



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

Room 110 Capitol Building * P.O. Box 201711 * Helena, MT 59620-1711 * (406) 444-2986 * FAX (406) 444-3036

Legislative Fiscal Analyst
CLAYTON SCHENCK

DATE: February 28, 2008

TO: Legislative Finance Committee

FROM: Taryn Purdy 

RE: Time Sensitive 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. Since the last meeting of the LFC, the Office of Budget and Program Planning approved as time sensitive 2 operating plan changes. The attached memorandum from OBPP explains the change.

LFD staff has reviewed the proposed changes and does not raise any issues.

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OFFICE OF THE GOVERNOR
BUDGET AND PROGRAM PLANNING
STATE OF MONTANA



BRIAN SCHWEITZER
GOVERNOR

CAPITOL BUILDING - P.O. BOX 200802
HELENA, MONTANA 59620-0802

To: Clayton Schenck, Legislative Fiscal Analyst
Legislative Fiscal Division

From:  David Ewer, Budget Director
Office of Budget & Program Planning

Date: February 25, 2008

Subject: **OBPP Report on Time Sensitive Transactions Approved**

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FISCAL ANALYST

In accordance with 17-7-138 and -139, MCA, the Governor's Office of Budget and Program Planning is reporting that two operating plan budget changes that exceeded \$25,000 and 25% or \$1 million of a budget category have been approved since the last meeting of the Legislative Finance Committee. The transactions described below were all processed for FY 2008 and the documents are available for your staff to review on our guest directory.

Under 17-7-138, MCA.

- The **Judicial Branch** requested that \$525,895 in FY 2008 and \$617,355 in FY 2009 be transferred from Personal Services and Operating to Grants in order to properly record transactions associated with the operating of statewide drug courts. The 2007 Legislature allocated \$1,345,000 in HB2 to the Judicial Branch for the 2008/2009 biennium for the purpose of providing grants to drug courts across the state. Judicial Branch policy allows 15% of the total allocation to be used for statewide coordination costs, including 1.00 FTE and related personal services and operating authority. With the exception of the statewide coordination costs, the remainder of the authority must be moved to the Grants level in order to be in compliance with the intent of HB2.
- The **Department of Environmental Quality** requested that \$270,000 be moved from the Operating category to Equipment category to enable the department to purchase a billing module from PeopleSoft. The department receives approximately a \$50,000 cost reduction if this is purchased by the end of February. The initial budget was set up to pay for contracting to establish this module but it was later learned that purchasing outright was more cost effective.

We have reviewed the requests and found them to be in compliance with state and federal laws and policies, as well as allowing your staff to review the transactions, prior to processing. The Legislative Fiscal Division staff raised no issues with the transactions. Please let us know if you have questions or wish additional information.

CC:  Taryn Purdy