

SECTION A – BUDGET OVERVIEW

HB 2 HIGHLIGHTS

The agencies within Section A have a HB 2 modified budget of \$715.1 million through fiscal year-end (FYE) 2024. Of the HB 2 appropriation for the section, 85.9%, or \$614.4 million, has been expended as of the conclusion of the fiscal year. Within the agencies of Section A, highlights of their HB 2 budget include:

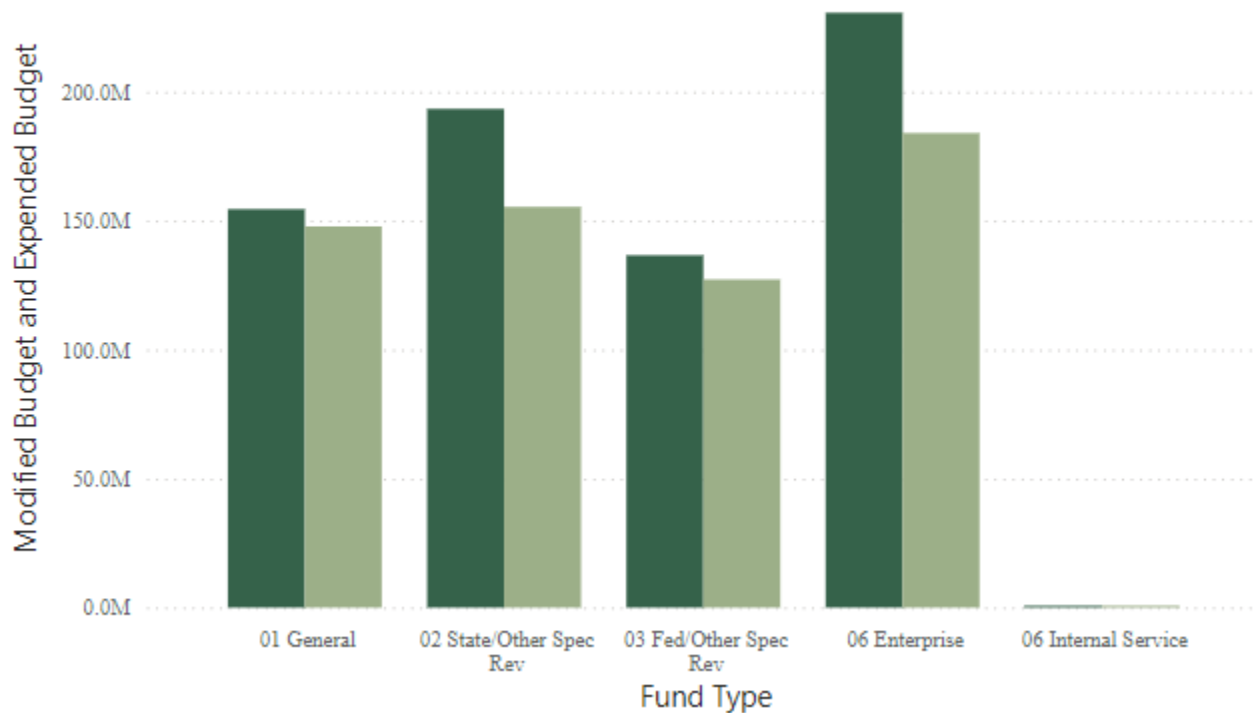
- Expenditures within the Department of Revenue for FY 2024 are lower than the five-year average, as shown in the chart below. This is due to lower-than-anticipated revenues within the Alcohol Beverage Control Division which did not allow the agency to spend the authorized appropriation. This unspent authority primarily was within transfers as the agency did not receive the expected revenues to transfer funds from the liquor enterprise fund to the general fund. The Cannabis Control Division also had a slightly lower percent expended through FYE 2024. This was due to the extension of a moratorium from June 2023 to June 2025. This moratorium is placed upon providers licensed within the state medical marijuana system to join the recreational marijuana market. As a portion of payments paid to a contractor is based upon the number of marijuana licensees, the moratorium restricted the amount of the payments made, thus reducing expenditures
- One larger budget modification that was made between June 1, 2024, and FYE 2024 occurred in the Department of Labor and Industry. This modification came in the form of an operating plan change involving the Workforce Services, Unemployment Insurance, Commissioners Office, and Office of Community Service Divisions. The agency executed this to rebalance expenditure account levels across these divisions for two reasons. The first was to properly record lease payments, per state accounting standards. The second was to move funds into operating expenses for modernizing various legacy information technology (IT) systems. This operating plan change moved \$1.7 million of authority in personal services and \$600,000 in grants to operating expenses
- Another large modification to the HB 2 budget was made by the Department of Commerce. This program transfer of \$768,000 reallocated appropriations from the Housing MT Division to the Community MT Division. This was done to account for a shortage in authority for the Community Development Block Grant. This reallocation of authority occurred in operating expenses and grants expenditure authority

Agency	HB 2 FYE 2024			
	FY 2024 Modified Budget	FYE 2024 Expenditures	FYE 2024 Percent Expended	5-Year Olympic Average
11040 Legislative Branch	\$ 27,660,217	\$ 24,850,953	89.8%	90.6%
11120 Consumer Counsel	1,745,650	862,895	49.4%	66.1%
31010 Governor's Office	7,735,986	7,105,021	91.8%	87.9%
32020 Commissioner of Political Practices	896,988	686,728	76.6%	89.1%
34010 State Auditor's Office	57,574,670	55,872,134	97.0%	76.8%
58010 Department of Revenue	377,296,471	300,445,332	79.6%	99.5%
61010 Department of Administration	54,088,944	53,363,339	98.7%	94.6%
65010 Department of Commerce	36,150,817	32,364,851	89.5%	73.6%
66020 Department of Labor and Industry	94,772,682	84,724,698	89.4%	91.3%
67010 Department of Military Affairs	57,212,108	54,140,114	94.6%	88.5%
Total	\$ 715,134,533	\$ 614,416,065	85.9%	89.2%

HB 2 FUNDING HIGHLIGHTS

Total Modified Budget by Fund Type - HB 2 Only

● Modified Budget ● Expended Budget



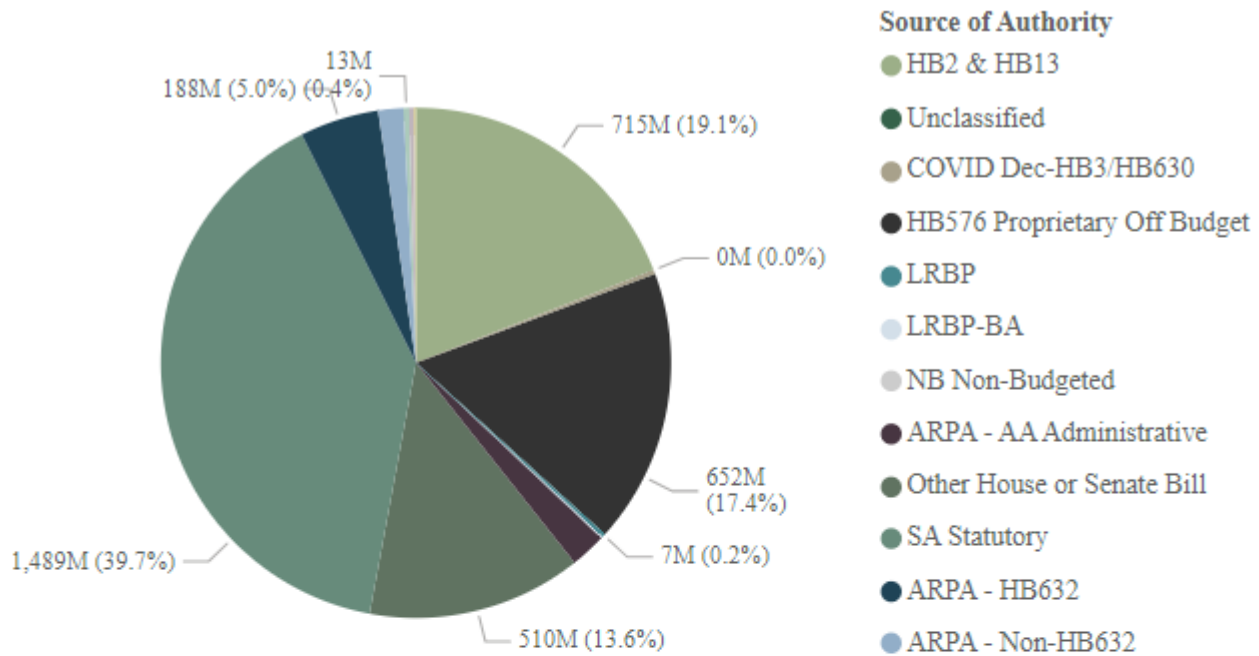
The largest portion of the HB 2 authority for Section A comes from enterprise funds, which incorporates \$230.6 million, or 32.3%, of the total appropriation authority. The largest contributor to this fund type is the Department of Revenue with \$224.0 million. Within the agency, \$223.0 million of this authority lies within the Alcohol Beverage Control Division and was previously classified as a HB 2 language appropriation. As a whole, enterprise authority was 79.8% expended, or \$184.0 million.

The second largest fund type within Section A is state special revenue funds. These funds encapsulate \$193.4 million in FY 2024 with \$155.4 million, or 80.4%, being expended as of FYE 2024. This funding includes \$86.2 million for the Cannabis Control Division within the Department of Revenue. Like the enterprise funding in the Alcohol Beverage Control Division, this funding was previously a HB 2 language appropriation but is now labelled under HB 2 authority. Another large agency within state special revenue funds is the Department of Labor and Industry. This agency holds \$58.0 million of the state special revenue appropriation.

The third largest fund type in Section A is general fund with \$154.5 million in HB 2 appropriations for FY 2024. At the end of FY 2024, Section A agencies expended \$147.8 million, or 95.7% of their general fund appropriations. Although many agencies within this section utilize general fund the Department of Revenue (\$64.3 million) and the Department of Administration (\$39.5 million) have the largest appropriations. The combined expenditures of these two agencies for FYE 2024 was \$101.3 million with the agencies expending 96.5% and 99.5% of their general fund appropriation, respectively.

OTHER MAJOR SOURCES OF AUTHORITY

Modified Budget & Expended Budget by Source of Authority



Source of Authority	Modified Budget	Expended Budget	% Expended
SA Statutory	1,488,822,666	1,305,625,587	87.7%
HB2 & HB13	715,134,533	614,416,065	85.9%
HB576 Proprietary Off Budget	652,298,680	622,858,126	95.5%
Other House or Senate Bill	509,671,176	124,601,722	24.4%
ARPA	332,183,950	78,407,295	23.6%
BA Budget Amendment	13,479,406	3,574,151	26.5%
CARES	11,287,696	2,883,851	25.5%
CARES II	9,734,683	1,917,470	19.7%
LRBP	7,439,771	2,600,252	35.0%
LRBP-BA	5,091,896	1,435,111	28.2%
CF Carryforward	4,808,165	1,843,197	38.3%
Unclassified	54,596	867,901	156119.8%
NB Non-Budgeted	556	867,901	156119.8%
Total	3,750,007,773	2,761,030,730	73.6%

- Statutory Authority** – Statutory authority within Section A accounts for approximately \$1.5 billion 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 FYE 2024, statutory appropriations are 87.7% or \$1.3 billion expended. The largest portion of these expenditures were on income and property tax rebates

- **Non-Budgeted Proprietary Funding** – Non-budgeted proprietary funding includes \$652.3 million in appropriation authority for FY 2024. Of this authority, the majority is in the Department of Administration, totaling \$396.8 million, and 95.5% or \$378.9 million has been expended as of FYE 2024. This authority primarily is within the Health Care and Benefits Division, State Information Technology Services Division, and Risk Management and Tort Defense Division. The second largest authority source of \$167.3 million is within the Department of Labor and Industry, \$142.0 million of which is appropriated to the Unemployment Insurance Trust. As of FYE 2024, DOLI has expended 96.4% of Unemployment Insurance Trust appropriations
- **Other House and Senate Bills** – Other house and senate bills make up \$509.7 million in FY 2024 authority, of which 24.4% has been expended. Over 50.0% of this authority exists within the Department of Administration for HB 10 long range information technology projects. 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 portion, \$130.6 million, of this authority is within the Department of Commerce. This authority exists throughout multiple bills with the largest portion from HB 819. The authority included in this bill totals \$63.0 million and is to be used towards affordable housing programs