Base Funding Switch	0.00	(113,660)	(1,494)	0	0*	0.00	(107,795)	(1,698)	0	0*
DP 201 - Ongoing System Mainten. and Support Increase (RST)	0.00	500,000	0	0	500,000	0.00	500,000	0	0	500,000
DP 205 - Rent and Parking	0.00	17,601	0	0	17,601	0.00	35,767	0	0	35,767
Total Other Present Law Adjustments	0.00	\$517,601	\$0	\$0	\$517,601*	0.00	\$535,767	\$0	\$0	\$535,767*
Grand Total All Present Law Adjustments	0.00	\$537,157	(\$1)	\$0	\$653,948*	0.00	\$579,306	(\$1)	\$0	\$690,659*

* "Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 53 - Base Funding Switch - This adjustment establishes a fund switch between fund types to fund base operations.

DP 201 - Ongoing System Mainten. and Support Increase (RST) - The legislature approved an increase in general fund to support maintenance activities for the GenTax system. The increase will support increased costs of vendor maintenance. Funding was designated as restricted only for this purpose.

DP 205 - Rent and Parking - The legislature approved a general fund increase for the 2015 biennium to pay for contractual rent increases for existing lease obligations and increases in rates for downtown parking.

New Proposals

New Proposals										
Program	FTE	-----Fiscal 2014-----				-----Fiscal 2015-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 203 - Enhance E-Services for Property and State Taxes										
02	4.00	581,363	0	0	581,363	4.00	276,204	0	0	276,204
Total	4.00	\$581,363	\$0	\$0	\$581,363	4.00	\$276,204	\$0	\$0	\$276,204

DP 203 - Enhance E-Services for Property and State Taxes - The legislature approved a general fund appropriation to expand electronic services for property taxes and other non-individual income taxes, while ensuring the security and accuracy of the data. This package will provide 4.00 FTE for the program. This decision package includes ongoing personal service costs and operating expenses. The legislature designated a portion of the operations costs, \$304,790 for the development of the E-services, as one-time-only.