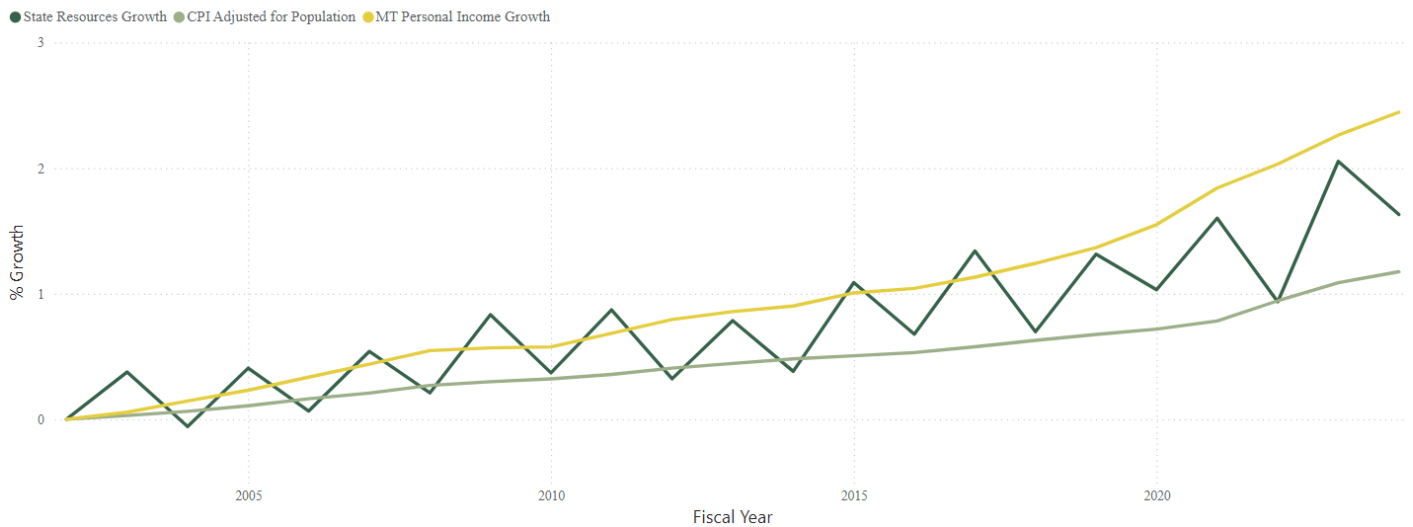


LEGISLATIVE BRANCH

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.



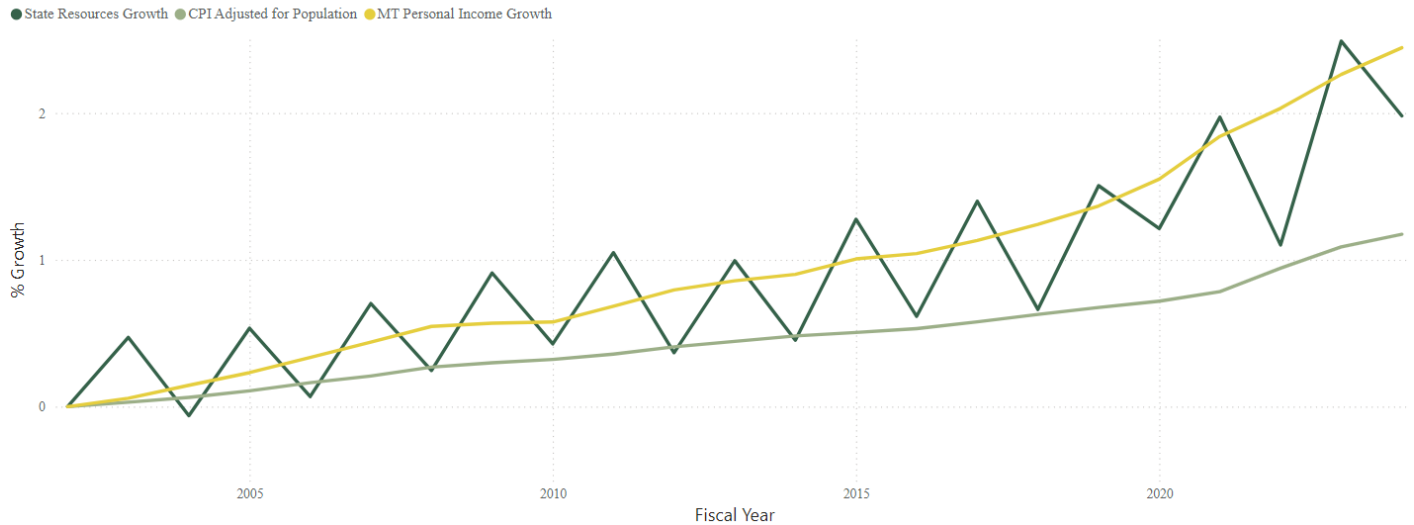
In general, the trend for expenditures related to all governmental funds in the Legislative has been between inflation adjusted for population and growth in the economy as measured by personal income.

The chart above shows the fluctuation in expenditures between fiscal years because of the cyclical nature of legislative sessions. Appropriations for legislative sessions are expended in the odd years, increasing the overall spending for the Legislative Branch. During even numbered years, there are expenditures related to interim committee work.



General Fund

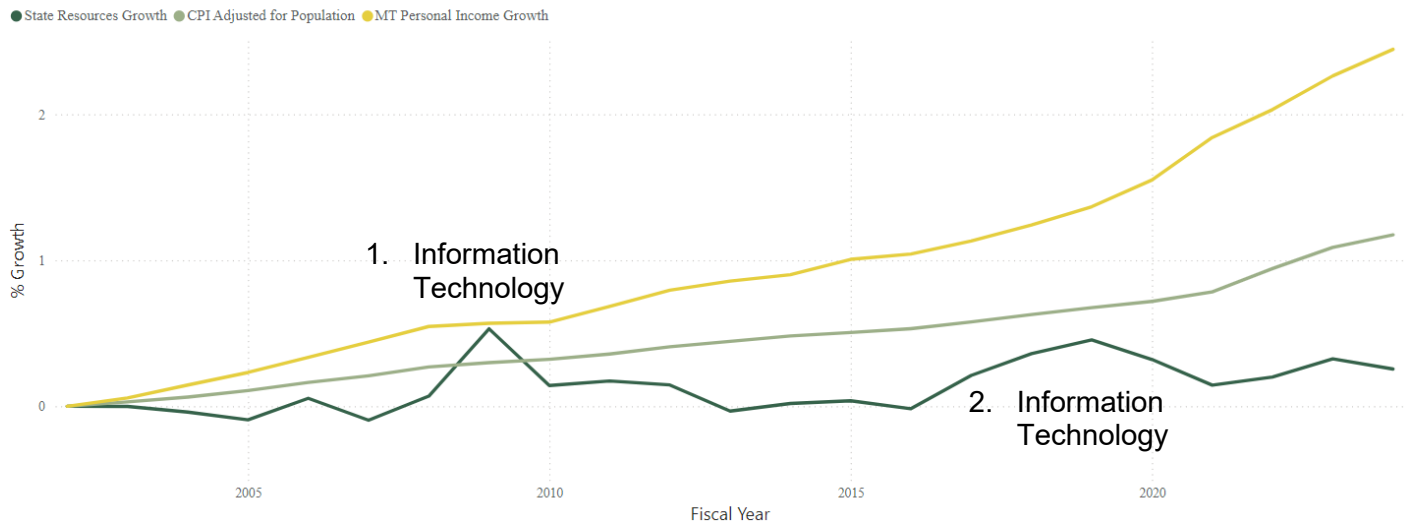
The chart shows the growth in state resource expenditures compared to the growth in personal income and growth in inflation.



In general, the trend for expenditures related to general fund in the Legislative has been between inflation adjusted for population and growth in the economy as measured by personal income. The Legislative Branch is primarily funded with general fund, so general fund chart above is very similar to the all governmental funds chart. As discussed, the fluctuation in expenditures is primarily due to the cyclical nature of legislative sessions.

State Special Revenue Funds

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



Overall, the trend for expenditures related to state special revenue funds in the Legislative Branch has been below the growth in inflation adjusted for population. Statute allows the Legislative Branch to deposit up to 30.0% of unexpended appropriations for personal services, operating expenses, and equipment into the legislative branch reserve account in a state special revenue fund. The funding is to be used for major Legislative Branch



information technology projects. There are two inflection points on the chart above related to the information technology reserve account, which include:

1. In FY 2009 the House of Representatives and Senate voting system was upgraded and expenditures totaled \$1.1 million
2. In FY 2018 information technology improvements included:
 - a. \$297,000 to upgrade the voting system
 - b. \$611,000 for the session system replacement project
 - c. \$500,000 in fund balance transferred to the general fund as required in HB 6 from the November 2017 Special Session

