

Outlook

2025 Biennium and Beyond

2025 Biennium Outlook

Summary: Growth – Inflation, Population, Wages & Personal Income

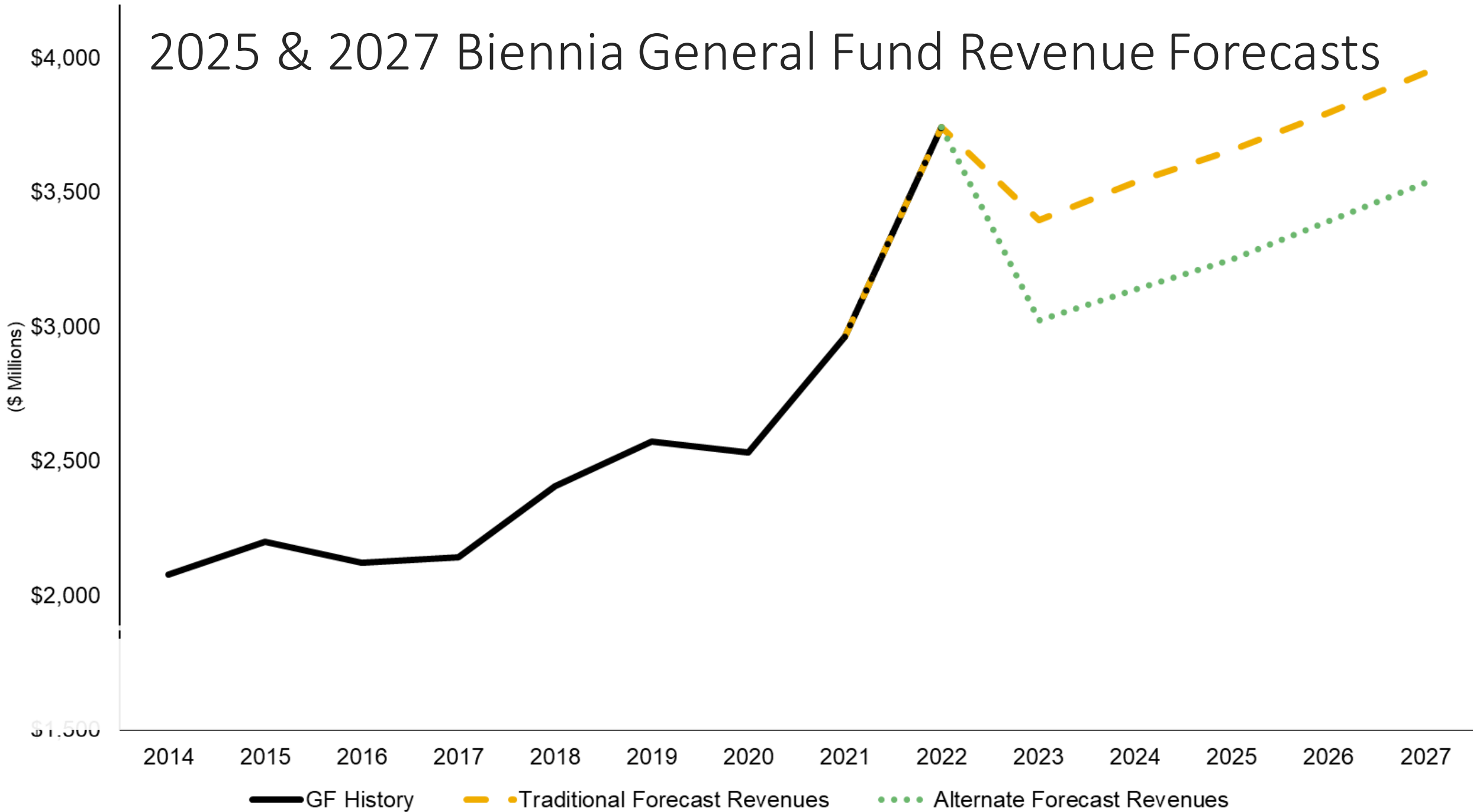
Revenues . . . Alternative Forecast

Expenditure Pressures

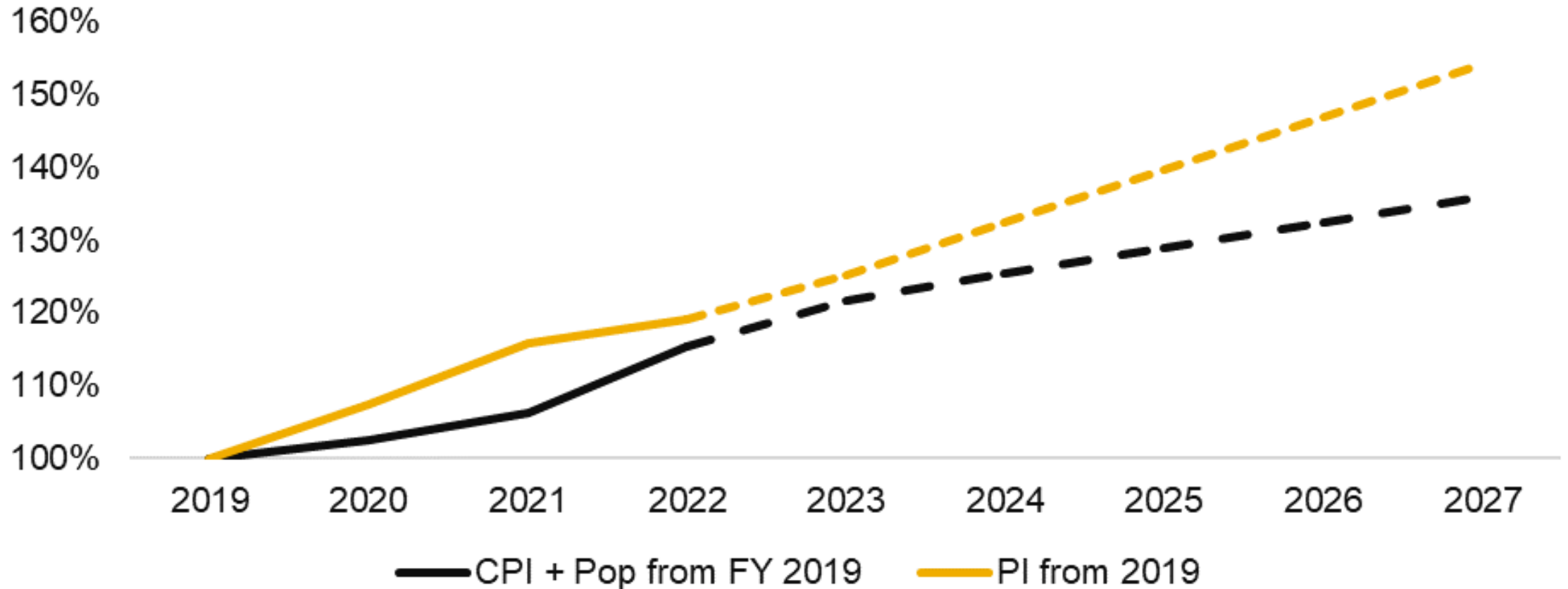
Structural Balance

Balances in the general fund and other reserve funds

2025 & 2027 Biennia General Fund Revenue Forecasts

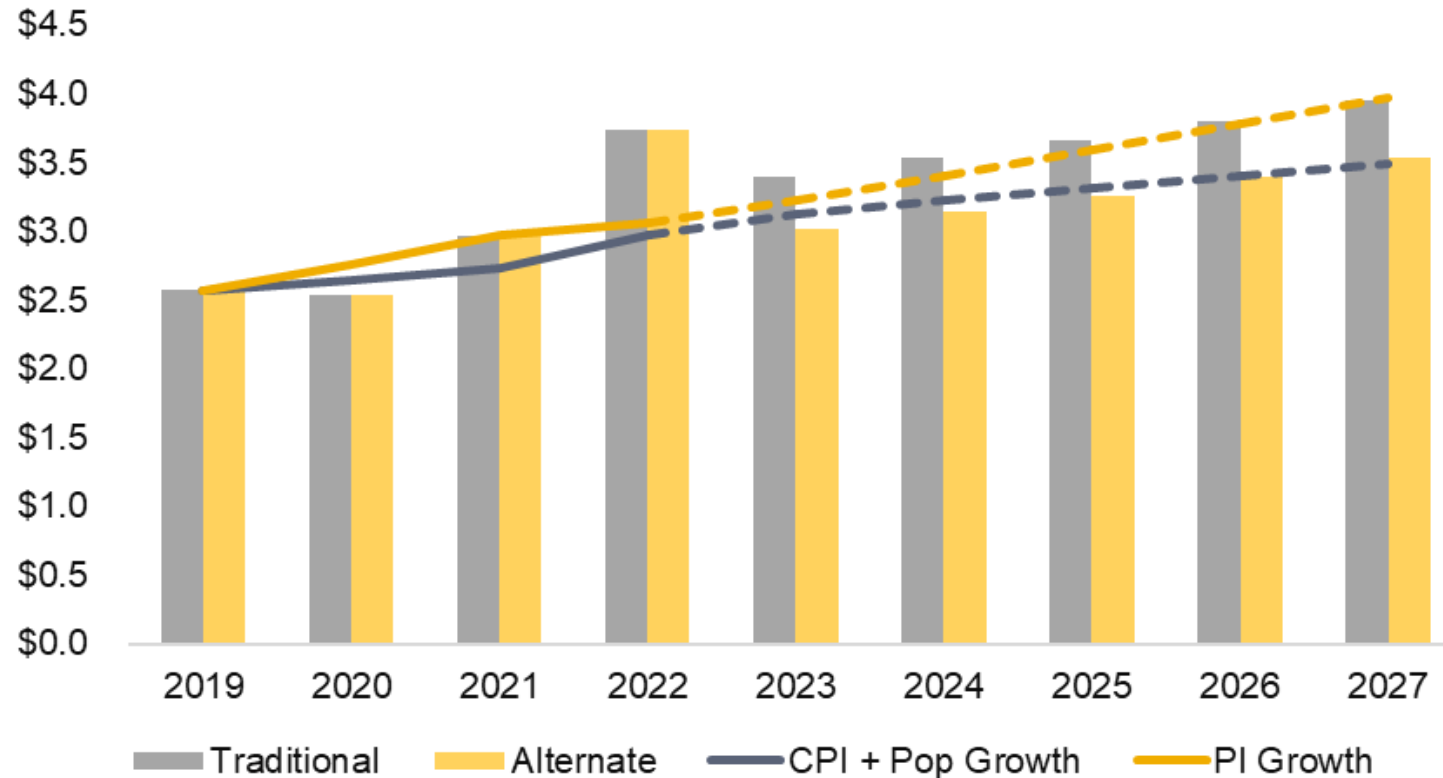


Growth in CPI and Population Compared to Growth in Personal Income



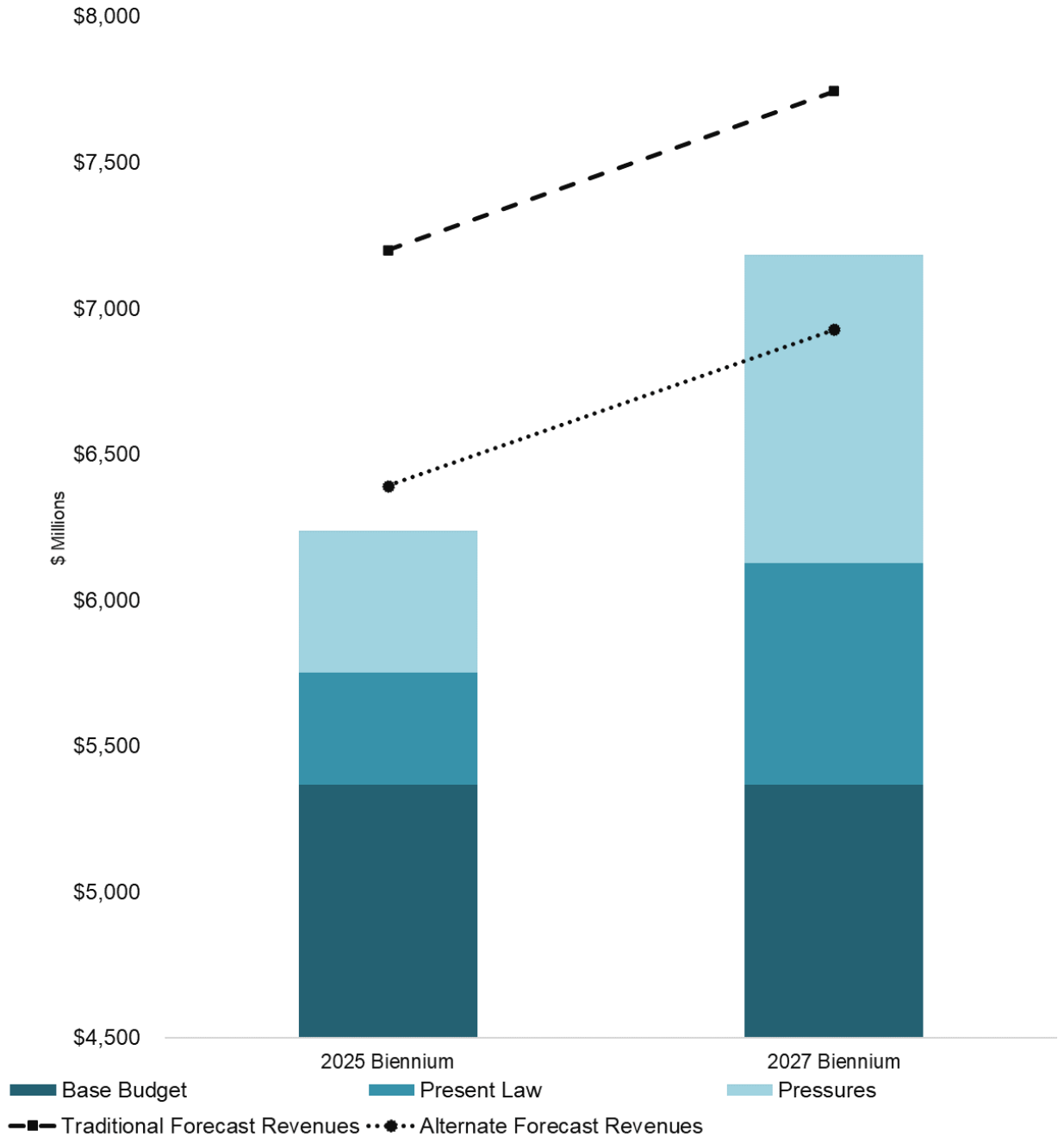
State Revenues and Personal Income Growth Usually in Tandem

Comparison of Outlook Revenue to Forecasted Growth in PI and Population and Inflation
(\$ Billions)

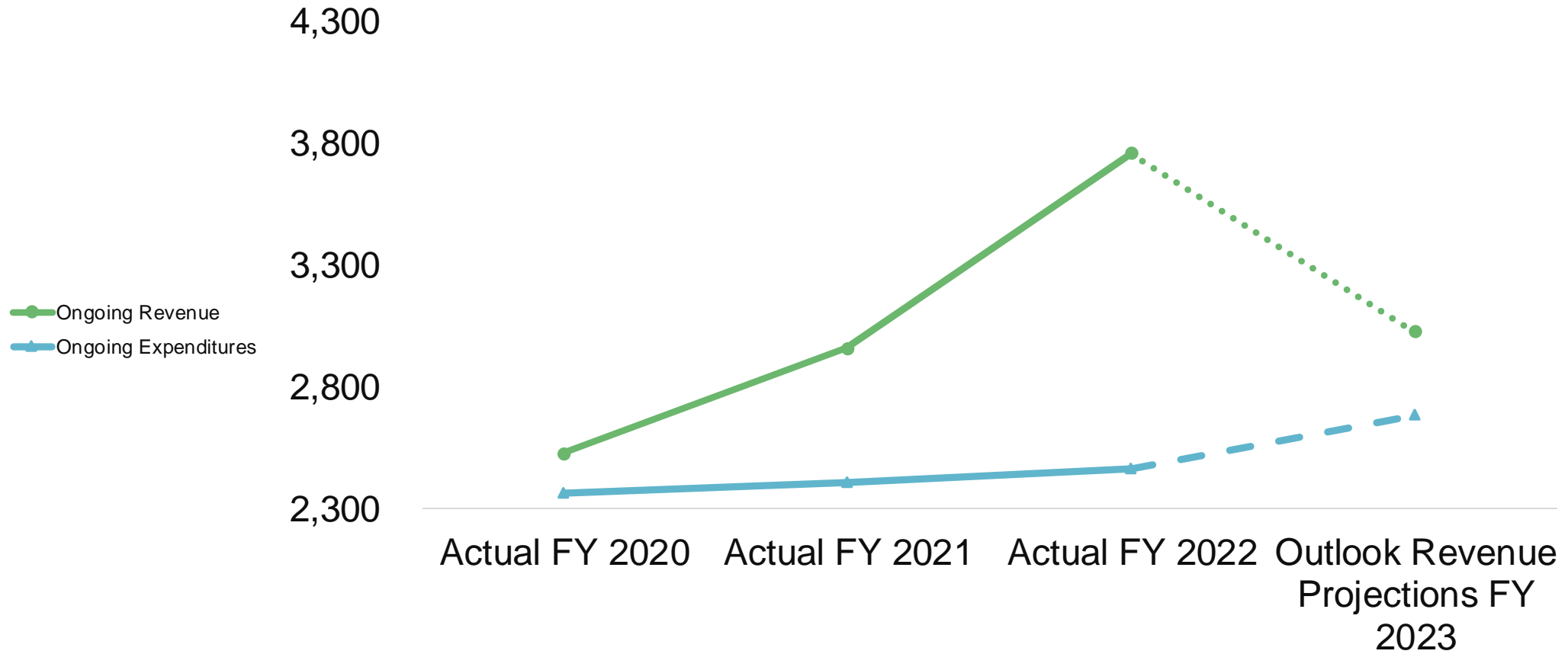


Alternative Revenue Growth in Tandem with Inflation and Population

2025 & 2027 Biennia Present Law Plus and Expenditure Pressures



Projected FY 2023 Structural Balance (\$ Millions)

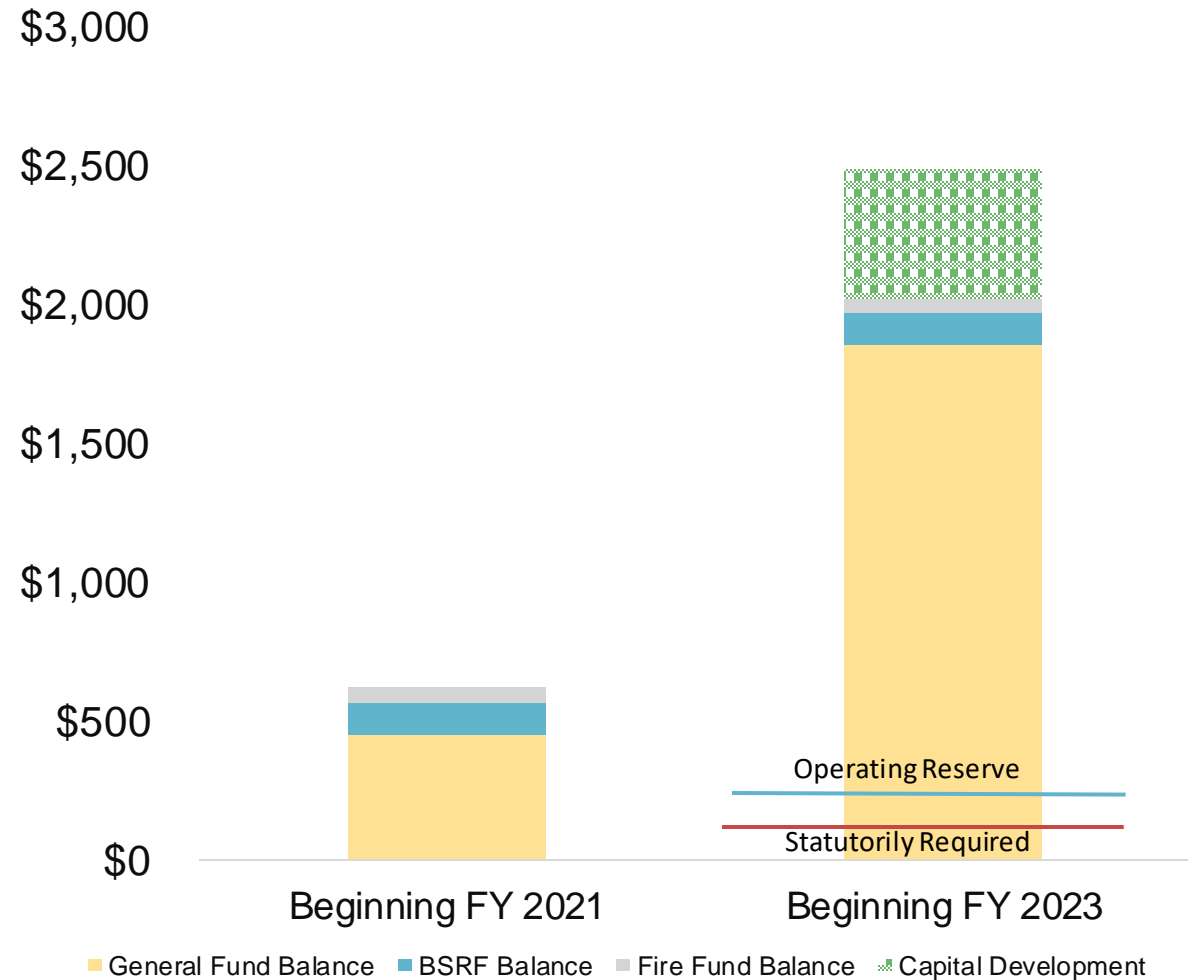


Hyper Inflated Revenues Short Lived

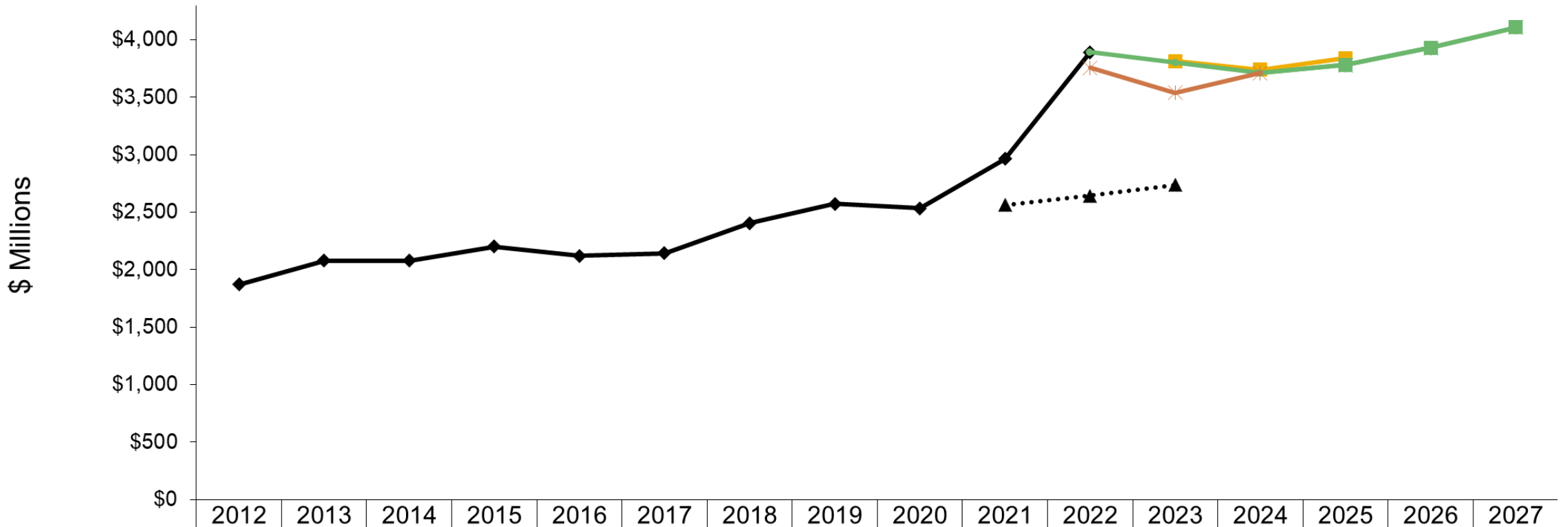
State Financial Reserves Full

Hyper inflated revenues filled reserves

State Financial Reserves in FY 2021 and FY 2023



General Fund Revenue Estimate Comparison by Fiscal Year



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Actual	1,871	2,078	2,077	2,200	2,121	2,141	2,405	2,574	2,533	2,964	3,892					
HJ 2 (2023 Bien)										2,562	2,642	2,737				
OBPP Estimate												3,814	3,741	3,840		
LFD Estimate											3,892	3,800	3,710	3,783	3,930	4,108
LFD Ongoing GF											3,756	3,539	3,710	3,783	3,930	4,108
Ongoing GF Growth												-5.8%	4.8%	2.0%	3.9%	4.5%

Key points

Keep an eye on the long term

Short term shocks are likely

Not certain if IHS has fully incorporated recession into the Montana numbers, but we will update during session

Technical Fiscal Note issue with TCA