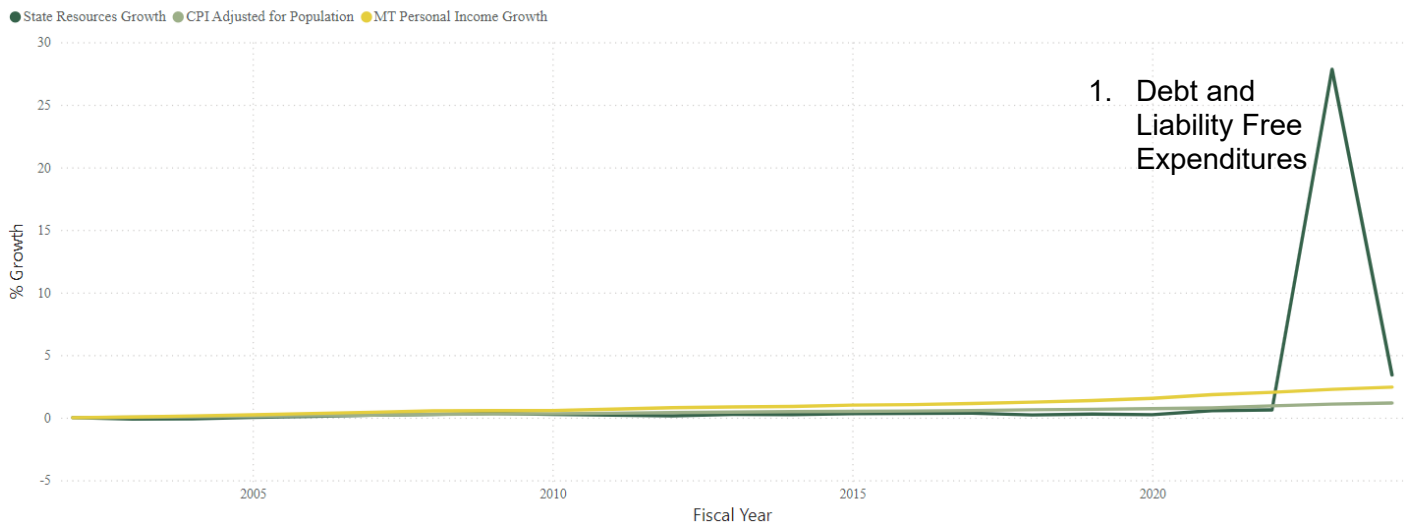


GOVERNOR'S OFFICE

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 until FY 2023. There was a significant increase in expenditures in the Governor's Office due to:

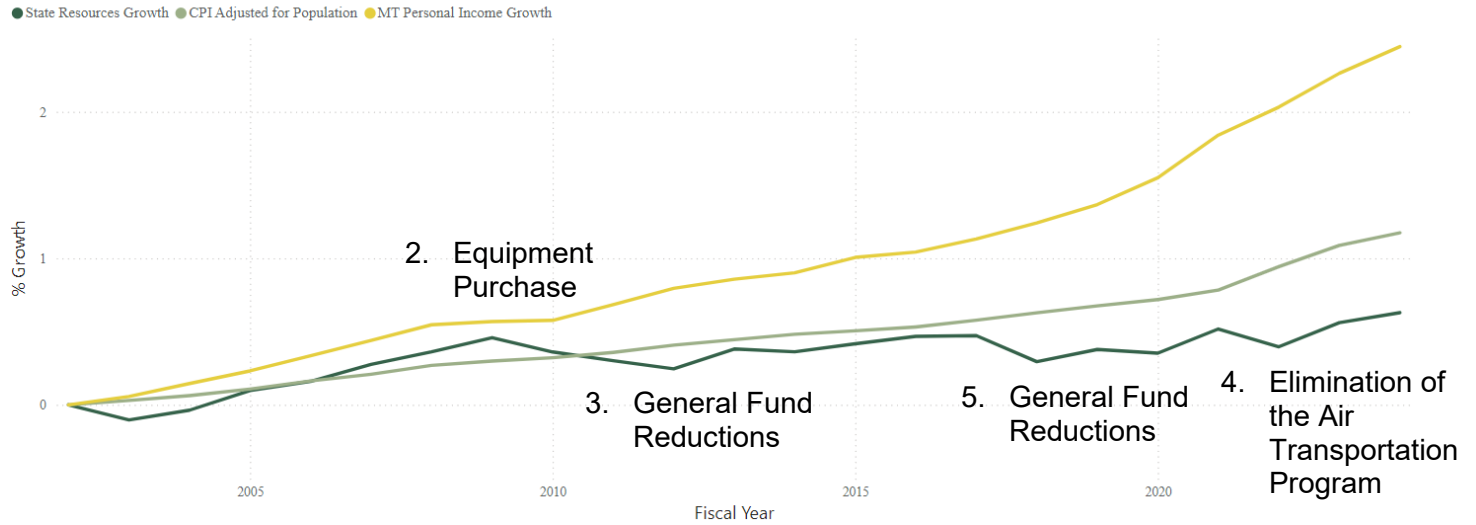
1. The 2023 Legislature passed and approved HB 251, which established the debt and liability free account. This account can be used to:
 - a. Pay the principal, interest, premiums, and any costs or fees associated with redeeming or defeasing outstanding bonds, notes, or other obligations
 - b. Forgo or reduce the amount of an issuance of general obligation bonds paid from the general fund authorized by the legislature but not yet issued by the board of examiners prior to using funds from the capital development long-range building program account
 - c. Pay in whole or in part legally resolved non-pension financial liabilities of the state of Montana

The Governor's Office expended approximately \$130.5 million in FY 2023 and \$13.9 million in FY 2024.



General Fund

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



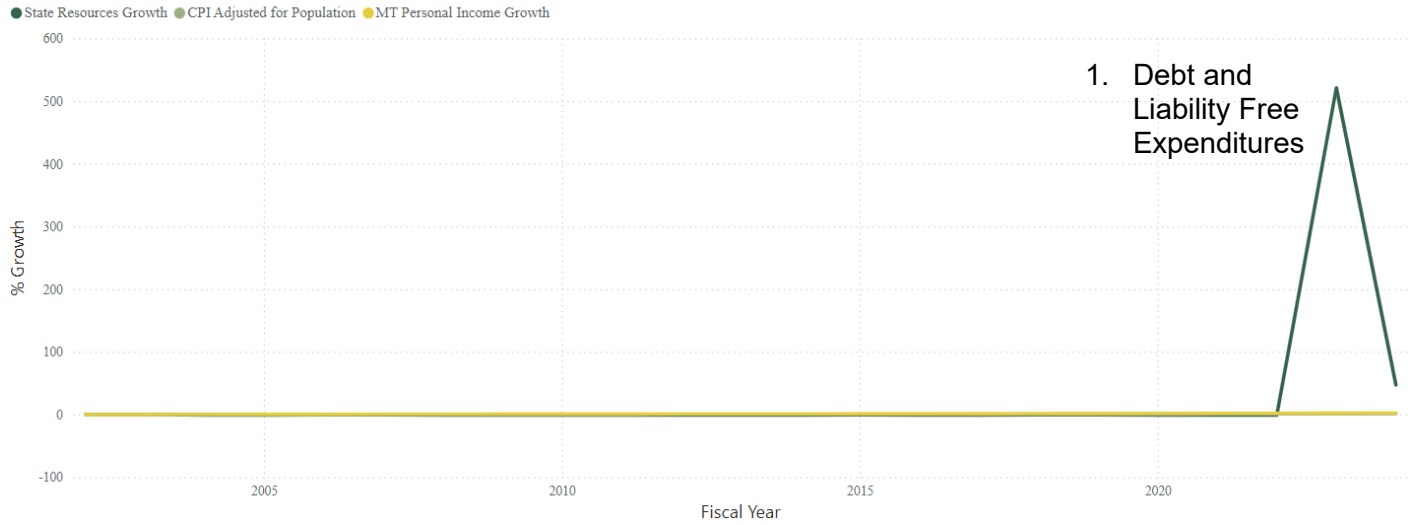
In general, the trend for general fund has been lower than the rate of inflation adjusted for population. The following list discusses in more detail the inflection points on the chart:

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% reduction plan
4. In FY 2018 the legislature approved general fund reductions in HB 2 based on the submitted 5% reduction plan and general fund reductions as outlined in SB 261
5. Expenditures decreased by approximately \$229,000 between FY 2021 and FY 2022 because the 2021 Legislature approved the elimination of the Air Transportation Program



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 until FY 2023. The 2023 Legislature passed and approved HB 251, which established the debt and liability free account. Expenditures from the account increased state special revenue expenditures significantly in the Governor's Office. Additional details are included in the All Government Funds section above.

