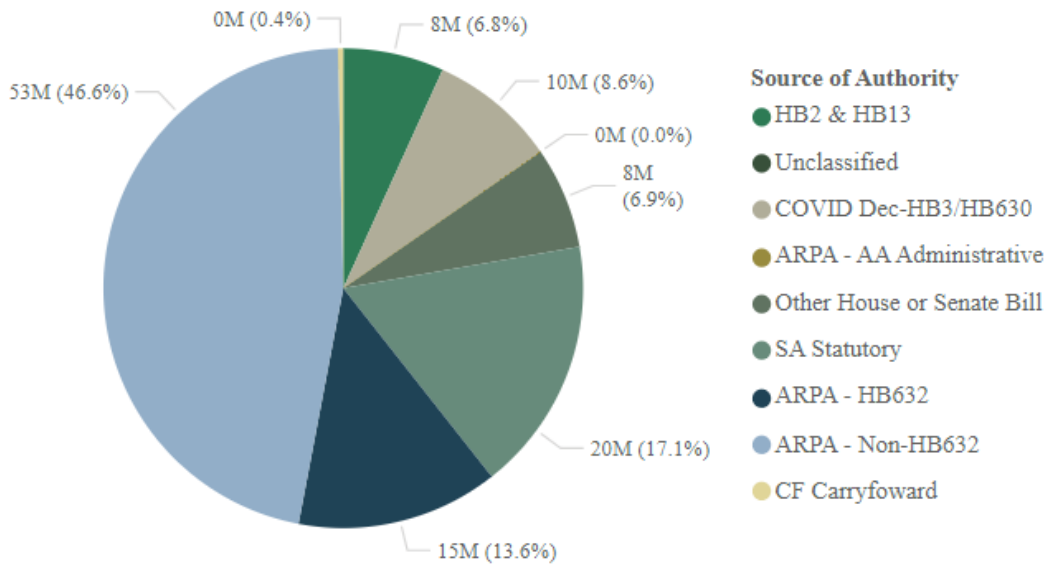


GOVERNOR'S OFFICE

TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the Governor's Office is shown in the pie chart below. HB 2 and HB 13 provide 6.8% of the total authority for this agency. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.

Total Modified Budget by Source of Authority



Source of Authority	Modified Budget	Expended Budget	% Expended
HB2 & HB13	7,735,986	6,755,360	87.3%
CF Carryforward	413,918	9,709	2.3%
Other House or Senate Bill	7,800,000		
SA Statutory	19,522,000	13,593,843	69.6%
Unclassified	210		
CARES II	9,734,683	1,917,470	19.7%
ARPA	68,633,436	170,707	0.2%
Total	113,840,233	22,447,089	19.7%

Other Bills

The Governor's Office has \$7.8 million of appropriation authority in other bills in FY 2024, which is approximately 6.9% of the total appropriation authority. This authority includes \$6.0 million appropriated to the Office of Economic Development in HB 819 and \$1.8 million appropriated in HB 13 for personal services contingency funding.

HB 819, adopted by the 2023 Legislature, included \$6.0 million of biennial funding for community reinvestment organizations. This funding is to provide additional funding for workforce housing in locations with state-owned facilities. As of this point in the fiscal year, 0.0% of the funding has been utilized. The community

reinvestment organizations must be established by December 31, 2024, and submit required information to receive funds by January 15, 2025. Therefore, expenditures will most likely start in FY 2025.

The 2023 Legislature adopted \$1.8 million in biennial funding for the Office of Budget and Program Planning, which includes \$1.0 million general fund, \$500,000 state special revenue funds, \$250,000 federal special revenue funds, and \$50,000 proprietary funds. This funding can be distributed to state agencies when personal services vacancies do not occur, retirement costs exceed state agency resources, or when other contingencies arise. As of May 31, 2024, the Office of Budget and Program Planning has not transferred any of this funding.

COVID-19 Authority

The table above includes all funds budgeted in the Governor's Office, but the Governor's Office transfers significant COVID-19 authority to applicable state agencies. In order to more accurately reflect the spending, the expenditures for funding that has been transferred to other state agencies has been removed from the above table in the Governor's Office and included in the charts of the state agency that made the expenditures.

CARES II

The Governor's Office has \$9.7 million of authority from Coronavirus Aid, Relief, and Economic Security (CARES) II in FY 2024 (note: there is approximately \$259,000 in excess appropriations because the amount appropriated in HB 3 was greater than the federal award). This funding is entirely from the Governor's emergency education relief (GEER) fund. Federal law requires that the funds be provided to help local education agencies respond to changes in student needs due to COVID-19. This funding needed to be obligated by September 30, 2023. As of May 31, 2024, \$1.9 million was expended and \$6.1 million was transferred out to state agencies (note: the transfers out are not reflected in the chart above). The excess appropriation authority of \$1.7 million will revert at the end of the fiscal year.

ARPA

The Governor's Office has \$68.6 million of authority from the American Rescue Plan Act (ARPA) in FY 2024, which includes:

- Anticipated interest earned on investing ARPA cash – Appropriation authority of \$53.1 million was 10.5% expended (including transfers out). Expenditures include:
 - \$5.0 million, not reflected in the chart above because it is a transfer to another agency, to the Architecture and Engineering Division for the Veterinary Diagnostic Lab long-range building project
 - \$440,000, not reflected in the chart above because it is a transfer to another agency, to the Department of Military Affairs for the National Guard recruitment incentive program and the Veterans Affairs Division
 - \$157,000 on mailings to citizens about the property tax rebates
- GEER fund – Appropriation authority totals \$11.8 million. Approximately \$37,000 of this is empty authority because the federal award was less than anticipated during session. Transfers out include approximately \$441,000 to the Department of Health and Human Services for GEER grant expenses (not reflected in the chart above)
- Water and sewer – Appropriation authority totals \$3.7 million; however, this is empty authority because the federal award was less than anticipated during session

- Economic transformation, stabilization, and workforce – Appropriation authority totals \$36,000 and was 37.4% expended on personal services and operating expenses

With the exception of the anticipated interest earned on investing ARPA funds, all remaining authority must be obligated by December 31, 2024, and expended by December 31, 2026.

Statutory Appropriations

The 2023 Legislature passed and approved HB 251, which established the debt and liability free account. This account can be used to:

- Pay the principal, interest, premiums, and any costs or fees associated with redeeming or defeasing outstanding bonds, notes, or other obligations
- Forgo or reduce the amount of an issuance of general obligation bonds paid from the general fund authorized by the legislature but not yet issued by the board of examiners prior to using funds from the capital development long-range building program account
- Pay in whole or in part legally resolved non-pension financial liabilities of the state of Montana

Appropriation authority of \$19.5 million was established in FY 2024, and at this point in the fiscal year, there were expenditures of approximately \$13.5 million for the purposes outlined in HB 251.

Carryforward

The Governor's Office has carryforward appropriation authority of approximately \$414,000, which is less than 1.0% of the total appropriation authority in FY 2024. The carryforward authority is comprised entirely of general fund in the Executive Office Program, Executive Residence Operations Program, Office of Budget and Program Planning, Office of Indian Affairs, and the Mental Disabilities Board of Visitors and Mental Health Ombudsman Program. The carryforward appropriation authority is 2.3% expended at this point in the fiscal year. All expenditures are in the Executive Residence Operations Program for payments to the Montana Public Employee Retirement Administration for costs associated with the termination of staff.

Unclassified

The Governor's Office has unclassified appropriation authority of \$210 because of lower workers' compensation premiums. Per 39-71-403(1)(b)(iv), MCA, when workers' compensation premiums are lower than the previous year, state agencies shall reduce personal services appropriations by the amount of the premium reduction. To track the changes in appropriation authority, total appropriations are not reduced, instead the Governor's Office of Budget and Program Planning (OBPP) requires state agencies to:

- Reduce HB 2, statutory, and proprietary appropriations
- Create a separate offsetting entry on the financial statements in the same amount using an identifying number for workers' compensation entries

The offsetting entries are identified as "frozen" appropriations, which means the appropriations will not be spent unless authorized by OBPP.

HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the HB 2 modified budget from March 1, 2024 through May 31, 2024. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The **positive modifications** and **negative modifications** are shown by program, expenditure account, and fund type.

Legislative Budget Compared to Modified Budget - HB 2 Only

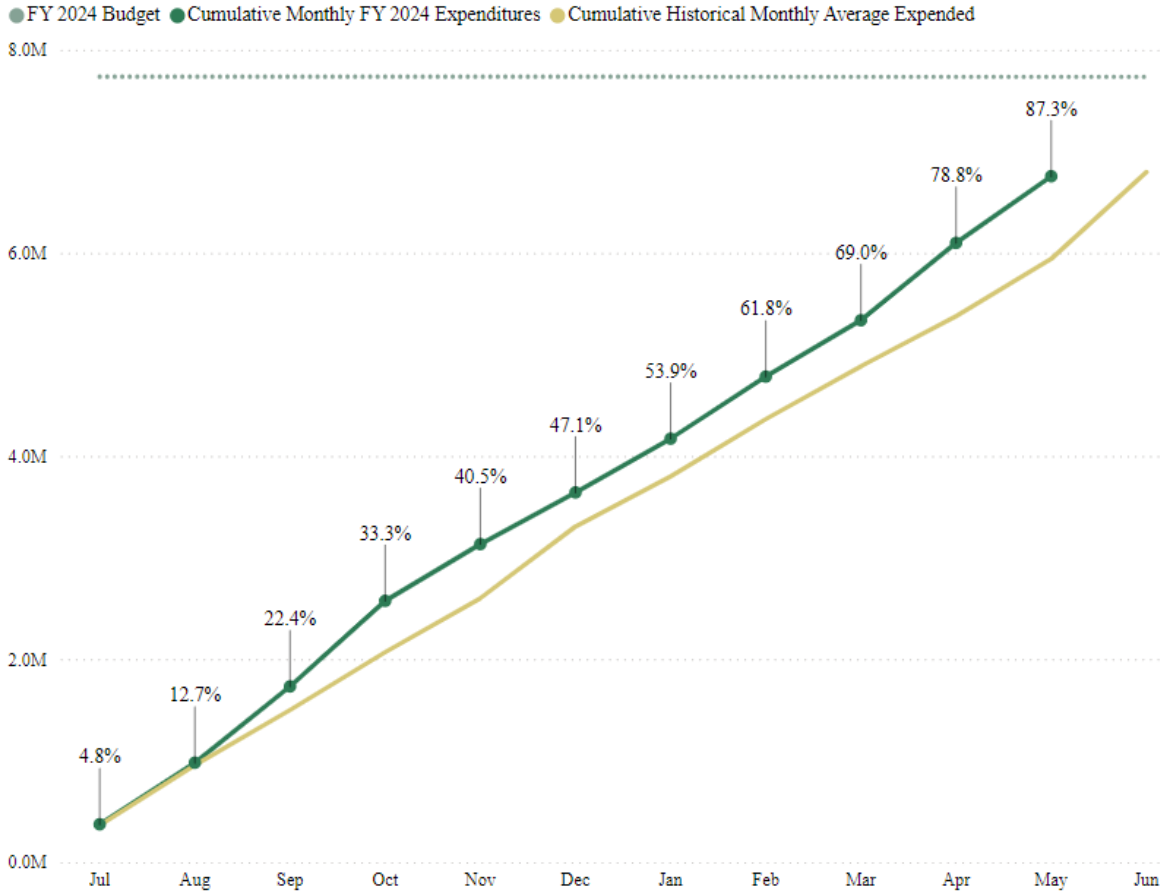
Agency Name	HB 2 Budget	Modified Budget	Net Modifications
<input type="checkbox"/> Governor's Office <input type="checkbox"/> 01 EXECUTIVE OFFICE PROGRAM <input type="checkbox"/> 02 EXECUTIVE RESIDENCE OPERATIONS <input type="checkbox"/> 04 OFC BUDGET & PROGRAM PLANNING <input type="checkbox"/> 05 OFFICE OF INDIAN AFFAIRS <input type="checkbox"/> 20 MENTAL DISABILITIES BD VISTORS Total	 7,735,986 3,509,899 54,614 3,412,168 264,793 494,512 7,735,986	 7,735,986 3,509,899 54,614 3,412,168 264,793 494,512 7,735,986	 0 0 0
Expenditure Type	HB 2 Budget	Modified Budget	Net Modifications
<input type="checkbox"/> 61000 Personal Services <input type="checkbox"/> 62000 Operating Expenses Total	 6,090,678 1,645,308 7,735,986	 6,090,678 1,645,308 7,735,986	 0 0 0
Fund Type	HB 2 Budget	Modified Budget	Net Modifications
<input type="checkbox"/> 01 General <input type="checkbox"/> 02 State/Other Spec Rev Total	 7,685,986 50,000 7,735,986	 7,685,986 50,000 7,735,986	 0 0 0

The Governor's Office did not have any budget modification between March 1, 2024 and May 31, 2024.

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through May 31, 2024.

Monthly Expenditures Compared to Historical Average



Program Name	Modified Budget	Expended Budget	% Expended
01 EXECUTIVE OFFICE PROGRAM	3,509,899	3,025,648	86.2%
02 EXECUTIVE RESIDENCE OPERATIONS	54,614	28,296	51.8%
04 OFC BUDGET & PROGRAM PLANNING	3,412,168	3,079,071	90.2%
05 OFFICE OF INDIAN AFFAIRS	264,793	189,390	71.5%
20 MENTAL DISABILITIES BD VISTORS	494,512	432,955	87.6%
Total	7,735,986	6,755,360	87.3%

Expenditure Type	Modified Budget	Expended Budget	% Expended
Personal Services	6,090,678	5,260,212	86.4%
Operating Expenses	1,645,308	1,495,148	90.9%
Total	7,735,986	6,755,360	87.3%

01 General	7,685,986	6,733,147	87.6%
02 State/Other Spec Rev	50,000	22,213	44.4%
Total	7,735,986	6,755,360	87.3%

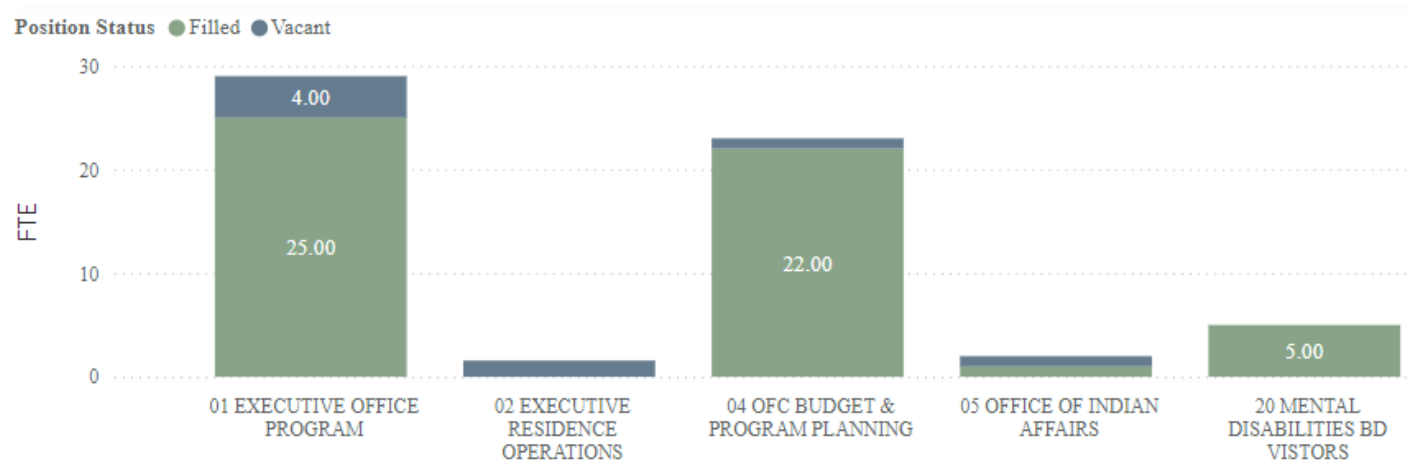
The Governor’s Office expended 87.3% of its \$7.7 million HB 2 modified budget through May 31, 2024. While this is higher than the historical average of 76.8%, the fiscal year is 91.7% complete so it is in line with this point in the fiscal year.

The Executive Residence Operations Program’s HB 2 budget of approximately \$55,000 was 51.8% expended at this point in the fiscal year. The executive residence is not currently in use, so expenditures are low. The Governor’s personal residence has been used for business events. Caterers and contracted staff are being used, as needed, for these events.

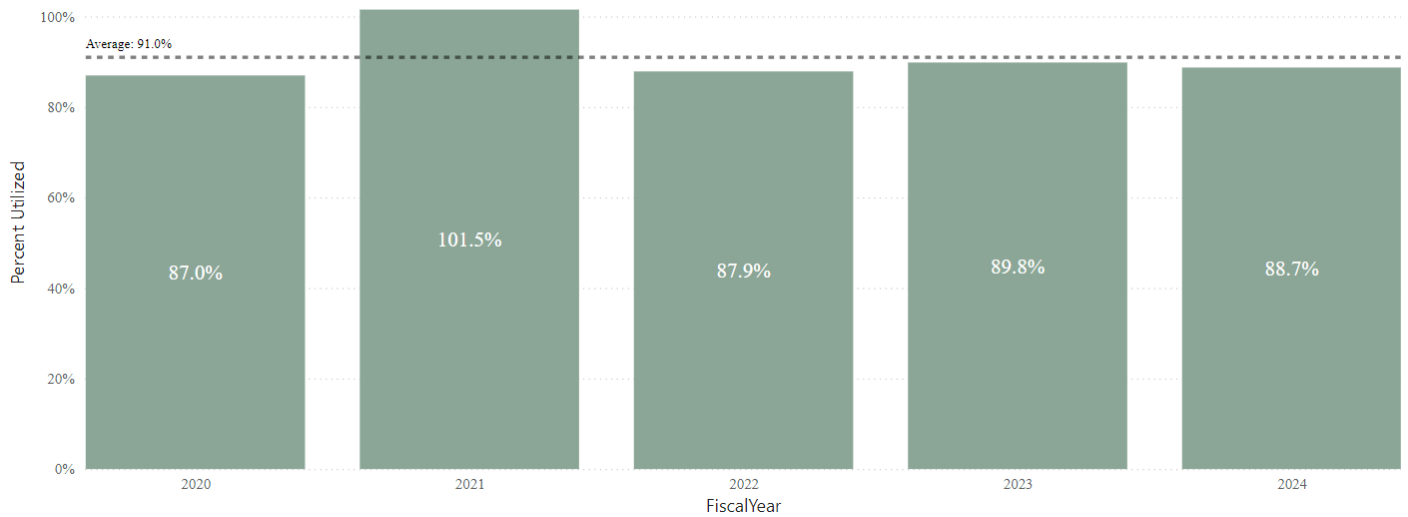
The Office of Indian Affairs’ HB 2 budget of approximately \$265,000 is 71.5% expended as of May 31, 2024. Operating expenses total approximately \$92,000 and are 54.9% expended. The state special revenue funding for tribal relations training has a budget of \$50,000 and is 44.4% expended, which is the primary contributor to the lower percentage expended in operating expenses. The Office of Indian Affairs held a training on November 29, 2023 and is not anticipating another training in FY 2024.

Personal Services

Personal services make up 78.7% of the FY 2024 HB 2 budget in the Governor’s Office with approximately \$5.3 million or 86.4% expended through May 31, 2024. The office has 60.57 HB 2 FTE and 87.5% of these positions were filled as of May 1, 2024. The following chart shows the filled and vacant FTE within the agency as of May 1, 2024.



The chart below shows the hourly utilization percentage for the Governor’s Office between July 1 and May 1 for each fiscal year when compared to the available hours for the same time period. Overall, the department has utilized 88.7% of the hours budgeted for FY 2024. This is slightly below the five-year average of 91.0%.



The chart below shows the vacant FTE in each division, the number of months each position has been vacant and the midpoint hourly pay rate. Of the 7.57 FTE that are vacant, 4.00 FTE have been vacant from the start of the fiscal year (July 2023) or less. The Executive Residence Operations Program includes 1.57 FTE which are unfilled due to the executive residence not currently being in use, and these positions were not funded in FY 2024.

	FTE	Median Months Vacant	Market Midpoint (Hourly)
31010 GOVERNORS OFFICE	7.57	16.66	7.50
01 EXECUTIVE OFFICE PROGRAM	4.00	15.08	
Personal Staff - EO/Prof	1.00	3.11	
Personal Staff/EO-Admin	1.00	3.64	
Policy Specialist	2.00	29.28	
02 EXECUTIVE RESIDENCE OPERATIONS	1.57	30.20	16.95
Cook 3	1.00	29.74	18.89
Custodian 1	0.57	30.66	15.01
04 OFC BUDGET & PROGRAM PLANNING	1.00	6.79	37.57
Budget Analyst 3	1.00	6.79	37.57
05 OFFICE OF INDIAN AFFAIRS	1.00	3.64	18.15
Administrative Assistant 2	1.00	3.64	18.15
Total	7.57	16.66	7.50