



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

Room 110 Capitol Building * P.O. Box 201711 * Helena, MT 59620-1711 * (406) 444-2986 * FAX (406) 444-3036

Director
AMY CARLSON

DATE: July 26, 2017

TO: Legislative Finance Committee

FROM: Legislative Fiscal Division Revenue Staff

CC: Montana Legislature

RE: SB 261 Revenue Triggers – Preliminary results are Level 4

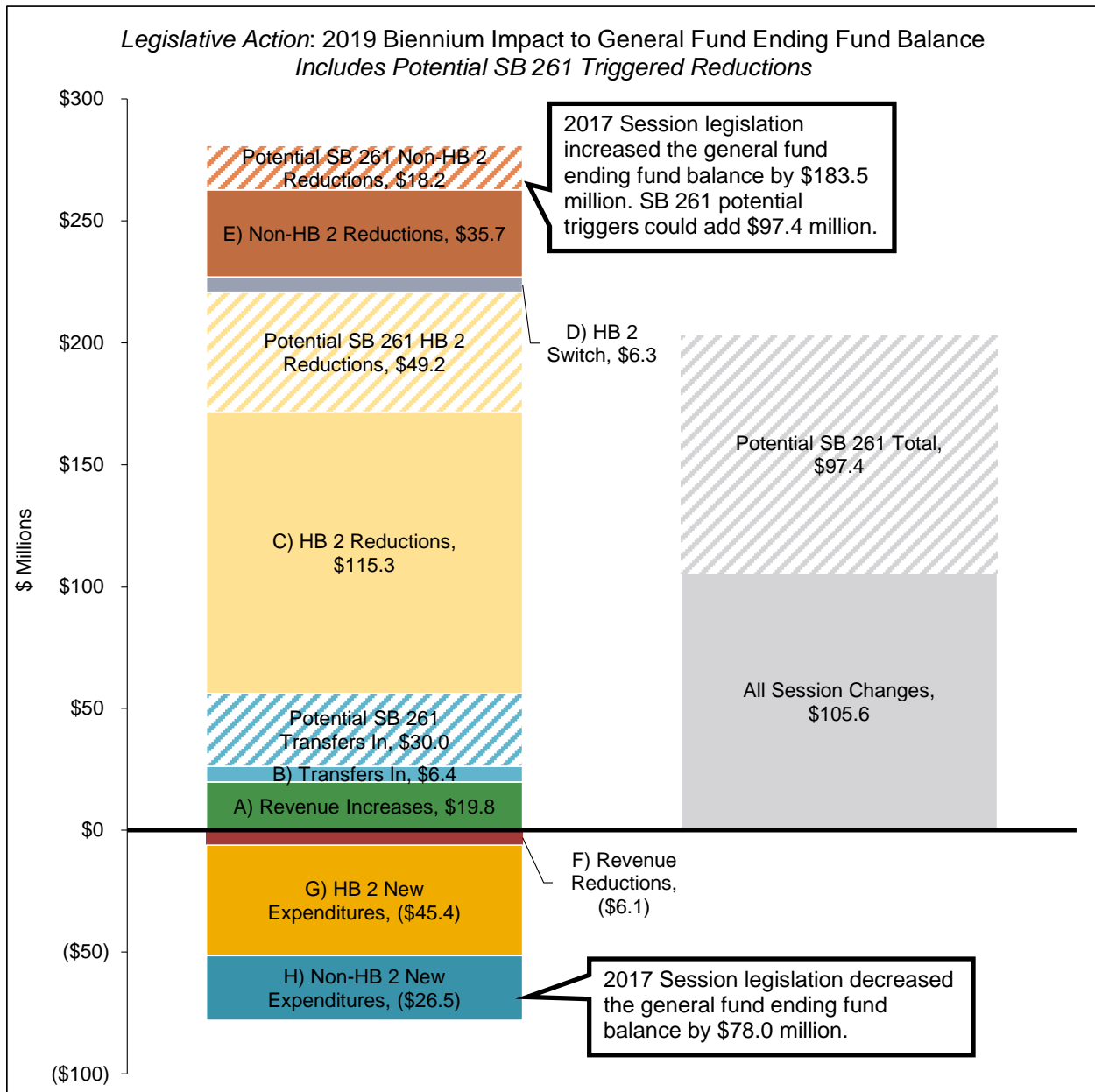
Legislation passed in SB 261 provided for planned contingent reductions of general fund appropriations and transfers into the general fund based on the level of FY 2017 actual revenues. The fiscal year end closed and the LFD calculation of the unaudited general fund fiscal year end revenues for FY 2017 is \$2,141.5 million, which is \$74.5 million below the threshold amount of \$2,216 million.

If the Department of Administration confirms and certifies these calculations, the lower revenue amount meets the level 4 trigger and will require a \$30.0 million transfer from the fire suppression fund to the general fund and total appropriation reductions of \$67.4 million. This results in an increase of \$97.4 to the general fund balance.

Reductions to appropriation authority include the following:

- All agencies 0.5% reductions, except K-12 education, \$12.9 million
- All agencies employee pay plan appropriation authority eliminated for 2018 pay increase, \$7.7 million
- Department of Agriculture, agricultural marketing, \$257,000
- Department of Commerce
 - Tourism promotion, \$3.3 million
 - Native Language Preservation, \$250,000
- Department of Health and Human Services
 - Provider rate reductions of approximately 1%, \$7.0 million
 - Targeted case management appropriations, \$3.9 million
 - Elimination of the third party administrator for the HELP Act (non-HB2), \$4.0 million
 - [HB 17](#) appropriation authority eliminated, \$5.3 million
- Governor's office, \$180,000
- Historical Society, \$1.2 million
- Legislative Branch, \$268,000
- Office of Public Education, K-12 education
 - Delay data for achievement K-12 payments, \$6.3 million
 - Delay school facilities payment, \$5.8 million
 - Combined fund block grants, \$5.6 million
 - Delay new secondary vocation education, \$1.0 million
- State Fund, \$1.25 million
- State Library Commission, \$1.3 million

The following table shows all the legislative solutions to the general fund ending fund balance challenge, including the level four reductions and transfers as anticipated to be triggered with actual FY 2017 revenues as discussed previously.



A full fiscal year end report will be prepared for the September Legislative Finance Committee meeting.