

## SECTION A – BUDGET OVERVIEW

### HB 2 HIGHLIGHTS

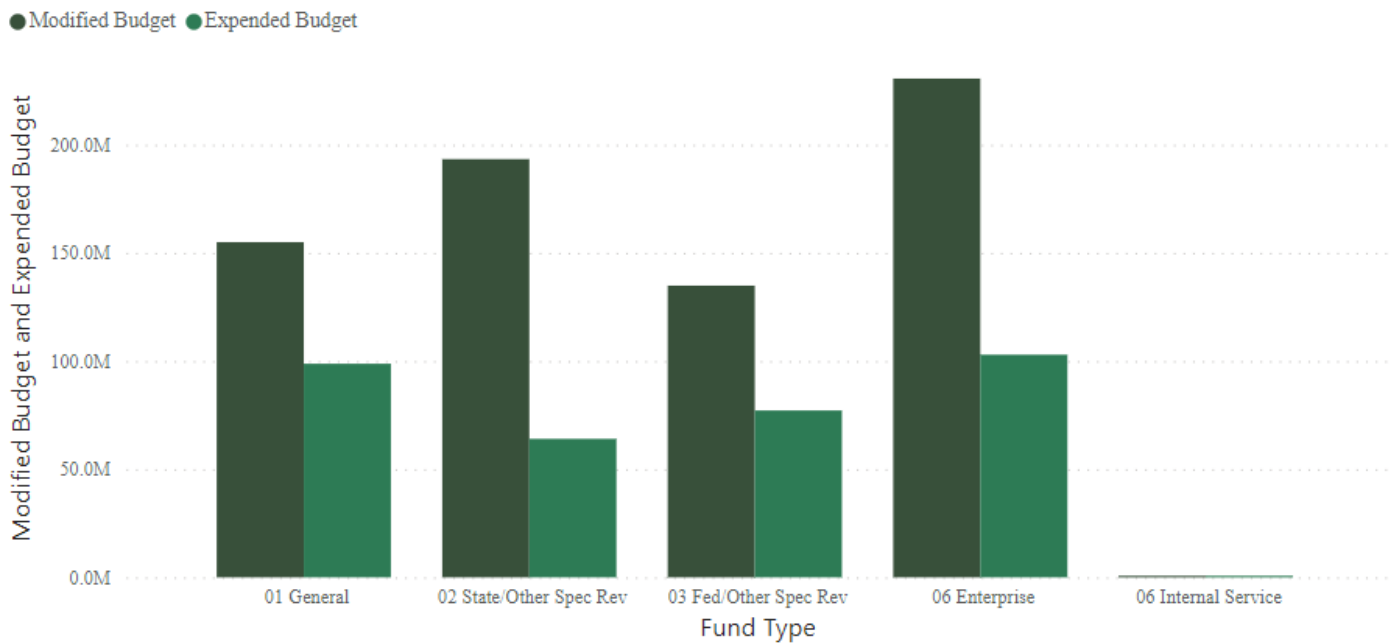
The agencies within Section A have a HB 2 modified budget of \$715.1 million for FY 2024. Of this budget, 48.0% or \$343.5 million has been expended as of February 29, 2024; these expenditures are slightly below the historical average of 50.4%. Highlights within the Section A modified budget include:

- The Department of Administration has expended 81.9% 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. These transfers were completed at the beginning of FY 2024. This transfer authority is not reflected in the historical average below as this authority was not in previous biennia
- The Department of Revenue has lower expenditures due to the inclusion of authority which has previously been language appropriation authority. This authority includes \$220.0 million in proprietary authority in the Alcoholic Beverage Control Division, \$81.0 million in the Cannabis Control Division as state special revenue, and \$2.0 million general fund within the Director’s Office. Excluding the described authority, the Department of Revenue has expended 53.4% of their HB 2 authority as of February 29, 2024, which more closely aligns with their historical average
- The State Auditor’s Office made a fiscal transfer of \$2.4 million in FY 2024. This transfer was made as the Montana Reinsurance Program reimburses insurance companies for certain high-cost claims within the individual health insurance market. Although the agency had sufficient fund balance in the reimbursement account, the state special revenue appropriation authority was not sufficient to provide this reimbursement. Due to this, authority was transferred from FY 2025 to FY 2024. This reimbursement takes place at the end of December of each year
- The majority of remaining budget modifications for agencies within Section A came in the form of workers’ compensation adjustments to account for lower premiums than the previous year

<b>HB 2 FY 2024 - Section A</b>				
<b>Agency</b>	<b>FY 2024 Budget</b>	<b>FY 2024 Expenditures</b>	<b>FY 2024 Percent Expended</b>	<b>5-Year Average Expenditures</b>
11040 Legislative Branch	\$ 27,660,217	\$ 15,191,994	54.9%	60.2%
11120 Consumer Counsel	\$ 1,745,650	\$ 587,406	33.6%	39.9%
31010 Governor's Office	\$ 7,735,986	\$ 4,782,669	61.8%	56.4%
32020 Commissioner of Political Practices	\$ 896,988	\$ 388,496	43.3%	57.2%
34010 State Auditor's Office	\$ 57,574,670	\$ 51,397,175	89.3%	54.1%
58010 Department of Revenue	\$ 377,296,471	\$ 138,767,133	36.8%	57.2%
61010 Department of Administration	\$ 54,088,944	\$ 44,288,013	81.9%	62.0%
65010 Department of Commerce	\$ 36,150,817	\$ 16,006,130	44.3%	20.7%
66020 Department of Labor and Industry	\$ 94,772,682	\$ 49,048,067	51.8%	54.3%
67010 Department of Military Affairs	\$ 57,212,108	\$ 23,073,683	40.3%	41.8%
<b>Total</b>	<b>\$ 715,134,533</b>	<b>\$ 343,530,766</b>	<b>48.0%</b>	<b>50.4%</b>

## HB 2 FUNDING HIGHLIGHTS

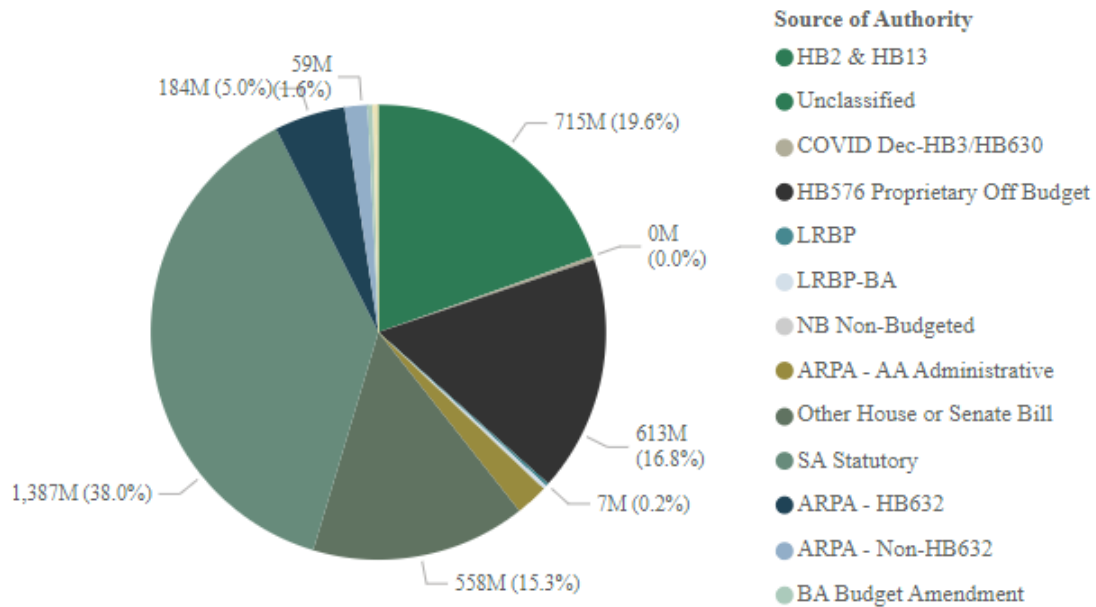
Modified Budget and Expended Budget by Fund Type - HB 2 Only



The largest portion the HB 2 funding for Section A comes from proprietary enterprise funding which encapsulates 32.3% or \$230.6 million of the total HB 2 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. Proprietary enterprise funding has been 44.6% or \$102.9 million expended as of the end of February 2024. State special revenue is the second highest source of authority with \$193.4 million, of which \$64.1 million or 33.1% has been expended. Within the state special revenue authority 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 state special revenue. The third largest fund type is general fund with \$155.0 million in appropriations for FY 2024. Of these appropriations, \$98.8 million or 63.7% has been expended as of the end of February 2024. The primary sources of these expenditures are the transfers made by the Department of Administration, as well as \$36.0 million in expenditures made throughout various divisions in the Department of Revenue.

## OTHER MAJOR SOURCES OF AUTHORITY

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



Source of Authority	Modified Budget	Expended Budget	% Expended
SA Statutory	1,387,302,332	968,920,305	69.8%
HB2 & HB13	715,134,533	343,530,766	48.0%
HB576 Proprietary Off Budget	612,597,810	398,508,963	65.1%
Other House or Senate Bill	557,742,911	110,348,362	19.8%
ARPA	326,900,796	56,525,322	17.3%
BA Budget Amendment	13,561,608	2,121,023	15.6%
CARES	11,217,957	1,548,512	13.8%
LRBP-BA	10,200,102	470,618	4.6%
CARES II	9,734,683	1,917,470	19.7%
LRBP	7,439,771	424,125	5.7%
CF Carryforward	3,269,415	132,727	4.1%
Unclassified	54,596		
NB Non-Budgeted	556	1,262,457	227093.3%
<b>Total</b>	<b>3,655,157,069</b>	<b>1,885,710,651</b>	<b>51.6%</b>

- Statutory Authority** – Statutory authority within Section A accounts for approximately \$1,387.3 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 the Department of Administration (primarily for retirement benefits and the state lottery). As of February 29, 2024, statutory appropriations are 69.8% or \$968.9 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 \$612.6 million in funding for FY 2024. Of this funding, the majority is in the Department of Administration totaling \$381.5 million and 66.8% or \$254.8 million has been expended as of the end of February 2024. This funding primarily lies within the Health Care and Benefits Division, State Information Technology Services Division, Risk Management and Tort Defense Division, and the General Services Division. The second largest funding lies within the Department of Labor and Industry, particularly in the Unemployment Insurance Trust (\$125.0 million). As of the end of February 2024, this funding is 65.1% expended, which mirrors the anticipated expenditures at this point in time
- **Other House and Senate Bills** – Other house and senate bills make up \$557.7 million in FY 2024 funding, of which 19.8% 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. Another portion of this authority is within the Department of Commerce (\$130.6 million). This authority exists throughout multiple bills with the largest being HB 819. The expenditure authority of \$63.0 million is to be used towards affordable housing programs