

### 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	53.50	53.50	53.50	53.50	53.50	53.50	0.00	0.00%
Personal Services	2,764,229	2,841,483	2,871,996	2,871,907	5,605,712	5,743,903	138,191	2.47%
Operating Expenses	765,677	817,160	814,160	785,843	1,582,837	1,600,003	17,166	1.08%
Equipment & Intangible Assets	19,254	0	0	0	19,254	0	(19,254)	(100.00%)
<b>Total Costs</b>	<b>\$3,549,160</b>	<b>\$3,658,643</b>	<b>\$3,686,156</b>	<b>\$3,657,750</b>	<b>\$7,207,803</b>	<b>\$7,343,906</b>	<b>\$136,103</b>	<b>1.89%</b>
General Fund	3,318,565	3,428,167	3,437,457	3,409,050	6,746,732	6,846,507	99,775	1.48%
State Special	187,410	187,261	211,838	212,123	374,671	423,961	49,290	13.16%
Other	43,185	43,215	36,861	36,577	86,400	73,438	(12,962)	(15.00%)
<b>Total Funds</b>	<b>\$3,549,160</b>	<b>\$3,658,643</b>	<b>\$3,686,156</b>	<b>\$3,657,750</b>	<b>\$7,207,803</b>	<b>\$7,343,906</b>	<b>\$136,103</b>	<b>1.89%</b>

### Program Description

The Citizen Services and Resource Management Division focuses on providing services to citizens, including the advancement of free electronic filing, and support services to the other divisions of the department. The division integrates the department's accounting, purchasing, safety and security, and statewide facility functions through the Financial and Asset Management Bureau. This bureau ensures state tax collections and department expenses are properly accounted for, supports the efficient and safe operation of department facilities, and conducts disaster and emergency preparedness and continuity of government activities. The division's Citizen Services Bureau assists taxpayers by answering questions through the department's call center, coordinates the one-stop business licensing program to create efficiencies and reduced costs to businesses, returns unclaimed property that has been remitted to the state to the rightful owners, and strives to create tax forms and instructions that are thorough and understandable. The Accounts Receivable and Collection Bureau establishes payment plans or initiates collections using legal actions to resolve delinquent tax liabilities. They provide collection services to other state and local agencies for recovery of bad debts. The bureau includes the Bankruptcy Unit responsible for filing and recoveries of debt through bankruptcy proceedings.

### Program Highlights

<b>Citizen Services &amp; Resource Management Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The budget for the 2015 biennium will increase by 1.9% from the 2013 biennium budget primarily due to statewide present law adjustments for personal services</li> <li>◆ Operating expenses include the development and maintenance of web-based business licensing</li> <li>◆ The legislature approved a 5% fee on successful collections in the proprietary Collections Services Program</li> </ul>

### 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 - Citizen Services & Resource Mgmt							
Funds	Non-		Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
	HB 2	Budgeted Proprietary					
General Fund	\$6,846,507	\$0	\$0	\$6,846,507	2.9%		
State Special Total	\$423,961	\$0	\$231,254,506	\$231,678,467	96.9%		
02008 Tobacco And Cig. Tribal Agree.	\$0	\$0	\$9,520,274	\$9,520,274	4.0%	18-11-112	Pass Thru
02025 Unclaimed Property	\$307,864	\$0	\$0	\$307,864	0.1%		
02083 Oil & Gas Local Assistance	\$0	\$0	\$10,000,000	\$10,000,000	4.2%	15-37-117	Pass Thru
02088 Ssr Administrative Funds	\$116,097	\$0	\$0	\$116,097	0.0%		
02168 Mt Oil Production Tax	\$0	\$0	\$197,054,000	\$197,054,000	82.5%	15-36-332	Pass Thru
02169 Bentonite Production Tax	\$0	\$0	\$4,800,000	\$4,800,000	2.0%	15-39-110	Pass Thru
02511 Oil, Gas, And Coal Natural Res	\$0	\$0	\$9,000,000	\$9,000,000	3.8%	15-36-332	Pass Thru
02966 Tribal Agreement - Alcohol	\$0	\$0	\$880,232	\$880,232	0.4%	18-11-112	Pass Thru
Proprietary Total	\$73,438	\$368,700	\$0	\$442,138	0.2%		
06005 Liquor Division	\$73,438	\$0	\$0	\$73,438	0.0%		
06554 Csc Collection Services	\$0	\$368,700	\$0	\$368,700	0.2%		
Total All Funds	\$7,343,906	\$368,700	\$231,254,506	\$238,967,112	100.0%		
<b>Percent - Total All Sources</b>	<b>3.1%</b>	<b>0.2%</b>	<b>96.8%</b>				

In HB 2, the Citizen Services and Resource Management Division is funded primarily by the general fund. State special revenue funds the division’s administration of hail insurance premiums and livestock per capita fee, and for support of the unclaimed property program. 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 finances of the Collections Services Program are not shown in the HB 2 tables because it is funded with proprietary funds. The Collections Services Program is discussed in the Proprietary Rates section. As seen in the figure above, the Citizen Services and Resource Management program is also responsible for the statutorily appropriated distributions of various tax revenues to local and tribal governments.

**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	3,318,565	3,318,565	6,637,130	96.94%	3,549,160	3,549,160	7,098,320	96.66%
Statewide PL Adjustments	105,246	98,239	203,485	2.97%	123,350	116,344	239,694	3.26%
Other PL Adjustments	13,646	(7,754)	5,892	0.09%	13,646	(7,754)	5,892	0.08%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$3,437,457</b>	<b>\$3,409,050</b>	<b>\$6,846,507</b>		<b>\$3,686,156</b>	<b>\$3,657,750</b>	<b>\$7,343,906</b>	

### 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					227,432					227,344
Vacancy Savings					(119,665)					(119,666)
Inflation/Deflation					86					159
Fixed Costs					15,497					8,507
<b>Total Statewide Present Law Adjustments</b>		<b>\$105,246</b>	<b>\$24,428</b>	<b>\$0</b>	<b>\$123,350*</b>		<b>\$98,239</b>	<b>\$24,713</b>	<b>\$0</b>	<b>\$116,344*</b>
DP 50 - Initial Motion to FY 2012 Base	0.00	(105,246)	(24,428)	0	(123,350)*	0.00	(98,239)	(24,713)	0	(116,344)*
DP 51 - Adjustment for Statewide Personal Services	0.00	100,766	5,690	0	107,767*	0.00	100,682	5,686	0	107,678*
DP 52 - Adjustment for Statewide Operations	0.00	14,570	823	0	15,583*	0.00	8,104	457	0	8,666*
DP 53 - Base Funding Switch	0.00	(10,090)	17,915	0	0*	0.00	(10,547)	18,570	0	0*
DP 501 - Web-Based App Portal-1-Stop Licensing (RST)	0.00	32,900	0	0	Oper	0.00	11,500	0	0	11,500
DP 502 - Adjust for Operating Plan Change	0.00	(19,254)	0	0	(19,254)	0.00	(19,254)	0	0	(19,254)
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$13,646</b>	<b>\$0</b>	<b>\$0</b>	<b>\$13,646*</b>	<b>0.00</b>	<b>(\$7,754)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$7,754)*</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$118,892</b>	<b>\$24,428</b>	<b>\$0</b>	<b>\$136,996*</b>	<b>0.00</b>	<b>\$90,485</b>	<b>\$24,713</b>	<b>\$0</b>	<b>\$108,590*</b>

\* "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 501 - Web-Based App Portal-1-Stop Licensing (RST) - The legislature approved an increase in general fund appropriation authority to fund the development and maintenance of a secure web-based application that will allow businesses to apply for licenses in coordination with the internet application One-Stop Licensing Program. \$21,400 of the funding in FY 2014 is designated as one time only and the funding is restricted only for this purpose.

DP 502 - Adjust for Operating Plan Change - The legislature approved a reduction in the general funded equipment budgetary base. In FY 2012 the division utilized budget authority to invest in an upgraded telephone. To maintain the base budget at the level appropriated by the last legislature, this amount was removed from the division's base budget.

### Proprietary Rates

#### Proprietary Program Description

Montana law authorizes the Department of Revenue to assist other agencies in the collection of delinquent accounts. The department retains a percentage of these collections for the costs of assistance in conjunction with 17-4-103 (3)(a), MCA.

The department established the Collections Services Program to administer its statutory responsibilities under Title 17, chapter 4, MCA. There are 3.50 FTE allocated to this program. This program supports the centralized debt collection function for the state of Montana.

### **Proprietary Revenues and Expenses**

#### *Expenses*

Significant costs for the program are for:

- Personal services for 3.50 FTE, \$316,331 or 85.7% of total costs for the biennium
- Operating costs are \$52,609 with 51.4% of these costs due to:
  - Fixed cost items (rent, insurance, SABHRS fees, etc.), \$17,048
  - Postage and mailing costs, \$10,005

#### *Revenues*

The revenues for the program are derived through commissions made on successful collections. In the 2015 biennium, total revenues are estimated to be \$150,000 per fiscal year.

### **Proprietary Rate Explanation**

The legislature approved a maximum commission rate of 5% for the 2015 biennium. Exempted from this rate is collection of overpaid child support payments made to custodial parents or collection of delinquent child support payments from noncustodial parents. Commissions associated with child support payments are charged against a separate general fund appropriation designated by the legislature in a prior legislative session.