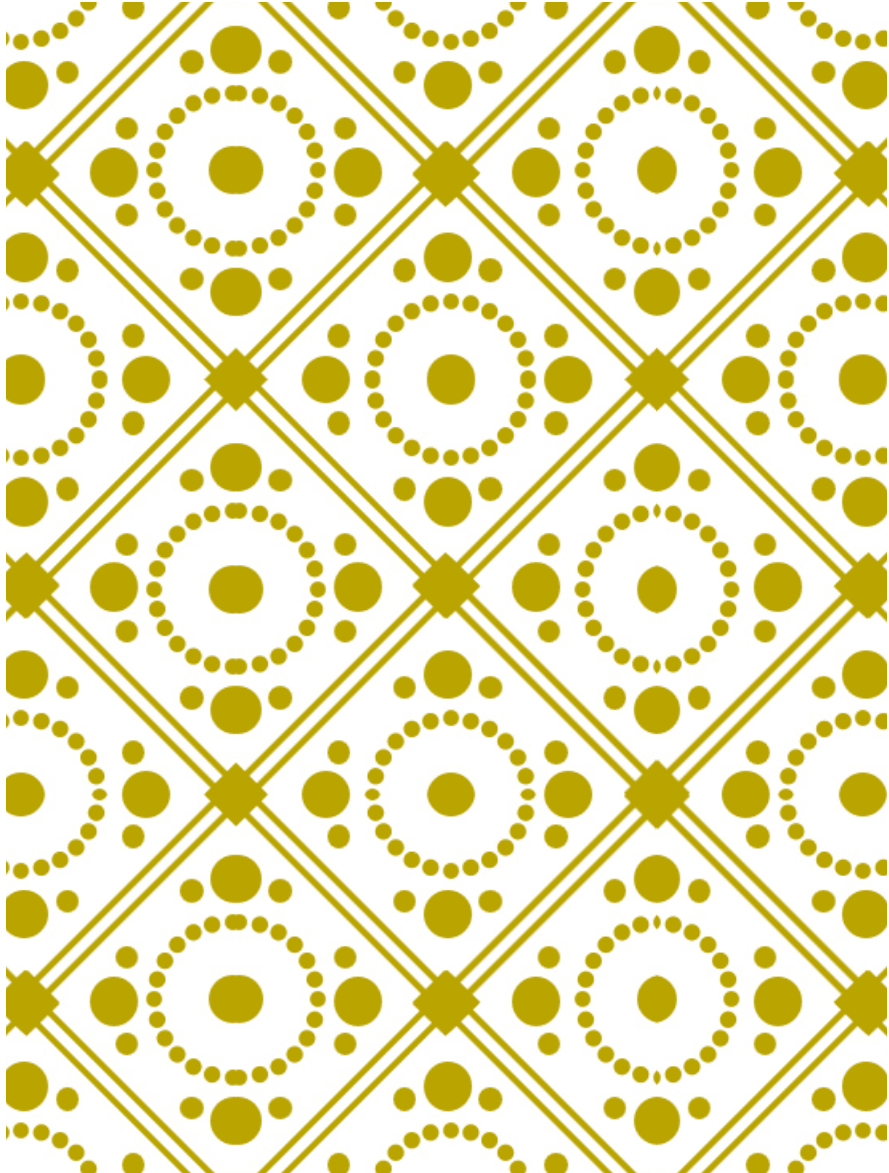


STATE AND LOCAL SUSTAINABILITY

Senator Osmundson introduction



FUN FACT QUESTION ROUND 1

Susie Lindsay, Communications Supervisor

KICK OFF

Director Amy Carlson



THANK YOU

Office of Legislative Information Services (OLIS)

Department of Commerce

- Census data
- eRemi population data

Governor's Budget and Program Planning Office

Department of Revenue

Department of Administration

Legislative Research Staff

Montana Association of Counties

Montana League of Cities

Headwaters Economics

Pew Charitable Trusts

US Governmental Accounting Office (GAO)

US Census Bureau

LEGISLATIVE QUESTIONS



You asked questions



We compiled and organized the questions



We have answered or can answer with the tools that we created many of the questions that you have asked



Some answers are in this presentation



Some are in reports or documents that are online



Some we have not been able to address yet



We will be getting in touch with those of you who asked questions so you can find the answers to your questions

CENSUS DATA

Long historical revenue and
expenditure data – every 5 years

State

Counties

Cities

Special Districts

Schools

Eliminates transfers



CENSUS CAVEATS

Census will be updating Montana State Government data. We have adjusted for known differences, but slight changes may occur when it is updated.

Census groups data different than we typically do

- MUS tuition and other revenues are included
- Does not show funding

Follow up questions that require more details will be addressed with other data sets, such as state accounting, local governments, etc...

CENSUS DATA – DIRECT GENERAL EXPENDITURE

Direct Expenditure or Provision of Service – excludes transfers to other government entities so as to not double count

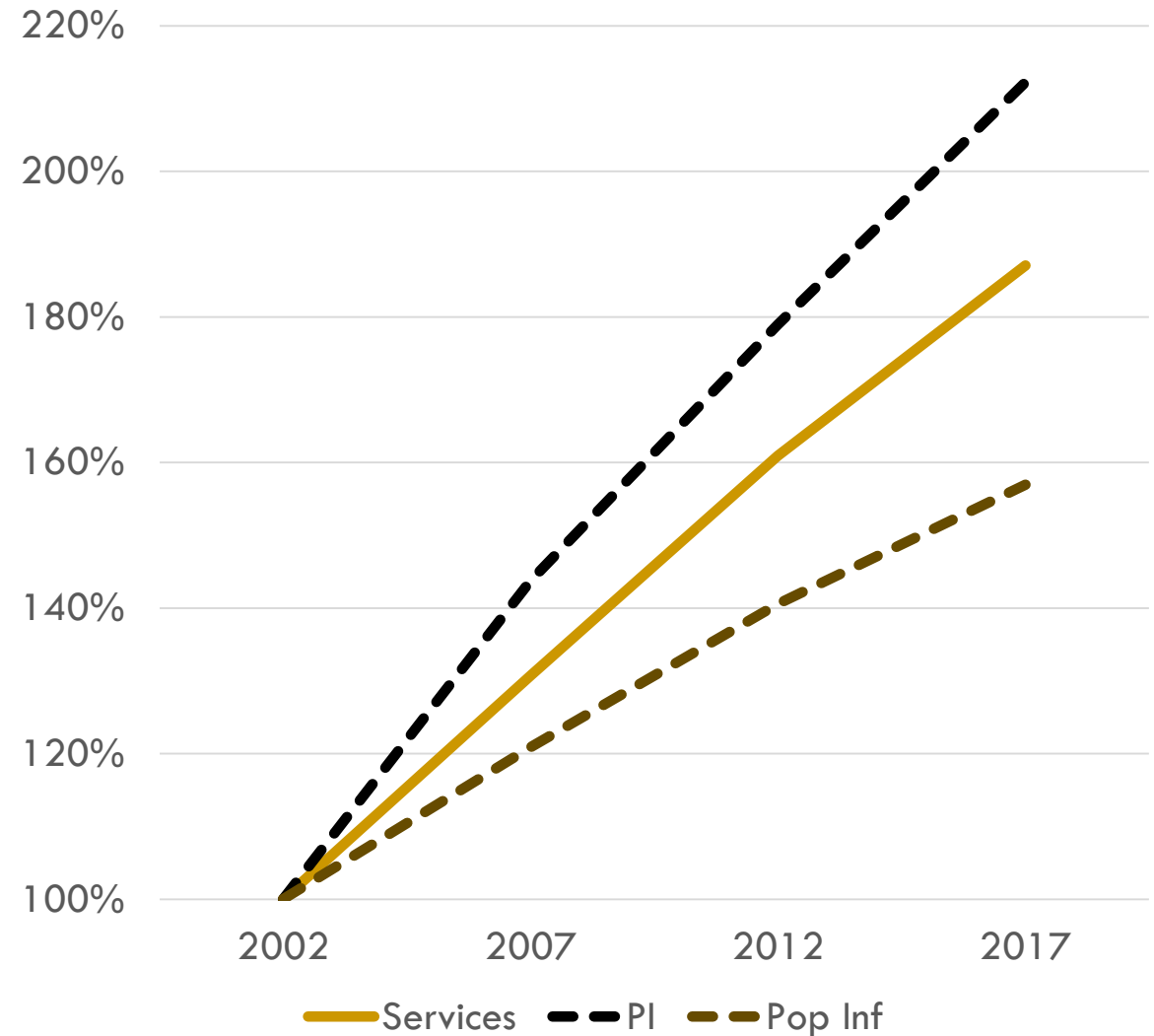
General – excludes business like entities like the State Fund, Unemployment Insurance, Liquor Warehouse, and certain Utilities

Includes: Fees and charges for subsidized services like tuition and fees at the university and most water, sewer and solid waste utilities

SERVICE COST TRENDS

Personal Income (PI) is a US Bureau of Economic Analysis statistic that represents the income flowing to individuals within the state. It includes: wages, proprietors' income, dividends, interest, rents, and government benefits. These statistics help assess and compare the economic well-being of state residents. Also referenced in statute as a measure relative to spending.

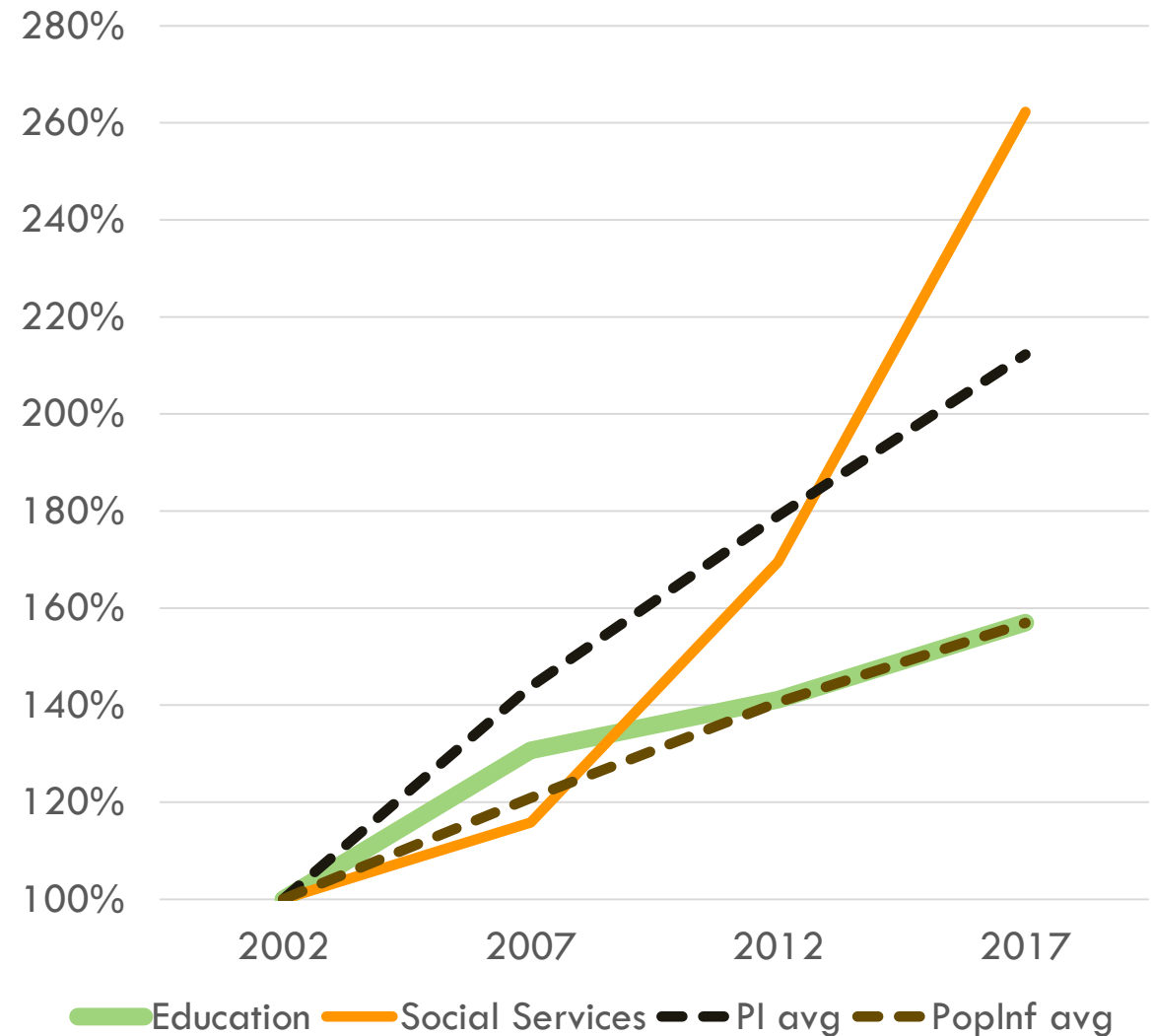
Population and inflation (Pop Inf) is the combined growth of both the population and the inflation effects within the state.



COST TRENDS BY CATEGORY

Social Services has grown greater than the rate of growth of the economy. The primary cause is the state and to a lesser degree local governments have invested in health and medical services for its citizens. This has been spurred both by the Children's Health Insurance Program (CHIP) and Medicaid Expansion.

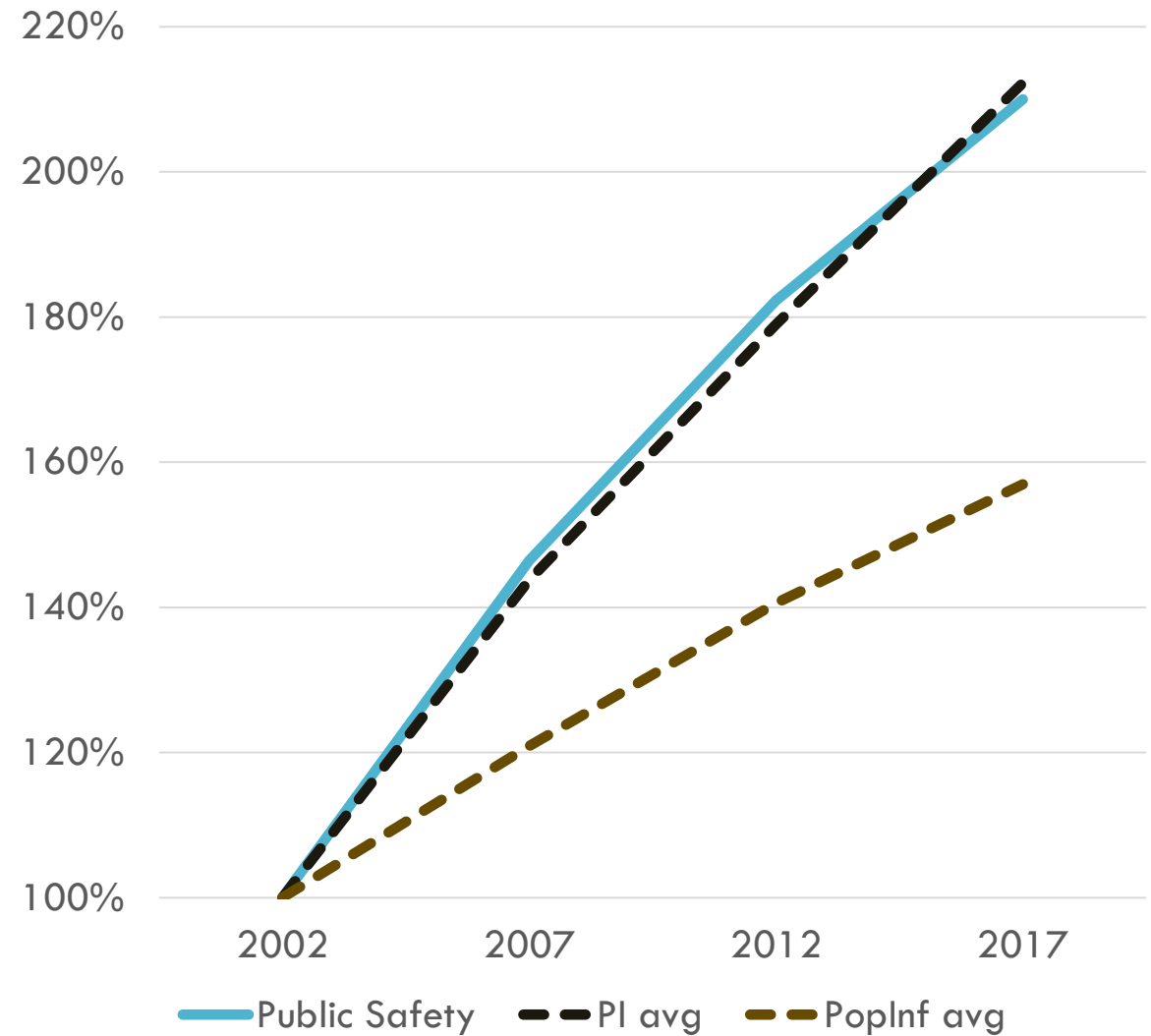
K-12 Education has grown only at the level of growth in the overall population and inflation of the state. As noted later, the population of school age children declined from 2000 to 2015.



SERVICE COST TRENDS BY CATEGORY

Public Safety has grown at the rate of the overall economy.

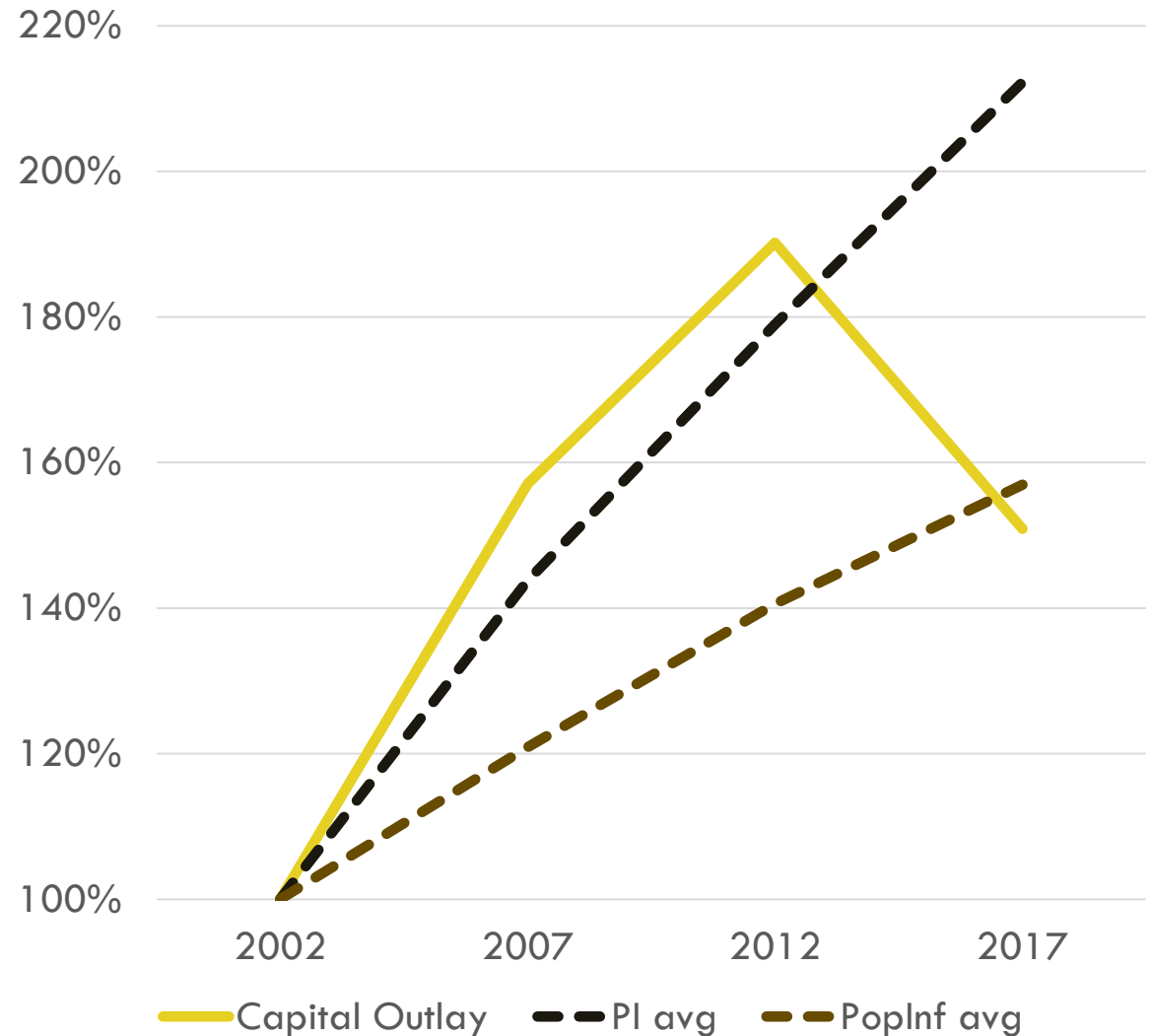
The effects of changes to the justice system passed in 2017 are yet to be seen.



SERVICE COST TREND CAPITAL OUTLAY

Infrastructure is a topic of discussion each session. In 2012 the strong growth in infrastructure is primarily due to the federal and state stimulus packages. The federal program was known as ARRA. The state program was passed in the 2009 session in HB 645.

2017 was a year reduction is at the state level. A portion of the reduction is the result of Dept. of Transportation reduced spending due to lower funds available.



SERVICES PROVIDED BY GOVERNMENT

Public safety services include law enforcement services, fire services, and the administration of correctional facilities

Education includes elementary, secondary, and higher education

Environment and Housing includes environment, parks, recreation, natural resources, housing and community development services

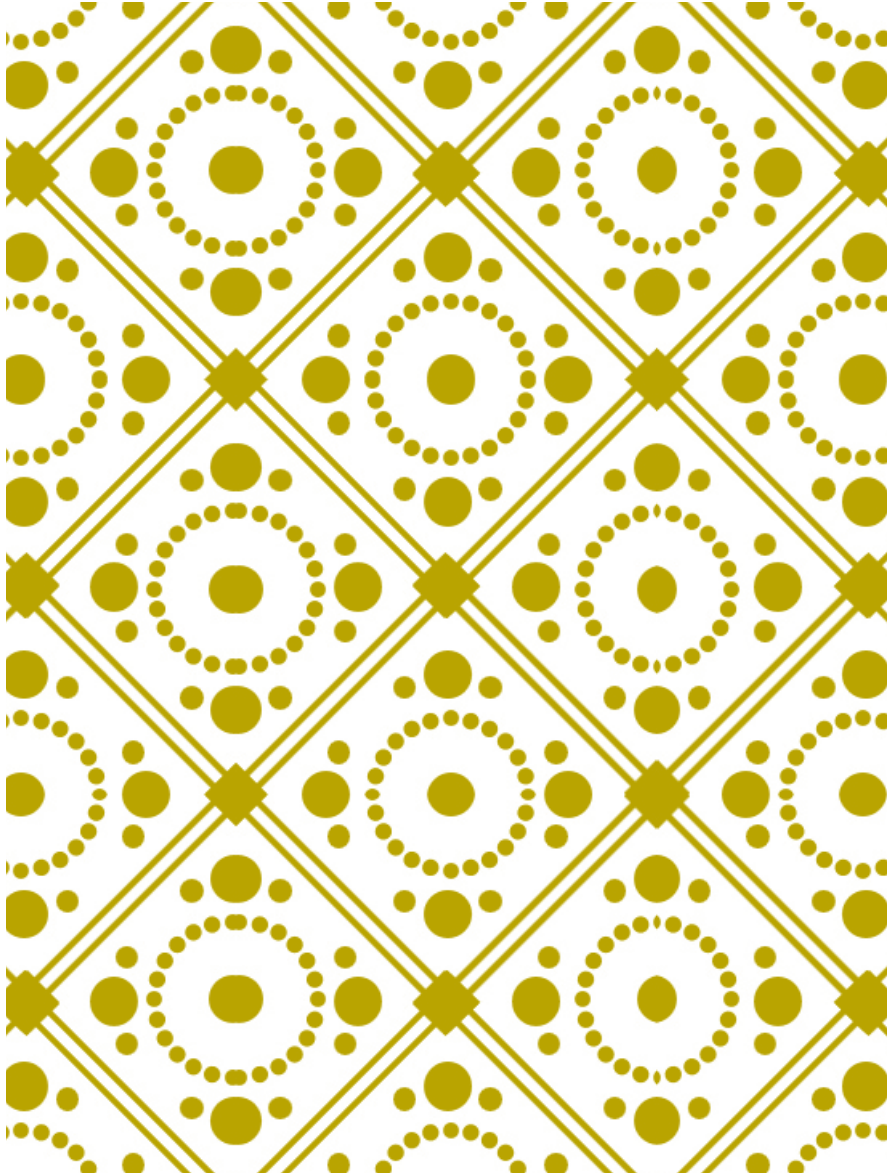
Capital outlay is the construction and/or purchase of local government assets such as buildings, water/wastewater systems, land, and other types of local government facilities

Utility services include water, wastewater, solid waste, electric, and transit

Social services and income maintenance services include the costs of hospital and health center functions and the provision of aid to individuals

Transportation services include the costs of airports and air transportation; parking services; and road, bridge, and highway maintenance and services

Administration + Other costs are a compilation of a variety of services including to administrative, judicial and court, library. Other services also include costs that could not be allocated to the categorized classifications



FUN FACT QUESTION ROUND 2

Susie Lindsay, Communications Supervisor

NEW TOOL: POWER BI

Nick VanBrown

2017 DIRECT GENERAL EXPENDITURES: \$9.6 BILLION

POWER BI 1 = EXPLAIN GRAPHIC

Census expenditures – does not include transfers between state and local government

57% of state and local spending is done at the state level

20% is by schools

23% is Cities, Counties, and Special Districts

SERVICES OVER TIME

POWER BI 2 – EXPLAIN GRAPHIC



Social Services 2002 = 20.9% to 2017 = 29.1%



Education (higher education and K-12) 2002 = 33.1% to 2017 = 28.2%



Capital outlay (mostly infrastructure) 2002 = 12.1% to 2017 = 9.7%



Public Safety 2002 = 6.9% to 2017 = 7.6%



POWER BI: OTHER SERVICE COSTS DATA

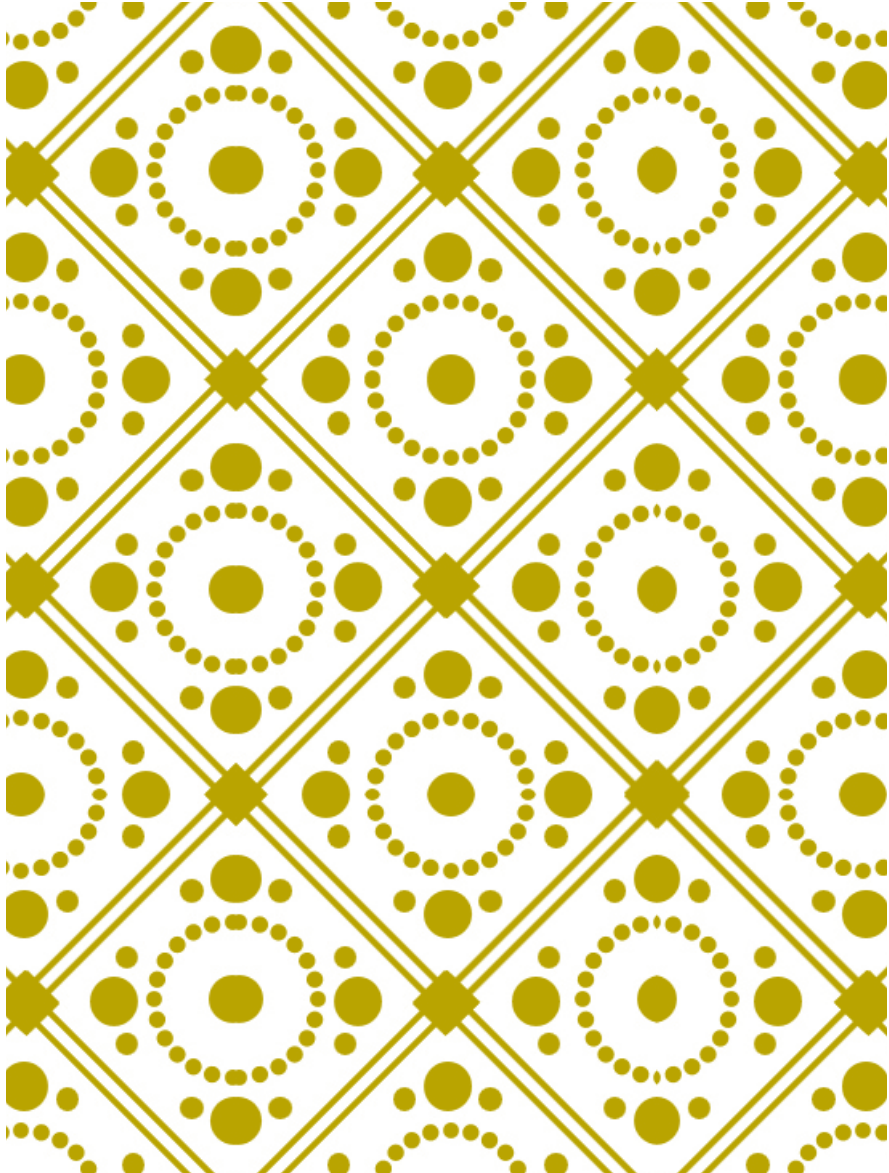
Nick VanBrown
Local
State

INTRODUCTION TO THE QUESTIONS

Senator Jacobson



REPORT OUT TO THE GROUP



FUN FACT QUESTION ROUND 3

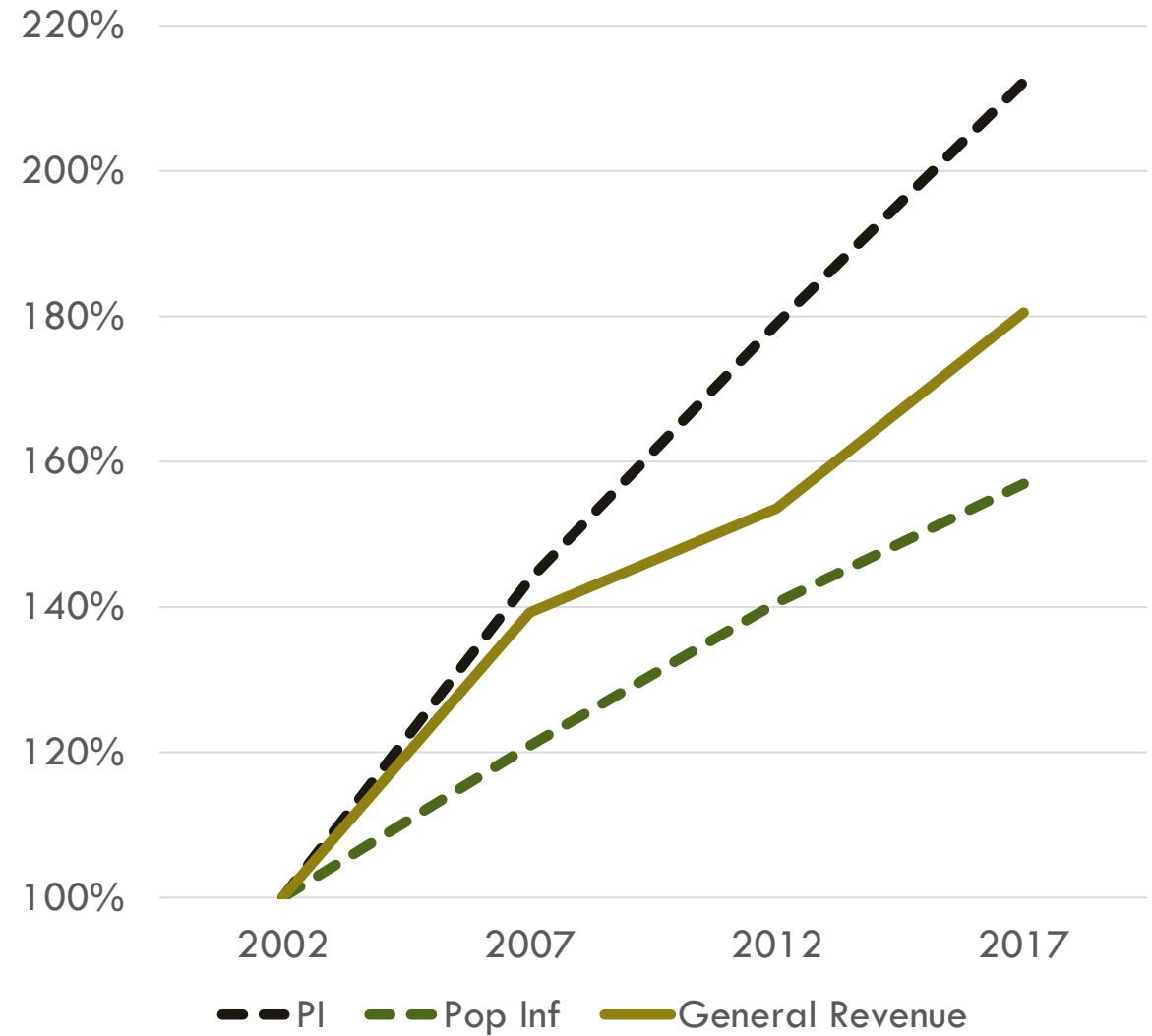
Susie Lindsay, Communications Supervisor

REVENUES TO GOVERNMENT

Director Amy Carlson

GROWTH IN STATE + LOCAL GENERAL REVENUE

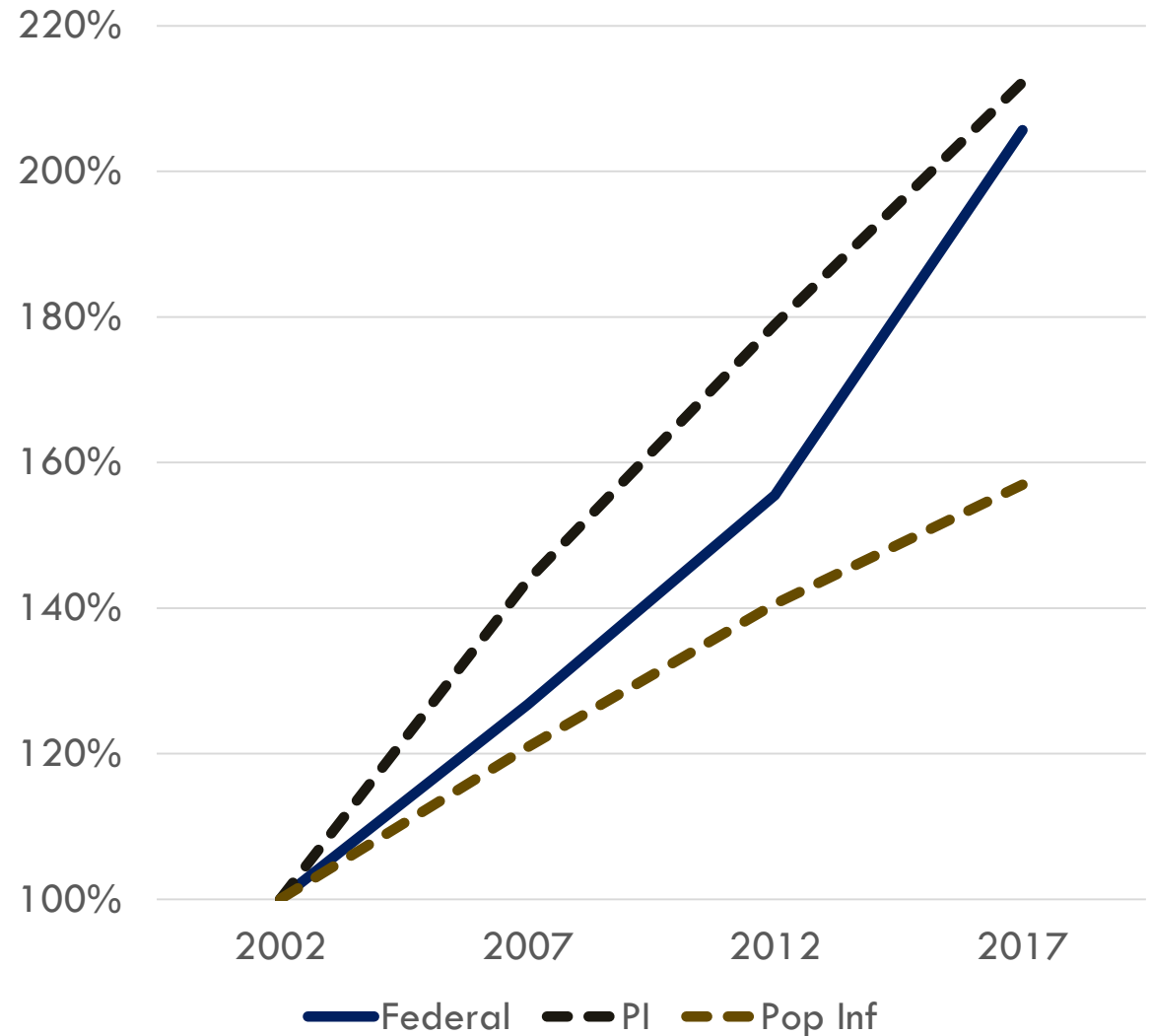
Growth between growth in the economy and growth in population and inflation.



FEDERAL REVENUE

Growth in Federal revenue is close to the rate of growth in the economy.

Federal funds are used primarily in health and social assistance programs, but are also used in transportation and many other programs.



PROPERTY TAX

Property tax collections have grown slower than the economy, and faster than the rate of growth of the population and inflation.

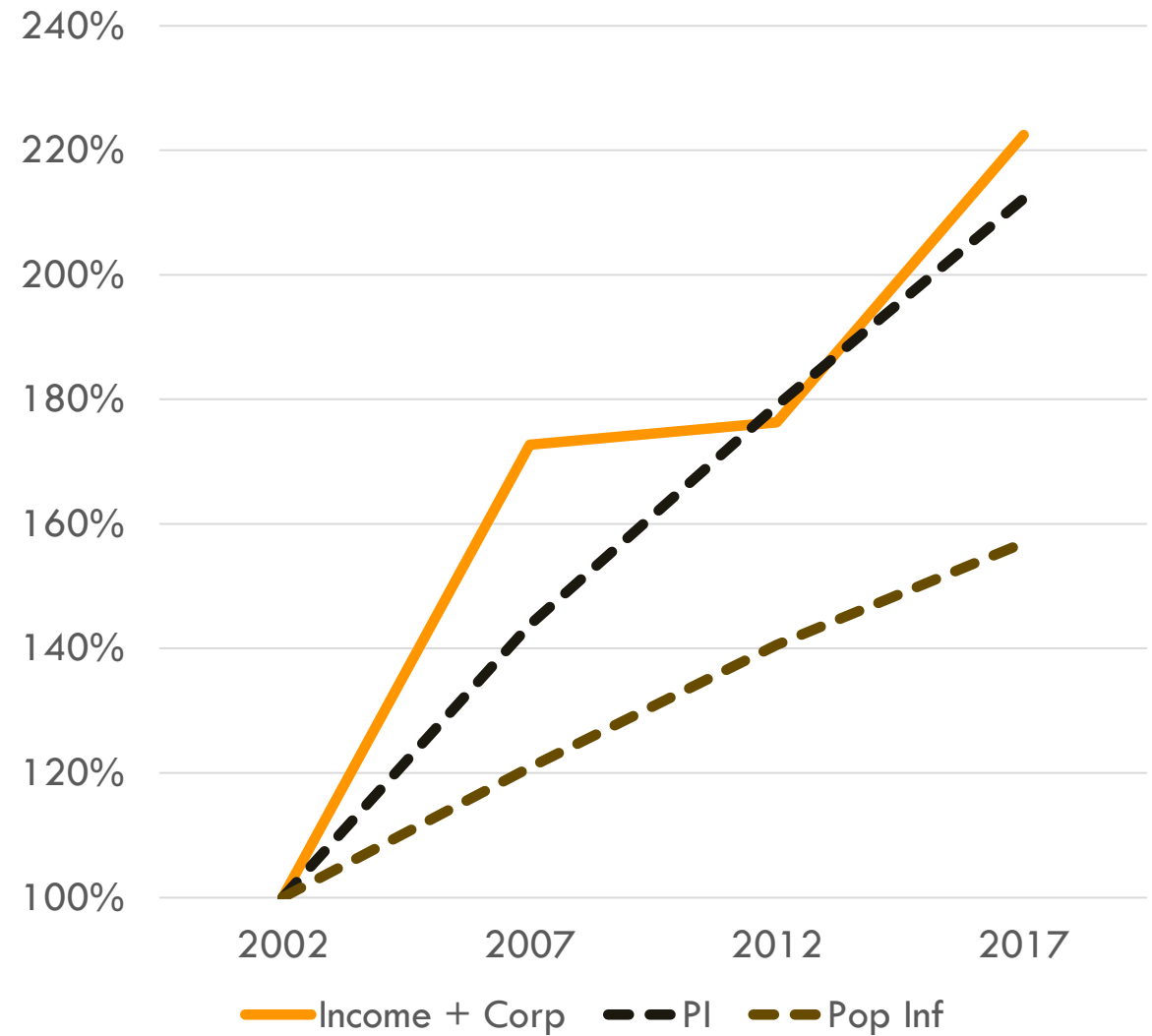
Tomorrow the local government trend breakout will dive into local government revenues in more detail.

The revenue breakout will have overall property tax trends.

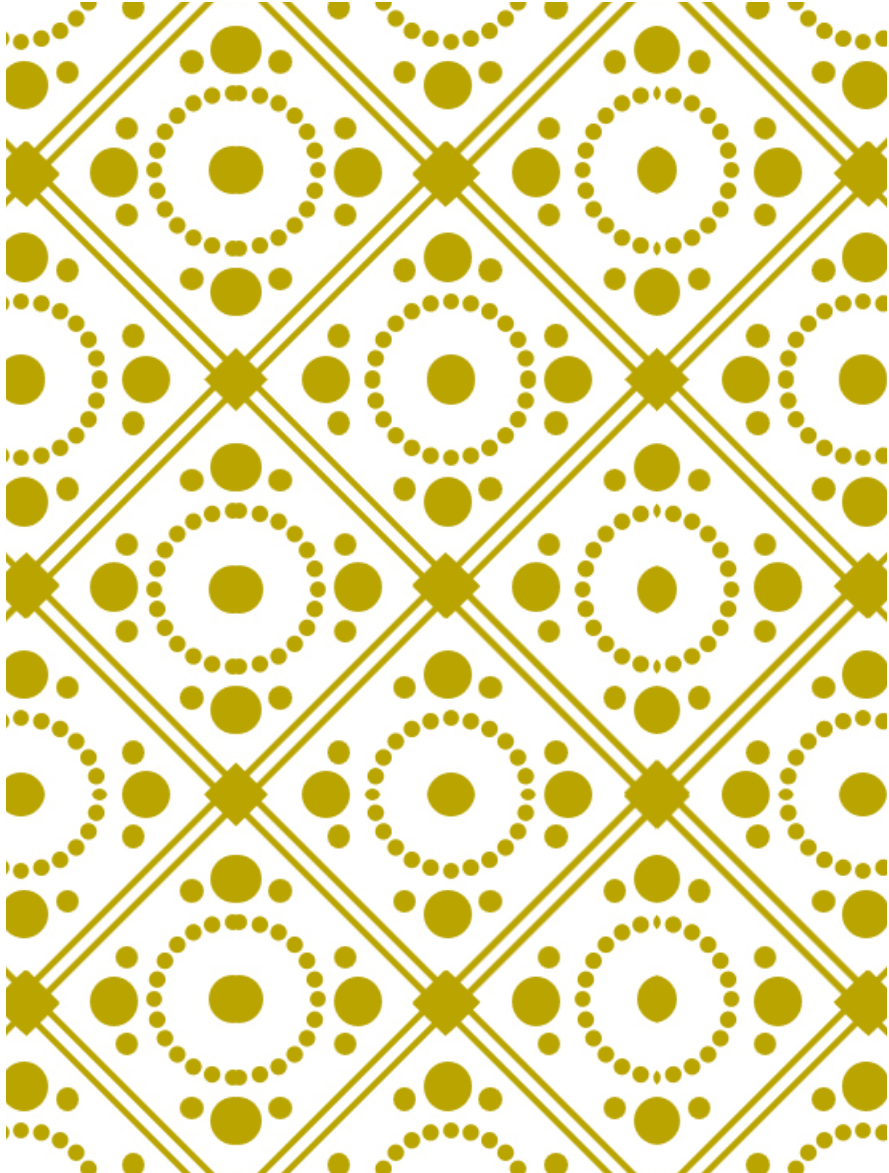


STATE* CORPORATE AND PERSONAL INCOME TAX

The state revenue history in the Revenue Breakout will give more details to the Personal and Corporate Income Tax collections.



*There is no local income tax in Montana



FUN FACT QUESTION ROUND 4

Susie Lindsay, Communications Supervisor

2017 GENERAL REVENUES: \$9.4 BILLION

POWER BI 5 = EXPLAIN GRAPHIC

Census revenue – does not include transfers between state and local government

72% of state and local spending is done at the state level

7% is by schools

21% is Cities, Counties, and Special Districts

STATE AND LOCAL GOVERNMENT GENERAL REVENUES

POWER BI 6

Federal funding 35.1%

Property tax 18.1%

Personal + Corporate Income tax 13.9%

All other taxes and licenses 13.1%

Charges 12.8%

Miscellaneous 7.0%

Higher education 38%

Sewer 11%

Solid waste 7%

Hospital 7%

Other

CHARGES 12.8%

(NOT INCLUDING UI, WORKERS COMP, AND SOME UTILITIES)

REVENUE HISTORY

POWER BI 6

Growing share of revenue

Federal

Income tax

Property tax

Declining share of revenue

Current Charges

Miscellaneous

MISCELLANEOUS REVENUES = DECLINING



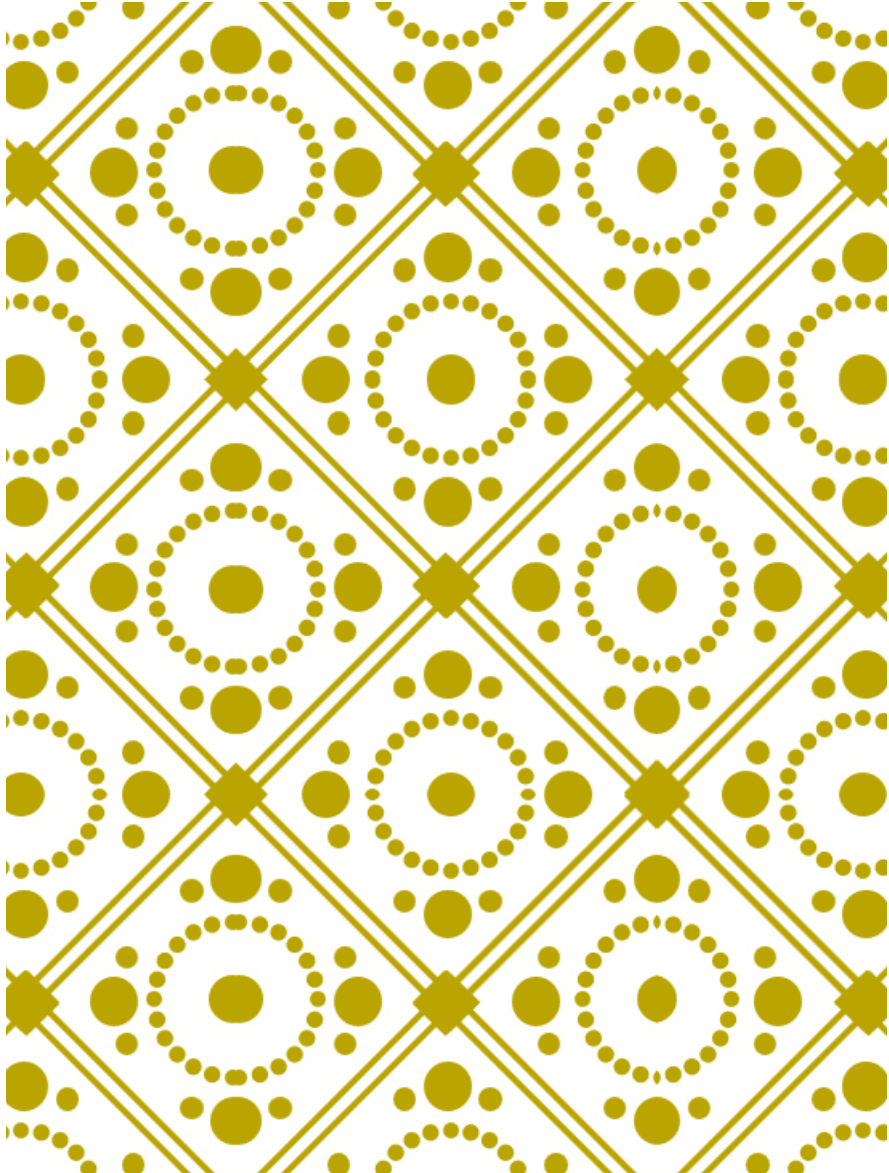
INTEREST – DECLINED FROM
2002 TO 2017



RENTS AND ROYALTIES
ABOUT THE SAME DOLLARS
FROM 2002 TO 2017



REMAINDER SLIGHT
INCREASE



FUN FACT QUESTION ROUND 5

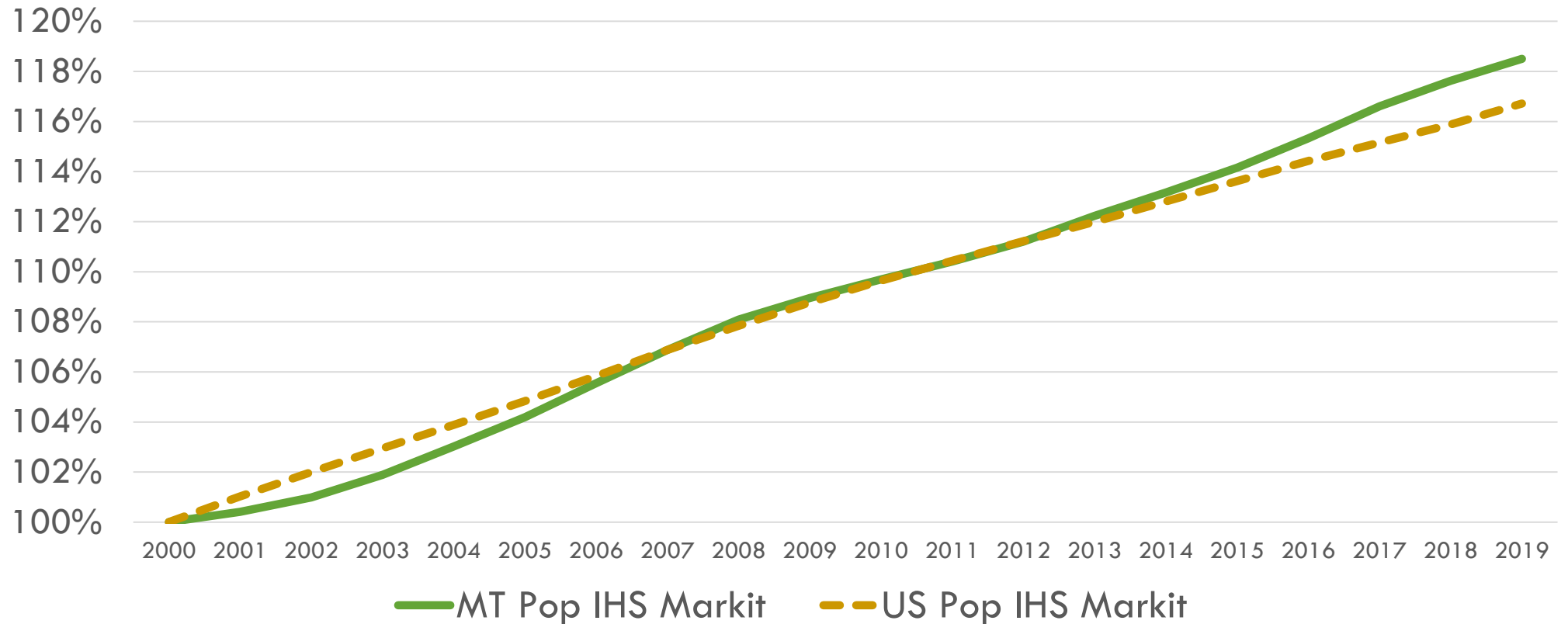
Susie Lindsay, Communications Supervisor

DEMOGRAPHICS

Executive Director Susan Fox

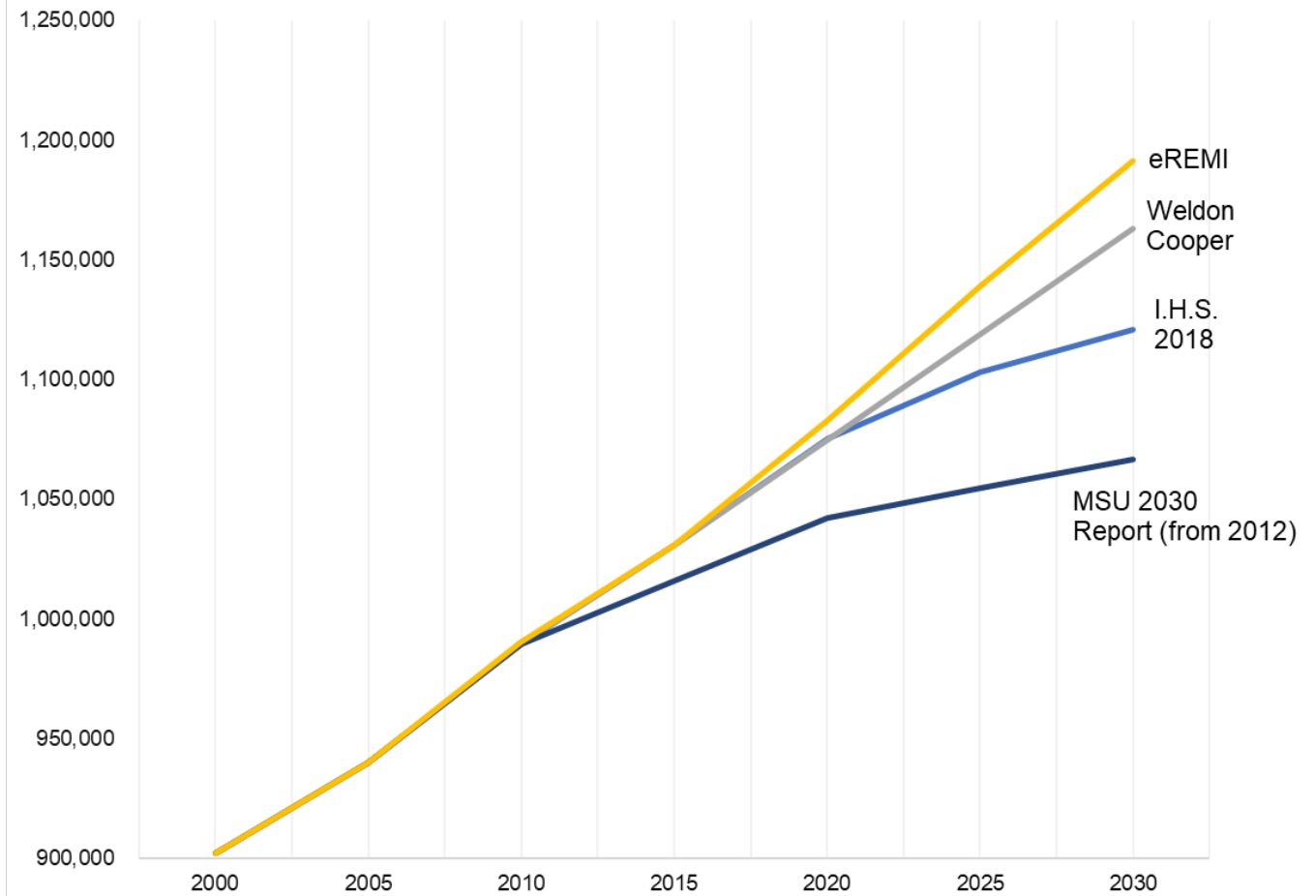
Josh Poulette, Fiscal Analyst

MONTANA AND US POPULATION GROWTH



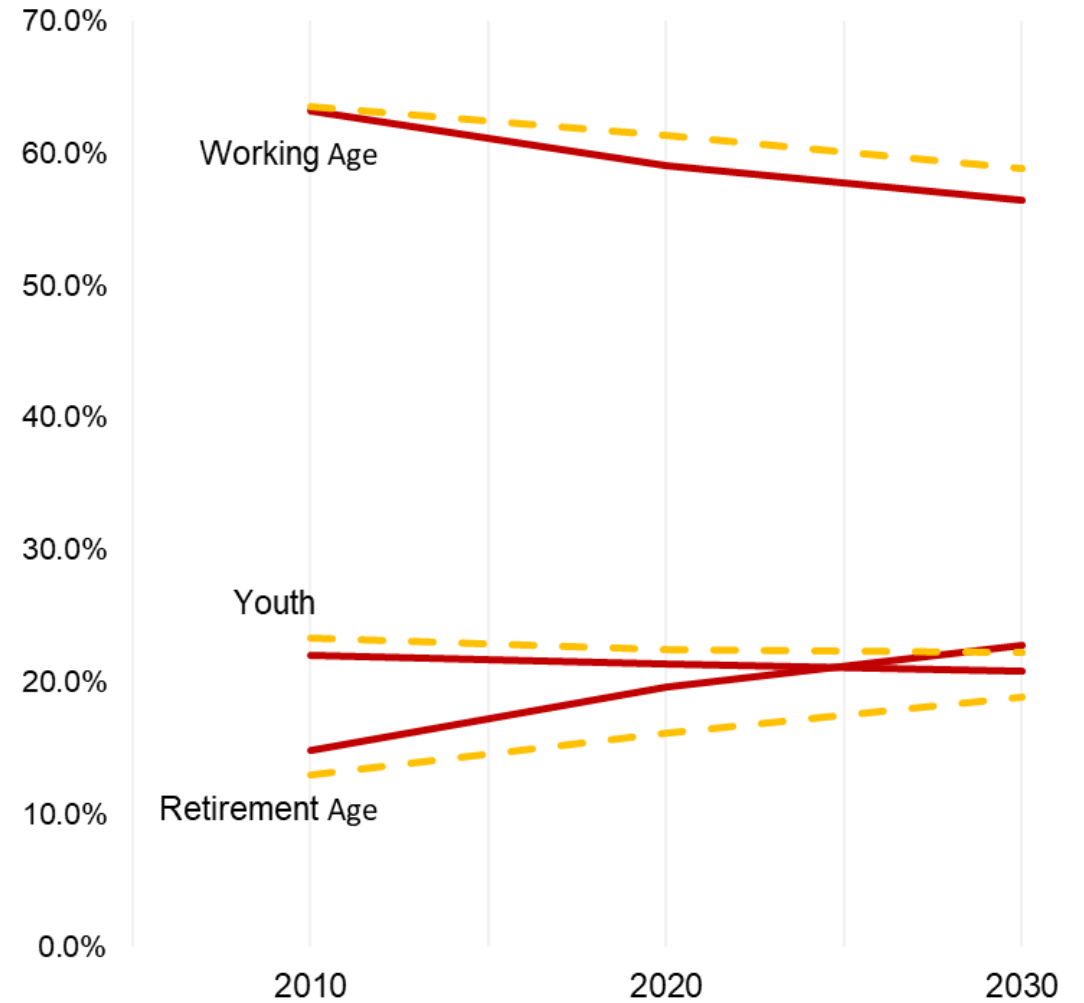
VARIOUS POPULATION GROWTH ESTIMATES

Range of population estimates from different data sources.



MONTANA IS ALREADY OLDER THAN THE COUNTRY

National trends compared with Montana trends: population proportion by age group from 2010 to 2030





E-REMI DATA FROM DEPARTMENT OF COMMERCE

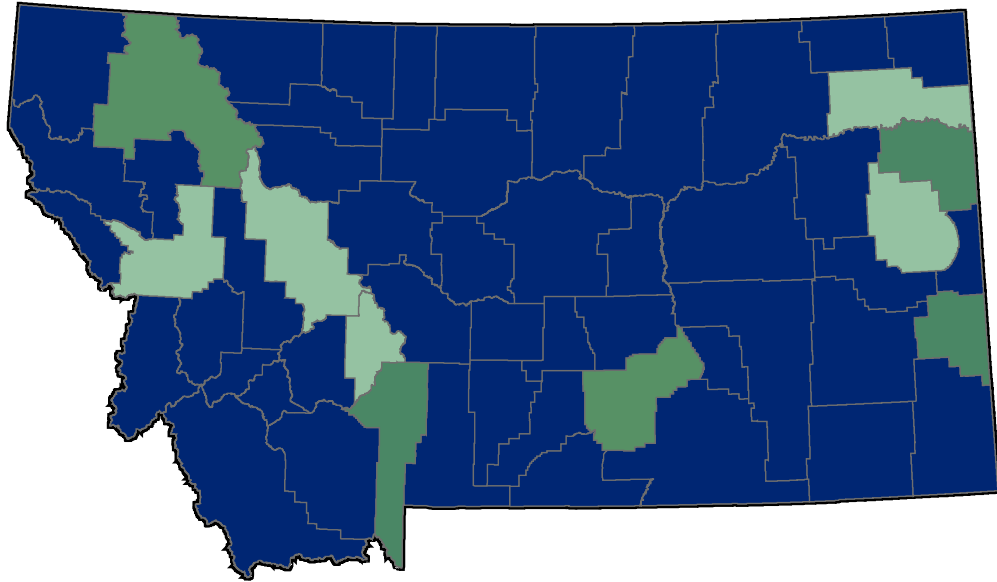
Licensed to allow details to be illustrated

Detailed enough to show migration patterns

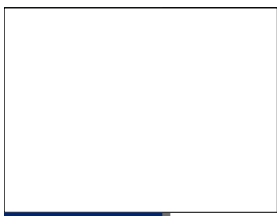
Has a population forecast that can be used for revenue and expenditure forecasts

YOUTH MAPS

2000 to 2015

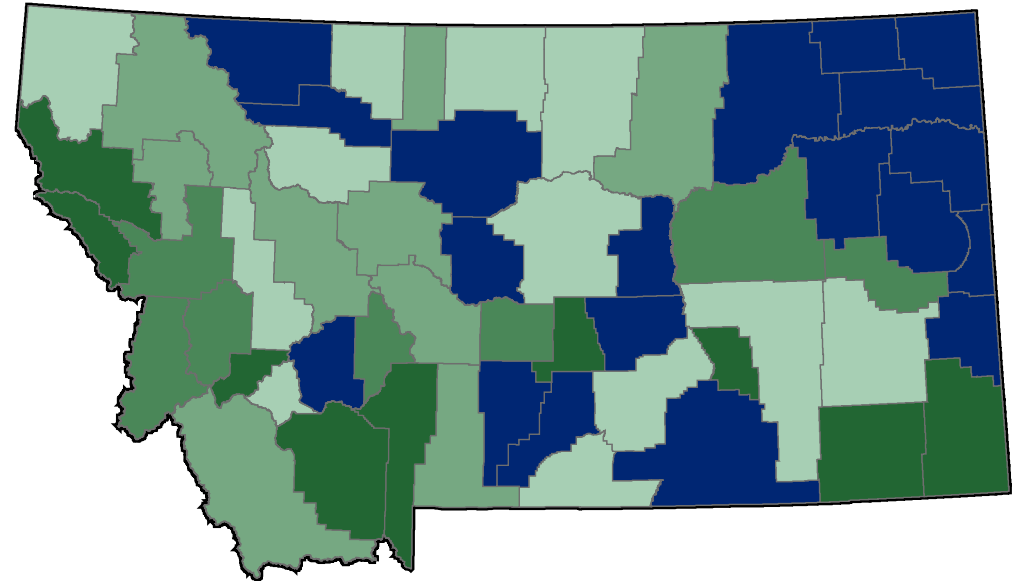


Growth

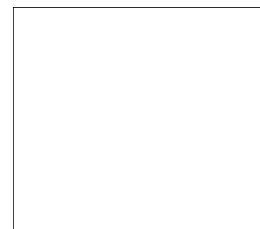


0-17 population
2000: 227,000
2015: 226,000

2015 to 2030



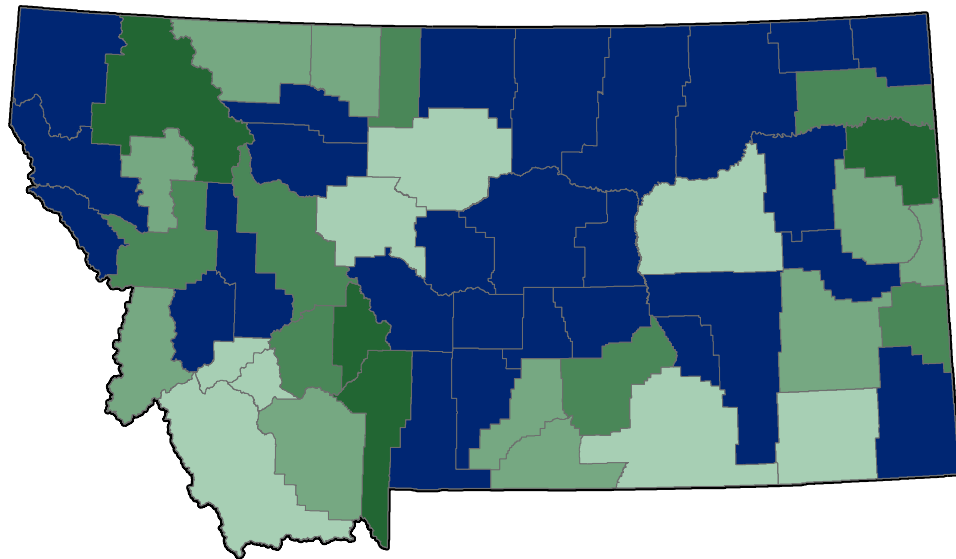
Growth



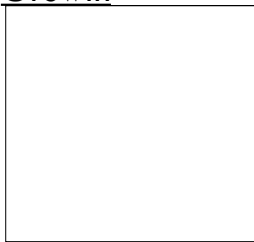
0-17 population
2015: 226,000
2030: 257,000

WORKING AGE MAPS

2000 to 2015

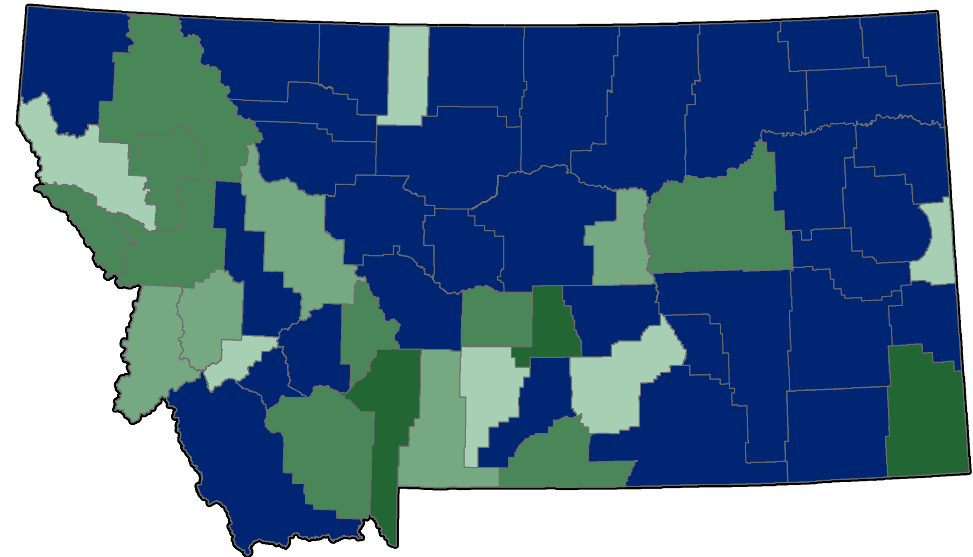


Growth

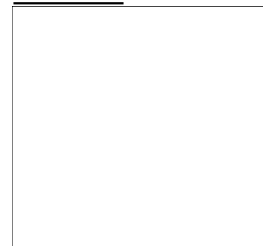


18-64 population
2000: 557,000
2015: 626,000

2015 to 2030



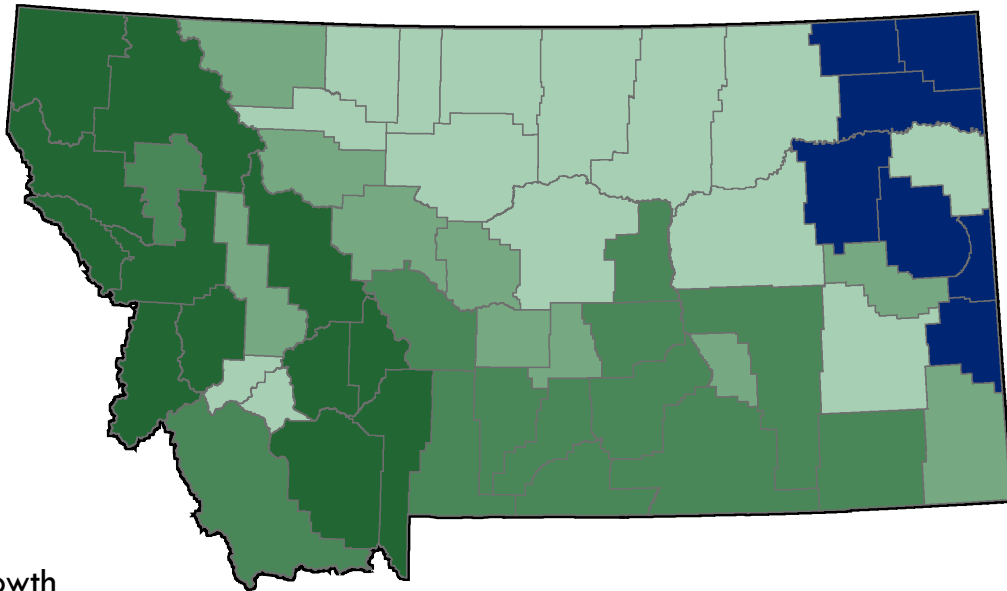
Growth



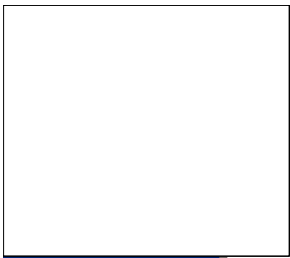
18-64 population
2015: 626,000
2030: 668,000

RETIREMENT AGE MAPS

2000 to 2015

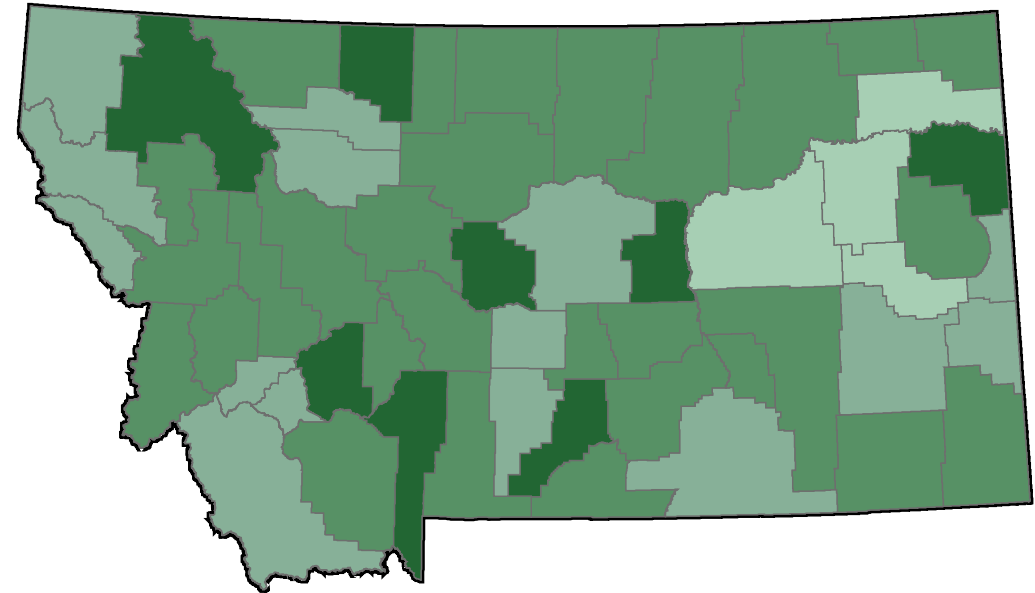


Growth

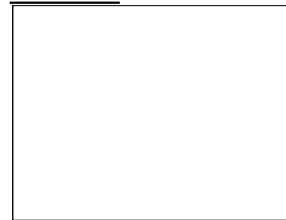


65+ population
2000: 122,500
2015: 176,000

2015 to 2030



Growth



65+ population
2015: 176,000
2030: 266,500

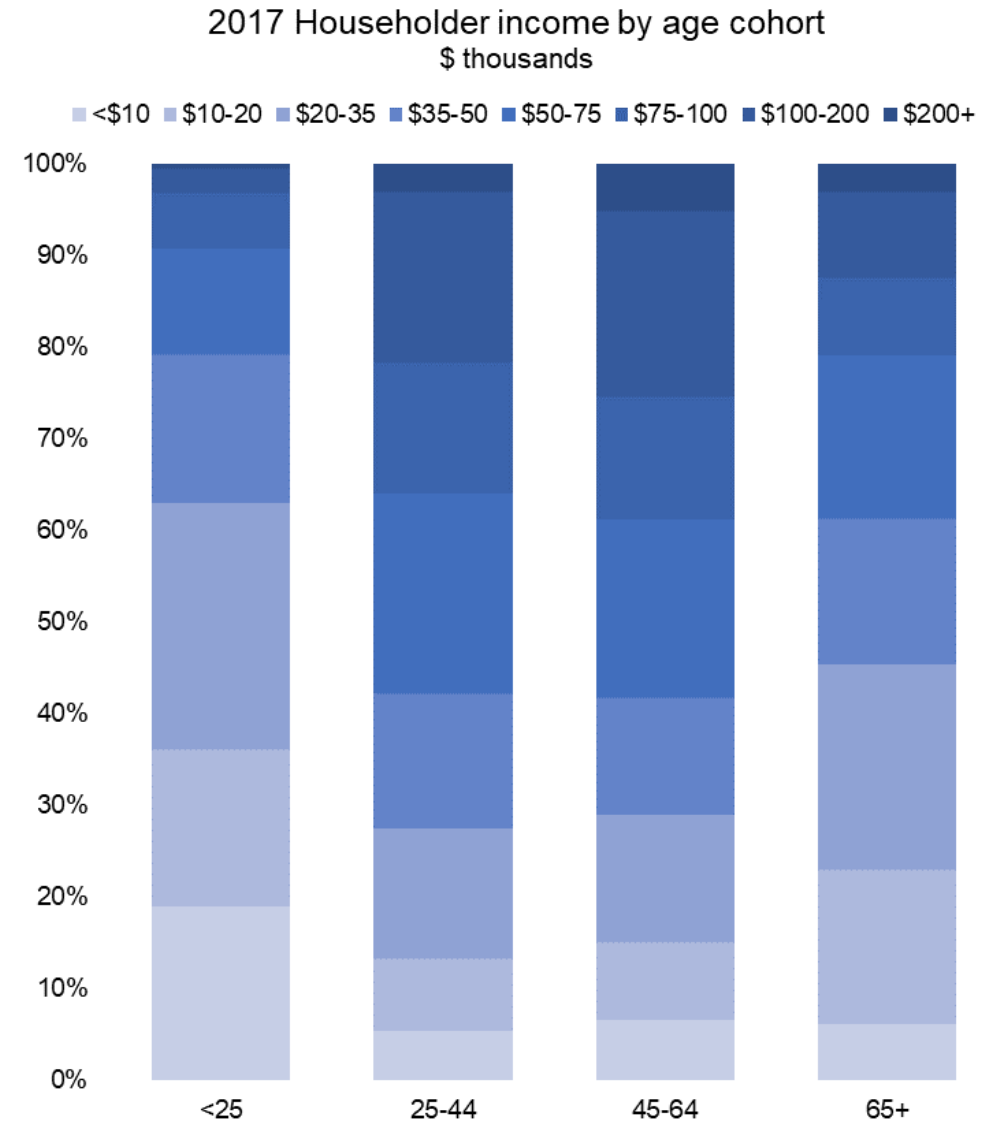
AGE AND INCOME

Young adults have relatively low incomes

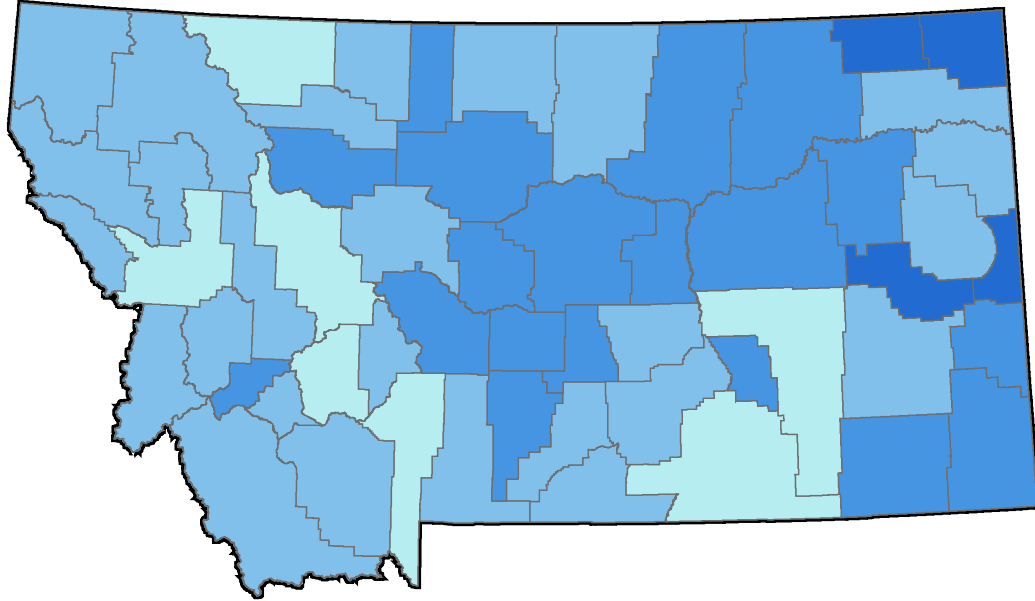
Income grows throughout working career

Wealth is gained during working years and is held to some extent

Data from American Community Survey



AGING VARIES BY COUNTY



2000 (actuals)

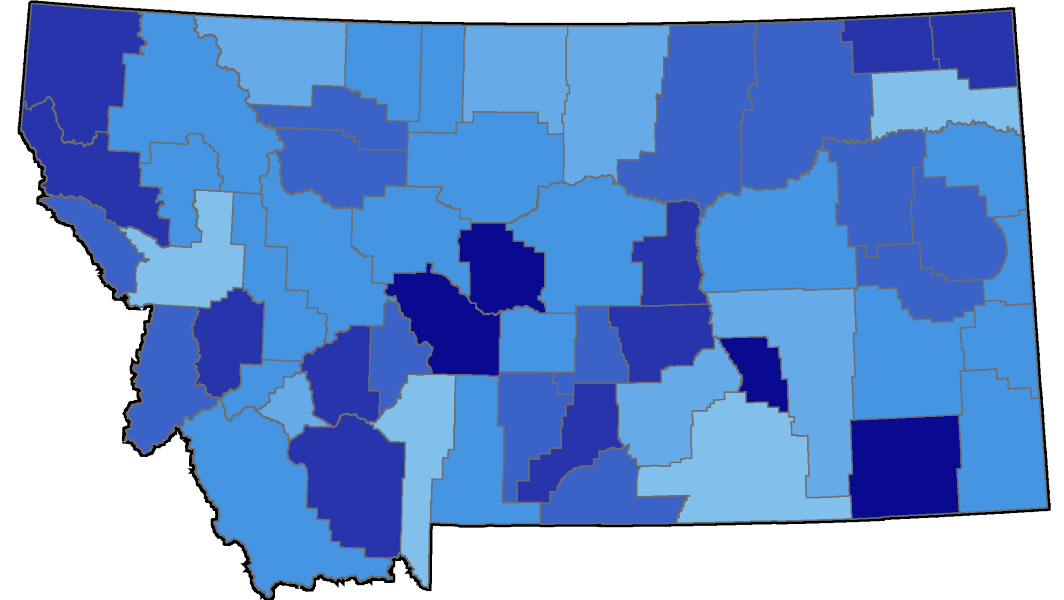
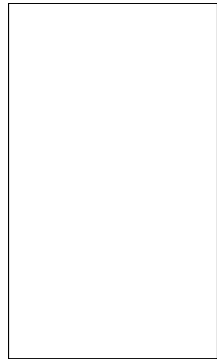
Working Age: 552,400

Retirement Age: 121,300

Overall Ratio: 0.22

Lowest County: Gallatin, 0.12

Highest County: Sheridan, 0.44



2030 (estimate)

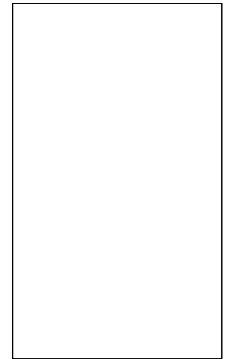
Working Age: 667,900

Retirement Age: 266,400

Overall Ratio: 0.40

Lowest County: Roosevelt, 0.22

Highest County: Judith Basin, 0.84



DEMOGRAPHIC POWER BI 9



WORKING AGE PERSONS
ARE INCREASING



YOUTH POPULATION
DECREASED, BUT IS NOW
EXPECTED TO INCREASE



RETIREMENT AGE
POPULATION WILL
CONTINUE TO INCREASE

Base chart shows migration in Montana from 2011 to 2020

Largest Cities

- Growth above median
- Growth below median

Smaller Cities

- Growth above median
- Growth below median

**MIGRATION
POWER BI 10**

Next steps:
Questions you asked
Outlook and 2030

WRAP UP STAFF SECTION

INTRODUCTION TO THE QUESTIONS

Senator Jacobson



REPORT OUT TO THE GROUP
