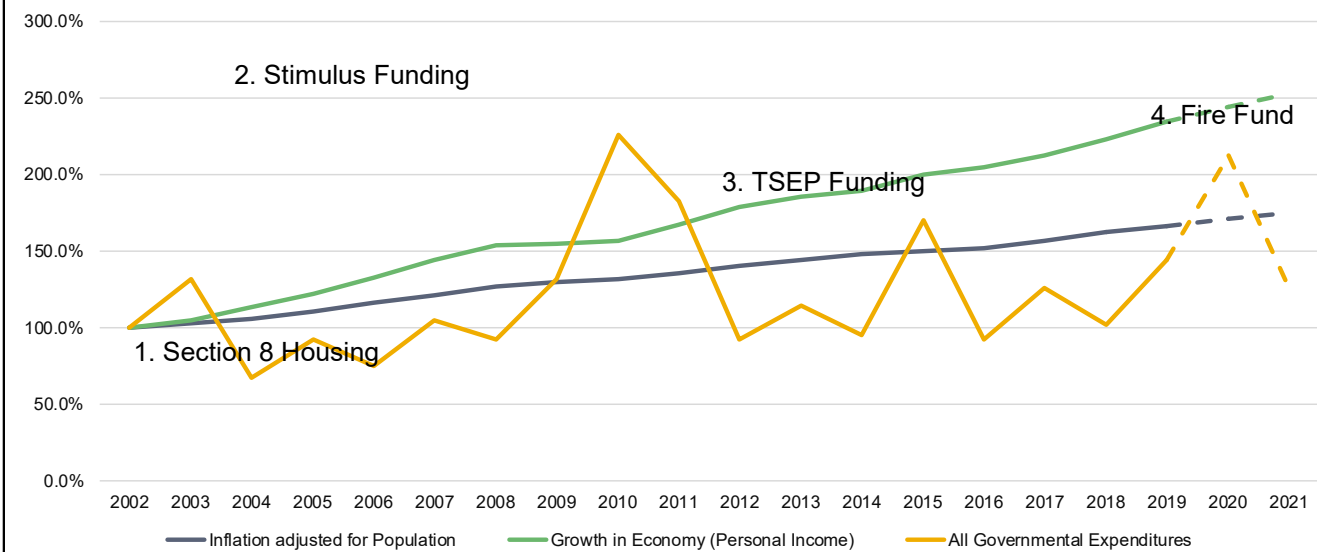


65010-Department of Commerce

This chart shows the **all funds growth** in total expenditures compared to **growth in inflation** and to the **growth in the economy** since fiscal year 2002.



This report includes a series of charts that compare expenditure growth to the growth in the economy and growth in inflation adjusted for population. Montana statute, 17-8-106, MCA, recommends using growth in personal income for comparison purposes. Personal income is a measure for growth in the economy. Comparing growth allows financial planners to consider past and future demands in services or changes in revenues.

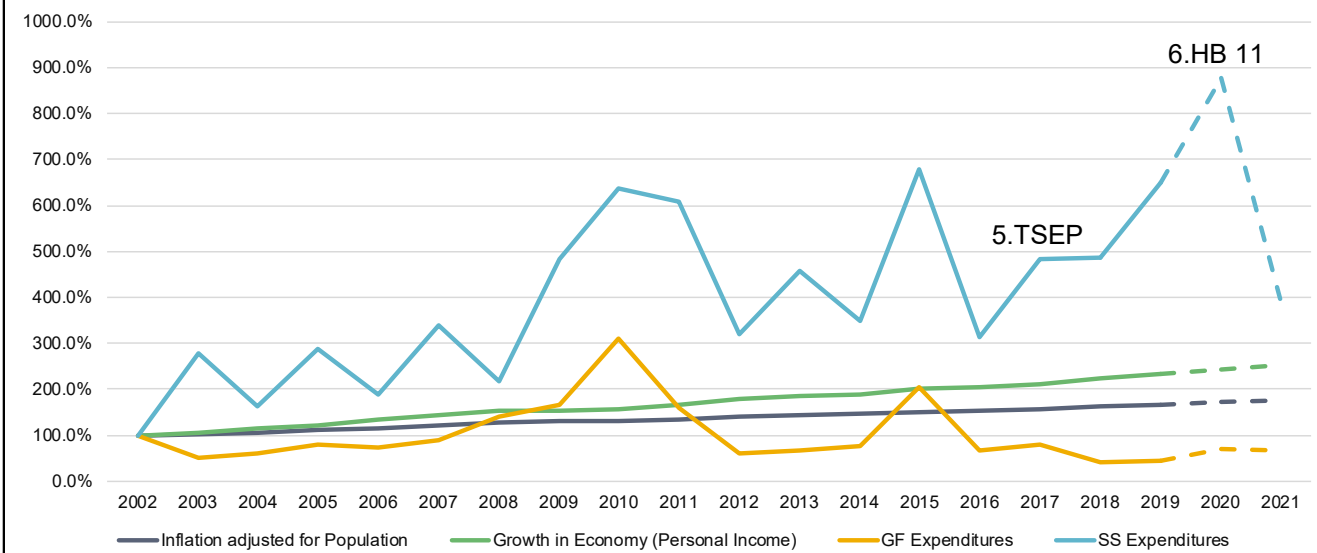
The following list discusses in more detail the inflection points on the charts:

1. In the 2005 biennium, the legislature shifted \$82 million in federal special revenue and 19.50 FTE for Section 8 housing in the Housing Division to the enterprise fund. As the enterprise fund is not considered part of governmental funds, this change permanently reduced the appropriation level included in HB 2;
2. As part of the state's response to the Great Recession, the legislature approved \$29 million in general fund and \$34.95 million in state special revenue in the 2011 biennium for infrastructure projects in local governments including:
 - a. American Recovery and Reinvestment Act (ARRA) funding of \$4 million in historic preservation
 - b. ARRA funding of \$45 million, \$20 million to school districts, \$20 million to local governments, and \$5 million to tribal governments
 - c. \$14.95 million for quick start energy grants available to local school districts;
3. In the 2015 biennium the legislature approved \$35 million in state special revenue expenditures for the Treasure State Endowment Program in HB 11 and \$12.4 million in expenditures for quality school facility grants;
4. SB 4, enacted by the 2017 November Special Session, established a management rate transfer of 3% on the Board of Investments portfolio if the average asset balance was greater than \$1 billion and the balance contained sufficient funds to offset all liabilities. The management rate transfer was to be made to the fire suppression account;

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GF and SS ONLY

This chart shows the **general fund growth** and **state special revenue growth** in total expenditures compared to **growth in inflation** and to the **growth in the economy** since fiscal year 2002.



5. HB 11, enacted by the 2015 Legislature for the 2017 biennium, provided \$18.9 million in state special revenue for the Treasure State Endowment Program; and
6. FY 2020 is inflated due to more authority for HB 11 (\$17.6 million) in FY 2020 rather than splitting it evenly across the biennium. HB 11 is for treasure state endowment grants and the agency anticipates providing more grants earlier in the biennium.

General fund

Increased general fund support for expenditures in FY 2009 of \$7.6 million, \$24.5 million in FY 2010, and \$10.4 million in FY 2011 were due to the investment in local government infrastructure. In FY 2015, HB 11 authorized a transfer of \$13.3 million in general fund to the treasure state endowment account in the state special revenue fund to provide sufficient funding for the total projects approved in the bill.

State special revenue

Most of the growth in expenditures within the Department of Commerce has been supported by state special revenue. In FY 2009, FY 2010, FY 2011, and FY 2015 increases in state special revenues are due to increased support for infrastructure as previously discussed. In FY 2018, \$14.7 million and \$13.6 million in FY 2019 in state special revenue was paid into the state fire suppression fund.