



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

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Director
AMY CARLSON

DATE: February 25, 2019
TO: Members of the 2019 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 Appropriations Subcommittees. Bills that have had positive action and meet the [status sheet rules](#) are included.

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

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 5% of the general fund appropriations for the second year of the biennium and an 8.3% operating reserve is recommended in statute.

Managing Volatility

Legislative options for managing volatility include the budget stabilization reserve fund, which currently has \$45.7 million, general fund balance, the Governor's emergency fund, and the fire fund.

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 may occur. Any adjustments will be included in the next status sheet anticipated for Friday, March 1, 2019.

Status Sheet Review for Legislators

The Fiscal Division will review the status sheet on February 27 at 12:15 p.m. in room 102. Please come if you would like to learn more.

General Fund Balance Sheet

Includes HJ 2 Revenue Estimates as Adopted by the Revenue and Transportation Interim Committee
(\$ Millions)

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	Actual FY 2018	Estimated FY 2019	Estimated FY 2020	Estimated FY 2021
Beginning Fund Balance	\$47.933	\$186.707	\$196.636	\$271.233
Revenues				
Actual & Estimated	2,333.618	2,412.503	2,513.558	2,590.661
Revenue legislation			(3.561)	(5.888)
Revenue legislation - OTO			0.062	
OTO	71.829	51.024	4.100	
Prior Year Adjustments - revenue	1.638			
Total Revenue Funds Available	2,455.018	2,650.234	2,710.795	2,856.007
Expenditures - Ongoing				
Statutory Approps	316.360	336.703	283.858	289.527
General Fund Transfers	19.857	21.055	17.988	18.423
HB 2 Agency Budgets*	1,904.347	2,003.024	2,099.955	2,163.560
HB 1 (includes continuing authority & estimate for 2021 session)	2.401	10.272	2.293	10.457
Other Legislative Appropriations (includes continuing authority)	0.068	1.793	35.616	45.573
Reversions		(7.119)	(7.319)	(7.583)
Ongoing Expenditures	2,243.033	2,365.728	2,432.392	2,519.959
OTO				
HB 2 Agency Budgets	12.992	14.351	7.170	6.334
HB 3 Supplemental		27.798		
Special Session SB 9 Budget Stabilization Transfer		45.721		
Fire Fund Transfers	25.309			
Other Appropriations	2.031			
Other, including carry forward	4.166			
Total Expenditures	2,287.530	2,453.598	2,439.561	2,526.294
Other Adjustments, includes CAFR	19.219			
Ending Fund Balance	\$186.707	\$196.636	\$271.233	\$329.713
Structural Balance		\$284.506	\$77.605	\$64.814

Assumptions: Please refer to the status sheet rules adopted by the Legislative Finance Committee management group. The rules are available on the LFD web page. Dept. of Revenue's budget has been reduced. This action could result in a potential revenue reduction of \$9.5 million to \$18.9 million for the 2021 biennium. Agency budgets in the 2019 biennium include the pay plan. FY 2020 OTO revenue includes an anticipated Core Civic contract renegotiation amount.

GENERAL FUND HB 2 / Comparison of 2019 Biennium Appropriation to 2021 Biennium Appropriation*

	FY 2018	FY 2019	2019 Bi	FY 2020	FY 2021	2021 Bi	Bi % Δ
ONGOING							
General Government							
Legislative Branch	\$12,538,240	\$13,260,319	\$25,798,559	\$14,955,349	\$14,901,750	\$29,857,099	15.7%
Governor's Office	5,909,714	6,426,700	12,336,414	6,980,087	6,913,788	13,893,875	12.6%
Commissioner of Political Practices	580,571	662,215	1,242,786	763,640	750,932	1,514,572	21.9%
Department of Revenue	49,334,221	52,823,829	102,158,050	55,124,695	54,921,335	110,046,030	7.7%
Department of Administration	4,797,152	5,610,002	10,407,154	9,104,453	9,036,207	18,140,660	74.3%
Department of Commerce	2,889,192	3,200,916	6,090,108	3,282,752	3,282,970	6,565,722	7.8%
Labor & Industry	1,566,994	1,792,229	3,359,223	1,972,963	1,972,522	3,945,485	17.5%
Department of Military Affairs	5,935,831	6,539,543	12,475,374	6,925,472	6,891,438	13,816,910	10.8%
Subtotal Section A	83,551,915	90,315,753	173,867,668	99,109,411	98,670,942	197,780,353	13.8%
Health and Human Services							
Department of Health and Human Services	\$488,273,181	\$521,881,955	\$1,010,155,136	\$554,623,959	\$594,069,557	1,148,693,516	13.7%
Subtotal Section B	488,273,181	521,881,955	1,010,155,136	554,623,959	594,069,557	1,148,693,516	13.7%
Natural Resources and Transportation							
Department Of Fish, Wildlife, And Parks	\$0	\$0	\$0	\$0	\$0	0	
Department of Environmental Quality	4,566,124	5,199,711	9,765,835	5,402,889	5,401,210	10,804,099	10.6%
Department of Livestock	2,248,445	2,562,332	4,810,777	2,862,777	2,862,085	5,724,862	19.0%
Dept Nat Resource/Conservation	24,774,294	26,920,824	51,695,118	29,600,017	29,546,747	59,146,764	14.4%
Department of Agriculture	679,829	737,537	1,417,366	848,313	801,015	1,649,328	16.4%
Subtotal Section C	32,268,692	35,420,404	67,689,096	38,713,996	38,611,057	77,325,053	14.2%
Judicial Branch, Law Enforcement and Justice							
Judiciary	\$44,213,232	\$46,741,975	\$90,955,207	\$49,949,537	\$50,052,702	100,002,239	9.9%
Crime Control Division							
Department of Justice	30,730,081	34,167,704	64,897,785	35,348,140	35,270,288	70,618,428	8.8%
Office of Public Defender	31,508,734	31,537,210	63,045,944	35,950,754	36,524,609	72,475,363	15.0%
Department of Corrections	201,230,529	202,817,535	404,048,064	206,336,335	207,138,876	413,475,211	2.3%
Subtotal Section D	307,682,576	315,264,424	622,947,000	327,584,766	328,986,475	656,571,241	5.4%
Education							
Office of Public Instruction	\$778,405,470	\$798,679,410	\$1,577,084,880	\$830,663,475	\$852,686,532	1,683,350,007	6.7%
Board of Public Education	136,811	141,515	278,326	172,926	156,526	329,452	18.4%
Commissioner of Higher Education	220,703,509	223,985,772	444,689,281	235,454,665	236,859,781	472,314,446	6.2%
School For The Deaf & Blind	6,757,028	6,885,626	13,642,654	7,511,335	7,491,217	15,002,552	10.0%
Montana Arts Council	479,042	516,344	995,386	551,314	523,069	1,074,383	7.9%
Library Commission	2,148,954	2,186,345	4,335,299	2,582,171	2,559,953	5,142,124	18.6%
Historical Society	2,593,159	2,662,075	5,255,234	2,986,814	2,945,308	5,932,122	12.9%
Subtotal Section E	1,011,223,973	1,035,057,087	2,046,281,060	1,079,922,700	1,103,222,386	2,183,145,086	6.7%
Subtotal Ongoing	1,923,000,337	1,997,939,623	3,920,939,960	2,099,954,832	2,163,560,417	4,263,515,249	8.7%
ONE-TIME							
General Government	\$2,113,555	\$2,121,621	\$4,235,176	\$4,740,676	\$3,637,687	8,378,363	97.8%
Health and Human Services	\$8,807,630	\$8,783,195	17,590,825	\$0	\$0	-	-100.0%
Natural Resources and Transportation	\$207,000	\$207,000	414,000	\$1,053,000	\$1,053,000	2,106,000	408.7%
Judicial Branch, Law Enforcement and Justice	\$2,925,764	\$2,177,216	5,102,980	\$0	\$0	-	-100.0%
Education	\$1,032,312	\$1,062,162	2,094,474	\$1,375,938	\$1,643,438	3,019,376	44.2%
Subtotal One-time	15,086,261	14,351,194	29,437,455	7,169,614	6,334,125	13,503,739	-54.1%
Grand total	\$1,938,086,598	\$2,012,290,817	\$3,950,377,415	\$2,107,124,446	\$2,169,894,542	\$4,277,018,988	8.3%

GENERAL FUND HB 2 / Comparison of 2021 Biennium Executive Request to 2021 Biennium Appropriation'

	Executive Request			Current Legislative Level			Difference
	FY 2020	FY 2021	2021 Bi	FY 2020	FY 2021	2021 Bi	Bi %
ONGOING							
General Government							
Legislative Branch	\$15,071,159	\$15,024,419	\$30,095,578	\$14,955,349	\$14,901,750	\$29,857,099	-0.8%
Governor's Office	7,060,500	6,994,201	14,054,701	6,980,087	6,913,788	13,893,875	-1.1%
Commissioner of Political Practices	863,425	850,458	1,713,883	763,640	750,932	1,514,572	-11.6%
Department of Revenue	56,700,890	56,497,530	113,198,420	55,124,695	54,921,335	110,046,030	-2.8%
Department of Administration	6,186,920	6,118,674	12,305,594	9,104,453	9,036,207	18,140,660	47.4%
Department of Commerce	5,542,458	5,548,013	11,090,471	3,282,752	3,282,970	6,565,722	-40.8%
Labor & Industry	1,972,963	1,972,522	3,945,485	1,972,963	1,972,522	3,945,485	0.0%
Department of Military Affairs	7,138,503	7,104,646	14,243,149	6,925,472	6,891,438	13,816,910	-3.0%
Subtotal Section A	100,536,818	100,110,463	200,647,281	99,109,411	98,670,942	197,780,353	-1.4%
Health and Human Services							
Department of Health and Human Services	\$551,846,211	\$580,187,263	\$1,132,033,474	\$554,623,959	\$594,069,557	1,148,693,516	1.5%
Subtotal Section B	551,846,211	580,187,263	1,132,033,474	554,623,959	594,069,557	1,148,693,516	1.5%
Natural Resources and Transportation							
Department of Fish, Wildlife & Parks							
Department of Environmental Quality	5,452,889	5,451,210	10,904,099	5,402,889	5,401,210	10,804,099	-0.9%
Department of Livestock	3,112,088	3,111,396	6,223,484	2,862,777	2,862,085	5,724,862	-8.0%
Dept Nat Resource/Conservation	30,250,017	30,196,747	60,446,764	29,600,017	29,546,747	59,146,764	-2.2%
Department of Agriculture	858,313	811,015	1,669,328	848,313	801,015	1,649,328	-1.2%
Subtotal Section C	39,673,307	39,570,368	79,243,675	38,713,996	38,611,057	77,325,053	-2.4%
Judicial Branch, Law Enforcement and Justice							
Judiciary	\$50,562,076	\$50,665,906	\$101,227,982	\$49,949,537	\$50,052,702	100,002,239	-1.2%
Crime Control Division							
Department of Justice	36,860,313	36,780,486	73,640,799	35,348,140	35,270,288	70,618,428	-4.1%
Office of Public Defender	37,482,408	38,061,847	75,544,255	35,950,754	36,524,609	72,475,363	-4.1%
Department of Corrections	209,350,044	209,931,805	419,281,849	206,336,335	207,138,876	413,475,211	-1.4%
Subtotal Section D	334,254,841	335,440,044	669,694,885	327,584,766	328,986,475	656,571,241	-2.0%
Education							
Office of Public Instruction	\$844,678,390	\$868,801,256	\$1,713,479,646	\$830,663,475	\$852,686,532	1,683,350,007	-1.8%
Board of Public Education	172,926	156,526	329,452	172,926	156,526	329,452	0.0%
Commissioner of Higher Education	238,214,226	239,706,792	477,921,018	235,454,665	236,859,781	472,314,446	-1.2%
School For The Deaf & Blind	7,611,942	7,591,678	15,203,620	7,511,335	7,491,217	15,002,552	-1.3%
Montana Arts Council	551,314	523,069	1,074,383	551,314	523,069	1,074,383	0.0%
Library Commission	2,582,171	2,559,953	5,142,124	2,582,171	2,559,953	5,142,124	0.0%
Historical Society	3,308,628	3,267,122	6,575,750	2,986,814	2,945,308	5,932,122	-9.8%
Subtotal Section E	1,097,119,597	1,122,606,396	2,219,725,993	1,079,922,700	1,103,222,386	2,183,145,086	-1.6%
Subtotal Ongoing	2,123,430,774	2,177,914,534	4,301,345,308	2,099,954,832	2,163,560,417	4,263,515,249	-0.9%
ONE-TIME							
General Government	\$1,900,000	\$1,250,000	\$3,150,000	\$4,740,676	\$3,637,687	8,378,363	166.0%
Health and Human Services	\$0	\$0	-	-	-	-	-
Natural Resources and Transportation	\$978,000	\$978,000	1,956,000	1,053,000	1,053,000	2,106,000	7.7%
Judicial Branch, Law Enforcement and Justice	\$500,000	\$500,000	1,000,000	-	-	-	-100.0%
Education	\$1,062,958	\$1,062,958	2,125,916	1,375,938	1,643,438	3,019,376	42.0%
Subtotal One-time	4,440,958	3,790,958	8,231,916	7,169,614	6,334,125	13,503,739	64.0%
Grand total	\$2,127,871,732	\$2,181,705,492	\$4,309,577,224	\$2,107,124,446	\$2,169,894,542	\$4,277,018,988	-0.8%

Detail of General Fund Legislative Action

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Status	Short Description of Proposed Legislation	Days in				
		Comm.	Revenue	Appropriation*	Potential**	Total
Subcommittee						
	HB 2 Language		1,000,000	(53,429,761)		(52,429,761)
1st House						
HB0130	Revise income tax law to exempt military pensions	8	(5,097,000)	-	-	(5,097,000)
HB0351	Encourage transformational learning	0	-	(2,600,000)	(120,058)	(2,720,058)
HB0388	Generally revise education laws related to students with exceptional needs	0	-	(424,400)	(7,878)	(432,278)
HB0393	Change truck speed limits	2	(27,671)	-	-	(27,671)
HB0420	Encourage grow your own programs to address teacher shortage	0	-	(500,000)	-	(500,000)
HB0433	Generally revise laws related to provision of data to the legislative branch	1	-	-	(719,450)	(719,450)
HB0459	Provide support for rural school recruitment and retention	0	-	-	(1,041,700)	(1,041,700)
HB0482	Require agency reporting on financial assistance to tribes	1	-	-	(3,400)	(3,400)
SB0018	Establish workforce housing tax credits	8	-	-	-	-
SB0024	Increase optional light motor vehicle registration fee for parks and recreation	1	-	-	(131,716)	(131,716)
SB0053	Revise meal reimbursement for public employees	1	-	-	(818,594)	(818,594)
SB0060	Generally revise laws related to financial aid programs	1	(1,500,000)	-	-	(1,500,000)
SB0093	Require decommissioning and bonding for certain solar	1	-	-	(97,762)	(97,762)
SB0195	Generally revise energy performance contracting laws	1	-	-	(94,693)	(94,693)
SB0200	Provide for equal classification of homes on a foundation	1	-	-	(136,692)	(136,692)
2nd House						
HB0003	Supplemental Appropriations Bill	12	-	(27,797,858)	-	(27,797,858)
HB0016	Establish affordable housing loan program	3	(10,124)	-	-	(10,124)
HB0021	Establishing "Hanna's Act"	3	-	-	(204,593)	(204,593)
HB0024	Revise irrigation cost deduction for irrigated property	3	-	-	-	-
HB0025	Use of validated tools for assessing needs of developmentally disabled persons	1	-	-	(368,595)	(368,595)
HB0041	Extend the Cultural Integrity and Commitment Act (language immersion programs)	3	-	-	(96,060)	(96,060)
HB0073	Revise laws related to classification of certain public defender employees	1	-	-	(91,228)	(91,228)
HB0158	Revise and fund purple heart scholarship , include higher medals	3	-	(50,000)	-	(50,000)
HB0172	Establish county veterans' service offices	2	-	(130,000)	-	(130,000)
HB0192	Revise laws related to privacy in communications	2	-	-	(135,050)	(135,050)
HB0211	Address recruitment and retention of K-12 quality educators	0	(34,500)	(1,000,000)	(30,000)	(1,064,500)
HB0212	Revise funding for community colleges	8	-	-	339,059	339,059
HB0238	Revise penalties for false reporting of crimes	2	-	-	(84,096)	(84,096)
HB0290	Require child support cooperation for food stamp eligibility	1	-	-	(1,035,075)	(1,035,075)
HB0292	Extend funding to Coal Board	8	(3,311,000)	-	-	(3,311,000)
HB0328	Exempt conservation districts from certain fees	1	-	-	(14,813)	(14,813)
HB0369	Generally revise criminal justice laws	4	-	(40,000)	-	(40,000)
HB0422	Increase amount available for Montana veteran home loan program	2	(28,980)	-	-	(28,980)
HB0444	Provide funding allocation for intermediary re-lending program	1	(21,750)	-	-	(21,750)
HB0450	Generally revise motor vehicle laws and dealer license requirements	1	-	-	(480)	(480)
SB0005	Require review of regulations related to DD community services	30	-	-	(8,590)	(8,590)
SB0008	Generally revise laws related to participation in extracurricular activities	8	-	-	(250,021)	(250,021)
SB0012	Revise school funding related to oil and gas production taxes	8	62,074	-	0	62,074
SB0026	Remove requirement for state to pay travel costs for prosecution witnesses	31	-	-	102,490	102,490
SB0032	Create stream gauge oversight work group	1	-	-	(85,796)	(85,796)
SB0040	Require OPI to create and maintain electronic directory photograph repository	3	-	-	(45,000)	(45,000)
SB0052	Generally revise laws on sexual assault kits	9	-	-	(125,000)	(125,000)
SB0055	Generally revise captive insurance laws	9	(401,700)	-	-	(401,700)
SB0119	Allow access control systems for alcohol and gambling licensees	22	-	-	(41,000)	(41,000)
SB0140	Establish the Montana dyslexia screening and intervention act	1	-	-	(30,000)	(30,000)
SB0167	Revise laws regarding hunting license benefits for military members	4	-	-	(1,358)	(1,358)
SB0168	Restrict certain initial employment applications regarding criminal history	4	-	-	(50,296)	(50,296)
SB0226	Create transportation interim committee	1	-	-	(7,095)	(7,095)
Ret-1st Hse						
HB0213	Revise the tax rate for certain oil production	2	(26,264)	-	-	(26,264)
Enrolling						
HB0050	Provide civil penalty for violations of agricultural commodity laws	0	10,000	-	-	10,000
HB0159	Generally revise education funding laws	2	-	-	(4,968)	(4,968)
HB0175	Provide for state employee pay plan	2	-	(21,669,577)	-	(21,669,577)
LAW						
HB0001	Feed Bill to fund 66th Legislative session and prepare for 2021	23	-	(12,122,292)	-	(12,122,292)
Total			(9,386,915)	(119,763,888)	(5,439,508)	(134,590,311)

How to Tie to the Balance Sheet

**According to the LFC management status sheet rules, bills with potential expenditures (don't have appropriations) are not included on the balance sheet unless they impact K-12 BASE Aid or the guarantee account. BASE Aid & guarantee account bills that impact the balance sheet are HB 41, HB 459 & SB 8. HB 159 has been appropriated in HB 2 and therefore that portion is not shown on the bill list. SB 111 is not included on the bill list as it is already included in the HJ 2 revenue estimate.

BASE Aid & guarantee account bills

	Revenue	Appropriations
HB 41	Extend the Cultural Integrity and Commitment Act (language immersion programs)	(96,060)
HB 459	Provide support for rural school recruitment and retention (guarantee account impact)	(1,000,000)
SB 8	Generally revise laws related to participation in extracurricular activities	(250,021)

HB 1 and HB 3 have individual lines on the balance sheet and are not included in the bill legislation line.

HB 1		12,122,292
HB 3		27,797,858
Total for bill legislation line on balance sheet		(9,386,915) (81,189,819)