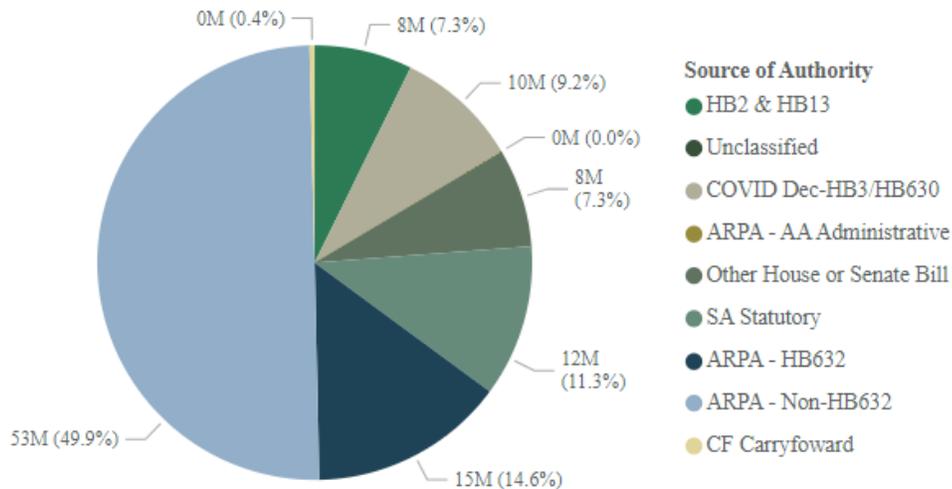


GOVERNOR'S OFFICE

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 7.3% 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
ARPA	68,633,436	169,264	0.2%
SA Statutory	12,012,000	5,919,248	49.3%
CARES II	9,734,683	1,917,470	19.7%
Other House or Senate Bill	7,800,000		
HB2 & HB13	7,735,986	4,782,669	61.8%
CF Carryforward	413,918	9,709	2.3%
Unclassified	210		
Total	106,330,233	12,798,360	12.0%

Other Bills

The Governor's Office has approximately \$7.8 million of appropriation authority in other bills in FY 2024, which is approximately 7.3% 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 additional, 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 February 29, 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 February 29, 2024, \$1.9 million was expended and \$6.1 million was transferred out to state agencies (note: the transfer out is 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 9.7% expended (including transfers out). Expenditures include \$157,000 on mailings to citizens about the property tax rebates. Additionally, there was a transfer out of \$5.0 million, not reflected in the chart above, to the Architecture and Engineering Division for the Veterinary Diagnostic Lab long-range building project
- 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. There was a transfer out of approximately \$241,000 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 33.4% expended on personal services and operating expenses

Expenditures, excluding transfers out, through February 29, 2024 total approximately \$169,000. With the exception of the anticipated interest earned on investing ARPA funds, this 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 \$12.0 million was established in FY 2024, and at this point in the fiscal year, there were expenditures of approximately \$5.9 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 December 1, 2023 through February 29, 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
☐ Governor's Office	7,736,196	7,735,986	-210
☐ 01 EXECUTIVE OFFICE PROGRAM	3,509,899	3,509,899	
☐ 02 EXECUTIVE RESIDENCE OPERATIONS	54,824	54,614	-210
☐ 04 OFC BUDGET & PROGRAM PLANNING	3,412,168	3,412,168	
☐ 05 OFFICE OF INDIAN AFFAIRS	264,793	264,793	
☐ 20 MENTAL DISABILITIES BD VISTORS	494,512	494,512	
Total	7,736,196	7,735,986	-210

Expenditure Type	HB 2 Budget	Modified Budget	Net Modifications
☐ 61000 Personal Services	6,090,888	6,090,678	-210
☐ 62000 Operating Expenses	1,645,308	1,645,308	
Total	7,736,196	7,735,986	-210

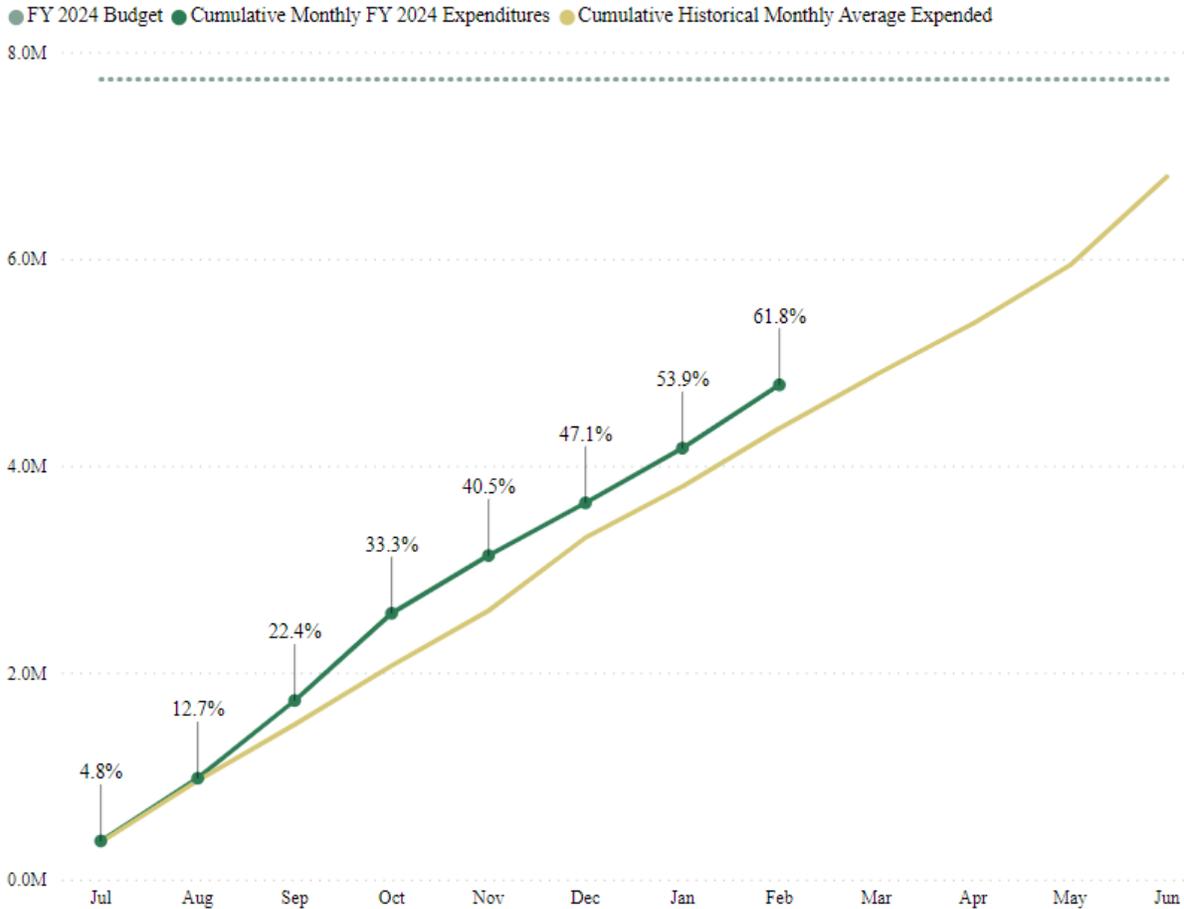
Fund Type	HB 2 Budget	Modified Budget	Net Modifications
☐ 01 General	7,686,196	7,685,986	-210
☐ 02 State/Other Spec Rev	50,000	50,000	
Total	7,736,196	7,735,986	-210

The Governor's Office had one budget modification between December 1, 2023 and February 29, 2024. This modification reduced general fund appropriations by \$210 because of reductions to workers' compensation insurance (additional information is included in the Unclassified section above).

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through February 29, 2024.

Monthly Expenditures Compared to Historical Average



Program Name	Modified Budget	Expended Budget	% Expended
<input type="checkbox"/> 01 EXECUTIVE OFFICE PROGRAM	3,509,899	2,201,844	62.7%
<input type="checkbox"/> 02 EXECUTIVE RESIDENCE OPERATIONS	54,614	21,978	40.2%
<input type="checkbox"/> 04 OFC BUDGET & PROGRAM PLANNING	3,412,168	2,111,978	61.9%
<input type="checkbox"/> 05 OFFICE OF INDIAN AFFAIRS	264,793	143,380	54.1%
<input type="checkbox"/> 20 MENTAL DISABILITIES BD VISTORS	494,512	303,488	61.4%
Total	7,735,986	4,782,669	61.8%

Expenditure Type	Modified Budget	Expended Budget	% Expended
<input type="checkbox"/> Personal Services	6,090,678	3,723,942	61.1%
<input type="checkbox"/> Operating Expenses	1,645,308	1,058,727	64.3%
Total	7,735,986	4,782,669	61.8%

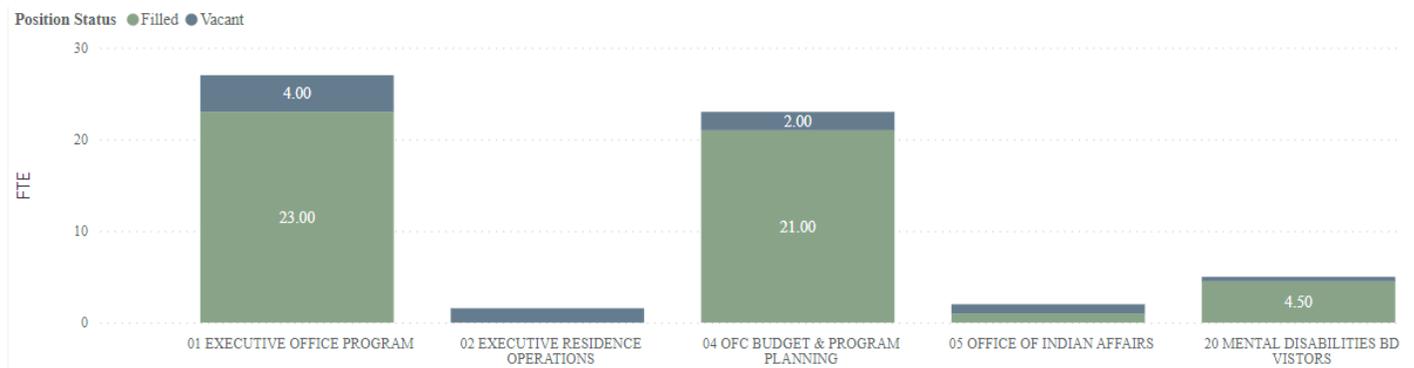
Fund Type	Modified Budget	Expended Budget	% Expended
<input type="checkbox"/> 01 General	7,685,986	4,760,456	61.9%
<input type="checkbox"/> 02 State/Other Spec Rev	50,000	22,213	44.4%
Total	7,735,986	4,782,669	61.8%

The Governor’s Office expended 61.8% of its \$7.7 million HB 2 modified budget through February 29, 2024, which is slightly higher than the historical average of 56.4%.

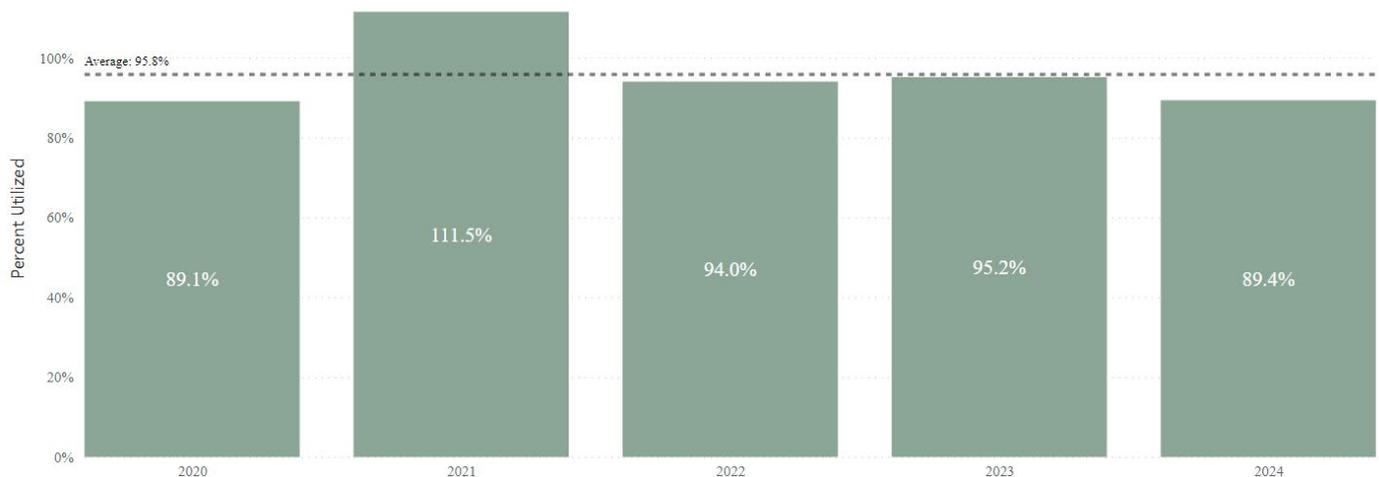
The Executive Residence Operations Program’s HB 2 budget of approximately \$55,000 was 40.2% expended at this point in the fiscal year. The executive residence is not currently in use, so expenditures are low. The Governor’s personal residence has been used for business events. Caterers and contracted staff are being used, as needed, for these events.

Personal Services

Personal services make up 78.7% of the FY 2024 HB 2 budget in the Governor’s Office with approximately \$3.7 million or 61.1% expended through February 29, 2024. The office has 60.57 HB 2 FTE and 85.0% of these positions were filled as of February 1, 2024 (note: the charts below do not include 2.00 FTE for the elected positions). The following chart shows the filled and vacant FTE within the agency as of February 1, 2024.



The chart below shows the hourly utilization percentage for the Governor’s Office between July 1 and February 1 for each fiscal year when compared to the available hours for the same time period. Overall, the department has utilized 89.4% of the hours budgeted for FY 2024. This is slightly below the five-year average of 95.8%.



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 9.07 FTE that are vacant, 5.00 FTE have been vacant from the start of the fiscal year (July 2023) or less. Of these vacant positions:

- In the Executive Residence Operations Program, 1.57 FTE are unfilled due to the executive residence not currently being in use. It is important to note that these positions were not funded in FY 2024
- In the Office of Budget and Program Planning, 1.00 FTE has been filled, but will not start until April 2024
- In the Mental Disabilities Board of Visitors and Mental Health Ombudsman, the plan is to combine the 0.50 vacant FTE with another part-time position. The person that is currently in the part-time position will increase their hours worked

DEPT NUM/NAME	FTE	Median Months Vacant	Market Midpoint (Hourly)
31010 GOVERNORS OFFICE	9.07	15.31	16.58
01 EXECUTIVE OFFICE PROGRAM	4.00	12.56	
PERSL STAFF/EO-PROF	1.00	1.54	
Personal Staff/EO-Admin	1.00	0.69	
Policy Specialist	2.00	26.33	
02 EXECUTIVE RESIDENCE OPERATIONS	1.57	27.25	16.95
Cook 3	1.00	26.79	18.89
Custodian 1	0.57	27.70	15.01
04 OFC BUDGET & PROGRAM PLANNING	2.00	5.44	37.57
Budget Analyst 3	2.00	5.44	37.57
05 OFFICE OF INDIAN AFFAIRS	1.00	0.69	18.15
Administrative Assistant 2	1.00	0.69	18.15
20 MENTAL DISABILITIES BD VISTORS	0.50	80.03	21.48
Administrative Assistant 3	0.50	80.03	21.48
Total	9.07	15.31	16.58