

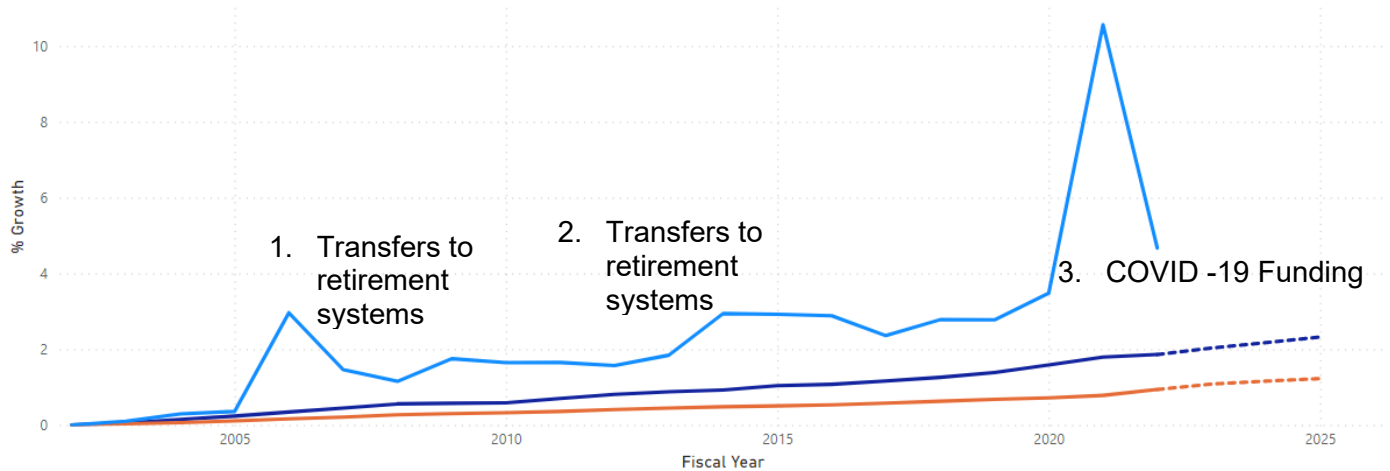
# Department of Administration

This report includes a series of charts that compare state resource expenditure growth to the growth in personal income 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.

## All Governmental Funds

The chart shows the growth in state resource expenditures compared to the growth in personal income and growth in inflation.

● MT Personal Income Growth ● CPI Adjusted for Population ● State Resources Growth

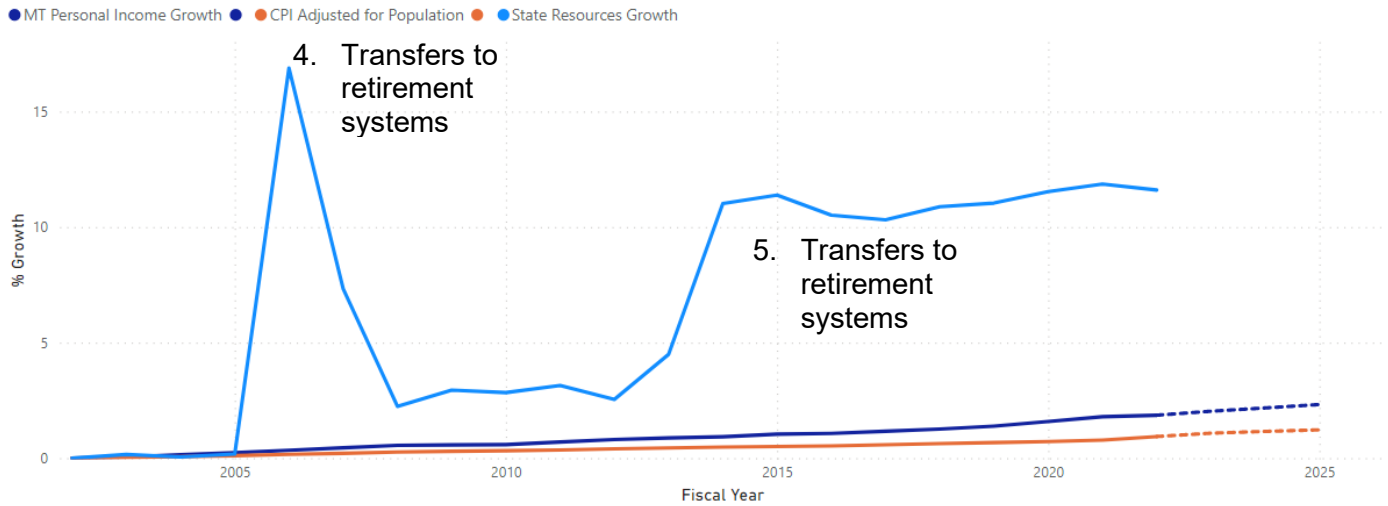


Overall, the trend for expenditures related to all governmental funds in the Department of Administration has been higher than growth in inflation adjusted for population and growth in the economy as measured by personal income. There are a few inflection points on the chart above, which were due to:

1. HB 1 (2005 December Special Session) transferred \$100.0 million from the general fund to the teachers' retirement system pension trust fund and \$25.0 million from the general fund to the public employees' retirement system pension trust fund
2. The 2013 Legislature approved HB 377 which increased general fund contributions to the teachers' retirement system by \$25.0 million and HB 454 which increased transfers to the public employees' retirement system by \$21.0 million
3. In FY 2020, FY 2021, and FY 2022 the Department of Administration expended federal funding received because of the COVID-19 pandemic. Expenditures included distributions to:
  - a. Local governments for COVID-19 related expenses
  - b. Schools from the school funding for COVID related impacts program
  - c. American Rescue Plan Act (ARPA)-designated non-entitlement units of local governments based on federal formulas
  - d. The Department of Administration for the administration of the broadband program

## General Fund

The chart shows the growth in state resource expenditures compared to the growth in personal income and growth in inflation.

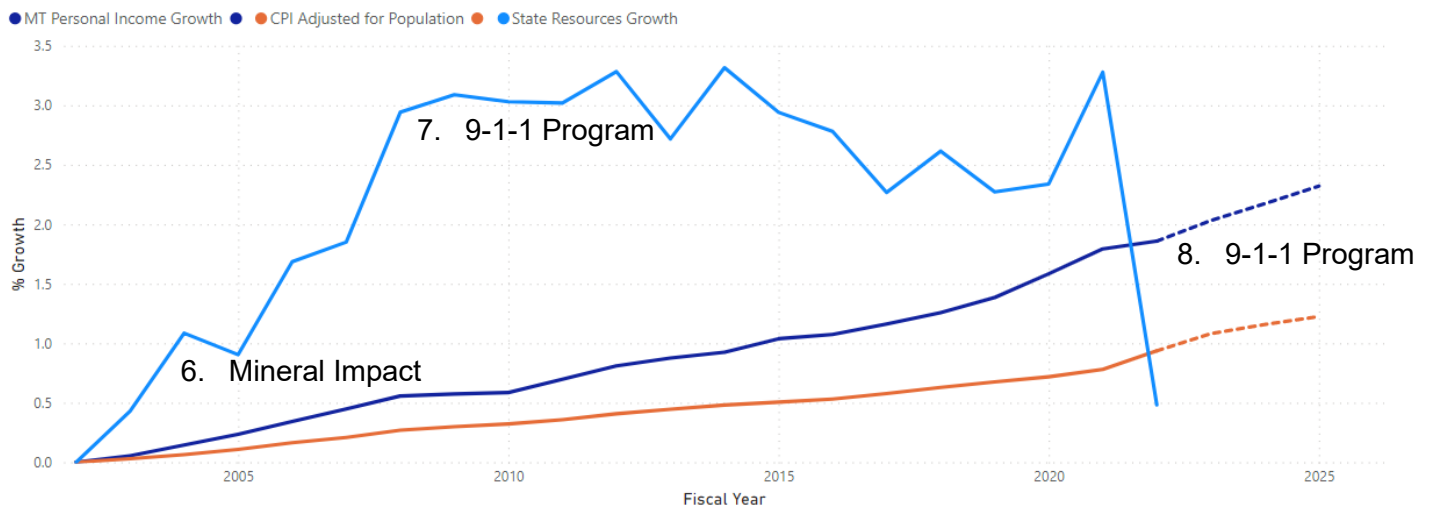


Overall, the trend for expenditures related to general fund in the Department of Administration has been higher than growth in inflation adjusted for population and growth in the economy as measured by personal income. There are a few inflection points on the chart above, which were due to:

4. HB 1 (2005 December Special Session) transferred \$100.0 million from the general fund to the teachers' retirement system pension trust fund and \$25.0 million from the general fund to the public employees' retirement system pension trust fund
5. The 2013 Legislature approved HB 377 which increased general fund contributions to the teachers' retirement system by \$25.0 million and HB 454 which increased transfers to the public employees' retirement system by \$21.0 million

## State Special Revenue Funds

The chart shows the growth in state resource expenditures compared to the growth in personal income and growth in inflation.



Overall, the trend for expenditures related to state special revenue funds in the Department of Administration has been higher than growth in inflation adjusted for population and growth in the economy as measured by personal income. There are a few inflection points on the chart above, which were due to:

6. Expenditures from the statutorily appropriated mineral impact state special revenue fund started in FY 2004
7. HB 27 (2007 Legislative Session) increased the 9-1-1 fee from \$0.50 per subscriber to \$1.00 per subscriber to establish the enhanced 9-1-1 emergency capacity for wireless telephone services
8. HB 693 (2021 Legislative Session) transferred the responsibility of administering the 911 funds from the Department of Administration to the Department of Justice, which eliminated expenditures from this program in the Department of Administration