



# MONTANA LEGISLATIVE BRANCH

## Legislative Fiscal Division

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**Director**  
AMY CARLSON

Date: February 23, 2015

TO: Members of the 64<sup>th</sup> Legislature

FROM: Amy Carlson, Legislative Fiscal Analyst

RE: General Fund Status Sheet

The first general fund status sheet is attached. Status sheets, like this one will be calculated and distributed on a regular basis from this point forward. The main appropriation bill, HB 2, includes action completed by the Joint Subcommittees. Bills that have had positive action and have not been re-referred to another committee are included in the status sheet. There are appropriation and revenue bills that have not passed out of committee and are not included on the status sheet.

The status sheet is a significant tool of the Legislature to manage budget risk. Budget risk is primarily measured by two methods: 1) structural balance, which measures if the ongoing revenues and the ongoing expenditures are in balance and 2) ending fund balance which measures the amount of funds available for one-time expenditure, cushion for budget shocks, and cash flow.

### *Structural Balance*

In all biennia, assumptions on ongoing versus one-time only are made. This biennium a significant assumption has been made to consider Children's Health Insurance Program (CHIP) Federal Medical Assistance Percentages (FMAP) as ongoing in HB 2. For background on this assumption, please see Volume 1 of the Budget Analysis page 4. (<http://leg.mt.gov/content/Publications/fiscal/BA-2017/Volume-1/General-Fund-Budget-Overview.pdf>)

Structural balance has been recorded two ways. 1) The regular structural balance as appropriated by the subcommittees. 2) The adjusted structural balance accounts for significant ongoing liabilities that were adopted as one-time in subcommittee. In order to create a zero based budget for Department of Livestock and the Office of the Public Defender in the 2017 session, the subcommittees chose to fund these agencies with one-time appropriations.

### *Ending Fund Balance*

The general fund balance sheet shows the beginning fund balance for four fiscal years. The ending fund balance includes the difference between revenues and disbursements over that 4 year period. The statutory minimum ending fund balance is 1% of the biennial budget.

### *Managing Volatility*

Legislative options for managing volatility were researched and reported to the Legislative Finance Committee in September 2012, [Managing Financial Volatility](#). One material change in statute has been made since the writing of that report: in the 2013 Session, the legislature passed HB 354, which provides a funding stream for wildfire suppression. The need to have additional ending fund balance for potential fire suppression costs is greatly reduced with this new statute.

### *HB 2 status*

The HB 2 budget action is preliminarily recorded by the Fiscal Division staff from the subcommittee action. Executive and Legislative staff will be double checking these numbers in the next few days and minor adjustments are expected. Any adjustments will be included in the next status sheet anticipated for Friday February 28<sup>th</sup>.

### *Biennial Comparison of all Appropriated Funds*

Status sheets beginning in March will include a biennial comparison of all appropriated funds based on statute, 17-7-150 and 17-7-151 MCA. Several appropriations have not passed a committee at this time and would not be included in the status sheet. A biennial comparison without these bills would be less meaningful.

### *How to Read the Status Sheet*

The Fiscal Division will review the status sheet in Room 102 at 12:15 on both Wednesday February 25 and Thursday February 26. Please come to one of these sessions if you would like to learn more.

Legislative Fiscal Division  
General Fund Balance Sheet  
(\$ Millions)

2/23/15 6:46 PM	FY 2014	FY 2015	FY 2016	FY 2017	
Beginning Fund Balance	\$537.600	\$424.451	\$335.765	\$201.285	
Revenues					
Actual/HJ 2	2,077.044	2,133.018	2,230.731	2,353.508	
Revenue Legislation					
Ongoing Revenue		(0.505)	(79.228)	(149.023)	
OTO Revenue			(25.811)	(51.691)	
Total Available Funds	\$2,614.644	\$2,556.964	\$2,461.457	\$2,354.079	
<u>Expenditures - Ongoing</u>					
Previously Authorized					
Statutory App/ Non-Bud Trans/Other	270.900	292.600	289.300	295.600	
HB 2					
Section A: General Government	82.600	88.500	88.094	88.044	
Section B: Health and Human Services	445.900	469.100	502.272	527.225	
Section C: Natural Resources	30.900	32.400	32.851	32.676	
Section D: Public Safety	276.200	283.200	274.517	276.242	
Section E: Education	927.900	972.200	1,015.725	1,026.936	
HB 2 Subtotal	1,763.500	1,845.400	1,913.459	1,951.123	
Non HB 2 Legislation Apprpr(Bill list)		6.000	3.536	11.459	
Assumed 2017 Appropriations					
<u>BASE-Aid implications</u>					
SB0252 Revise K-12 funding laws related to oil & natural gas prod taxes			1.430	1.493	
HB0423 Revise education funding laws related to oil & natural gas prod taxes				0.732	
HB 1 Feed Bill (2017 session)				6.600	
Reversion Assumptions		(6.700)	(7.100)	(7.300)	
<u>One-Time Expenditures</u>					
Previously Authorized	135.500	28.900	0.200		
HB 2	20.600		53.660	51.636	
Non-HB 2 Legislation (Bill List)		55.000	5.686	5.594	
Total Expenditures	\$2,190.500	\$2,221.200	\$2,260.172	\$2,316.937	
Other Adjustments	0.307				
Ending Fund Balance (unaudited and unassigned)	\$424.451	\$335.765	\$201.285	\$37.142	Warning
Total Ongoing Revenues	2,077.044	2,132.513	2,151.503	2,204.485	
Total Ongoing Expenditures	2,034.400	2,137.300	2,200.625	2,259.707	
Structural Balance (ongoing revenues-ongoing expenditures)	\$42.644	(\$4.786)	(\$49.122)	(\$55.222)	Warning
Adjust Structural Balance for ongong liabilities funded with one-time funding					
Assumption for Public Defender and Dept. of Livestock ongoing			30.309	30.264	
Adjusted Structural Balance			(\$79.431)	(\$85.486)	Warning
If all current bills were to pass, the ending fund balance is below the statutorially required level of 1% of the biennial expenditures, or approximately \$46 million. Please refer to the status sheet rules for more information on the BASE-Aid and 6 mill impacts.					

**Comparison of 2015 Biennium Appropriation to 2017 Biennium Appropriation**

	FY 2014	FY 2015	2015 Bi	FY 2016	FY 2017	2017 Bi	Bi %
<b>ONGOING</b>							
<b>General Government</b>							
1104 Legislative Branch	11.907	12.754	24.661	12.591	12.728	25.318	2.7%
3101 Governors Office	6.191	6.353	12.543	5.901	5.873	11.774	-6.1%
3202 Commissioner of Political Practices	0.497	0.517	1.014	0.571	0.554	1.125	11.0%
5801 Department of Revenue	50.126	51.523	101.649	52.189	52.123	104.312	2.6%
6101 Department of Administration	5.232	5.341	10.573	5.503	5.407	10.910	3.2%
6501 Department of Commerce	3.085	3.162	6.247	3.353	3.354	6.707	7.4%
6602 Labor & Industry	1.351	1.446	2.797	1.662	1.683	3.344	19.6%
6701 Department of Military Affairs	5.967	6.087	12.054	6.325	6.321	12.646	4.9%
Subtotal Section A	84.355	87.182	171.537	88.094	88.044	176.137	2.7%
<b>Health and Human Services</b>							
6902 Economic Security Services Branch	76.851	79.934	156.785	80.214	82.126	162.340	3.5%
6904 Director's Office	1.704	1.764	3.468	2.551	2.557	5.107	47.3%
6906 Operations Services Branch	18.305	18.075	36.380	17.888	18.205	36.093	-0.8%
6907 Public Health	3.896	3.971	7.867	3.837	3.835	7.672	-2.5%
6911 Medicaid And Health Services Branch	345.781	365.174	710.955	397.784	420.501	818.285	15.1%
Subtotal Section B	446.536	468.918	915.454	502.272	527.225	1,029.498	12.5%
<b>Natural Resources and Transportation</b>							
5301 Department of Environmental Quality	5.361	5.508	10.870	5.321	5.308	10.629	-2.2%
5603 Department of Livestock	0.995	1.029	2.024	0.079	0.079	0.157	-92.2%
5706 Dept Nat Resource/Conservation	24.128	24.793	48.921	26.480	26.361	52.841	8.0%
6201 Department of Agriculture	0.998	0.986	1.983	0.971	0.929	1.900	-4.2%
Subtotal Section C	31.481	32.317	63.798	32.851	32.676	65.527	2.7%
<b>Judicial Branch, Law Enforcement and Justice</b>							
2110 Judiciary	37.702	39.259	76.960	42.615	42.510	85.125	10.6%
4107 Crime Control Division	2.377	2.411	4.788	2.469	2.469	4.938	3.1%
4110 Department of Justice	29.498	30.305	59.804	33.203	33.617	66.821	11.7%
6108 Office of Public Defender	26.463	27.116	53.579	-	-	-	-100.0%
6401 Department of Corrections	181.220	186.186	367.406	196.230	197.646	393.876	7.2%
Subtotal Section D	277.260	285.277	562.537	274.517	276.242	550.759	-2.1%
<b>Education</b>							
3501 Office of Public Instruction	713.180	743.170	1,456.350	780.615	791.939	1,572.554	8.0%
5101 Board of Public Education	0.216	0.207	0.422	0.154	0.138	0.292	-30.8%
5102 Commissioner of Higher Education	202.503	214.727	417.230	221.095	221.107	442.202	6.0%
5113 School For The Deaf & Blind	6.532	6.759	13.291	6.880	6.849	13.728	3.3%
5114 Montana Arts Council	0.494	0.493	0.988	0.526	0.507	1.033	4.6%
5115 Library Commission	2.895	2.954	5.848	3.028	3.012	6.040	3.3%
5117 Historical Society	3.137	3.189	6.326	3.427	3.383	6.810	7.7%
Subtotal Section E	928.957	971.498	1,900.455	1,015.725	1,026.936	2,042.660	7.5%
Subtotal Ongoing	1,768.590	1,845.192	3,613.782	1,913.459	1,951.123	3,864.582	6.9%
<b>ONE-TIME</b>							
General Government	7.837	11.988	19.825	6.660	4.783	11.443	-42.3%
Health and Human Services	0.890	1.263	2.152	0.067	-	0.067	-96.9%
Natural Resources and Transportation	1.050	1.039	2.089	6.892	6.892	13.784	559.9%
Judicial Branch, Law Enforcement and Justice	2.758	1.973	4.731	29.736	29.691	59.426	1156.2%
Education	8.984	7.603	16.587	10.306	10.270	20.576	24.0%
Subtotal One-time	21.518	23.866	45.384	53.660	51.636	105.296	132.0%
Grand total	1,790.108	1,869.058	3,659.166	1,967.119	2,002.759	3,969.878	8.5%

**Comparison of 2017 Biennium Executive Request to 2017 Biennium Appropriation**

		Executive Request			Current Legislative Level			Difference
		FY 2016	FY 2017	2017 Bi	FY 2016	FY 2017	2017 Bi	Bi %
<b>ONGOING</b>								
<b>General Government</b>								
1104	Legislative Branch	12.661	12.736	25.397	12.591	12.728	25.318	-0.3%
3101	Governors Office	6.653	6.604	13.257	5.901	5.873	11.774	-11.2%
3202	Commissioner of Political Practices	0.680	0.671	1.351	0.571	0.554	1.125	-16.7%
5801	Department of Revenue	54.067	53.927	107.994	52.189	52.123	104.312	-3.4%
6101	Department of Administration	8.319	8.173	16.492	5.503	5.407	10.910	-33.8%
6501	Department of Commerce	5.371	4.986	10.357	3.353	3.354	6.707	-35.2%
6602	Labor & Industry	2.485	2.484	4.969	1.662	1.683	3.344	-32.7%
6701	Department of Military Affairs	6.456	6.475	12.932	6.325	6.321	12.646	-2.2%
	Subtotal Section A	96.693	96.057	192.750	88.094	88.044	176.137	-8.6%
<b>Health and Human Services</b>								
6902	Economic Security Services Branch	80.199	81.963	162.161	80.214	82.126	162.340	0.1%
6904	Director's Office	2.595	2.601	5.196	2.551	2.557	5.107	-1.7%
6906	Operations Services Branch	18.835	18.667	37.501	17.888	18.205	36.093	-3.8%
6907	Public Health	3.865	3.864	7.728	3.837	3.835	7.672	-0.7%
6911	Medicaid And Health Services Branch	421.396	455.870	877.266	397.784	420.501	818.285	-6.7%
	Subtotal Section B	526.890	562.964	1,089.854	502.272	527.225	1,029.498	-5.5%
<b>Natural Resources and Transportation</b>								
5201	Department of Fish, Wildlife & Parks	1.628	1.533					
5301	Department of Environmental Quality	5.761	5.762	11.523	5.321	5.308	10.629	-7.8%
5603	Department of Livestock	2.536	2.537	5.073	0.079	0.079	0.157	-96.9%
5706	Dept Nat Resource/Conservation	28.300	28.379	56.679	26.480	26.361	52.841	-6.8%
6201	Department of Agriculture	1.237	1.193	2.429	0.971	0.929	1.900	-21.8%
	Subtotal Section C	39.462	39.402	75.703	32.851	32.676	65.527	-13.4%
<b>Judicial Branch, Law Enforcement and Justice</b>								
2110	Judiciary	43.457	43.366	86.823	42.615	42.510	85.125	-2.0%
4107	Crime Control Division	2.484	2.484	4.968	2.469	2.469	4.938	-0.6%
4110	Department of Justice	35.357	35.525	70.881	33.203	33.617	66.821	-5.7%
6108	Office of Public Defender	33.760	33.988	67.747	-	-	-	-100.0%
6401	Department of Corrections	204.954	206.228	411.182	196.230	197.646	393.876	-4.2%
	Subtotal Section D	320.011	321.590	641.601	274.517	276.242	550.759	-14.2%
<b>Education</b>								
3501	Office of Public Instruction	798.443	808.917	1,607.360	780.615	791.939	1,572.554	-2.2%
5101	Board of Public Education	0.208	0.194	0.401	0.154	0.138	0.292	-27.2%
5102	Commissioner of Higher Education	224.934	224.946	449.880	221.095	221.107	442.202	-1.7%
5113	School For The Deaf & Blind	6.978	6.947	13.926	6.880	6.849	13.728	-1.4%
5114	Montana Arts Council	0.514	0.507	1.020	0.526	0.507	1.033	1.3%
5115	Library Commission	3.073	3.057	6.130	3.028	3.012	6.040	-1.5%
5117	Historical Society	3.516	3.475	6.991	3.427	3.383	6.810	-2.6%
	Subtotal Section E	1,037.665	1,048.042	2,085.708	1,015.725	1,026.936	2,042.660	-2.1%
Subtotal Ongoing		2,020.721	2,068.055	4,085.615	1,913.459	1,951.123	3,864.582	-5.4%
<b>ONE-TIME</b>								
General Government		8.275	3.574	11.849	6.660	4.783	11.443	-3.4%
Health and Human Services		1.517	1.450	2.967	0.067	-	0.067	-97.7%
Natural Resources and Transportation		5.313	5.313	10.626	6.892	6.892	13.784	29.7%
Judicial Branch, Law Enforcement and Justice		0.500	0.500	1.000	29.736	29.691	59.426	5842.6%
Education		7.552	7.527	15.079	10.306	10.270	20.576	36.5%
Subtotal One-time		23.157	18.364	41.521	53.660	51.636	105.296	153.6%
Grand total		2,043.878	2,086.419	4,127.136	1,967.119	2,002.759	3,969.878	-3.8%

**Detail of Legislative Action  
(\$ Millions)**

Status	Bill	Short Description of Proposed Legislation	Days in Comm.	Revenue	Appropriation*	Potential**	Total
1st House	HB0156	Revise tax laws related to pollution control equipment	10	(0.197)	-	(0.013)	(0.210)
1st House	HB0191	Revise laws governing investigations of abuse at Montana state hospita	0	-	-	(0.692)	(0.692)
1st House	HB0213	Revise business equipment tax laws	17	(3.358)	(5.175)	(9.288)	(17.821)
1st House	HB0219	Geographic restrictions for sex offenders	11	-	-	(0.580)	(0.580)
1st House	HB0228	Increase coal board funding until June 30, 2019	10	(3.514)	3.514	-	-
1st House	HB0244	Fund litigation protecting Montana products in interstate commerce	0	-	(1.000)	-	(1.000)
1st House	HB0245	Revise laws related to raw milk	11	0.003	-	(0.447)	(0.444)
1st House	HB0297	Prohibit texting while driving	10	0.011	-	-	0.011
1st House	HB0310	Establish an oil and gas trust fund	10	-	-	-	-
1st House	HB0402	Generally revise laws related to oil and gas development	0	(53.299)	(55.000)	-	(108.299)
1st House	HB0423	Revise education funding laws related to oil and natural gas production	7	-	-	(0.732)	(0.732)
1st House	HB0451	Revise funding for students with disabilities	2	-	-	(0.340)	(0.340)
1st House	SB0099	Revise insure Montana small business health insurance laws	3	-	-	(11.641)	(11.641)
1st House	SB0167	Update tax haven laws	4	2.342	-	-	2.342
1st House	SB0259	Revising workers' compensation and occupational health and safety ass	5	-	-	(0.091)	(0.091)
1st House	SB0261	Montana sage grouse stewardship act	0	-	-	(1.086)	(1.086)
1st House	SB0269	Revise individual income tax audit and collection laws	0	-	-	-	-
1st House	HB0196	Generally revise laws related to tribal colleges and other community coll	0	-	-	(0.170)	(0.170)
1st House	HB0322	Create education savings accounts for children with disabilities	0	-	(0.105)	(0.406)	(0.511)
1st House	HB0337	Increase resource limits for medicaid program for workers with disabili	0	-	-	(0.226)	(0.226)
1st House	HB0422	Improve outcomes for youth in the children's mental health system	2	-	(0.005)	(0.020)	(0.025)
1st House	HB0455	Generally revise medicaid laws	2	-	(10.035)	(50.072)	(60.107)
1st House	HB0472	Reauthorize the child and family ombudsman	2	-	-	(0.171)	(0.171)
1st House	HB0478	Implement changes in Montana's food retail sales laws	2	-	-	(0.001)	(0.001)
1st House	HB0535	Revise mandatory minimum penalties for unlawful sexual conduct offen	2	-	-	(0.189)	(0.189)
1st House	HB0544	Encourage enrollment in qualified health plans by eligible low-income pe	2	-	(0.100)	-	(0.100)
1st House	SB0107	Revise K-12 school district expansion laws	0	-	-	-	-
1st House	SB0148	Provide for the welfare fraud prevention act	0	-	-	(7.853)	(7.853)
1st House	SB0171	Generally revise taxation of income, including the corporate income tax	3	(5.510)	-	0.392	(5.118)
1st House	SB0180	Revise the disposition of rental car sales tax	0	(1.036)	-	-	(1.036)
1st House	SB0206	Establish limits on the supplemental nutrition assistance program	2	-	-	(1.708)	(1.708)
1st House	SB0210	Include mountain lion in livestock loss program	0	-	-	(0.100)	(0.100)
1st House	SB0216	Revise medicaid in home care services fraud prevention laws	0	-	-	(0.121)	(0.121)
1st House	SB0234	Revise tax and fees for professional liability insurance	3	(0.214)	-	-	(0.214)
1st House	SB0252	Revise K-12 funding laws related to oil and natural gas production taxes	0	-	-	(2.923)	(2.923)
1st House	SB0254	Generally revise laws related to Montana State Fund	0	-	-	13.596	13.596
1st House	SB0263	Require DPHHS to provide educational materials to medicaid enrollees	2	-	-	(0.067)	(0.067)
1st House	SB0272	Encourage Indian language immersion schools	2	-	-	(0.045)	(0.045)
1st House	SB0312	Generally revise USB laws	3	-	-	(0.265)	(0.265)
1st House	SB0328	Provide for higher education seeded savings accounts	2	(5.400)	-	-	(5.400)
1st House	SB0335	Adjust remuneration for county tax appeal boards	4	-	-	(0.035)	(0.035)
1st House	SB0344	Revising laws on reimbursement of certain Medicaid services	0	-	-	(0.058)	(0.058)



Detail of Legislative Action (\$ Millions)							
Status	Bill	Short Description of Proposed Legislation	Days in Comm.	Revenue	Appropriation*	Potential**	Total
2nd House	HB0126	Revise burial preservation board member compensation laws	5	-	-	(0.004)	(0.004)
2nd House	HB0166	Lower state individual income tax rates	0	(78.977)	-	-	(78.977)
2nd House	HB0169	Revise individual income tax laws	3	(77.502)	-	-	(77.502)
2nd House	SB0034	Facilitate cabin and home-site sales	3	-	-	(0.229)	(0.229)
2nd House	SB0037	Revise laws for filing of exempt water right claims	5	-	-	(0.235)	(0.235)
2nd House	SB0052	Revise captive insurance laws	10	0.081	-	-	0.081
2nd House	SB0056	Revise river bed laws	24	-	-	(0.017)	(0.017)
2nd House	SB0057	Revise water adjudication funding and benchmarks	4	-	(4.243)	-	(4.243)
2nd House	SB0090	Revise penalties eliminating jail time for certain misdemeanors	24	-	-	0.609	0.609
2nd House	SB0093	Revise laws related to DUI convictions and restricted-use driving permit	9	-	-	(0.037)	(0.037)
2nd House	HB0200	Require drug screening & testing for temp assistance for needy families	2	-	-	(0.103)	(0.103)
2nd House	SB0224	Create a commission to study criminal justice system	2	-	-	(0.037)	(0.037)
2nd House	HB0024	Appropriate money for state-run mental health group home	9	0.477	(3.000)	(0.202)	(2.725)
2nd House	HB0028	Require parole hearings to be video and audio recorded	3	-	-	(0.247)	(0.247)
2nd House	HB0047	Appropriate money for youth crisis diversion pilot projects	9	-	(1.200)	-	(1.200)
2nd House	HB0087	Eliminate the requirement for a third official school enrollment count	2	-	-	(0.301)	(0.301)
2nd House	HB0111	Revise sentencing for felony DUI	3	-	-	(0.336)	(0.336)
2nd House	HB0123	Generally revise public records laws	6	-	-	(0.597)	(0.597)
2nd House	HB0145	Revise laws related to livestock loss	4	-	(0.800)	-	(0.800)
2nd House	HB0167	Generally revise off-highway vehicle laws	7	(0.011)	-	-	(0.011)
2nd House	HB0251	Providing for temporary legislative aides	14	-	-	(0.335)	(0.335)
2nd House	SB0092	Revise administration of taxes	3	(0.622)	-	(0.037)	(0.659)
2nd House	SB0128	Establish decennial school funding study	4	-	-	(0.078)	(0.078)
2nd House	SB0200	Lower individual income tax rates	6	(79.529)	-	-	(79.529)
2nd House	SB0240	Revise interstate compact on educational opportunity for military children	5	-	-	(0.009)	(0.009)
2nd House	SB0255	Revise laws for advancing agricultural education	5	-	-	(0.049)	(0.049)
2nd House	SB0276	Establish directory of medicaid personal care services in Montana	3	-	-	(0.037)	(0.037)
Enrolling	HB0027	Increase K-12 BASE aid, entitlements, and payments	4	-	-	(53.979)	(53.979)
LAW	HB0001	Feed bill	28	-	(10.127)	-	(10.127)
<b>Total</b>				<b>(\$306.257)</b>	<b>(\$87.275)</b>	<b>(\$131.614)</b>	<b>(\$525.146)</b>

The following bills are duplicated in other areas of the status sheet: SB 68 and HB 89 and therefore are not shown on the bill list. \*Includes transfers. \*\*Potential appropriations result from legislation changing the duties and functions of state agencies without a corresponding appropriation adjustment.