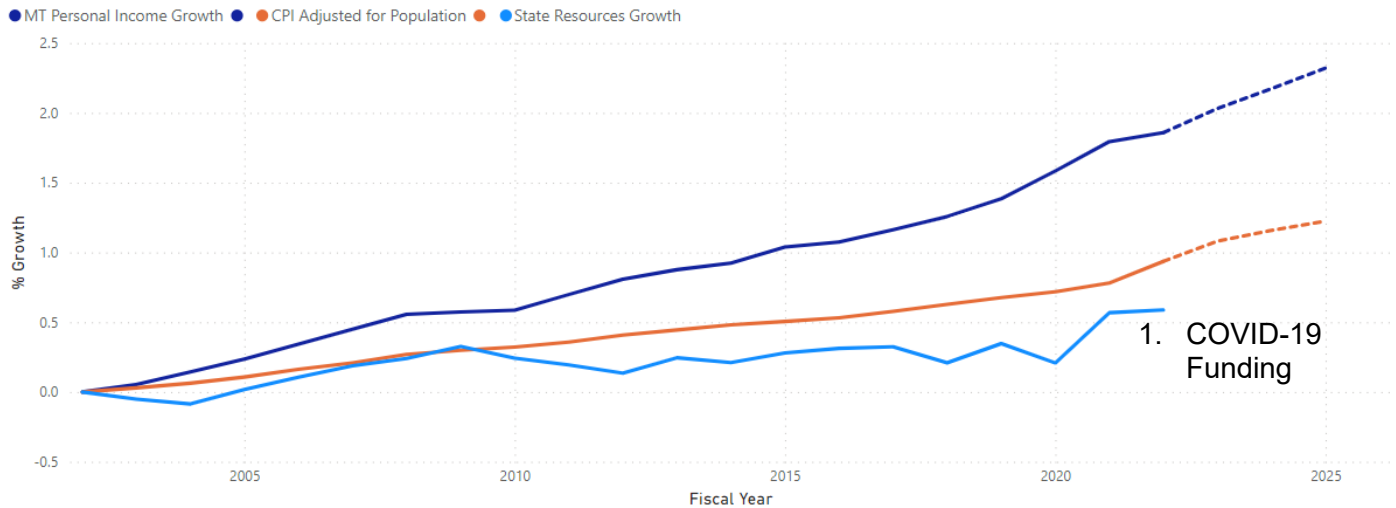


GOVERNOR'S OFFICE

This report includes a series of charts that compare state resource expenditure growth to the growth in personal income and growth in inflation adjusted for population. Montana statute, 17-8-106, MCA, recommends using growth in personal income for comparison purposes. Personal income is a measure for growth in the economy. Comparing growth allows financial planners to consider past and future demands in services or changes in revenues.

All Governmental Funds

The chart shows the growth in state resource expenditures compared to the growth in personal income and growth in inflation.

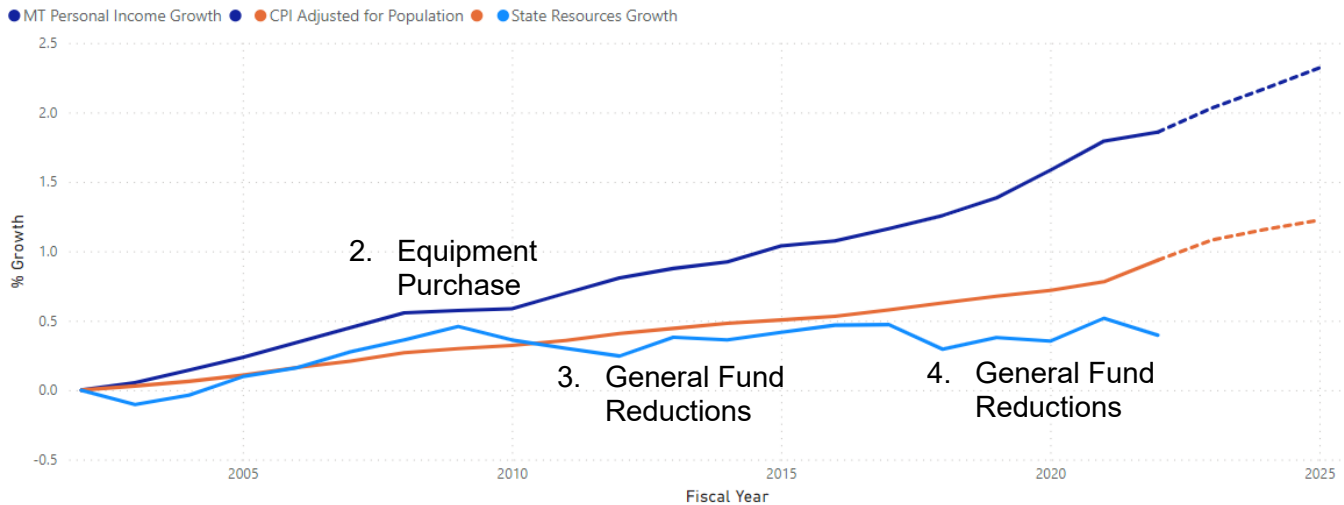


In general, the trend for all governmental funds has been lower than the rate of inflation adjusted for population. The following list discusses in more detail the inflection points on the chart:

1. In FY 2020 and FY 2021 there was an increase in expenditures. This increase was due to the Governor's Office receiving federal funding because of the COVID-19 pandemic

General Funds

The chart shows the growth in state resource expenditures compared to the growth in personal income and growth in inflation.

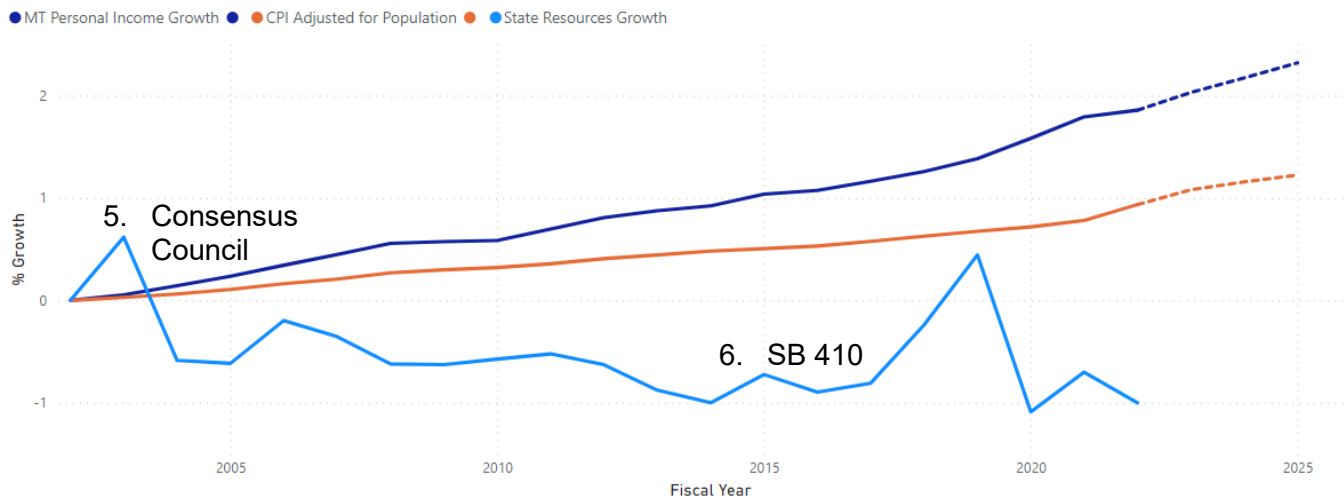


In general, the trend for general fund has been lower than the rate of inflation adjusted for population. The following list discusses in more detail the inflection points on the chart:

2. In FY 2009 there was the purchase of engines for the Governor's plane, which totaled approximately \$650,000
3. In FY 2012 the legislature approved general fund reductions based on the submitted 5.0% reduction plan
4. In FY 2018 the legislature approved general fund reductions in HB 2 based on the submitted 5.0% reduction plan and general fund reductions as outlined in SB 261

State Special Revenue Funds

The chart shows the growth in state resource expenditures compared to the growth in personal income and growth in inflation.



In general, the trend for state special revenue funds has been lower than the rate of inflation adjusted for population. The following list discusses in more detail the inflection points on the chart:

5. State special revenue expenditures in FY 2002 and FY 2003 are primarily related to the Consensus Council. The council did not have state special revenue expenditures after FY 2003 and was disbanded around FY 2009
6. The increase in state special revenue expenditures in FY 2014 and FY 2015 are due to SB 410 (2013 Legislative Session). This bill transferred \$7.5 million into the Governor's operations state special revenue account for the purpose of funding operations costs in several agencies (specified in the bill)