



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

SB0126 - Provide funding for Montana State Fund (Hertz, Greg)

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
Expenditures:				
General Fund	\$33,580,000	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Other	\$33,580,000	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$33,580,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: This legislation requires a transfer from the general fund to the state fund account created in 39-71-2321, MCA. The fiscal impact to the state is a reduction to the general fund in the amount of \$33.58 million.

FISCAL ANALYSIS

Assumptions:**Department of Administration**


- SB 126 will require a transfer from the state treasurer to the state fund account established in 39-71-2321, MCA. As the state treasurer, the Department of Administration will be responsible for completion of this transfer.
- On August 15, 2023, the state treasurer will transfer \$33.58 million from the general fund to the state fund account established in 39-71-2321, MCA.
- The fiscal impact to the department is minimal since the process for transferring these funds is already in place.

Montana State Fund

4. The bill requires a \$33.58 million transfer from the general fund to the state fund account created in 39-71-2321, MCA. This transfer will occur between July 1, 2023, and August 15, 2023.
5. Montana State Fund’s policyholder equity will increase by \$33.58 million.
6. The \$33.58 million was calculated assuming the \$14,690,912 transferred from Montana State Fund during the state’s fiscal year 2018, and the \$13,552,282 transferred from Montana State Fund during the state’s fiscal year 2019, continued to be invested on Montana State Fund’s behalf at the Montana Board of Investment’s reported five -year average return of 5.054%.

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.00	0.00	0.00	0.00
<u>Expenditures:</u>				
Personal Services	\$0	\$0	\$0	\$0
Operating Expenses	\$0	\$0	\$0	\$0
Transfers - Administration	\$33,580,000	\$0	\$0	\$0
TOTAL Expenditures	<u>\$33,580,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$33,580,000	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	<u>\$33,580,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Other - Montana State Fund	\$33,580,000	\$0	\$0	\$0
TOTAL Revenues	<u>\$33,580,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$ (33,580,000)	\$0	\$0	\$0
Other	\$33,580,000	\$0	\$0	\$0

NO SPONSOR SIGNATURE

Sponsor's Initials	Date	Budget Director's Initials	Date
	1/16/23		1-12-23