

# 2013 Biennium Budget:

## Long-Term Prosperity Will Require Better Choices

July 1, 2011



Montanans care deeply about the well-being of their families and communities. They want a hopeful and prosperous future for their children and neighbors, safe communities, and a strong state economy that supports quality jobs and thriving businesses. As Montanans, we have come together at many pivotal moments in our state's history to collectively build toward these goals. Together, we have considered not only what we can afford to accomplish today, but also the investments we must make to protect our future.

During Montana's 2011 legislative session, elected officials were charged with the task of wisely using the state's resources to help build a path to prosperity for all Montanans. Instead, the majority of legislators attempted to derail the state from this path by proposing deep, unnecessary, and harmful cuts to vital public services like education, health care, and job training. In fact, the resulting damage to our families, communities, and economy was only prevented by last-minute negotiations with the governor, who threatened to veto the Legislature's budget if they didn't restore the majority of the proposed cuts. While the budget compromise restored funding to many vital public programs, some harmful cuts remain.

### Budget Overview: Many Damaging Cuts Ultimately Avoided

Not including K-12 education funding (discussed separately below), the final budget approved by the Legislature and signed by the governor appropriated \$7.3 billion (\$3.4 billion in state funds and \$3.9 billion in federal) for the 2013 Biennium (See Table 1). The final budget was \$146 million higher than the budget initially passed by the Legislature but \$77 million lower than the governor's proposed budget.<sup>1</sup> The bulk of the \$77 million in cuts to the governor's proposed budget were in the areas of higher education, corrections, and health and human services.

**Present law budget** is the amount of funding needed to maintain operations and services at the level set by the last legislature. Present law includes but is not limited to legally mandated workload, caseload, or enrollment changes, changes in funding requirements, inflationary or deflationary adjustments, and elimination of one-time-only appropriations.

The governor's proposed budget was essentially a present law budget, or contained enough funding to maintain services at the levels set by the last Legislature. However, the present law budget was artificially low because one-time-only federal American Recovery and Reinvestment Act (ARRA) funds replaced approximately \$105 million in state dollars for ongoing services in fiscal years 2011 and 2012.<sup>2</sup> In other words, even if the governor's proposed budget had been adopted, Montana families, schools, service providers, and communities would have felt the impact of approximately \$105 million in cuts, primarily in the areas of education and health and human services.

<b>Table 1: Final Budget* Restored Most Legislative Cuts but Still Lower than Executive's</b>			
	Governor Proposed	Legislature Proposed	Final Budget
Federal Funds	\$3,905,430,644	\$3,791,793,399	\$3,891,400,327
State Funds	\$3,480,177,835	\$3,375,383,418	\$3,422,147,796
Other	\$33,657,035	\$29,072,794	\$29,127,217
<b>Total</b>	<b>\$7,419,265,514</b>	<b>\$7,196,249,611</b>	<b>\$7,342,675,340</b>
* K-12 funding excluded. For budget comparisons by agency, see the appendix.			

## Budget Crisis Averted

In the second week of the legislative session, legislators made across-the-board reductions that swept hundreds of cuts into a handful of procedural motions and started the budget over \$300 million below the Legislature's own revenue estimates.<sup>3</sup>

Fortunately, not all of the cuts made in the earliest weeks of deliberations remained in place at the end of the session. Budget decisions in the House and Senate slowly restored some funding to essential public services. Despite some modest gains, the majority of legislators passed a budget that cut many of the core public services that educate our children, keep our families and communities healthy and safe, and help our most vulnerable neighbors make ends meet. The final result was a budget that arrived on the governor's desk with \$223 million in cuts (total funds) compared to the executive proposal. For comparisons between the governor's and the Legislature's budgets for all agencies, see the appendix.

The Legislature's proposed cuts included:

- \$159 million to the Department of Health and Human Services. For program details see Table 2.
- \$30 million to higher education
- \$6 million to the Department of Revenue

### *Legislature's Proposed Budget Would Have Resulted in Substantial Public and Private Job Loss*

In all, these cuts would have eliminated 85 positions, or FTE's, that existed in the prior budget. FTE's, or Full-Time Equivalents, are the number of full-time, full-year employees that the Legislature has authorized the executive branch to hire. Eliminating FTE's is equivalent to cutting jobs. However, the elimination of FTE's only tells part of the job-loss story. The direct cuts of public jobs in the proposed budget would have been amplified by canceled contracts, reduced benefits, contraction of economic activity, and further job losses. For example, the proposed cuts to health and human services alone would have resulted in an estimated loss of 2,100 jobs and \$96 million in earnings throughout Montana.<sup>4</sup>

### *Proposed Budget Would Have Rejected Purely Federal Funds*

Despite the oft-repeated claim that the cuts were necessary because of declining state revenue, over two-thirds of the proposed cuts to health and human services were the rejection of federal funds, and over \$50 million of the rejected federal funds required no match of state dollars.<sup>5</sup> While touted as a means to help balance the federal budget and reduce the nation's deficit, the federal government would have simply redirected to other states this allocated funding for low-income energy assistance, SNAP (formerly food stamps), and other services to other states, at great cost to Montana families, businesses, communities, and the economy.

### *Governor Threatens Veto*

The harmful cuts included in the Legislature's budget elicited promises of a veto from Governor Schweitzer. Both a full veto and a special session were avoided only by last minute negotiations between legislative leadership and the governor. These negotiations produced a budget (presented to the Legislature as an amendatory veto) that restored or partially restored funding for many essential programs and services. Additionally, the governor vetoed various other companion bills that also affected the final budget.

The negotiated deal with the governor improved many aspects of the state budget. However, various cuts remain that will have real and harmful consequences for Montana families and communities across the state. See the appendix for detailed comparisons between the governor's proposed budget, the Legislature's proposed budget, and the final budget.

## Key Outcomes in the Final Budget

### Health and Human Services

Most federal funds have been restored to health and human services. Although some federal funds were not designated to specific programs, enough was added back to fully restore federal funding for Supplemental Nutrition Assistance, Low-Income Energy Assistance, Temporary Assistance for Needy Families, and Title X Family Planning.

The final budget restored \$123 million to DPHHS, bringing the current total to roughly \$36 million below the governor's proposed budget. Cuts that remain include:

- o \$7 million to tobacco prevention programs,
- o \$2 million to family planning, and
- o \$0.5 million for high cost children in foster care.<sup>6</sup>

For more details on proposed and final cuts to DPHHS, see Table 2.

In the area of Medicaid provider rates, the Legislature actually proposed increases over the governor's proposal. Most providers received a one-time-only increase in the 2011 biennium, which was not continued in the governor's proposed budget, bringing rates for most providers back to 2009 levels. The budget sent by the Legislature to the governor contained an increase to be used only to increase wages for direct care workers in the amount of \$16 million. The final negotiated deal between the governor and legislative leadership reduced this increase to \$10 million.<sup>7</sup>

<b>Table 2: Examples of Cuts to DPHHS Programs, Total Funds</b>		
	Cuts in Legislative Budget Sent to Governor	Cuts in Final Budget
SNAP (formerly Food Stamps)	\$34,999,912	0*
LIEAP (home heating assistance)	\$9,606,510	0*
TANF (cash benefits and Economic Security Program)	\$2,200,057	0*
Healthy Montana Kids (children's health insurance)	\$26,102,327	0
Personal Assistance for Seniors & Persons with Disabilities	\$1,477,121	0
Indian Property Exclusion (for Medicaid eligibility)	\$1,553,050	0
Family Planning, Preventative Healthcare	\$6,864,602	\$2,164,285*
Tobacco Prevention	\$15,227,343	\$7,227,343
Big Brothers Big Sisters	\$80,012	\$80,012
Foster Care Benefits for High Cost Children	\$563,462	\$563,462
<b>Total of HHS Cuts to Exec. Request</b>	<b>\$158,776,121</b>	<b>\$35,671,868</b>
*Some restored federal funds were not allocated to specific programs. However, the amount restored is the amount necessary to fully restore federal funds for Supplemental Nutrition Assistance, Low-Income Energy Assistance, federal family planning (Title X), and Temporary Assistance for Needy Families.		

## *K-12 Education*

Almost 97% of state funding for K-12 education is distributed to local schools throughout the state, with the remaining 3% supporting state level activities and administration. When all sources of funding are analyzed,<sup>8</sup> local schools will receive approximately \$12 million less in state support than recommended in the governor's proposed budget.<sup>9</sup> This \$12 million cut is in addition to the loss of approximately \$23 million in one-time-only Recovery Act funding that funded ongoing education costs in the 2011 biennium (and that was not included in the governor's proposed budget).<sup>10</sup>

## *Higher Education*

The negotiated budget restored \$15.5 million in funding to higher education in Montana. The higher education budget is still approximately \$14 million below the governor's proposed spending levels. Tuition will be increased in order to address the shortfalls. Tuition will rise by 5% in each of the next two years, for a cumulative increase of over 10%,<sup>11</sup> making higher education even further out of reach for many Montana students.

## *Department of Revenue*

The Department of Revenue received an additional \$3 million in the negotiated budget deal between the governor and legislative leadership. However, the Department is still \$3 million below the governor's suggested spending levels. The Department estimates that for every dollar cut, it collects \$6 less in revenue.<sup>12</sup>

## *Pay Plan*

In addition to the cuts discussed above, the Legislature rejected a \$25 million pay plan for the public employees who keep our communities safe, healthy, and educated all across the state. The pay plan would have provided a modest 1% increase for public employees in 2012 and a 3% increase in 2013. Public employees already agreed to a pay freeze in 2010 and 2011, meaning that, without the pay plan, public employee salaries will remain stagnant at 2009 levels.<sup>13</sup> In fact, according to the Legislature's own staff, even if the negotiated pay plan had been approved, state employees would have continued "to lose ground against inflation in the 2013 biennium."<sup>14</sup> According to MEA-MFT, this is the first time in history that the Legislature has rejected a proposed pay plan that the unions and the governor bargained as the law directs.<sup>15</sup>

## **Cuts Were Unnecessary**

The remaining cuts to the public programs that help make our communities safe, healthy, and educated were as unnecessary as they are damaging.

The Legislature balanced its budget using out-of-date and overly pessimistic revenue estimates, and refused to act on updated revenue estimates from their non-partisan staff and even higher updated revenue estimates from the governor's office.<sup>16</sup> According to a recent report, legislative staff now expect revenue for 2011 alone to be \$67 to \$77 million higher than reflected in the Legislature's revenue estimate.<sup>17</sup> If these trends continue, total revenue over fiscal years 2011-2013 could be as much as \$237 million higher,<sup>18</sup> making every dollar of cuts unnecessary.

In addition, the Legislature had the opportunity to pass a number of sensible bills that would have increased state revenues by closing tax loopholes and making sure that all taxpayers are paying what they owe under current tax laws. Instead, legislators rejected these reasonable proposals, including a bill to make sure out-of-state taxpayers pay the taxes they owe when they sell vacation homes in Montana, as well as a bill that would limit the use of foreign tax shelters by multi-national corporations.<sup>19</sup>

Instead, the Legislature chose to give \$23 million away in the form of tax cuts for business equipment, with the largest benefits going to multinational corporations like Exxon Mobile and Conoco Phillips.<sup>20</sup>

### **Better Choices for 2013**

Throughout the 2011 session, the Legislature supported a budget that unnecessarily cut funding for Montana's vital public services. While a great deal of this funding was restored during negotiations between the governor and legislative leadership, the final budget still included harmful cuts to essential services. These cuts will have damaging impacts on families and communities across the state.

Our elected leaders had other choices available- choices that should be considered when the Legislature reconvenes in 2013. The revenue estimating process can be reformed to better insulate it from political pressures; tax expenditures, loopholes, and giveaways can be reviewed with as much scrutiny as our other public programs; and sensible policies that ensure all taxpayers are paying what they owe can be enacted. Building long-term and widely shared prosperity in our communities, providing adequate services for Montana's seniors and people with disabilities, and ensuring opportunity for all Montana's children, will require a willingness to change course in 2013.

# Endnotes

1. Throughout this paper, the numbers used for the governor's proposed budget include both errors corrected and adjustments recommended by the executive after the formal submission of his budget on December 15, 2010. The largest example of such an adjustment was the executive's \$80 million Medicaid caseload adjustment in February 2011. In addition, all budget comparisons leave out funding for K-12 education because the inclusion of those numbers would have skewed the totals. K-12 funding is analyzed separately in this report in order to account for distortions that would have been created due to the fact that (1) the Legislature had not resolved K-12 funding when HB 2, the main budget bill, was sent to the governor and (2) that substantial funding for K-12 is appropriated outside of HB 2 (through statutory appropriations).

2. See discussion of "current services level" in Legislative Fiscal Division, "Budget Analysis for the 2013 Biennium," Vol. 1, January 2011, [http://leg.mt.gov/content/Publications/fiscal/BA\\_2013/Volume%201/budget\\_overview.pdf](http://leg.mt.gov/content/Publications/fiscal/BA_2013/Volume%201/budget_overview.pdf).

3. Montana Budget and Policy Center, "Early Budget Plans Bode Poorly for Montanans," January 5, 2011, at <http://www.montanabudget.org/sites/default/files/reports/Early%20Budget%20Talks%20Bode%20Poorly%20for%20Montana.pdf>.

4. Montana Budget and Policy Center, "Proposed Budget is an Anti-Jobs Bill," April 21, 2011, <http://www.montanabudget.org/sites/default/files/reports/Proposed%20Budget%20is%20Anit-Jobs.pdf>.

5. DPHHS analysis of Legislature's proposed budget, on file with MBPC, and Governor's amendatory veto to HB 2, <http://governor.mt.gov/news/docs/042211-HouseBill2-AmendatoryVeto.pdf>.

6. Ibid.

7. Ibid.

8. Analysis of K-12 funding is complicated by the fact that only part of the funding is contained in HB 2, with significant portions also funded through a statutory appropriation known as the "guarantee account." Analysis of the 2013 biennium budget for K-12 was further complicated by the veto of HB 316, a companion bill to the budget. See generally, Legislative Fiscal Division, "LFD Fiscal Report: 2013 Biennium," Vol. 4, June 2011, at [http://leg.mt.gov/content/Publications/fiscal/fr\\_2013/Volume%204/section%20E/OPI.pdf](http://leg.mt.gov/content/Publications/fiscal/fr_2013/Volume%204/section%20E/OPI.pdf).

9. The governor's proposed budget includes the correction of a \$15 million error found by LFD in the governor's Dec. 15 budget. It also includes \$4.5 million in additional federal funds found after the governor submitted his Dec. 15 budget. Ibid.

\$4.6 million of the \$12 million in total cuts are the result of the governor's veto of HB 316, which the legislature tied to its inflationary increase for base aid to schools. The present law inflation adjustment that was proposed by the governor would have increased base aid by 1.9% in fiscal year 2012 and 1.53% in fiscal year 2013. As a result of the veto of HB 316, the increase will be 1% and 1.6%. The budget that the Legislature sent to the governor included inflationary increases of 1% and 2.43%, contingent on the passage of HB 316.

The Legislature approved an additional \$6.4 million to reimburse schools for the loss of funding associated with SB 372, which lowered business equipment property taxes. The \$6.4 million has not been included in calculations comparing the executive budget to the final budget because that funding replaces lost local property taxes rather than increasing total funding available. Ibid.

The veto of HB 316 also caused an inconsistency between the spending authority of schools and the appropriations to schools. As a result, in the 2013 legislative session, the Legislature will have to pass a supplemental appropriation of \$53.4 million. Ibid.

# Endnotes

10. Legislative Fiscal Division, "LFD Fiscal Analysis: 2013 Biennium," Vol. 1, p. 11, January 2011, at [http://leg.mt.gov/content/Publications/fiscal/BA\\_2013/Volume%201/budget\\_overview.pdf](http://leg.mt.gov/content/Publications/fiscal/BA_2013/Volume%201/budget_overview.pdf).
11. Mary Pickett, "Regents Approve Tuition Increase for State's 4-year Campuses," Billings Gazette, May 20, 2011.
12. Dan Bucks, "Testimony to the Montana House Appropriations Committee on HB 2: Montana Department of Revenue Budget," Montana Department Of Revenue, March 4, 2011, <http://revenue.mt.gov/content/committees/2011-legislative-session/house-app-testimony.pdf>.
13. Legislative Fiscal Division, "Legislative Budget Analysis: 2013 Biennium," Vol. 1, pp. 102-104, at [http://leg.mt.gov/content/Publications/fiscal/BA\\_2013/Volume%201/major\\_issues.pdf](http://leg.mt.gov/content/Publications/fiscal/BA_2013/Volume%201/major_issues.pdf).
14. Ibid, p. 102.
15. MEA-MFT, [http://www.mea-mft.org/news\\_issues\\_action/state\\_issues/montana\\_legislature.aspx](http://www.mea-mft.org/news_issues_action/state_issues/montana_legislature.aspx).
16. The Legislature failed to hold a hearing or take a vote to consider LFD's last revenue estimate provided during the 2011 session. LFD, "General Fund Revenue Trends #3," April 13, 2011, at [http://leg.mt.gov/content/Publications/fiscal/gen\\_fund\\_status/GFR\\_Update\\_Apr\\_New.pdf](http://leg.mt.gov/content/Publications/fiscal/gen_fund_status/GFR_Update_Apr_New.pdf).
17. Legislative Fiscal Division, "2013 Biennium Budget Overview," p. 2. at [http://leg.mt.gov/content/Publications/fiscal/interim/finance\\_cmt\\_y\\_june2011/2013%20Biennium%20Budget%20overview.pdf](http://leg.mt.gov/content/Publications/fiscal/interim/finance_cmt_y_june2011/2013%20Biennium%20Budget%20overview.pdf).
18. Ibid., p. 10.
19. For more information on revenue bills during the session, please see forthcoming report from MBPC. Sign up for automatic updates at [www.MontanaBudget.org](http://www.MontanaBudget.org).
20. Governor's Office of Planning and Budget, "SB372: Fiscal Note 2013 Biennium", June 30, 2011.

<b>APPENDIX</b>									
<b>TOTAL STATE FUNDS (GF + SSR)</b>									
Section	Agency	Governor	Legislative	Final	<b>DIFFERENCES</b>				
					From Governor to Legislative	From Legislative to Final	From Governor to Final	From Governor to Legislative	From Legislative to Final
A	Comm Of Political Practices	\$1,138,471	\$1,133,665	\$1,133,665	-\$4,806	\$0	-\$4,806	\$0	-\$4,806
	Consumer Council	\$3,278,092	\$3,278,092	\$3,278,092	\$0	\$0	\$0	\$0	\$0
	Department Of Administration	\$26,854,602	\$26,376,335	\$26,376,335	-\$478,267	\$0	-\$478,267	\$0	-\$478,267
	Department Of Agriculture	\$26,470,032	\$25,780,207	\$25,449,713	-\$689,825	-\$330,494	-\$1,020,319	-\$330,494	-\$1,020,319
	Department Of Commerce	\$24,657,886	\$24,124,756	\$24,124,756	-\$533,130	\$0	-\$533,130	\$0	-\$533,130
	Department Of Labor & Industry	\$85,639,396	\$85,511,943	\$86,723,957	-\$127,453	\$1,212,014	\$1,084,561	\$1,212,014	\$1,084,561
	Department Of Military Affairs	\$13,986,472	\$14,107,440	\$14,207,440	\$120,968	\$100,000	\$220,968	\$100,000	\$220,968
	Department Of Revenue	\$101,542,245	\$95,275,932	\$98,275,932	-\$6,266,313	\$3,000,000	-\$3,266,313	\$3,000,000	-\$3,266,313
	Governor's Office	\$12,074,651	\$11,498,566	\$11,864,566	-\$576,085	\$366,000	-\$210,085	\$366,000	-\$210,085
	Legislative Branch	\$28,595,287	\$27,275,102	\$27,275,102	-\$1,320,185	\$0	-\$1,320,185	\$0	-\$1,320,185
	Secretary Of State's Office	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	State Auditor's Office	\$38,100,877	\$37,016,019	\$37,016,019	-\$1,084,858	\$0	-\$1,084,858	\$0	-\$1,084,858
	B	Health and Human Services Total	\$1,163,936,062	\$1,116,996,742	\$1,144,532,923	-\$46,939,320	\$27,536,181	-\$19,403,139	\$27,536,181
Department Of Environmental Quality		\$73,205,148	\$70,446,068	\$71,661,840	-\$2,759,080	\$1,215,772	-\$1,543,308	\$1,215,772	-\$1,543,308
C	Department Of Fish, Wildlife & Parks	\$115,078,089	\$116,695,059	\$116,695,059	\$1,616,970	\$0	\$1,616,970	\$0	\$1,616,970
	Department Of Livestock	\$20,377,695	\$18,924,138	\$18,924,138	-\$1,453,557	\$0	-\$1,453,557	\$0	-\$1,453,557
	Department Of Transportation	\$529,016,500	\$530,177,106	\$529,877,106	\$1,160,606	-\$300,000	\$860,606	-\$300,000	\$860,606
Dept Of Natural Resources & Conservation	\$101,271,843	\$108,243,888	\$102,563,888	\$6,972,045	-\$5,680,000	\$1,292,045	-\$5,680,000	\$1,292,045	

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<b>APPENDIX- Continued</b>									
<b>TOTAL STATE FUNDS (GF +SSR)</b>									
Section	Agency	Governor	Legislative	Final	From Governor to Legislative	From Legislative to Final	From Governor to Final		
D	Crime Control Division	\$5,146,856	\$4,696,875	\$4,832,886	-\$449,981	\$136,011	-\$313,970		
	Department Of Corrections	\$363,578,236	\$346,641,497	\$350,241,497	-\$16,936,739	\$3,600,000	-\$13,336,739		
	Department Of Justice	\$158,196,489	\$156,065,388	\$156,065,388	-\$2,131,101	\$0	-\$2,131,101		
	Judicial Branch	\$78,684,388	\$76,217,610	\$76,409,055	-\$2,466,778	\$191,445	-\$2,275,333		
	Office Of The Public Defender	\$43,616,275	\$41,861,401	\$46,043,545	-\$1,754,874	\$4,182,144	\$2,427,270		
	Public Service Regulation	\$7,145,092	\$7,173,093	\$7,173,093	\$28,001	\$0	\$28,001		
<b>DIFFERENCES</b>									
E	Board Of Public Education	\$807,644	\$814,939	\$814,939	\$7,295	\$0	\$7,295		
	Commissioner Of Higher Education	\$431,034,238	\$401,406,637	\$412,941,942	-\$29,627,601	\$11,535,305	-\$18,092,296		
	Montana Arts Council	\$1,306,345	\$1,305,619	\$1,305,619	-\$726	\$0	-\$726		
	Montana Historical Society	\$5,895,256	\$6,983,581	\$6,983,581	\$1,088,325	\$0	\$1,088,325		
	Montana State Library	\$7,037,966	\$6,819,115	\$6,819,115	-\$218,851	\$0	-\$218,851		
	Office Of Public Instruction*	-	-	-	-	-	-		
School For The Deaf & Blind	\$12,505,702	\$12,536,605	\$12,536,605	\$30,903	\$0	\$30,903			
<b>TOTAL</b>		<b>\$3,480,177,835</b>	<b>\$3,375,383,418</b>	<b>\$3,422,147,796</b>	<b>-\$104,794,417</b>	<b>\$46,764,378</b>	<b>-\$58,030,039</b>		
<b>FEDERAL FUNDS</b>									
Section	Department	Governor	Legislative	Final	From Governor to Legislative	From Legislative to Final	From Governor to Final		
A	Comm Of Political Practices	\$0	\$0	\$0	\$0	\$0	\$0		
	Consumer Council	\$0	\$0	\$0	\$0	\$0	\$0		
	Department Of Administration	\$84,086	\$84,086	\$84,086	\$0	\$0	\$0		
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<b>APPENDIX- Continued</b>									
<b>FEDERAL FUNDS</b>					<b>DIFFERENCES</b>				
Section	Agency	Governor	Legislative	Final	From Governor to Legislative	From Legislative to Final	From Governor to Final		
A	Department Of Agriculture	\$4,658,617	\$4,658,617	\$4,658,617	\$0	\$0	\$0		
	Department Of Commerce	\$32,829,779	\$32,829,779	\$32,829,779	\$0	\$0	\$0		
	Department Of Labor & Industry	\$70,012,711	\$70,012,711	\$70,012,711	\$0	\$0	\$0		
	Department Of Military Affairs	\$51,918,560	\$52,448,836	\$52,448,836	\$530,276	\$0	\$530,276		
	Department Of Revenue	\$541,428	\$541,428	\$541,428	\$0	\$0	\$0		
	Governor's Office	\$0	\$0	\$0	\$0	\$0	\$0		
	Legislative Branch	\$0	\$0	\$0	\$0	\$0	\$0		
	Secretary Of State's Office	\$550,000	\$550,000	\$550,000	\$0	\$0	\$0		
	State Auditor's Office	\$0	\$0	\$0	\$0	\$0	\$0		
B	Health and Human Services Total	\$2,658,068,391	\$2,546,231,590	\$2,641,799,662	-\$111,836,801	\$95,568,072	-\$16,268,729		
C	Department Of Environmental Quality	\$43,244,624	\$42,758,040	\$42,758,040	-\$486,584	\$0	-\$486,584		
	Department Of Fish, Wildlife & Parks	\$31,697,882	\$31,697,882	\$31,697,882	\$0	\$0	\$0		
	Department Of Livestock	\$3,244,795	\$3,004,064	\$3,004,064	-\$240,731	\$0	-\$240,731		
	Department Of Transportation	\$870,612,056	\$869,131,619	\$869,131,619	-\$1,480,437	\$0	-\$1,480,437		
	Dept Of Natural Resources & Conservation	\$4,106,603	\$4,103,034	\$4,103,034	-\$3,569	\$0	\$3,569		
D	Crime Control Division	\$13,384,692	\$13,334,702	\$13,373,558	-\$49,990	\$38,856	-\$11,134		
	Department Of Corrections	\$41,744	\$41,744	\$41,744	\$0	\$0	\$0		
	Department Of Justice	\$2,985,563	\$2,985,563	\$2,985,563	\$0	\$0	\$0		
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<b>APPENDIX- Continued</b>									
<b>FEDERAL FUNDS</b>					<b>DIFFERENCES</b>				
Section	Agency	Governor	Legislative	Final	From Governor to Legislative	From Legislative to Final	From Governor to Final		
D	Judicial Branch	\$245,921	\$245,921	\$245,921	\$0	\$0	\$0		
	Office Of The Public Defender	\$0	\$0	\$0	\$0	\$0	\$0		
	Public Service Regulation	\$211,945	\$211,945	\$211,945	\$0	\$0	\$0		
	Board Of Public Education	\$0	\$0	\$0	\$0	\$0	\$0		
	Commissioner Of Higher Education	\$111,480,132	\$111,447,007	\$115,447,007	-\$33,125	\$4,000,000	\$3,966,875		
E	Montana Arts Council	\$1,605,013	\$1,605,013	\$1,605,013	\$0	\$0	\$0		
	Montana Historical Society	\$1,525,936	\$1,525,936	\$1,525,936	\$0	\$0	\$0		
	Montana State Library	\$2,216,052	\$2,216,052	\$2,216,052	\$0	\$0	\$0		
	Office Of Public Instruction*	-	-	-	-	-	-		
	School For The Deaf & Blind	\$164,114	\$127,830	\$127,830	-\$36,284	\$0	-\$36,284		
<b>TOTAL</b>		<b>\$3,905,430,644</b>	<b>\$3,791,793,399</b>	<b>\$3,891,400,327</b>	<b>-\$113,637,245</b>	<b>\$99,606,928</b>	<b>-\$14,030,317</b>		
<b>TOTAL FUNDS</b>					<b>DIFFERENCES</b>				
Section	Agency	Governor	Legislative	Final	From Governor to Legislative	From Legislative to Final	From Governor to Final		
A	Comm Of Political Practices	\$1,138,471	\$1,133,665	\$1,133,665	-\$4,806	\$0	-\$4,806		
	Consumer Council	\$3,278,092	\$3,278,092	\$3,278,092	\$0	\$0	\$0		
	Department Of Administration	\$42,013,575	\$41,535,308	\$41,535,308	-\$478,267	\$0	-\$478,267		
	Department Of Agriculture	\$32,276,877	\$31,587,052	\$31,256,558	-\$689,825	-\$330,494	-\$1,020,319		
	Department Of Commerce	\$57,487,665	\$56,954,535	\$56,954,535	-\$533,130	\$0	-\$533,130		
	Department Of Labor & Industry	\$155,829,034	\$155,701,581	\$156,913,595	-\$127,453	\$1,212,014	\$1,084,561		

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**APPENDIX- Continued**

<b>TOTAL FUNDS</b>							<b>DIFFERENCES</b>		
Section	Agency	Governor	Legislative	Final	From Governor to Legislative	From Legislative to Final	From Governor to Final		
A	Department Of Military Affairs	\$65,905,032	\$66,556,276	\$66,656,276	\$651,244	\$100,000	\$751,244		
	Department Of Revenue	\$107,350,770	\$101,144,457	\$104,198,880	-\$6,206,313	\$3,054,423	-\$3,151,890		
	Governor's Office	\$12,074,651	\$11,498,566	\$11,864,566	-\$576,085	\$366,000	-\$210,085		
	Legislative Branch	\$28,595,287	\$27,275,102	\$27,275,102	-\$1,320,185	\$0	-\$1,320,185		
	Secretary Of State's Office	\$550,000	\$550,000	\$550,000	\$0	\$0	\$0		
	State Auditor's Office	\$38,100,877	\$37,016,019	\$37,016,019	-\$1,084,858	\$0	-\$1,084,858		
B	Health and Human Services Total	\$3,822,004,453	\$3,663,228,332	\$3,786,332,585	-\$158,776,121	\$123,104,253	-\$35,671,868		
C	Department Of Environmental Quality	\$116,449,772	\$113,204,108	\$114,419,880	-\$3,245,664	\$12,157,772	-\$2,029,892		
	Department Of Fish, Wildlife & Parks	\$146,775,971	\$148,392,941	\$148,392,941	\$1,616,970	\$0	\$1,616,970		
	Department Of Livestock	\$23,622,490	\$21,928,202	\$21,928,202	-\$1,694,288	\$0	-\$1,694,288		
	Department Of Transportation	\$1,399,628,556	\$1,399,308,725	\$1,399,008,725	-\$319,831	-\$300,000	-\$619,831		
	Dept Of Natural Resources & Conservation	\$105,378,446	\$112,346,922	\$106,666,922	\$6,968,476	-\$5,680,000	\$1,288,476		
	Crime Control Division	\$18,531,548	\$18,031,577	\$18,206,444	-\$499,971	\$174,867	-\$325,104		
D	Department Of Corrections	\$364,998,593	\$348,061,854	\$351,661,854	-\$16,936,739	\$3,600,000	-\$13,336,739		
	Department Of Justice	\$169,959,575	\$163,285,239	\$163,285,239	-\$6,674,336	\$0	-\$6,674,336		
	Judicial Branch	\$78,930,309	\$76,463,531	\$76,654,976	-\$2,466,778	\$191,445	-\$2,275,333		
	Office Of The Public Defender	\$43,616,275	\$41,861,401	\$46,043,545	-\$1,754,874	\$4,182,144	\$2,427,270		
Public Service Regulation	\$7,357,037	\$7,385,038	\$7,385,038	\$28,001	\$0	\$28,001			

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**APPENDIX- Continued**

<b>TOTAL FUNDS</b>							<b>DIFFERENCES</b>		
Section	Agency	Governor	Legislative	Final	From Governor to Legislative	From Legislative to Final	From Governor to Final		
	Board Of Public Education	\$807,644	\$814,939	\$814,939			\$7,295	\$0	\$7,295
	Commissioner Of Higher Education	\$542,663,171	\$513,002,445	\$528,537,750			-\$29,660,726	\$15,535,305	-\$14,125,421
	Montana Arts Council	\$2,911,358	\$2,910,632	\$2,910,632			-\$726	\$0	-\$726
E	Montana Historical Society	\$9,106,151	\$10,093,470	\$10,093,470			\$987,319	\$0	\$987,319
	Montana State Library	\$9,254,018	\$9,035,167	\$9,035,167			-\$218,851	\$0	-\$218,851
	Office Of Public Instruction*	-	-	-			-	-	-
	School For The Deaf & Blind	\$12,669,816	\$12,664,435	\$12,664,435			-\$5,381	\$0	-\$5,381
	<b>TOTAL</b>	<b>\$7,419,265,514</b>	<b>\$7,196,249,611</b>	<b>\$7,342,675,340</b>			<b>-\$223,015,903</b>	<b>\$146,425,729</b>	<b>-\$76,590,174</b>

**\*Because of the complex funding formula for K-12 education, the Office of Public Instruction is not included in this chart. See page 4 for details about OPI's funding.**

Sources: Legislative Fiscal Division, "Exec Budget Compare," June 1, 2011.  
 Legislative Fiscal Division, "Governor Amendments Comparison," April 27, 2011, [http://www.leg.mt.gov/content/Publications/fiscal/2011-Session/GovAmds\\_Compare.pdf](http://www.leg.mt.gov/content/Publications/fiscal/2011-Session/GovAmds_Compare.pdf).  
 Evans, Ryan, email communication: "HB 2 Update," April 14, 2011.