

Budget Amendment Summary Report

A Report on Increased Budget Authority

A Report Prepared for the
Legislative Finance Committee

by

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Certified Budget Amendments

As of February 18, 2000, the LFD had received 17 certified budget amendments since the last LFC meeting. One budget amendment was withdrawn.

As summarized in Table 1, these budget amendments add a total of \$2,262,233 and 3.00 FTE in fiscal 2000 and \$123,100 and 2.75 FTE in fiscal 2001. Table 2 (attached) shows details of each individual amendment.

Table 1 Budget Amendment Summary March 9, 2000		
	<u>Fiscal 2000</u>	<u>Fiscal 2001</u>
Number of Amendments*	17	4
FTE Added	3.00	2.75
State Special	\$0	\$0
Federal	2,262,233	123,100
Proprietary	0	0
Capital Projects	0	0
Current Unrestricted	0	0
Total	\$2,262,233	\$123,100
* Four budget amendments provide funding for both fiscal 2000 and 2001.		

Table 3 shows cumulative totals of certified budget amendments for the 2001 biennium. The table will be updated for each meeting.

Table 3 Budget Amendment Summary 2001 Biennium					
<u>Meetings</u>	Number of <u>BA</u>	<u>Fiscal 2000</u>	<u>Fiscal 2001</u>	<u>Biennial Total</u>	<u>FTE</u>
<u>Prior Meetings</u>					
October 7, 1999	0	\$0	\$0	\$0	0.00
December 9, 1999	<u>24</u>	<u>4,588,865</u>	<u>0</u>	<u>4,588,865</u>	<u>1.50</u>
Prior Totals	24	\$4,588,865	\$0	\$4,588,865	1.50
<u>Current Meeting</u>					
March 9, 2000	17	\$2,262,233	\$123,100	\$2,385,333	3.00
Current Totals	41	\$6,851,098	\$123,100	\$6,974,198	4.50

Concerns

Staff have reviewed all the budget amendments certified since the last LFC meeting and have noted the following concern.

Concern With DNRC Budget Amendment

Budget Amendment

The executive has approved a budget amendment (BA0028) for the Department of Natural Resources and Conservation (DNRC). The approved amendment is a continuation of a budget amendment approved in 1998. The FEMA funds are for GIS fire protection boundary mapping hazard mitigation grant programs. The funds are to be used to 1) identify areas of structural and wild-land protection responsibility; 2) reduce property damage from wildfires; and 3) educate the public in an effort toward hazard mitigation. The amendment was for authority to spend an additional \$68,000 during the project extension period.

Issue

This issue spans two budget amendments – BA020 and BA028. BA020 was sent to the approving authority and subsequently denied. Reasons for denial were that the agency knew they had been granted a project extension and needed additional spending authority during the 1999 Legislative session. A letter sent by the Department of Military Affairs, Disaster & Emergency Services Division, to the Forestry

Division on February 17, 1999 granted an extension of the project period to January 28, 2000. The approving authority denied the request because the spending authority should have been requested within HB4 during the 1999 Legislature.

BA020 was resubmitted as BA028 in January of 2000. The executive obtained letters from the granting authority showing that the project had been extended until June 30, 2000. Because the agency knew they had additional spending authority needs during the 1999 Legislative session, BA028 does not meet statutory criteria for approval – the facts did not change.

The Law

Montana law addresses this situation directly. Section 17-7-402 (1)(e), MCA, discusses conditions under which a budget amendment may not be approved:

17-7-402. Budget amendment requirements. (1) Except as provided in subsection (7), a budget amendment may not be approved:

...(e) by the approving authority for any matter of which the requesting agency had knowledge at a time when the proposal could have been presented to an appropriation subcommittee, the house appropriations committee, or the senate finance and claims committee of the most recent legislative session open to that matter, except when the legislative finance committee is given specific notice by the approving authority that significant identifiable events, specific to Montana and pursuant to provisions or requirements of Montana state law, have occurred since the matter was raised with or presented for consideration by the legislature; ...

Based upon the documentation, it is clear that the executive had knowledge of the project extension during the most recent legislative session. Therefore, the executive should not have granted budget amendment BA028 does not appear to meet the statutory criteria for approval of a budget amendment.