

# FY 2024 Quarterly Financial Report

THE BUDGET, YEAR TO DATE  
BY LEGISLATIVE FISCAL DIVISION STAFF

JUNE 21, 2024

# GENERAL FUND BALANCE STATUS

## UNAUDITED, UNASSIGNED GENERAL FUND ENDING BALANCE ESTIMATE FY 2025 \$801.3 MILLION

The estimated unaudited and unassigned FY 2025 general fund ending fund balance is \$801.3 million, which is a \$16.2 million increase since the March 2024 report. The following bullets highlight the primary changes that impacted the estimated FY 2025 ending fund balance.

- [FY 2023 Annual Comprehensive Financial Report](#) adjustments increased FY 2023 ending fund balance by \$6.6 million
- Estimated FY 2025 fire fund transfer adjusted, increased fund balance \$20.0 million
- Estimated Supplemental Appropriation – Office of Public Defender, decreased fund balance \$10.0 million
- Property tax rebate expenditures in FY 2024, decreased fund balance \$482,490
- Moved revenue accrual reversal from FY 2023 to FY 2024, \$0 net change

**General Fund Balance Sheet**  
Includes HJ Revenue Estimates Adjusted for Legislation  
(\$ Millions)

	Actual FY 2022	Actuals FY 2023	HJ2 Revenue Forecast Adjusted for Legislation FY 2024	HJ2 Revenue Forecast Adjusted for Legislation FY 2025
Beginning Fund Balance	\$720.0	\$1,847.1	\$857.9	\$718.4
Revenues				
Actuals & HJ 2 Ongoing Forecasts Adjusted for Legislation	3,755.7	3,682.6	3,178.1	3,131.7
One-Time-Only (OTO) Actuals & Forecast				
OTO revenues	135.9	260.8	(55.5)	(54.7)
OTO Accounting Accrual		(187.4)		
<b>Total Funds Available</b>	<b>4,598.1</b>	<b>5,612.9</b>	<b>4,167.9</b>	<b>3,795.4</b>
Accrual Reversal for Property Tax Rebates			187.4	
Adjustments	(13.6)	9.8		
<b>Expenditures - Ongoing</b>				
Statutory Appropriations	302.9	315.2	312.5	320.5
Ongoing Transfers	23.4	22.2	12.5	12.5
HB 2 Agency Budgets (includes pay plan)	2,121.9	2,237.2	2,103.6	2,242.6
HB 2 Language Appropriations		0.1		
HB 1 Feed Bill	2.2	11.5	7.1	13.4
Other House and Senate Bills	10.8	3.1	27.5	19.0
Health plans transfer (structural balance purposes)			8.2	8.2
Estimated Agency Supplementals				10.0
Estimated Reversions			(7.4)	(7.8)
<b>Ongoing Expenditures</b>	<b>2,461.3</b>	<b>2,589.3</b>	<b>2,464.0</b>	<b>2,618.4</b>
<b>Expenditures One-Time-Only (OTO)</b>				
HB 2 Agency Budgets	18.6	13.5	57.3	38.6
OTO Health plans transfer (structural balance purposes)			(8.2)	(8.2)
OTO FMAP phase down			(16.3)	
OTO Statutory Appropriations (property tax rebates)			144.2	192.0
OTO Transfers	270.2	2,125.7	672.5	132.6
OTO Other House & Senate Bills, Carryforward, etc.	2.6	41.5	136.0	20.7
OTO Estimated Agency Supplementals				0.1
<b>Total Expenditures</b>	<b>2,752.7</b>	<b>4,769.9</b>	<b>3,449.5</b>	<b>2,994.1</b>
Adjustments	(1.7)	15.0		
<b>Ending Fund Balance</b>	<b>\$1,847.1</b>	<b>\$857.9</b>	<b>\$718.4</b>	<b>\$801.3</b>
<b>Structural Balance</b>	<b>\$1,294.4</b>	<b>\$1,093.3</b>	<b>\$714.0</b>	<b>\$513.4</b>

# AGENCY EXPENDITURE FY 2024 QUARTERLY HIGHLIGHTS

Agencies with significant budget highlights from March 1-June 1 FY 2024 are included in this section. Detailed spending by each agency is provided in reports to the [Interim Budget Committees](#).

## OFFICE OF PUBLIC DEFENDER

### *Shortfall in General Fund & Possible Supplemental Appropriation for FY 2025*

The Office of Public Defender has indicated that contracted attorney services were higher than expected and the department is experiencing a general fund shortfall. LFD analysts have estimated the possibility of a supplemental appropriation of \$10.0 million.

## VACANT POSITIONS, OVERALL RATE 11.2%

The LFD monitors agency vacancy rates during the interim period, and if an agency vacancy rate is above 15.0%, further analysis is provided in this report.

### Department of Commerce, 18.5%

The Department of Commerce continues to have a vacancy rate above the 15.0% threshold for inclusion in this report. The department has 11.34 vacant HB 2 regular FTE in the period studied. The vacancy rate includes positions like 2.30 FTE consumer service assistants, 4.00 FTE program specialists, 1.00 FTE manager position, and 1.00 FTE for an operations/budget analyst position.

### Department of Agriculture, 17.3%

The vacancy rate for the Department of Agriculture continues to be above the 15.0% rate threshold, but 8.65 FTE of the 21.17 FTE vacant positions are seasonal samplers.

### State Auditor's Office (SAO), 16.6% vacancy rate

The State Auditor's Office continues to have a vacancy rate above 15.0%. Of the 12.00 positions vacant during this reporting period, SAO had 5.00 retirements, and 5.00 either left state government or transferred to another state agency. While some of the vacancy is attributed to three open personal staff positions, the agency has continued vacancies for an actuary, a business manager, a compliance manager, two compliance specialists, and two financial examiners.

## HB 2 BY SECTION AND AGENCY

The Legislative Fiscal Division has created a Power BI interactive data tool that illustrates the budgeted and actual expenditures of HB 2 for FY 2024. The budgeted number reflects the FYE modified budget. Detailed budget changes by section, agency, and program can be found in reports given to the [Interim Budget Committees](#).

The [Appendix A Power BI tool](#) allows viewers to pick and choose agencies and drill down deeper into the data. Three pages or dashboards provide a different view of the data. The general fund only dashboard is the second page. Please note, there are slight differences between the Power BI tool and SABHRS accounting/general fund balance sheet. [Appendix B Power BI tool](#) shows all funds, which includes statutory appropriations, budgeted proprietary funds, other appropriation authority, etc.

## GENERAL FUND REVENUE SUMMARY

This monthly revenue update analyzes revenue collections through the end of May and is designed to apprise interested members of the legislature on year-to-date general fund revenue, recent economic trends, and the outlook for FY 2024 relative to the revenue estimate contained in HJ 2.

FY 2024 is on track to exceed the HJ 2 revenue estimate adopted by the Legislature. However, several factors complicate this analysis:

- When HJ 2 was adopted in November 2022, the estimate contained statewide 95 mills and TCA interest earnings for the general fund. The 2023 Legislative Session moved the statewide 95 mills and TCA interest earnings (highlighted in green in the following table) from the general fund to newly created state special revenue funds. If you compare FY 2024 general fund revenues through the end of May to FY 2023 through the same period, then revenues are \$561.2 million or 15.5% below FY 2023. This is in comparison to the estimate adopted in HJ 2, which projects a decline of 20.8%.
- For a more accurate picture of revenue growth, it makes sense to include both the state-levied 95 mills as well as TCA interest earnings. When these are included, FY 2024 revenues are \$65.3 million, or 1.9% above collections from last year at this time. This is above the projected decrease adopted in HJ 2 of 3.3%. However, the majority of the growth is attributable to a very large increase in partnership income tax collections, due to the passage of [SB 554](#) during the 2023 Legislative Session. More detail on this can be seen in the individual income tax section of this report.
- ***Compared to HJ 2, ongoing general fund and select state special revenue collections are currently \$177 million above HJ 2, and current trends indicate that FYE collections could end up roughly \$200 million above HJ 2. However, some of this increase will still likely be due to timing at FYE, and outstanding credits because of SB 554 will eventually be issued in future fiscal years, lowering income tax collections.***

General Fund, School Equalization, Debt & Liability Free Account Revenue Monitoring Report  
(\$ Millions)

Revenue Source	Actual FY 2023	HJ 2 FY 2024	HJ 2 Est. % Change	May FY 2023	May FY 2024	YTD Difference	YTD % Change	YTD % Change
<b>Largest Seven Sources</b>								
Individual Income Tax	\$2,254.305	\$2,054.152	-8.9%	\$2,221.253	\$2,225.817	\$4.563	0.2%	
Property Tax (General Fund)	355.982	15.861	23.8%	217.956	10.973	35.476	16.3%	
Property Tax (School Equalization)		424.826			242.459			
Corporate Income Tax	309.884	275.821	-11.0%	262.857	267.212	4.355	1.7%	
Vehicle Taxes & Fees	123.005	122.221	-0.6%	102.547	102.719	0.172	0.2%	
Oil & Natural Gas Taxes	71.039	73.229	3.1%	37.437	34.610	(2.827)	-7.6%	
Insurance Tax	106.196	105.838	-0.3%	87.731	95.693	7.962	9.1%	
Video Gaming Tax	80.105	83.264	3.9%	59.765	62.173	2.408	4.0%	
<b>Other Business Taxes</b>								
Drivers License Fee	6.601	5.919	-10.3%	5.666	5.208	(0.457)	-8.1%	
Investment Licenses	20.942	20.741	-1.0%	20.516	20.313	(0.203)	-1.0%	
Lodging Facilities Sales Tax	42.338	57.476	35.8%	31.442	32.391	0.949	3.0%	
Public Contractor's Tax	6.733	4.203	-37.6%	4.328	6.044	1.716	39.6%	
Railroad Car Tax	4.012	5.496	37.0%	4.011	3.642	(0.369)	-9.2%	
Rental Car Sales Tax	7.270	7.978	9.7%	4.905	5.555	0.650	13.2%	
Retail Telecom Excise Tax	8.436	5.631	-33.3%	6.380	6.077	(0.303)	-4.8%	
<b>Other Natural Resource Taxes</b>								
Coal Severance Tax	20.879	18.420	-11.8%	14.997	13.630	(1.367)	-9.1%	
Electrical Energy Tax	4.004	3.536	-11.7%	3.051	3.184	0.133	4.4%	
Metal Mines Tax	7.251	11.363	56.7%	3.950	3.444	(0.506)	-12.8%	
U.S. Mineral Leasing	37.508	24.212	-35.4%	26.690	12.755	(13.935)	-52.2%	
Wholesale Energy Trans Tax	3.455	3.410	-1.3%	2.645	2.719	0.074	2.8%	
<b>Other Interest Earnings</b>								
Coal Trust Interest Earnings	18.105	18.857	4.2%	14.784	15.539	0.755	5.1%	
TCA Interest Earnings (Now SSR)	118.389	126.591	6.9%	111.587	123.293	11.705	10.5%	
<b>Other Consumption Taxes</b>								
Beer Tax	3.188	3.329	4.4%	2.558	2.228	(0.330)	-12.9%	
Cigarette Tax	20.797	26.889	29.3%	17.321	19.160	1.838	10.6%	
Liquor Excise Tax	32.705	32.298	-1.2%	24.178	24.955	0.777	3.2%	
Liquor Profits	19.000	23.700	24.7%	-	-	-	-	
Lottery Profits	22.657	15.508	-31.6%	14.278	13.467	(0.811)	-5.7%	
Marijuana Tax	29.423	30.681	4.3%	-	-	-	-	
Tobacco Tax	5.358	5.320	-0.7%	4.447	4.193	(0.254)	-5.7%	
Wine Tax	2.528	2.696	6.6%	2.083	1.877	(0.206)	-9.9%	
<b>Other Sources</b>								
All Other Revenue	304.813	46.544	-84.7%	289.775	42.190	(247.585)	-85.4%	
Highway Patrol Fines	3.587	3.953	10.2%	2.906	2.815	(0.092)	-3.2%	
Nursing Facilities Fee	3.542	2.942	-16.9%	2.563	2.511	(0.052)	-2.0%	
Public Institution Reimbursements	4.308	7.758	80.1%	3.294	4.069	0.775	23.5%	
Tobacco Settlement	3.466	3.327	-4.0%	3.466	2.999	(0.467)	-13.5%	
Ongoing GF Revenue Subtotal	3,682.630	3,178.074	-13.7%	3,238.992	3,050.160	(188.832)	-5.8%	
Ongoing GF & SSR Subtotal	3,801.019	3,673.991	-3.3%	3,350.579	3,415.912	65.332	1.9%	
OTO Revenue & Transfers Subtotal	260.789	(55.500)		260.789		(260.789)	-100.0%	
<b>Grand Total General Fund</b>	<b>\$3,943.420</b>	<b>\$3,122.574</b>	<b>-20.8%</b>	<b>\$3,611.368</b>	<b>\$3,050.160</b>	<b>(\$561.208)</b>	<b>-15.5%</b>	

## MAJOR SOURCES

**Individual Income Tax: Likely on target to exceed HJ 2. Current growth is stronger than expected due to SB 554, but outstanding credits could be issued in future fiscal years lowering future income tax collections.**

While several factors complicate the analysis, individual income tax collections are now anticipated to exceed the HJ 2 estimate adopted by the 2023 Legislative Session of an 8.9% decline relative to FY 2023 actual collections.

Individual income tax collections through the end of May are \$4.6 million or 0.2% above the year-to-date collections in FY 2023. While this is above the anticipated decline of 8.9% adopted in HJ 2, some of this growth may still be a timing issue associated with [SB 554](#) (more on this below). In addition, due to the passage of [SB 121](#), withholding growth rates are expected to continue to decline throughout the remainder of the fiscal year.

The chart below shows the year-over-year individual income tax collections by type of revenue (account).

Individual Income Tax (\$ Millions)

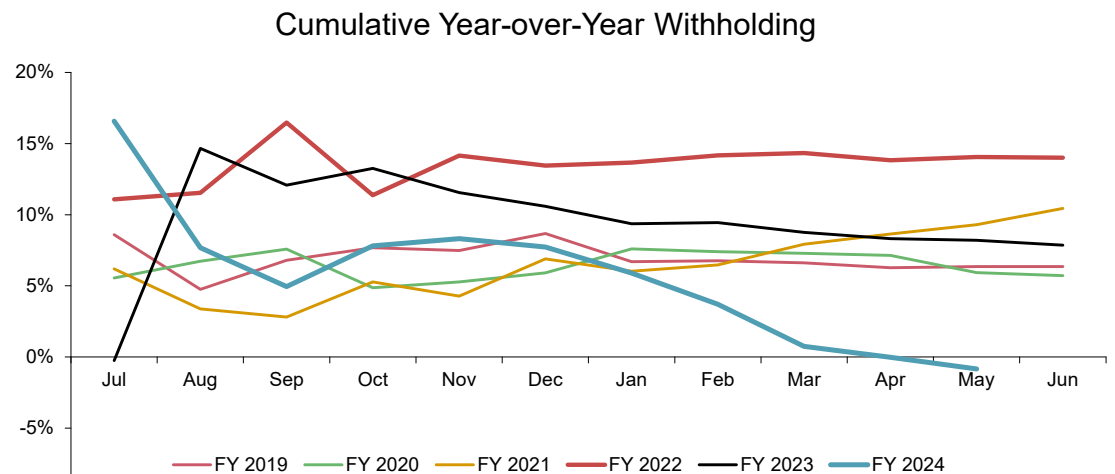
Account	YTD 2024	YTD 2023	\$ Difference	% Difference
Withholding	\$1,337.4	\$1,348.7	(\$11.2)	-0.8%
Estimated Payments	360.7	446.3	(85.6)	-19.2%
Current Year Payments	363.8	407.0	(43.2)	-10.6%
Audit, P&I, Amended	65.6	66.2	(0.5)	-0.8%
Refunds	(290.6)	(199.6)	(90.9)	45.5%
Partnership Income Tax	377.1	142.5	234.5	164.5%
Mineral Royalties	11.7	10.1	1.6	15.9%
<b>Total</b>	<b>2,225.8</b>	<b>2,221.3</b>	<b>4.6</b>	<b>0.2%</b>

Withholding typically accounts for two-thirds of individual income tax and about 40% of total general fund revenue. Currently, withholding collections are slightly below last year's collections. As shown in the following chart, withholding growth tends to be relatively variable in the first half of the year but stabilizes in the second half of the fiscal year. This

year however, **it is anticipated that withholding growth will continue to decline throughout the remainder of the current fiscal year due to the passage of [SB 121](#) in the 2023 Legislative Session.**

Prior to the passage of SB 121, the top marginal rate was set

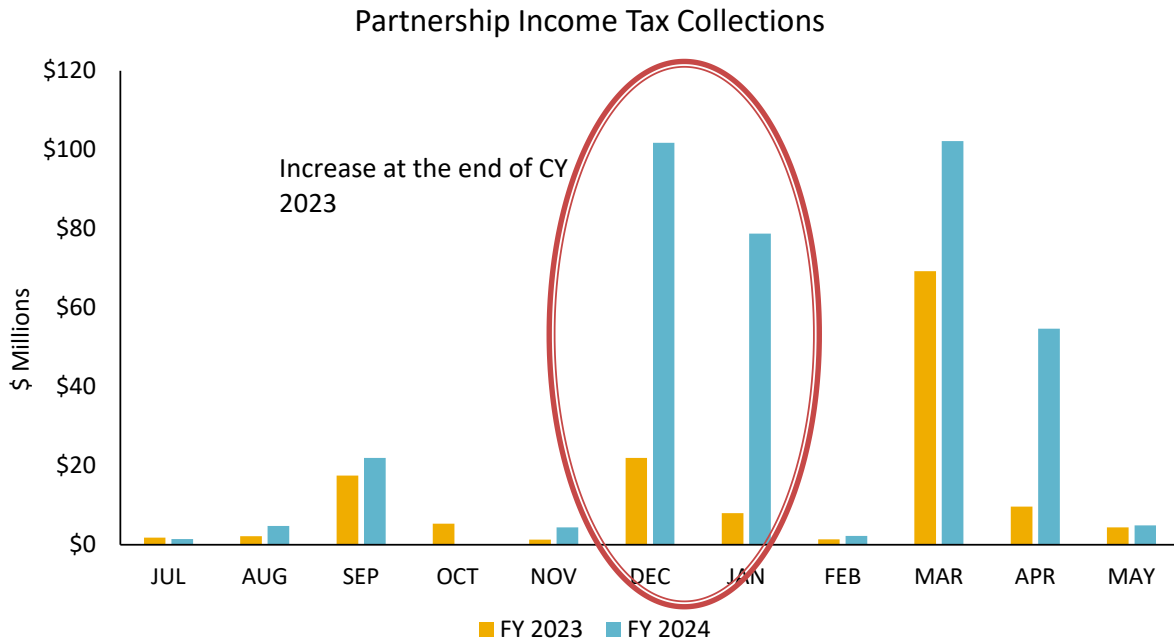
to decrease from 6.75% to 6.5% on January 1, 2024. With the passage of SB 121, the top rate instead decreased to 5.9% on January 1, 2024. The reduced top marginal rate is reflected in the decreased withholding growth



experienced from December through May. Furthermore, until January 1, 2024, the withholding tables still utilized the old top marginal rate of 6.9%, making the decrease above even more pronounced.

### SB 554 (2023 Session)

The only source of growth other than mineral royalty withholding in individual income taxes through the end of May was partnership income taxes. Through May, these collections were up \$234.5 million, or 164.5% compared to last year. The strong growth began in December and was expected with the passage of [SB 554](#) in the 2023 Legislative Session. The figure below shows partnership income tax collections by month compared to last year.



SB 554 created an optional pass-through entity tax (PTET). The fiscal note for this bill estimated that there would be no impact to the state in the long-term. However, it is possible that the timing and collection/issuing of both payments and PTET credits could be shifted from one fiscal year to the next.

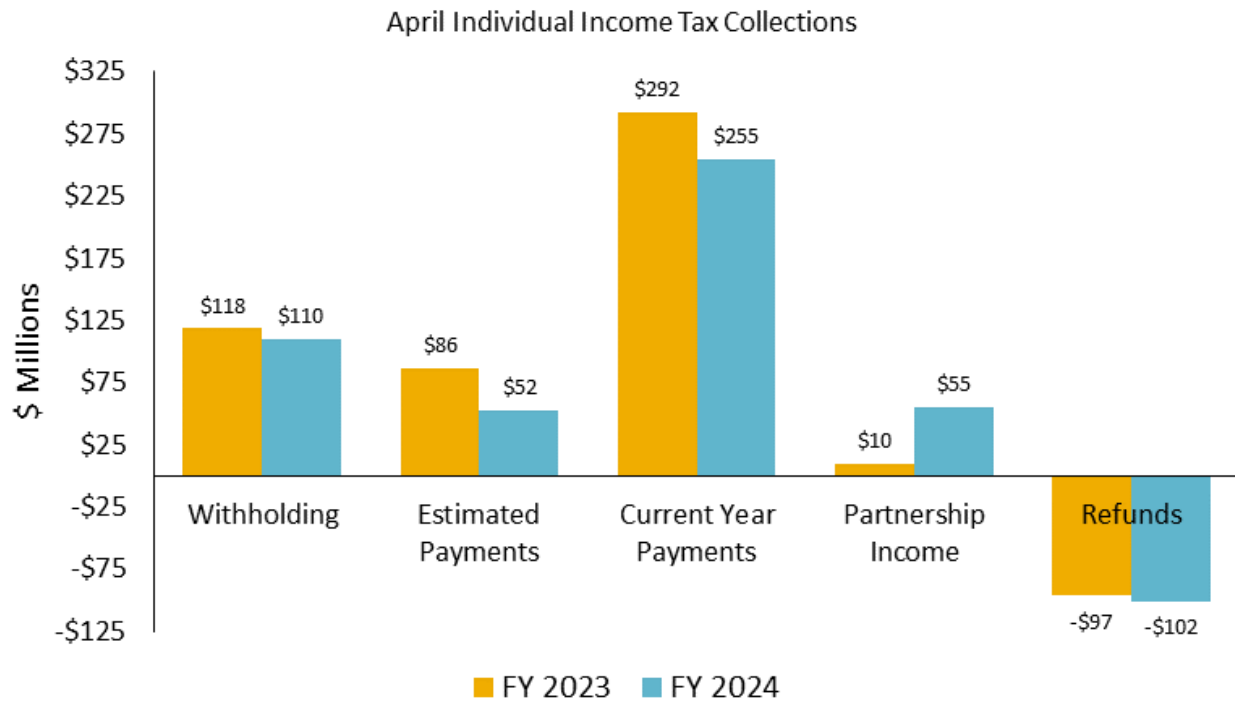
At the federal level, state tax liabilities for a pass-through entity are classified as a business expense, and therefore, are not subject to the \$10,000 state and local tax (SALT) itemized deduction cap. As a result, it is likely that many taxpayers in Montana paid state liabilities as a pass-through entity at the end of CY 2023 to lower their federal tax liability, as indicated by the surge in December/January payments in the chart above.

Taxpayers that elect to pay state income tax through a pass-through entity are then issued a credit that they can claim when they file state income taxes. The increase in pass-through payments at the end of CY 2023 was approximately \$150.0 million above last year's levels, however, based upon preliminary tax return extracts through May, only \$80.0 million in credits had been issued.

***This indicates that a material amount of credits will likely be shifted to future years, thereby lowering income tax collections, and may cause final FYE 2024 revenues to be higher than anticipated.***

Finally, many pass-through entities will now make quarterly payments, and as a result, collections in the estimated payments account from the table above will likely decrease, as these collections will now show up in the

partnership income tax account. This is reflected in April collections of estimated payments. The figure below shows final April collections for withholding, estimated payments, current year payments, partnership income tax payments, and refunds.

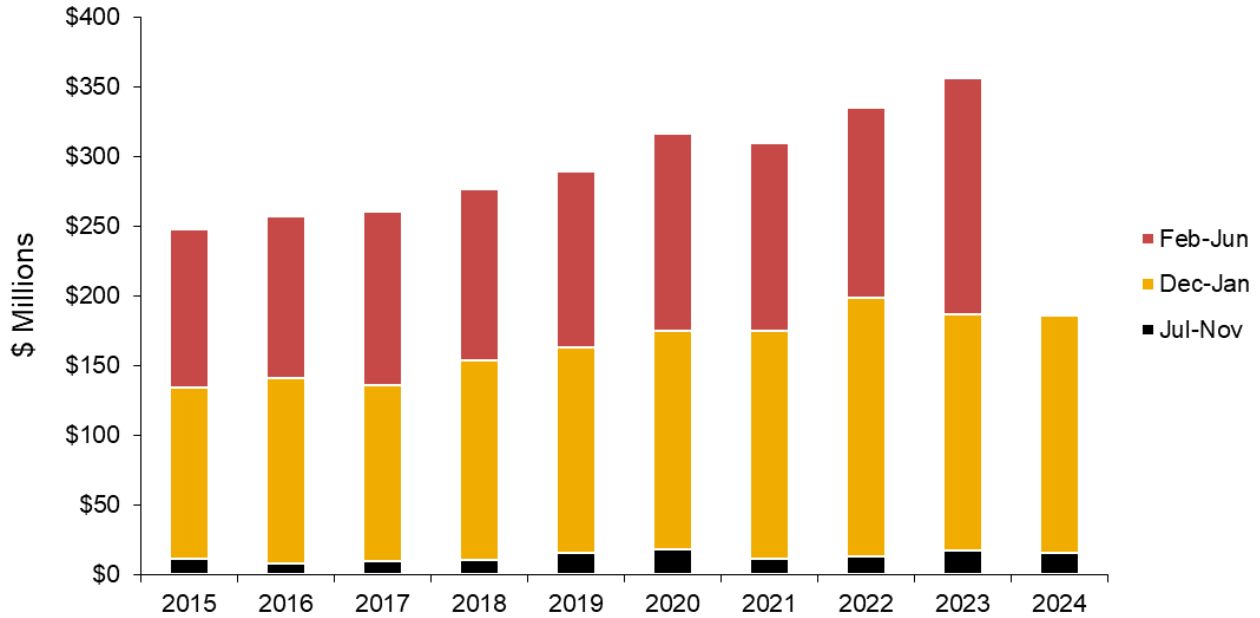


**Property Tax: On track to meet the HJ 2 estimate.**

Property tax collections have increased by 16.3% or \$35.5 million compared to collections through the same period last year. In HJ 2, this source was expected to grow by 23.8%. Lower than anticipated collections from November are due to a dispute over the number of mills owed to the state. Most counties levied 77.9 mills instead of 95. This difference is expected to be made up for in the May payment, when counties collect the mills missing from the November payment. The May payment is expected to be fully accounted for in June. Property tax collections are anticipated to be close to the estimate in HJ 2, as they are a source that can be estimated with far more certainty than others.



### FY Property Tax Collections by Period



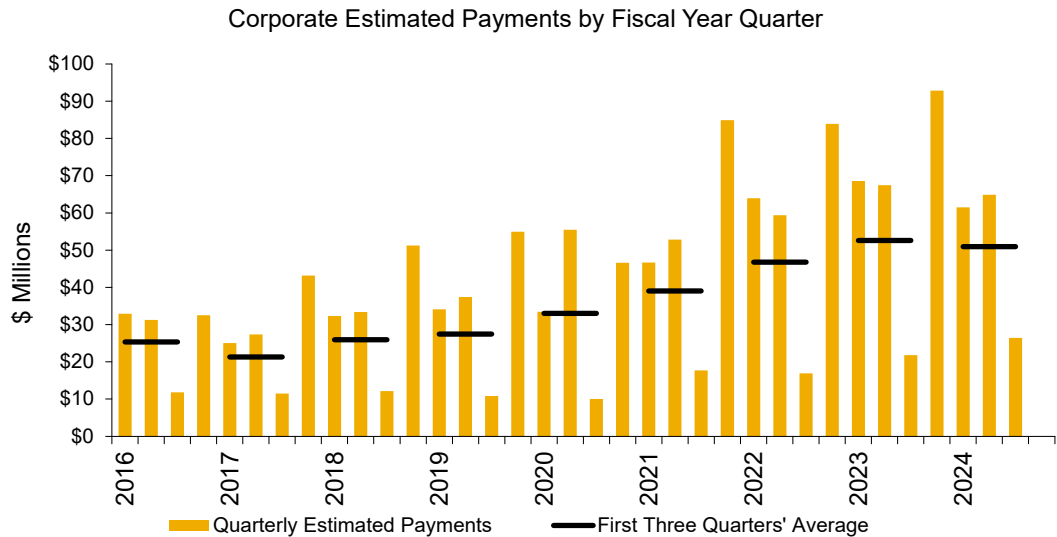
### Corporate Income Tax: Anticipated to end up above HJ 2 estimate.

Corporate income tax collections through the end of May are 4.4% or \$1.7 million above this time in FY 2023. This is above the HJ 2 estimate which projected a decline of 11.0%. The table below shows the year-over-year corporate income tax growth by account. As the table shows, most of the growth has been in the corporation tax account, which are payments that come in with filed returns.

### Corporate Income Tax (\$ Millions)

Account	YTD 2024	YTD 2023	\$ Difference	% Difference
Corporation Tax	\$93.7	\$66.7	\$27.0	40.5%
Estimated Payments	\$190.7	\$201.8	(11.0)	-5.5%
Refunds	(30.1)	(23.6)	(6.4)	27.1%
Audit, P&I, Amended	12.9	18.1	(5.2)	-28.8%
<b>Total</b>	<b>267.2</b>	<b>\$262.9</b>	<b>\$4.4</b>	<b>1.7%</b>

The adjacent chart shows that estimated payments in the first three quarters of FY 2024 are below last year's levels but still strong. Estimated payments typically make up 80% of total corporate income tax collections, so they're the ultimate driver of where final collections end up. As of now, estimated payments



are slightly below last year. Nonetheless, they are only 5.5% below last year's strong levels, and coupled with the strong growth in payments with filed returns, this source is expected to exceed the HJ 2 estimate.

**Vehicle Fees & Taxes: Anticipated to be slightly above HJ 2**

Through the end of May, vehicle taxes & fees are up 0.2% or \$172,000 from FY 2023 collections. This is above the estimated decrease of 0.6% in HJ 2. Growth in this source has primarily been driven by an increase in light vehicle registration revenues. Revenues posted to the accounting system for this source can be sporadic from month-to-month, but it is ultimately expected to come in near HJ 2.

**Oil & Natural Gas Production Tax: Anticipated to be below the HJ 2 estimate.**

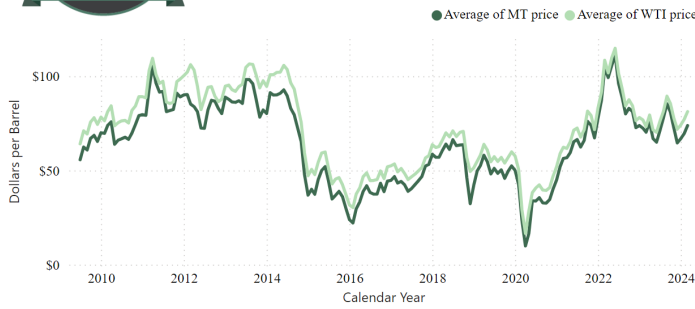
Combined oil and gas production tax collections are 7.6% or \$2.8 million below FY 2023 collections. Compared to FY 2023, the first quarter for FY 2024 saw a price decrease in oil of about 12.0%, which accounts for most of this decrease. The second quarter payment for this fiscal year has now posted, and there was a price decrease of about 8.0% year-over-year. Collections are expected to come in slightly below the estimate, as oil prices have continued to fall through the fiscal year. However, WTI price per barrel has been on the rise since March, and Montana prices normally follow the WTI price, though they are a bit lagged.

Although oil prices have been very volatile over the last three years, there has been an increase in the average number of oil rigs operating in Montana. The chart below shows the last available price per barrel in Montana and is from an interactive tool published on the [LFD's website here](#).



# Price, Rigs, & Production

Average of Oil Price per Barrel



Average Oil Production & Rigs in Montana



Year	Average of MT price	Average of Brent price	Average of WTI price	Average of Retail gas price
2024	\$70.15	\$83.00	\$77.56	\$3.24
2023	\$73.07	\$82.47	\$77.64	\$3.52
2022	\$90.67	\$100.78	\$94.79	\$3.96
2021	\$62.26	\$70.68	\$67.99	\$3.00
2020	\$32.20	\$41.76	\$39.24	\$2.23
2019	\$50.28	\$64.36	\$56.98	\$2.60
2018	\$57.83	\$71.06	\$64.94	\$2.72
2017	\$45.03	\$54.25	\$50.88	\$2.41
2016	\$35.80	\$43.55	\$43.15	\$2.15
2015	\$40.21	\$52.35	\$48.69	\$2.42
2014	\$81.13	\$99.02	\$93.26	\$3.36
2013	\$88.54	\$108.64	\$97.91	\$3.51
2012	\$82.92	\$111.65	\$94.11	\$3.63

Year	Average of Rigs	Production (Thou. Barrels per day)
2024	1.75	66.67
2023	1.20	63.92
2022	1.94	56.00
2021	0.33	51.25
2020	0.78	52.42
2019	0.62	63.00
2018	1.00	58.00
2017	0.53	55.83
2016	0.00	63.67
2015	1.65	78.58
2014	8.37	81.67
2013	11.53	80.08
2012	20.01	72.42

Last available data

March  
 \$73.85  
 MT price per barrel  
 72  
 Production (Thou. Barrels per day)  
 2.00  
 Rigs

## Insurance Tax: Expected to be slightly above the HJ 2 estimate.

Current insurance tax collections through May are 9.1% or \$8.0 million above FY 2023 collections through the same period. This is primarily due to growth in premium insurance tax collections. This source is still expected to exceed the HJ 2 estimate.

## Video Gaming Tax: On track to end up near the HJ 2 estimate.

Revenue from video gambling is currently \$2.4 million or 4.0% above collections from this time last year. In HJ 2 this source was expected to grow by 3.9%. After growth of 30.4% in FY 2021, this source appears to have settled in to a stable 3.0% to 5.0% growth rate per year.

## OTHER KEY DIFFERENCES:

### Lodging Facilities Sales Tax: Modest growth, but not anticipated to reach HJ 2

Lodging facilities sales tax collections through May are \$0.9 million or 3.0% above FY 2023. This is below the estimated growth of 35.8%. Collections are still higher than both FY 2022 and FY 2023, which were both strong years, and this is likely plateauing after strong growth from the last few fiscal years.

### Rental Car Sales Tax: On track to exceed HJ 2

Rental car sales tax collections through May are \$650,000 or 13.2% above FY 2023. This is well above the estimated growth of 9.7%. There were particularly strong collections at the end of the summer last year and now again in April. This source is a sales tax on the base rental charges.

## **U.S. Mineral Leasing: Anticipated to end the year below HJ 2**

Current U.S. mineral leasing collections through May are 52.2% or \$14.0 million below FY 2023 collections. The estimate contained in HJ 2 has a year-over-year decrease of 35.4% for this source. Possible contributions to this decrease are lower commodity prices from an early FY 2023 peak, specifically coal and oil, and/or decreases in production on federal lands.

## **Treasury Cash Account (TCA) Interest Earnings: Expected to end near HJ 2 estimate.**

Current TCA interest earnings are 10.5% or \$11.7 million above FY 2023 collections through the same period. This source is affected by interest rates and the Treasury Cash Account's current cash balance. Monthly revenues from this source were higher in the beginning half of the fiscal year, due to larger cash balances. As various legislation enacted by the 2023 Legislative Session has taken effect, this balance has decreased compared to the early months of the fiscal year. As a result, growth in this account in the second half of the fiscal year has slowed and is closer to the 6.9% growth contained in HJ 2.

## **Cigarette Tax: Anticipated to be below the HJ 2 estimate.**

Cigarette tax revenues are currently 10.6% or \$1.8 million above this time last year when collections were well below levels seen in the previous two years. At the time when the HJ 2 estimate was developed, this source had seen unusual growth related to the pandemic. It appears that this source is settling back down to its previous pattern of slow decline and will likely end up below the HJ 2 estimate by the end of the fiscal year.

## **Lottery Profits: Anticipated to meet or exceed the HJ 2 estimate.**

Lottery profit collections are 5.7% or \$0.8 million below collections at this time last year. Last fiscal year ticket sales benefited from a record Powerball Jackpot in November. Large jackpots have a material impact on ticket sales, but often sales will drop afterwards due to jackpot fatigue. This source will likely meet or exceed the HJ 2 estimate by the end of the fiscal year.

## **Marijuana Tax: Near HJ 2, transfer to General Fund transfer occurs at FYE.**

Total marijuana tax collections are about 7.1% or \$3.1 million above FY 2023 collections through May. This growth is consistent with the estimate of 4.3% growth contained in HJ 2. The transfer to the general fund occurs at the end of the fiscal year.

# **STATUTORILY REQUIRED REPORTS**

## **BUDGET AMENDMENTS**

As of May 31, 2024, the Legislative Fiscal Division received notification of 51 budget amendments impacting FY 2024, FY 2025, and FY 2026 that were certified by the Governor since March 1, 2024.

These amendments increase federal special revenue authority by \$19.8 million and state special revenue authority by \$861,000 in FY 2024. An additional 1.76 FTE in FY 2024, 2.05 FTE in FY 2025, and 1.30 FTE in FY 2026 in modified positions have also been added. Modified FTE are valid for the fiscal year but do not become permanent FTE in agency base budgets. Figure 1 summarizes the budget amendments certified by the Governor from the period March 1, 2024, through May 31, 2024.

<b>Budget Amendment Summary (Since last LFC meeting)</b>			
Component	FY 2024	FY 2025	FY 2026
Number of Amendments	51	4	2
FTE Added	1.76	2.05	1.30
General Fund	-	-	-
State Special Revenue	860,675	-	-
Federal Special Revenue	19,825,897	-	-
Proprietary Fund	-	-	-
<b>Total Revenue</b>	<b>\$20,686,572</b>	<b>\$0</b>	<b>\$0</b>

Each amendment, along with a brief explanation, is summarized in the Budget Amendment Report available on the [LFC website](#). Staff have reviewed the amendments and did not identify any concerns.

Figure 2 summarizes the budget amendments that were certified during the previous LFC reporting periods. The only amendments from Figure 1 that appear in Figure 2 are the 51 amendments, shown below as those pertaining to June 21, 2024. The various approving authorities have added a total of \$929.2 million for the 2023 biennium and the start of the 2025 biennium.

<b>Budget Amendment Cumulative Summary</b>						
LFC Meeting	Number of Amendments	FY 2022	FY 2023	FY 2024	FY 2025	Total
June 16, 2022	66	64,669,519	-	-	-	64,669,519
September 15, 2022	129	156,361,521	48,863,882	-	-	205,225,403
June 16, 2023	261	-	392,547,828	-	-	392,547,828
September 14, 2023	91	-	59,328,536	11,769,811	-	71,098,347
December 14, 2023	125	-	-	143,255,563	484,715	143,740,278
March 14, 2024	82	-	-	31,232,011	-	31,232,011
June 21, 2024	51	-	-	20,686,572	-	20,686,572
<b>Total</b>	<b>805</b>	<b>\$ 221,031,040</b>	<b>\$ 500,740,246</b>	<b>\$ 206,943,957</b>	<b>\$ 484,715</b>	<b>\$ 929,199,958</b>

Figure 3 reflects the additional budget authority provided to each agency through the budget amendment process in FY 2024 compared to the modified HB 2 budget approved by the 2023 Legislature.

<b>Budget Amendment Authority Comparison with HB 2 Total Funds By State Agency</b>			
State Agency	FY 2024 Modified HB 2	FY 2024 Budget Amendment	% of Modified Budget
<b>Section A - General Government</b>			
Department of Labor and Industry	94,772,682	8,091,900	8.5%
Department of Administration	<u>54,088,944</u>	<u>-</u>	<u>0.0%</u>
<b>Total Section A</b>	<b>148,861,626</b>	<b>8,091,900</b>	<b>5.4%</b>
<b>Section B - Public Health &amp; Human Services</b>			
Department of Public Health and Human Services	<u>3,503,783,632</u>	<u>2,279,301</u>	<u>0.1%</u>
<b>Total Section B</b>	<b>3,503,783,632</b>	<b>2,279,301</b>	<b>0.1%</b>
<b>Section C - Natural Resources &amp; Transportation</b>			
Department of Fish, Wildlife, and Parks	129,664,832	33,000	0.0%
Department of Environmental Quality	66,819,663	5,554,019	8.3%
Department of Transportation	931,557,709	-	0.0%
Department of Livestock	16,531,561	47,416	0.3%
Department of Natural Resources and Conservation	92,504,149	4,412,421	4.8%
Department of Agriculture	<u>21,824,469</u>	<u>253</u>	<u>0.0%</u>
<b>Total Section C</b>	<b>1,258,902,383</b>	<b>10,047,109</b>	<b>0.8%</b>
<b>Section D - Judicial, Law Enforcement, and Justice</b>			
Department of Corrections	259,145,595	27,574	0.0%
Department of Justice	152,582,295	227,134	0.1%
Judicial Branch	62,115,823	-	0.0%
Public Service Commission	<u>5,541,368</u>	<u>13,554</u>	<u>0.2%</u>
<b>Total Section D</b>	<b>479,385,081</b>	<b>268,262</b>	<b>0.1%</b>
<b>Section E - Education</b>			
State Library	<u>8,616,926</u>	<u>-</u>	<u>0.0%</u>
<b>Total Section E</b>	<b>8,616,926</b>	<b>-</b>	<b>0.0%</b>
<b>Total</b>	<b>\$ 5,399,549,648</b>	<b>\$ 20,686,573</b>	<b>0.4%</b>

A summary of the changes from OBPP can be found on the Budget Amendment memo available on the [LFC website](#).