



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

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Legislative Fiscal Analyst
CLAYTON SCHENCK

DATE: December 2, 2003
TO: Legislative Finance Committee
FROM: Taryn Purdy
RE: SB 19 Operating Plan Changes

Sections 17-7-138 and 17-7-139, MCA, require that cumulative operating budget changes (in any budget category) and program transfers of \$25,000 and 25 percent or \$1,000,000 must be brought before the Legislative Finance Committee (LFC) prior to implementation (unless of a time sensitive nature). The Office of Budget and Program Planning has two additional operating plan changes under review that meets these criteria. The attached memorandums from OBPP explain the proposed changes.

Staff has reviewed the Department of Corrections proposed change and raises no issue.

Concerning the Consensus Council proposed change, we do wish to point out the following. This request would move operating expenses to personal services for two purposes:

- 1) To add modified FTE to accommodate additional workload associated with: a) the Medicaid re-design project; and b) tribal healthcare issues. These positions would not be part of the base budget in the 2007 biennium.
- 2) To fund pay increases that are anticipated to start in January 2004. The pay increases, assuming the positions are filled at the time of the 2007 biennium budget development snapshot, would automatically increase the personal services adjusted base budget above that approved by the 2003 legislature. Therefore, there would be an adjusted base increase for personal services not supported by a decision package, although the operating expense base would be lower if expenses are being foregone or deferred.

Attachments

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