



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

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Director
AMY CARLSON

DATE: February 23, 2021
TO: Members of the 2021 Legislature
FROM: Amy Carlson, Legislative Fiscal Analyst
RE: General Fund Status Sheet

The first general fund status sheet is attached. Status sheets, like this one will be calculated and distributed on a regular basis from this point forward. The main appropriation bill, HB 2, includes action completed by the Joint Appropriations Subcommittees. Bills that have had positive action and meet the [status sheet rules](#) are included.

The status sheet is a significant tool of the Legislature to manage budget risk. Budget risk is primarily measured by two methods: 1) ending fund balance which measures the amount of funds available for one-time expenditure, cushion for budget shocks, and cash flow; and 2) structural balance, which measures if the ongoing revenues and the ongoing expenditures are in balance, thus future budgets could begin in balance.

Ending Fund Balance

The general fund balance sheet shows the beginning fund balance for four fiscal years. The ending fund balance includes the difference between revenues and disbursements over that 4 year period. The statutory minimum ending fund balance is 4% of the general fund appropriations for the second year of the biennium or about \$108 million and an 8.3% operating reserve is recommended in statute and comes to about \$223 million.

Managing Volatility

Legislative options for managing volatility include the budget stabilization reserve fund, which currently is at the statutory limit of \$115.0 million, general fund balance, the Governor's emergency fund, and the fire fund.

HB 2 status

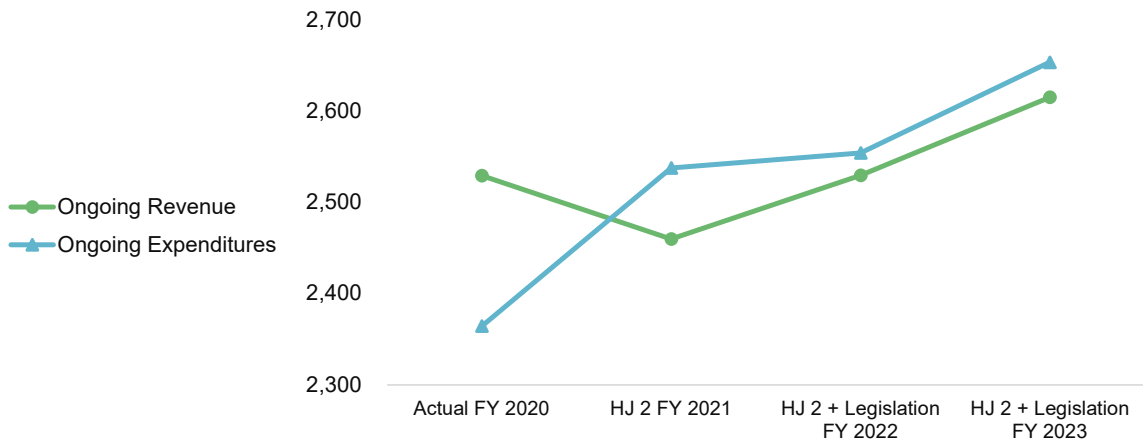
The HB 2 budget action is preliminarily recorded by the fiscal division staff from the subcommittee action. Executive and legislative staff will be double checking these numbers in the next few days and minor adjustments may occur. Any adjustments will be included in the next status sheet anticipated for March 3, 2021.

Status Sheet Review for Legislators

The fiscal division will explain and review the status sheet on February 25 and 26 at 12:00 p.m. on Zoom. The discussion will last 30 minutes. The virtual Zoom meeting will be live streamed on the legislative branch website. A Zoom link has been sent to legislators.

	Actual FY 2020	Estimated w/HJ 2 Revs FY 2021	Estimated w/HJ 2 Revs FY 2022	Estimated w/HJ 2 Revs FY 2023
Beginning Fund Balance	\$361.3	\$452.5	\$398.7	\$366.1
Revenues				
Actual & HJ 2 Revenues	2,529.2	2,459.8	2,537.7	2,647.7
New Revenue Legislation		-	(8.1)	(32.7)
One-Time-Only (OTO) Revenue	4.1	9.4		
New OTO Revenue Legislation		2.0	1.1	1.1
Adjustments	(3.5)			
Total Revenue Funds Available	2,891.2	2,923.7	2,929.4	2,982.2
Expenditures - Ongoing				
Statutory Approps	282.8	305.0	306.5	314.4
General Fund Transfers	35.2	23.8	20.8	20.7
HB 2 Agency Budgets (pay plan included in current biennium)	2,014.5	2,142.3	2,228.1	2,304.3
HB 2 Language Appropriations			-	-
HB 1 (includes continuing and 2023 session estimates)	2.4	10.3	2.6	10.6
Other Appropriations	29.6	48.5		
New Legislation - Appropriations and Transfers		-	3.7	11.4
Continuing Authority		15.4		
Reversions		(7.6)	(7.7)	(8.0)
Ongoing Expenditures	2,364.4	2,537.7	2,553.9	2,653.4
One-Time-Only (OTO)				
HB 2 Agency Budgets		6.6	(\$19.4)	(\$5.2)
HB 2 Language Appropriations			\$1.0	\$1.0
Other Appropriations & Transfers & Carryforward	0.4	12.5		
BSRF Transfers	57.1	1.1		
Fire Fund Transfers	30.3	46.7	16.5	
Estimated Impacts from COVID: possible savings and carryforward		(85.0)	10.0	
New OTO Legislation - Appropriations and Transfers		5.5	1.3	0.1
Total Expenditures	2,452.2	2,525.1	2,563.3	2,649.3
Accounting Adjustments	(13.5)			
Ending Fund Balance	\$452.5	\$398.7	\$366.1	\$332.9
Structural Balance	\$164.4	(\$77.8)	(\$24.3)	(\$38.4)

BSRF means budget stabilization reserve fund. FY 2020 OTO revenue is Core Civic contract renegotiation amount. FY 2021 OTO revenue is tobacco settlement interest. HB 143, and SB 110 are appropriated in HB 2 and therefore are not included on the bill list. HB 15 impacts to BASE Aid are appropriated in HB 2 and are no longer shown as impacts in the bill, only the remaining non-BASE Aid items are shown as potential expenditures. Estimated impacts from COVID are unsettled and may increase or decrease as we gather more information. Other state reserve balances: BSRF FY 2023 at \$115.3 million, currently at statutory limit and estimated to remain at limit. Wildfire Suppression Fund FY 2023 at \$84.0 million projected using average fire costs.



Structural Balance: Warning - The financial long term revenues and expenditures are out of balance. Ongoing expenditures exceed ongoing revenues by \$38 million or 1.5% of general fund revenue.

Detail of General Fund Legislative Action
(\$ Millions)

Status	Short Description of Proposed Legislation	Days in Comm.	Revenue	Appropriation	Potential	Total
1st House						
HB0057	Revise requirements related to CPS placements in congregate care	1	-	-	(33,052)	(33,052)
HB0115	Increase penalties for 5th and subsequent DUI	1	-	-	-	-
HB0158	Create study commission to review covid-19 statute & rule suspensions	11	-	(50,000)	-	(50,000)
HB0233	Revise funding for students with disabilities	1	-	-	(136,051)	(136,051)
HB0235	Create nutrition incentive program for SNAP participants	4	-	(200,000)	-	(200,000)
HB0252	Non-refundable tax credit for employer-paid education of trade professions	1	(2,000,000)	-	-	(2,000,000)
HB0261	Constitutional amendment for taxpayer protection act to limit tax types	18	-	-	-	-
HB0329	Establish the Students with Special Needs Equal Opportunity Act	1	-	(105,000)	(194,359)	(299,359)
HB0357	Revise property tax assistance program inflation adjustment laws	4	(478,000)	-	(30,000)	(508,000)
HB0373	Revise natural resources operations fund, provide transfer	1	-	(2,125,479)	-	(2,125,479)
HB0374	Amend Coal Severance Tax SSR accounts, provide transfers	1	-	(3,277,119)	-	(3,277,119)
HB0397	Establish workforce housing tax credits	1	-	-	-	-
SB0051	Exempting certain fiber optic, coaxial cable from property taxation	4	(57,311)	-	(103,428)	(160,739)
SB0100	Provide for the welfare fraud prevention act	5	-	-	7,820,604	7,820,604
SB0133	Revise property tax appraisal and tax appeal process	11	-	-	(36,736)	(36,736)
SB0159	Personal Income Tax Relief Act	4	(33,500,000)	-	-	(33,500,000)
2nd House						
HB0013	State Employee Pay Plan	19	-	(8,549,941)	-	(8,549,941)
HB0021	Authorize funding for the multifamily coal trust home loan program	21	31,500	-	-	31,500
HB0035	Establish a missing persons review commission	18	-	(85,000)	-	(85,000)
HB0036	Establish missing persons response team training grant program	25	-	(61,000)	-	(61,000)
HB0039	Provide for continued interim review of child protective services matters	4	-	(10,000)	-	(10,000)
HB0066	Reauthorize securities restitution fund	12	(630,488)	-	-	(630,488)
HB0067	Generally revise community college funding laws	4	-	-	-	-
HB0073	Generally revise laws related to the criminal justice oversight council	11	-	-	(219,769)	(219,769)
HB0083	Generally revise vehicle laws	6	-	-	(2,400)	(2,400)
HB0098	Extending the Missing Indigenous Persons Task Force and the LINC grant program	15	-	(50,000)	-	(50,000)
HB0111	Revise income tax law to exempt military pensions	19	(5,050,000)	-	-	(5,050,000)
HB0116	Indoor cleanup standards for methamphetamine	4	-	-	(91,971)	(91,971)
HB0129	Revise the Family Education Savings Act	14	(550,243)	-	-	(550,243)
HB0139	Revise death certificate fees to fund board of morticians and funeral services	4	265,072	-	-	265,072
HB0146	Require OBPP to report actual costs to cost projected in fiscal notes	4	-	-	(25,978)	(25,978)
HB0171	Adopt the Montana Abortion-Inducing Drug Risk Protocol Act	13	-	-	(1,200)	(1,200)
HB0298	Revise information included on property valuation statement	1	-	-	(86,321)	(86,321)
HB0303	Revise business equipment tax laws: Business Investment Grows (BIG) Jobs Act	3	(1,090,000)	-	(5,515,820)	(6,605,820)
HB0330	Generally revise laws related to budget stability and managing volatility	1	4,200,000	(50,000)	-	4,150,000
SB0007	Revise tax credit for energy-conserving expenditures	1	2,250,391	-	(51,954)	2,198,437
SB0058	Provide fund transfer for livestock losses	6	-	(200,000)	-	(200,000)
SB0072	Revise school laws related to participation in extracurricular activities	6	-	-	(267,716)	(267,716)
SB0084	Generally revise consumer committee laws	1	-	-	(20,424)	(20,424)
SB0126	Revise laws related to property valuation appeal process	6	-	-	(66,000)	(66,000)

Status	Short Description of Proposed Legislation	Days in Comm.	Revenue	Appropriation	Potential	Total
SB0140	Revise laws relating to the judiciary	4	-	-	4,166	4,166
Enrolling						
HB0015	Implement K-12 Inflation	3	-	-	(7,742)	(7,742)
SB0004	Extend the Missing Indigenous Persons Task Force	12	-	-	(20,000)	(20,000)
LAW						
HB0003	Supplemental Appropriations Bill	5	-	(4,500,000)	-	(4,500,000)
Governor						
SB0021	Revise deposit of lobbying fee and repeal broadcasting special account	7	42,125	-	(42,125)	-
Total			(36,566,954)	(19,263,539)	871,724	(54,958,769)

Bills with BASE Aid Impacts Shown as Appropriations

HB0233	Revise funding for students with disabilities	1	-	(136,051)	136,051	-
HB0303	Revise business equipment tax laws: Business Investment Grows (BIG) Jobs Act	3	-	(2,285,420)	2,285,420	-
SB0072	Revise school laws related to participation in extracurricular activities	6	-	(267,716)	267,716	-
Totals with Reallocated K-12 BASE Aid Costs as Appropriation Impacts			(36,566,954)	(21,952,726)	3,560,911	(54,958,769)

Please note that HB 303 has more implications for potential expenditures than guaranteed tax base (GTB) impacts. Only the GTB portion is shown as an appropriation.