

SECTION A – FISCAL YEAR END BUDGET OVERVIEW

HB 2 Highlights

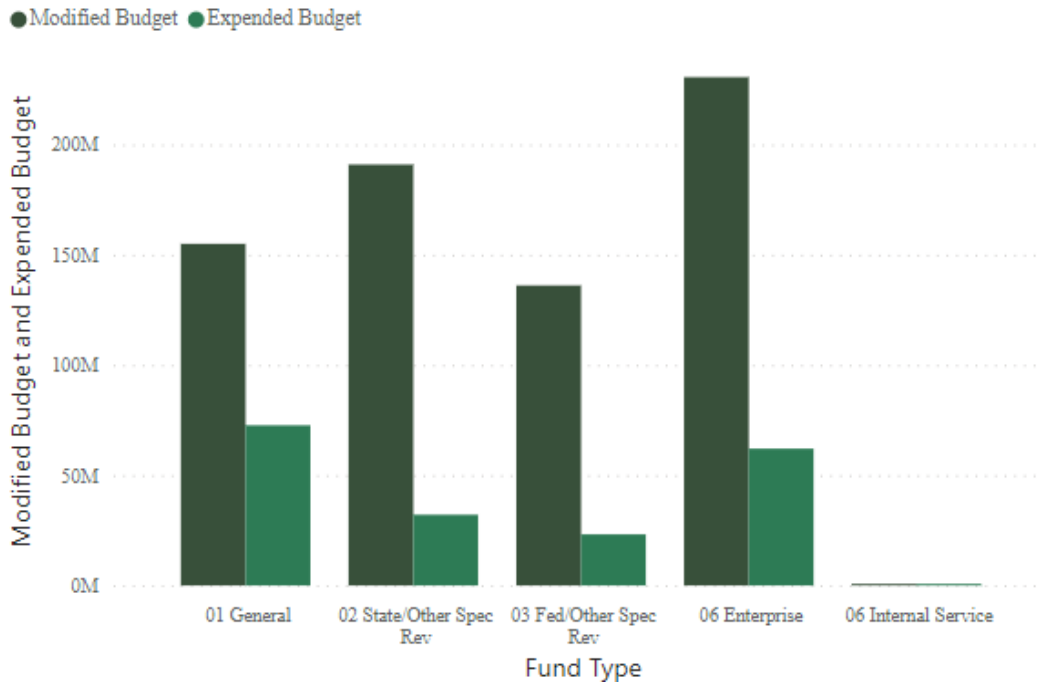
The HB 2 Section A modified budget totals \$712.8 million for FY 2024 and 26.7% or \$190.1 million has been expended to date. This expenditure rate is slightly below the historical average of 28.0%. Budget highlights include:

- The Department of Administration has already expended 72.5% of their HB 2 budget due to a general fund transfer of approximately \$23.1 million to the capital development long-range building program account as required by 17-7-208, MCA and an \$8.5 million transfer to the major repair long-range building program account as required by 17-7-222, MCA that occurred at the beginning of FY 2024
- The Department of Revenue’s HB 2 budget has significantly increased compared to FY 2023. This is due to the inclusion of funds that have been historically recorded as language appropriations. This authority includes \$220.0 million proprietary authority in the Alcoholic Beverage Control Division, \$81.0 million state special revenue in the Cannabis Control Division, and \$2.0 million general fund in the Director’s Office. When excluding authority that has traditionally been under language authority, the Department of Revenue has expended approximately 34.6% of its HB 2 authority as of December 1, 2023
- Modifications made to the FY 2024 HB 2 budget were primarily for the realignment of the inflation adjustment approved during the 2023 Legislative Session

HB 2 FY 2024 - Section A				
Agency	FY 2024 Budget	FY 2024 Expenditures	FY 2024 Percent Expended	5-Year Average Expenditure
11040 Legislative Branch	\$ 27,667,246	\$ 8,999,359	32.5%	36.9%
11120 Consumer Counsel	\$ 1,745,678	\$ 385,081	22.1%	22.4%
31010 Governor's Office	\$ 7,736,196	\$ 3,132,661	40.5%	33.0%
32020 Commissioner of Political Pra	\$ 897,067	\$ 216,125	24.1%	34.7%
34010 State Auditor's Office	\$ 55,148,618	\$ 3,247,268	5.9%	11.9%
58010 Department of Revenue	\$ 377,296,471	\$ 84,445,619	22.4%	33.7%
61010 Department of Administration	\$ 54,088,944	\$ 39,202,737	72.5%	42.2%
65010 Department of Commerce	\$ 36,150,817	\$ 6,776,336	18.7%	12.5%
66020 Labor & Industry	\$ 94,811,048	\$ 31,340,938	33.1%	32.4%
67010 Dept of Military Affairs	\$ 57,218,873	\$ 12,335,556	21.6%	21.6%
Total	\$ 712,760,958	\$ 190,081,680	26.7%	28.0%

HB 2 Funding Highlights

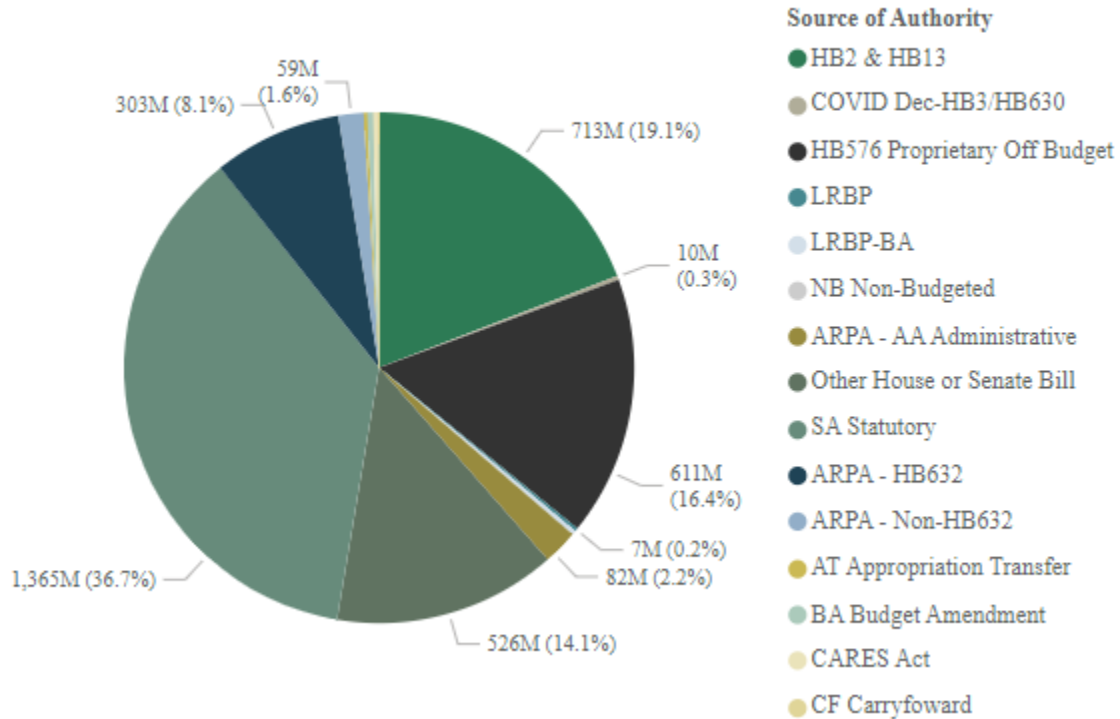
Expended Budget and Remaining Budget by Fund Type - HB 2 Only



Proprietary enterprise funding of \$230.6 million comprise the majority of the HB 2 funding in Section A and \$62.9 million or 26.9% has been expended. This authority is almost entirely in the Department of Revenue due to the inclusion of the Alcoholic Beverage Control Division authority, which was traditionally been recorded as a language appropriation. State special revenue is the second highest authority with \$191.0 million, which has been 16.8% or \$32.1 million expended to date. State special revenue grew similar to proprietary enterprise funding due to the inclusion of the Cannabis Control Division's authority that was historically recorded as language authority. General fund is the third largest fund type with \$155.0 million appropriated in FY 2024, of which 46.9% or \$72.7 million has been expended primarily for the capital development and long-range planning transfer in the Department of Administration.

Other Sources of Authority Highlights

Modified Budget & Expended Budget by Source of Authority



Source of Authority	Modified Budget	Expended Budget	% Expended
SA Statutory	1,364,920,427	829,003,014	60.7%
HB2 & HB13	712,760,958	190,081,680	26.7%
HB576 Proprietary Off Budget	611,494,991	240,385,279	39.3%
Other House or Senate Bill	525,844,247	105,681,788	20.1%
ARPA	444,312,443	44,085,493	9.9%
BA Budget Amendment	13,806,546	976,813	7.1%
CARES	11,217,957	897,363	8.0%
LRBP-BA	10,200,102	55,333	0.5%
CARES II	9,734,683	466,538	4.8%
AT Appropriation Transfer	8,087,445	156,769	1.9%
LRBP	7,439,771	208,052	2.8%
CF Carryforward	2,976,307	38,871	1.3%
NB Non-Budgeted	556	1,257,532	226207.3%
Total	3,722,796,434	1,413,294,526	38.0%

- Statutory Authority** – Statutory authority accounts for \$1,364.9 million in FY 2024. Agencies with the greatest statutory authority include the Department of Revenue (primarily the income and property tax rebate), Department of Administration (primarily for pensions and the state lottery), Department of Commerce (primarily for the accommodations tax), and the State Auditor’s Office (primarily for local police and firefighter retirements). Approximately 60.7% of statutory authority has been expended in FY 2024. High expenditures are due to the issuance of the income and property tax rebates at the start of the fiscal year

- **Non-Budgeted Proprietary Funding** – Non-budgeted proprietary funding was budgeted at \$611.5 million in FY 2024. The majority of this funding is in the Department of Administration (\$380.4 million and 44.2% expended), which is primarily in the Health Care and Benefits Division, State Information Technology Services Division, Risk Management and Tort Defense Division, and General Services Division. The next largest funding is in the Department of Labor and Industry primarily for the Unemployment Insurance Trust (\$125.0 million). As of December 1, 2023, 39.3% has been expended, which is in line with anticipated expenditures at this point in the fiscal year
- **Other House and Senate Bills** – Other house and senate bills account for \$525.8 million in FY 2024 and have been 20.1% expended. Much of this authority is in the Department of Administration (\$351.1 million) for HB 10 projects, which encompasses the state’s Long-range information technology capital projects program. Long-range information technology projects often take multiple years to complete, which was the reason for the low expenditures. As state agencies work on these projects, appropriation authority is transferred to that agency