

## SECTION A – BUDGET OVERVIEW

### HB 2 HIGHLIGHTS

The agencies within Section A have a HB 2 modified budget of \$715.1 million for FY 2024. Of this budget, 64.2% or \$458.9 million has been expended as of May 31, 2024; these expenditures are slightly below the historical average of 69.4%. Highlights within the Section A modified budget include:

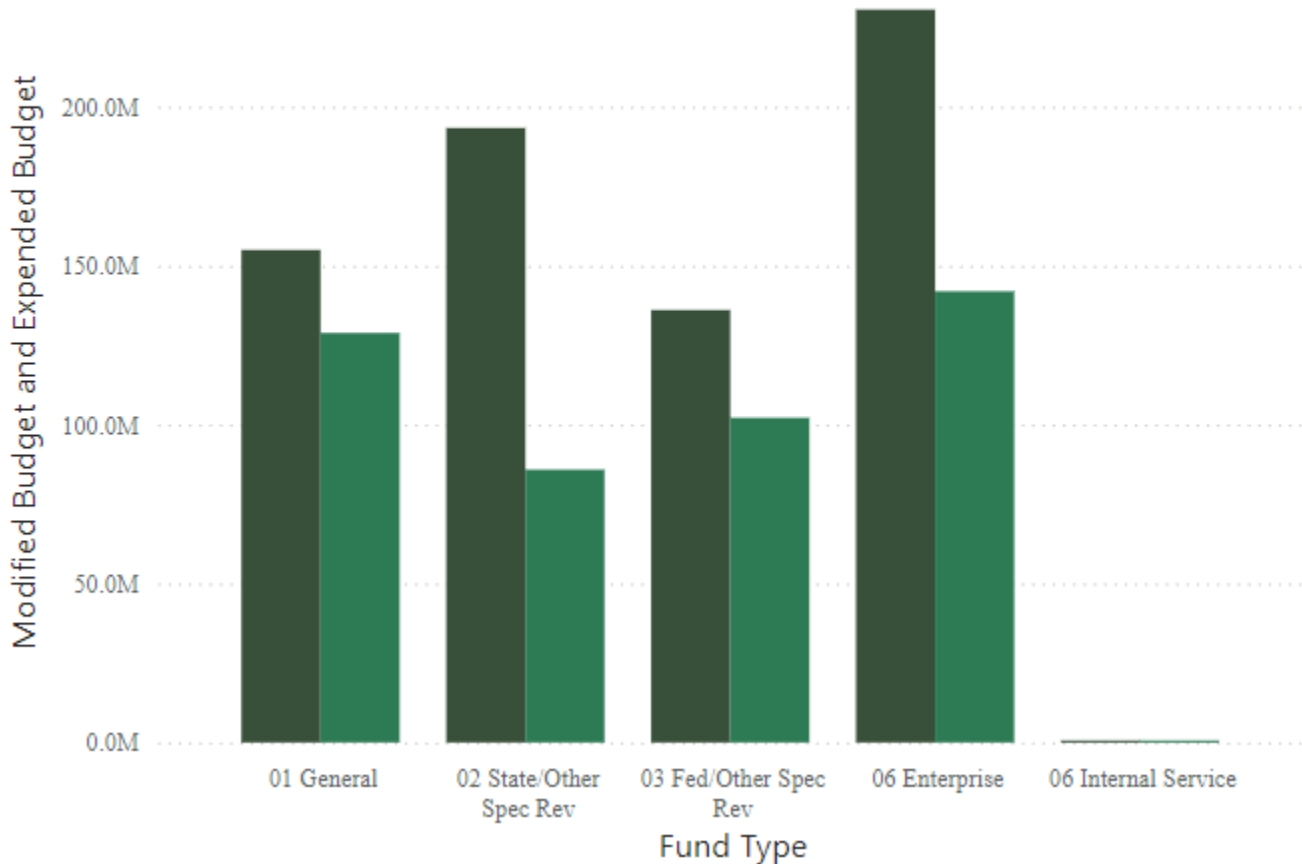
- Expenditures within the Department of Revenue at this point in the fiscal year are lower than the five-year average, as shown in the chart below, due to the inclusion of authority that has traditionally been applied elsewhere. Within the Alcoholic Beverage Control Division of the agency, \$220.0 million in proprietary funding has historically been classified as a language appropriation. This is also the case with \$81.1 million in state special revenue funding in the Cannabis Control Division and \$2.0 million in general fund appropriations within the Director’s Office. Excluding this funding, the Department of Revenue has expended 79.9% of their HB 2 modified budget, which closely aligns with the historical average
- The Department of Commerce made one major budget modification since March 2024. This modification was an operating plan change to shift \$6.7 million from grants expenditure authority to operating expenditures. This was done within the Housing Division in order to properly record loans made through the Housing Trust fund and HOME Program funds. Expenses within the agency are higher than the Olympic average due to accruing expenses throughout the year, rather than the past practice of doing this at the end of the fiscal year
- Another budget modification was done by the Department of Administration in the form of a reorganization. This modification established the Procurement Services Division that was previously within the State Financial Services Division. This moved 12.25 FTE and approximately \$1.8 million in appropriation authority from the State Financial Services Division to the newly created division. According to the agency, this was done to establish procurement efficiencies for the agency as a whole
- Within the Department of Labor and Industry, two operating plan transfers were conducted to move \$1.1 million in operating expenses into debt services expenditure authority. This was done to properly record lease payments in the Employment Standards and Workforce Services Divisions, per governmental accounting rules

HB 2 FY 2024 - Section A					
Agency	FY 2024 Modified Budget	FY 2024 Expenditures	FY 2024 Percent Expended	5-Year Olympic Average Expenditures	
11040 Legislative Branch	\$ 27,660,217	\$ 21,948,286	79.3%	80.2%	
11120 Consumer Counsel	1,745,650	791,779	45.4%	58.7%	
31010 Governor's Office	7,735,986	6,755,360	87.3%	76.8%	
32020 Commissioner of Political Practices	896,988	589,229	65.7%	77.3%	
34010 State Auditor's Office	57,574,670	53,885,558	93.6%	70.3%	
58010 Department of Revenue	377,296,471	193,642,004	51.3%	81.2%	
61010 Department of Administration	54,088,944	49,984,177	92.4%	81.1%	
65010 Department of Commerce	36,150,817	26,458,888	73.2%	29.2%	
66020 Department of Labor and Industry	94,772,682	69,598,868	73.4%	75.8%	
67010 Department of Military Affairs	57,212,108	35,285,488	61.7%	61.6%	
<b>Total</b>	<b>\$ 715,134,533</b>	<b>\$458,939,637</b>	<b>64.2%</b>	<b>69.4%</b>	

## HB 2 FUNDING HIGHLIGHTS

### Modified Budget and Expended Budget by Fund Type - HB 2 Only

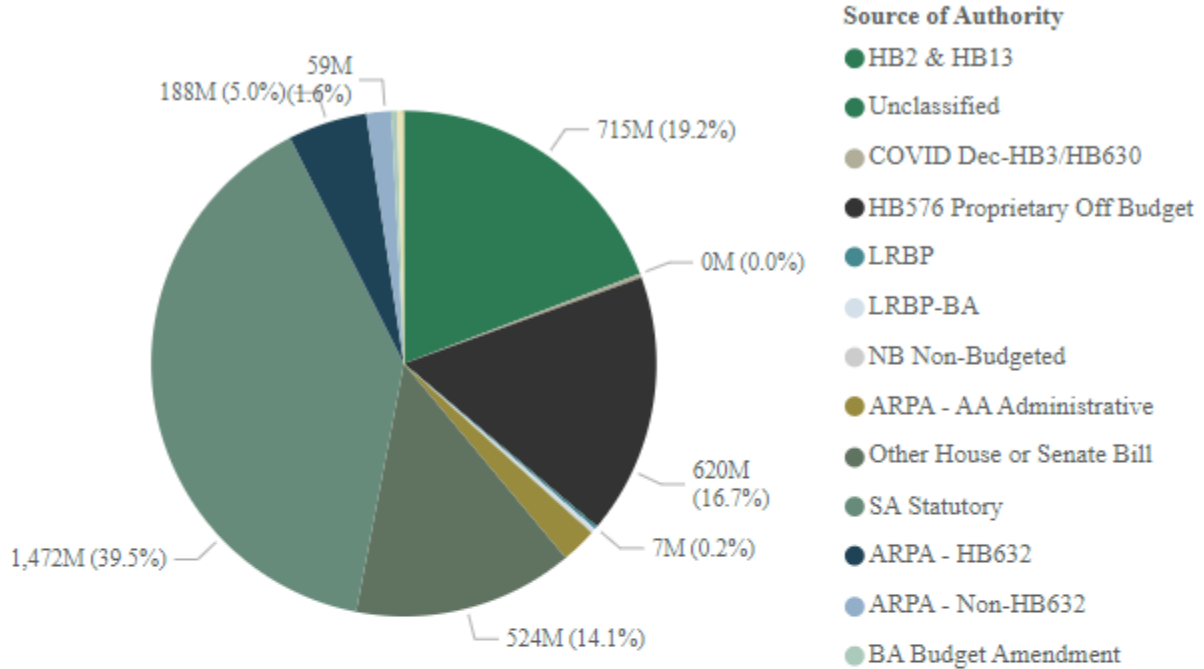
● Modified Budget ● Expended Budget



The largest portion the HB 2 funding for Section A comes from enterprise funding which encapsulates 32.3% or \$230.6 million of the total funding. This authority comes almost entirely from the Department of Revenue due to the Alcoholic Beverage Control Division authority inclusion. This funding authority was traditionally recorded as a language appropriation. Enterprise funding has been 61.6% or \$142.0 million expended as of the end of May 2024. State special revenue is the second highest fund type with \$193.4 million, of which \$85.9 million or 44.4% has been expended. Within state special revenue exists \$86.2 million for the Department of Revenue in the Cannabis Control Division. This funding has historically been recorded as a language appropriation but is now included under HB 2 authority. The third largest fund type is general fund with \$155.0 million in appropriations for FY 2024. Of these appropriations, \$128.9 million or 83.1% has been expended as of the end of May 2024. The primary sources of these expenditures are the Department of Revenue expending \$51.3 million in general fund and the Department of Administration expending \$37.6 million.

## OTHER MAJOR SOURCES OF AUTHORITY

### Modified Budget & Expended Budget by Source of Authority



Source of Authority	Modified Budget	Expended Budget	% Expended
SA Statutory	1,471,532,137	1,117,491,547	75.9%
HB2 & HB13	715,134,533	458,953,816	64.2%
HB576 Proprietary Off Budget	620,426,010	546,207,212	88.0%
Other House or Senate Bill	524,459,879	120,922,510	23.1%
ARPA	332,141,227	63,404,101	19.1%
BA Budget Amendment	13,653,508	2,746,453	20.1%
LRBP-BA	12,000,102	1,093,485	9.1%
CARES	11,217,957	2,261,475	20.2%
CARES II	9,734,683	1,917,470	19.7%
LRBP	7,439,771	2,211,349	29.7%
CF Carryforward	4,526,997	664,469	14.7%
Unclassified	54,596	1,464,129	263370.4%
NB Non-Budgeted	556	1,464,129	263370.4%
<b>Total</b>	<b>3,722,321,956</b>	<b>2,319,338,015</b>	<b>62.3%</b>

- Statutory Authority** – Statutory authority within Section A accounts for approximately \$1,471.5 million in FY 2024. The majority of the authority exists within two agencies, the Department of Revenue (specifically in property and income tax rebates, and entitlement share payments), and the Department of Administration (primarily for retirement benefits and the state lottery). As of May 31, 2024, statutory appropriations are 75.9% or \$1,117.5 million expended with the largest portion of these expenditures being in income and property tax rebates

- **Non-Budgeted Proprietary Funding** – Non-budgeted proprietary funding includes \$620.4 million in funding for FY 2024. Of this funding, the majority is in the Department of Administration totaling \$381.8 million, and 89.1% or \$340.1 million has been expended as of the end of May 2024. This funding primarily lies within the Health Care and Benefits Division, State Information Technology Services Division, and Risk Management and Tort Defense Division. The second largest funding of \$151.7 million lies within the Department of Labor and Industry, \$130.0 million of which is appropriated to the Unemployment Insurance Trust. As of the end of May 2024, this DOLI funding is 87.3% expended
- **Other House and Senate Bills** – Other house and senate bills make up \$524.5 million in FY 2024 funding, of which 23.1% has been expended. Over 60.0% of this authority exists within the Department of Administration for HB 10 long range information technology projects within the State Information Technology Services Division. These projects often take multiple years to complete and as agencies work on these projects, appropriation authority is then transferred to that agency. Although a large amount of the authority is tied to HB 10, \$95.6 million in expenditures is for HB 569. This bill transfers supplemental funding to the Montana Public Employee Retirement Account (MPERA). This was a one-time-only general fund transfer at the start of the fiscal year to the highway patrol officers’, sheriffs’, game wardens’, and peace officers’ retirement systems. A \$130.6 million portion of this authority is within the Department of Commerce. This authority exists throughout multiple bills with the largest being HB 819. The authority included in this bill totals \$63.0 million and is to be used towards affordable housing programs