

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	5.83	5.83	5.83	5.83	5.83	5.83	0.00	0.00%
Personal Services	331,008	309,014	355,516	355,746	640,022	711,262	71,240	11.13%
Operating Expenses	395,907	1,097,340	1,053,974	1,058,253	1,493,247	2,112,227	618,980	41.45%
Grants	4,175,926	4,250,000	6,175,926	6,175,926	8,425,926	12,351,852	3,925,926	46.59%
Benefits & Claims	183,921	0	358,921	358,921	183,921	717,842	533,921	290.30%
Total Costs	\$5,086,762	\$5,656,354	\$7,944,337	\$7,948,846	\$10,743,116	\$15,893,183	\$5,150,067	47.94%
State Special	0	25,800	150,000	150,000	25,800	300,000	274,200	1,062.79%
Federal Special	5,086,762	5,630,554	7,794,337	7,798,846	10,717,316	15,593,183	4,875,867	45.50%
Total Funds	\$5,086,762	\$5,656,354	\$7,944,337	\$7,948,846	\$10,743,116	\$15,893,183	\$5,150,067	47.94%

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 Highlights

Housing Division Major Budget Highlights
<ul style="list-style-type: none"> ◆ The budget increases by 47.9% compared to the 2013 biennium mainly due to \$4.8 million in anticipated federal grants for Housing and Urban Development HOME Investment Partnerships ◆ Non-budgeted proprietary funds support 85.9% of the program. These are enterprise funds in which the legislature has no rate setting action

Program Discussion

The majority of the increases between the 2013 and 2015 biennia are the result of additional federal grant authority. The legislature approved increases include additional funding for:

- HUD Comprehensive Counseling
- Emergency Homeowner's Loan Program
- Home Grants
- BOH Foreclosure Mitigation

Operating cost increases include additional authority for consulting and professional services above that provided in the 2013 biennium. Benefits and claims increase due to additional support for services provided by the Section 8 Shelter Care Plus Program.

Funding

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

Total Department Of Commerce Funding by Source of Authority 2015 Biennium Budget - Housing Division							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
State Special Total	\$300,000	\$0	\$0	\$300,000	0.3%		
02575 Mobile Home Revolving Loan Fund	\$300,000	\$0	\$0	\$300,000	0.3%		
Federal Special Total	\$15,593,183	\$0	\$0	\$15,593,183	13.8%		
03110 Hud Comprehensive Counseling	\$549,999	\$0	\$0	\$549,999	0.5%		
03144 Shelter Plus Care - Hud	\$750,000	\$0	\$0	\$750,000	0.7%		
03282 Emergency Homeowners Loan Prog	\$500,000	\$0	\$0	\$500,000	0.4%		
03300 Home Grants	\$13,243,183	\$0	\$0	\$13,243,183	11.7%		
03945 Boh Forclosure Mitigation	\$550,001	\$0	\$0	\$550,001	0.5%		
Proprietary Total	\$0	\$96,890,001	\$0	\$96,890,001	85.9%		
06030 Boh Financial Program Fund	\$0	\$8,931,985	\$0	\$8,931,985	7.9%		
06074 Sec 8 Project Based	\$0	\$42,038,850	\$0	\$42,038,850	37.3%		
06075 Hud Section 8 Housing Program	\$0	\$42,105,490	\$0	\$42,105,490	37.3%		
06078 Affordable House Revolving Ln	\$0	\$20,000	\$0	\$20,000	0.0%		
06079 Revolving Loan Fund - Tanf	\$0	\$20,000	\$0	\$20,000	0.0%		
06085 Section 8 Mod Rehab	\$0	\$3,753,676	\$0	\$3,753,676	3.3%		
Total All Funds	\$15,893,183	\$96,890,001	\$0	\$112,783,184	100.0%		
Percent - Total All Sources	14.1%	85.9%	0.0%				

The majority of the funds supporting the activities of the Housing Division are proprietary funds. The Board of Housing is funded by six enterprise funds with revenues derived from an administrative charge applied to projects and mortgages financed. Under the Montana Housing Act of 1975, the board does not receive any general fund, and is completely self-supporting.

The programs funded through HB 2 are the Housing and Urban Development HOME Investment Partnerships Program and Montana’ Manufactured Home Replacement Program (MHR). The HUD HOME program is an annual categorical federal grant from HUD. Grant funds are distributed, using a competitive process, to successful local governments and Community Housing Development Organizations with an allowed amount being held back at the state level to administer the program. MHR provided loans to remodel manufactured homes. The 2015 biennium includes funding in the event that any prior loans are repaid and funding can be re-loaned.

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	0	0	0	0.00%	5,086,762	5,086,762	10,173,524	64.01%
Statewide PL Adjustments	0	0	0	0.00%	28,610	25,225	53,835	0.34%
Other PL Adjustments	0	0	0	0.00%	2,828,965	2,836,859	5,665,824	35.65%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$0	\$0	\$0		\$7,944,337	\$7,948,846	\$15,893,183	

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					37,919					38,159
Vacancy Savings					(14,757)					(14,767)
Inflation/Deflation					1					39
Fixed Costs					5,447					1,794
Total Statewide Present Law Adjustments		\$0	\$0	\$28,610	\$28,610		\$0	\$0	\$25,225	\$25,225
DP 50 - Initial Motion to FY 2012 Base	0.00	0	0	(28,610)	(28,610)	0.00	0	0	(25,225)	(25,225)
DP 51 - Adjustment for Statewide Personal Services	0.00	0	0	23,162	23,162	0.00	0	0	23,392	23,392
DP 52 - Adjustment for Statewide Operations	0.00	0	0	5,448	5,448	0.00	0	0	1,833	1,833
DP 7401 - HD Administrative Costs Adjustments - HB 2	0.00	0	150,000	53,965	203,965	0.00	0	150,000	61,859	211,859
DP 7402 - HD Federal Grants Adjustments - HB 2	0.00	0	0	2,625,000	2,625,000	0.00	0	0	2,625,000	2,625,000
Total Other Present Law Adjustments	0.00	\$0	\$150,000	\$2,678,965	\$2,828,965	0.00	\$0	\$150,000	\$2,686,859	\$2,836,859
Grand Total All Present Law Adjustments	0.00	\$0	\$150,000	\$2,707,575	\$2,857,575	0.00	\$0	\$150,000	\$2,712,084	\$2,862,084

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 and Natural Resources and Transportations subcommittees.

DP 7401 - HD Administrative Costs Adjustments - HB 2 - The legislature provided authority to annualize the cost of maintenance fees for HOME programs, lease agreements, and indirect costs to the Director's Office.

DP 7402 - HD Federal Grants Adjustments - HB 2 - The legislature approved federal appropriation authority for grants received by the Housing Assistance Bureau's HOME Program to match estimated federal funds for the 2015 biennium.

Proprietary Rates

Proprietary Program Description

The Montana Housing Act of 1975 created the Montana Board of Housing (board). The board is an agency of the state and operates within the Department of Commerce for administrative purposes. The board provides direction to the agency staff for its programs that include the Homeownership Program, Multifamily Loan Programs, Low Income Housing Tax Credit Program, Housing Montana Fund, and the Reverse Annuity Mortgage (RAM) Program. The Board of Housing is funded by four enterprise funds with revenues derived from an administrative charge applied to projects and mortgages financed.

The Project Based Section 8 (PBS8) Program is the HUD contract administrator for low-income rental properties HUD subsidizes throughout the state. The program provides rental assistance to projects at fixed locations instead of the

tenants. Landlords perform administrative tasks at the local level. The agency performs annual property reviews, oversees property management, and makes rent subsidy payments to owners. The agency earns fees from HUD under a performance-based contract for the tasks performed. The Project Based Section 8 program is funded with revenues derived from a performance based Annual Contribution Contract with HUD.

Board of Housing – (Funds 06030, 06031, 06078, and 06079)

This program is funded with an enterprise type proprietary fund. As such, the legislature does not appropriate funds or approve rates for the program. Instead, the legislature reviews the report for the enterprise fund and identifies any concerns with the financial position of the fund.

Section 8 Housing – (Funds 06074,06075, and 06085)

This program is funded with an enterprise type proprietary fund. As such, the legislature does not appropriate funds or approve rates for the program. Instead, the legislature reviews the report for the enterprise fund and identifies any concerns with the financial position of the fund.