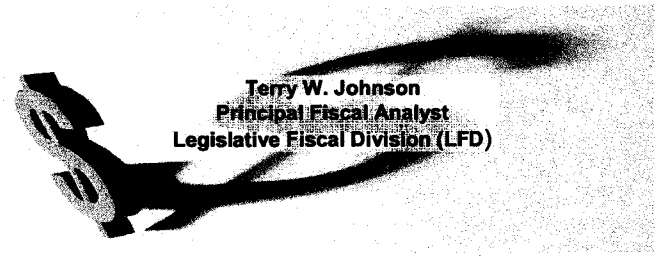
EXHIBIT 1
DATE 1-8-09
HB informational meeting

2011 Biennium Budget Information



Terry W. Johnson
Principal Fiscal Analyst
Legislative Fiscal Division (LFD)

January 5, 2008

House Taxation

Legislative Fiscal Division

www.leg.mt.gov/cw/fiscal

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Legislative Fiscal Division

Presentation Outline

- State Government Fund Structure
- 2011 Biennium Budget
- General Fund 2009 Biennium Outlook
- General Fund 2011 Biennium Outlook
  - Present Law Excess
  - Economic Data

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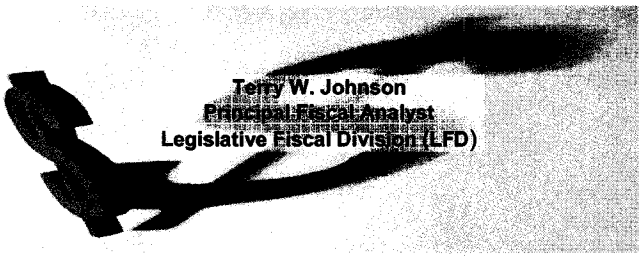

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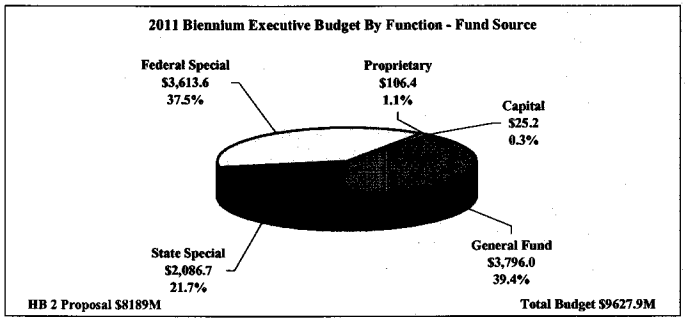
State Government Fund Structure

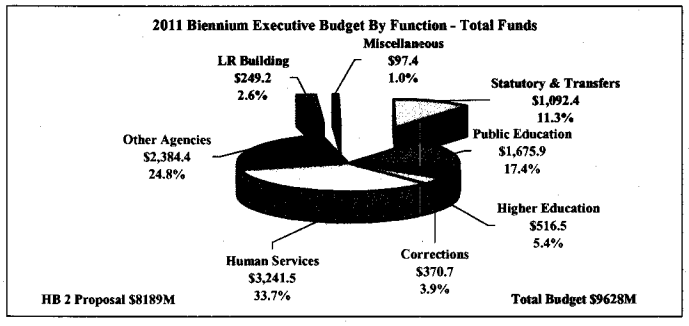
- General Fund
- State Special Revenue
- Federal Special Revenue
- Selected Proprietary

Legislative Fiscal Division

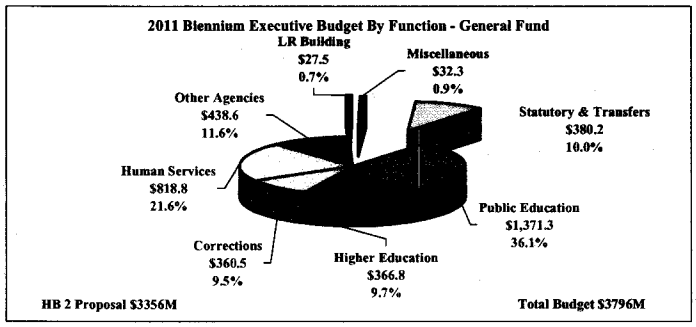
Total 2011 Biennium Budget



Total 2011 Biennium Budget



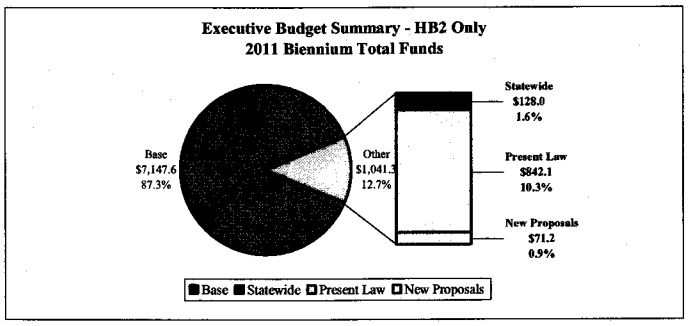
General Fund 2011 Biennium Budget



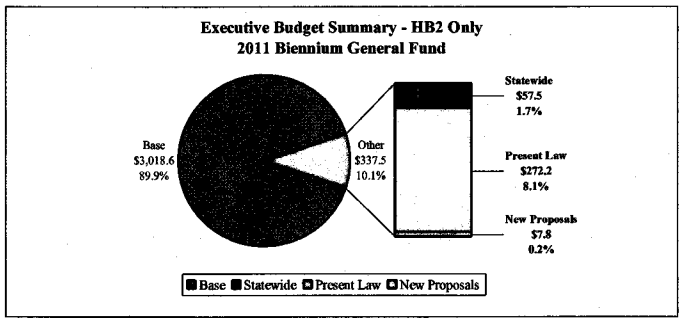
Montana's Budget Terminology

- **Base Budget** (FY 2008 expenditures)
- **Adjusted Base** (one-time costs removed plus selected inflationary costs)
- **Present Law Adjustments** (additional costs due to caseloads, ANB, population, workload, etc.)
- **New Proposals or Initiatives** (Revenue and/or expenditure)

2011 Biennium – Total Funds
HB2 Budget Only



2011 Biennium General Fund HB 2 Budget Only



General Fund 2009 Biennium Outlook

➢Projected Biennium Balance (Revised)	$ 387.2 M*
➢Projected Balance (Legislative estimate) After September 2007 Special Session	$ 125.0 M
Total Fund Balance Change	$ 262.2 M

* Note : Balance includes revised revenue estimates for fiscal 2009.

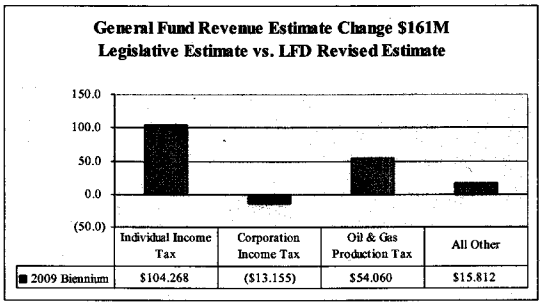
General Fund 2009 Biennium Outlook

What Has Changed from Legislative Budget

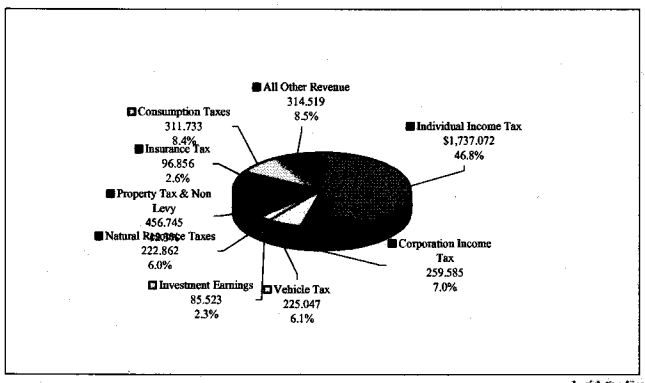
➢Revenue Collections	$ 161.0 M
➢Disbursements	$ 61.8 M
➢Wildfire Suppression Fund Transfer	$ 32.9 M
➢Fund Balance Adjustments	$ 6.5 M
Total Change	$ 262.2 M

General Fund 2009 Biennium Revenue

Additional Revenue Components (Millions)

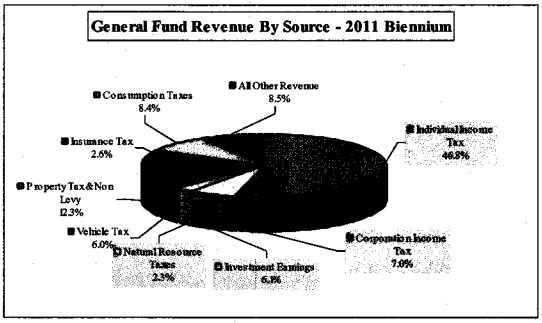


General Fund 2011 Biennium Revenue



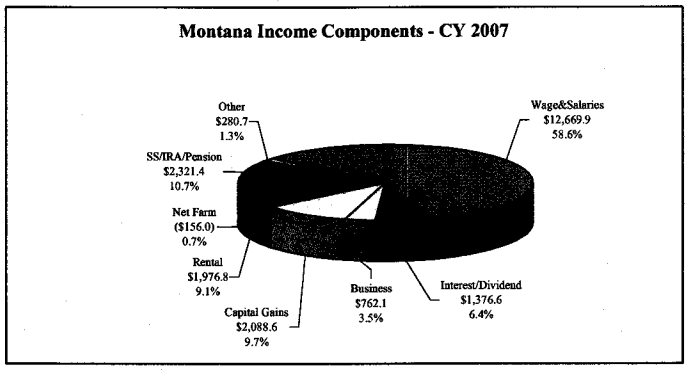
Economic Data - Caution

- Montana Wage & Salaries
- Montana Capital Gains
- Corporation Income Tax
- Interest Rates
- Oil Prices & Production



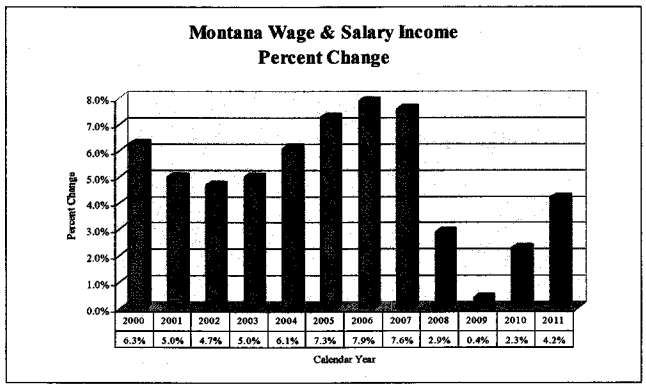
Income, Investment, Natural Resources 62.2%

LFD Economic Assumptions

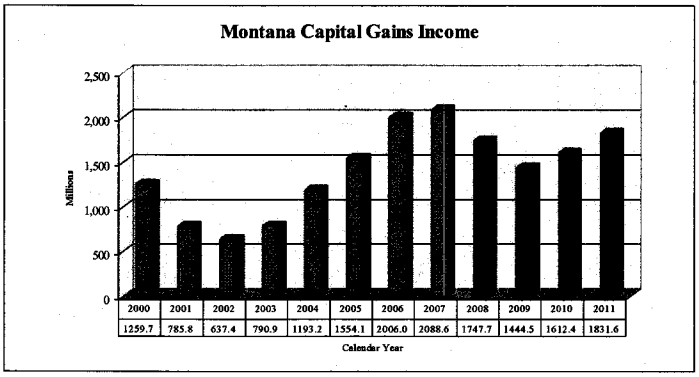


Legislative Fiscal Division

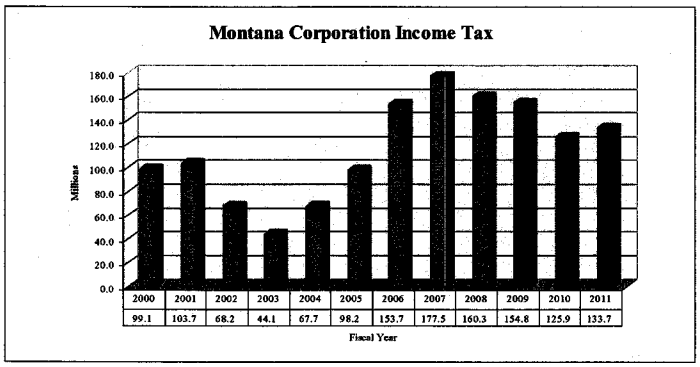
LFD Economic Assumptions



LFD Economic Assumptions



LFD Economic Indicators



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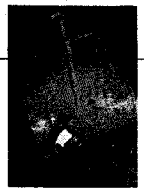

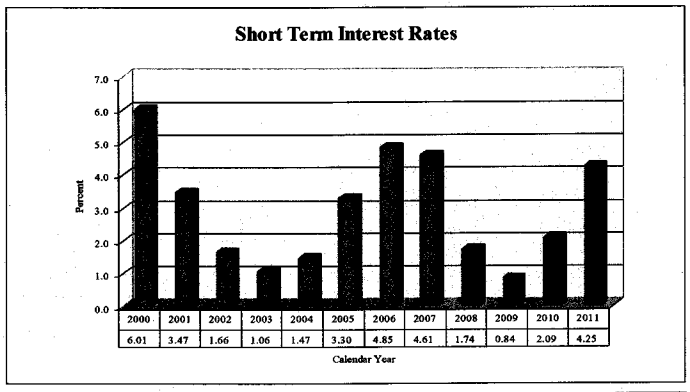

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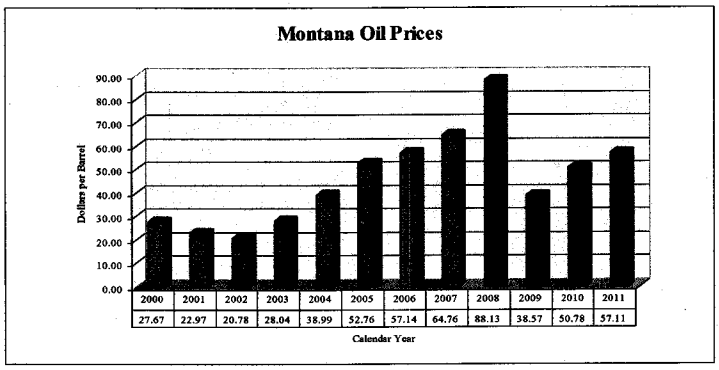

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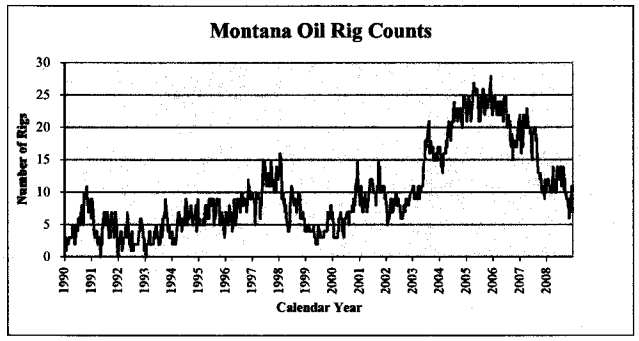

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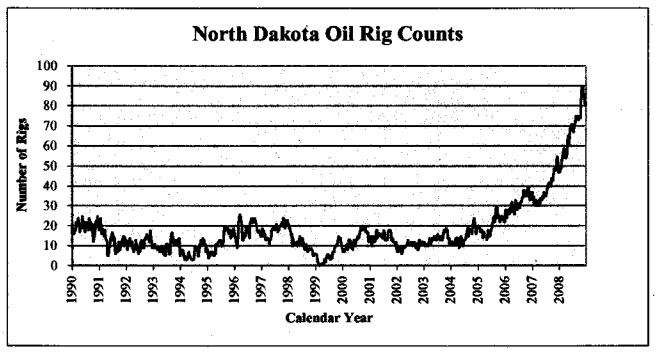

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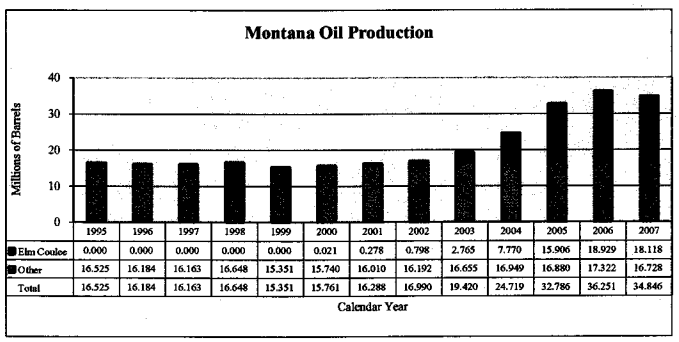
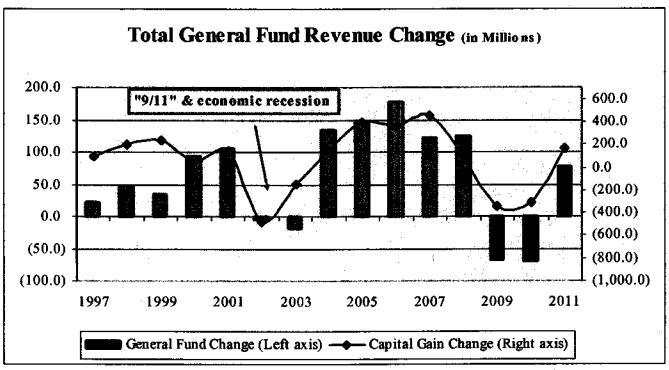


	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Elm Coulee	0.000	0.000	0.000	0.000	0.000	0.021	0.278	0.798	2.765	7.770	15.906	18.929	18.118
Other	16.525	16.184	16.163	16.648	15.351	15.740	16.010	16.192	16.655	16.949	16.880	17.322	16.728
Total	16.525	16.184	16.163	16.648	15.351	15.761	16.288	16.990	19.420	24.719	32.786	36.251	34.846

General Fund Revenue Trends



2011 Biennium Present Law General Fund Balance (Millions)

Beginning Fund Balance		**$387.1**
Estimated Revenue (Revised LFD)		**3,709.9**
Estimated Disbursements (Executive Present Law)		**3,722.7**
Adjusted Base	3,392.2	
Present Law Adjustments	329.6	
Feed Bill & Reversions	0.9	
Recommended Reserves (LFD)		**146.8**
Fund Balance	111.3	
Wildfire Suppression	35.5	
Projected Present Law Excess		**$227.5**

2011 Biennium General Fund Structural Balance (Millions)

Structural Balance Summary		
Estimated Revenue (Revised LFD)		**$3,709.9**
Estimated Disbursements		**3,758.2**
Adjusted Base Plus Present Law (Exec.)	3,721.8	
Feed Bill & Reversions	0.9	
Wildfire Suppression (LFD Recom.)	35.5	
Revenue Available for On-going Initiatives		**($48.3)**
Revenue Available for One-time Initiatives		**$275.8**
Total Available		**$227.5**