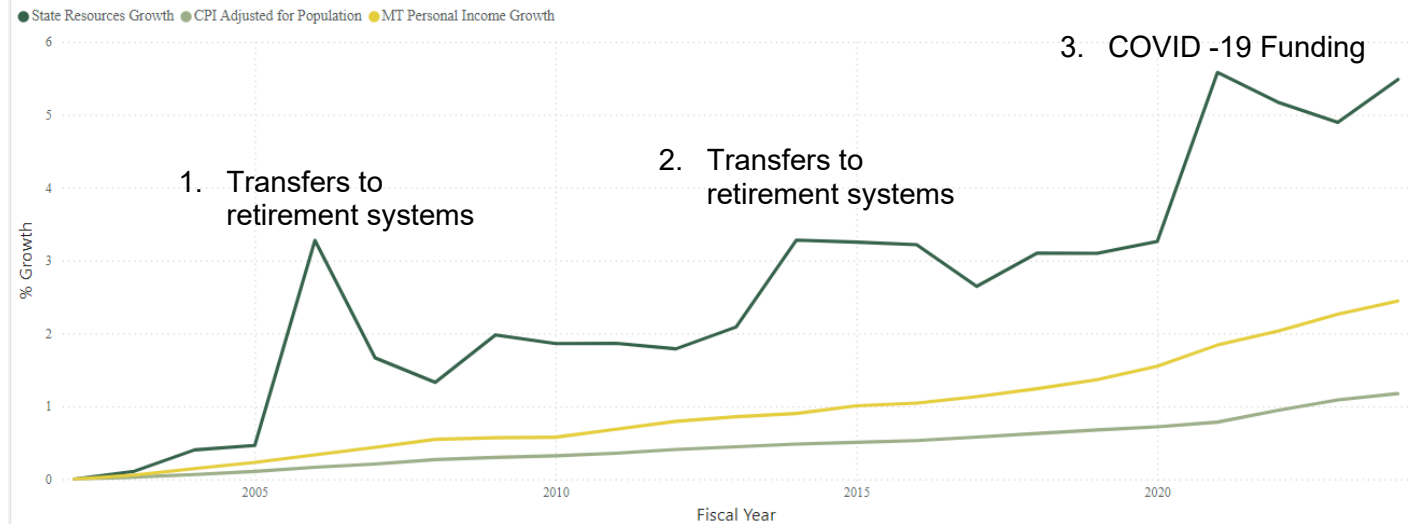


Department of Administration

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.



Overall, expenditures for all governmental funds within the Department of Administration have outpaced both inflation-adjusted population growth and economic growth, as measured by personal income. Notable shifts in expenditure trends are due to:

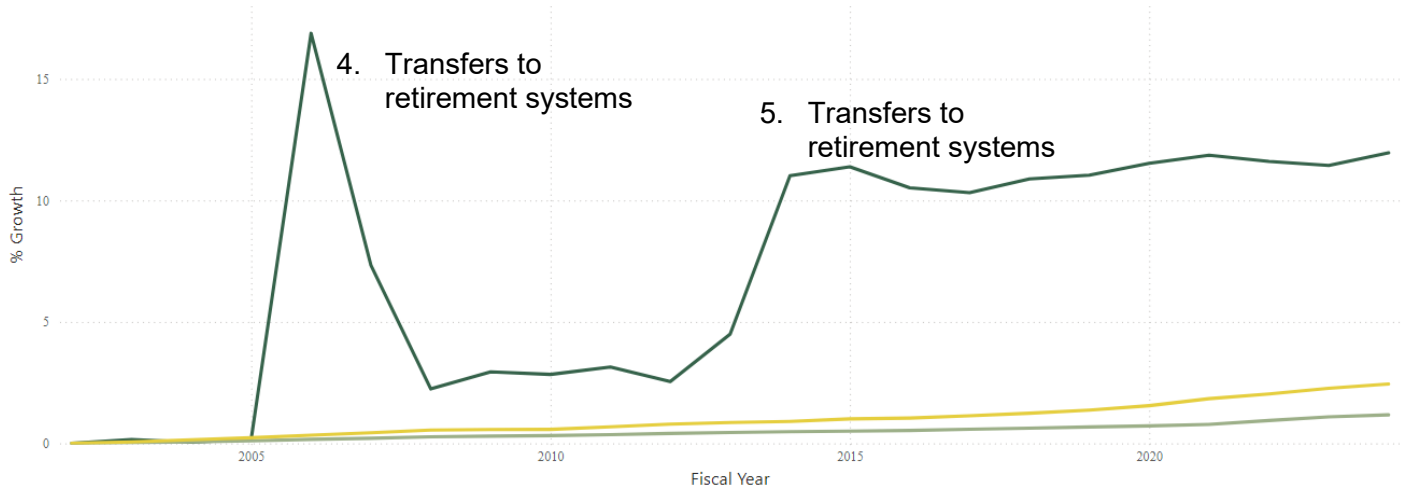
1. HB 1 (2005 December Special Session): A transfer of \$100.0 million from the general fund to the Teachers' Retirement System Pension Trust Fund and \$25.0 million to the Public Employees' Retirement System Pension Trust Fund.
2. HB 377 (2013): This bill increased general fund contributions to the Teachers' Retirement System by \$25.0 million, while HB 454 (2013) increased transfers to the Public Employees' Retirement System by \$21.0 million.
3. FY 2020-2022 COVID-19 Federal Funding: During this period, the Department of Administration managed federal funds related to the pandemic, which were used for:
 - a) Distributions to local governments for COVID-19-related expenses,
 - b) Funding schools for COVID-related impacts,
 - c) Distributing ARPA funds to non-entitlement local governments based on federal formulas,
 - d) Administering the broadband program under the Department of Administration.



General Fund

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

● State Resources Growth ● CPI Adjusted for Population ● MT Personal Income Growth



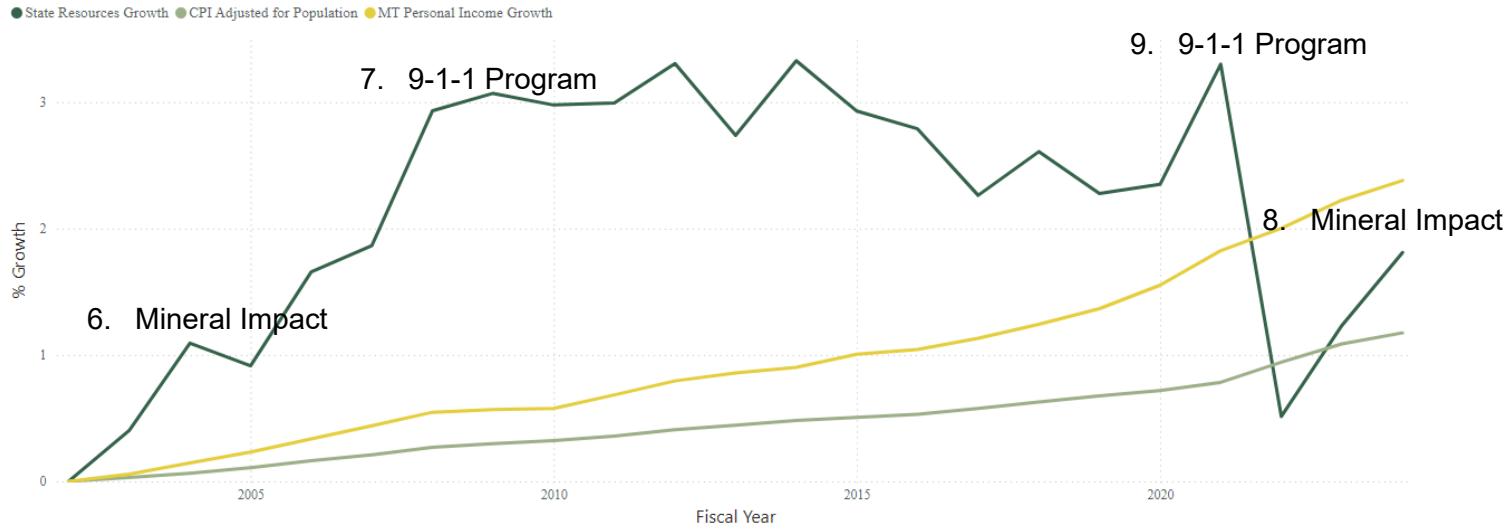
Expenditure trends related to the general fund in the Department of Administration have similarly exceeded inflation-adjusted population growth and economic growth. Key inflection points include:

4. HB 1 (2005 December Special Session): A transfer of \$100.0 million from the general fund to the Teachers' Retirement System (TRS) Pension Trust Fund and \$25.0 million to the Public Employees' Retirement System Pension trust fund.
5. HB 377 (2013): An increase of \$25.0 million in general fund contributions to the Teachers' Retirement System, alongside HB 454 (2013), which increased transfers to the Public Employees' Retirement System by \$21.0 million.



State Special Revenue Funds

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



Expenditures related to state special revenue funds in the Department of Administration generally followed a similar pattern of exceeding inflation-adjusted population growth and economic growth, until FY 2022.

Significant changes in spending patterns include:

6. FY 2004: The beginning of expenditures from the statutorily appropriated mineral impact state special revenue fund.
7. HB 27 (2007): An increase in the 9-1-1 fee from \$0.50 to \$1.00 per subscriber to establish enhanced 9-1-1 emergency services for wireless phone users.
8. HB 693 (2021): The transfer of the responsibility for administering 9-1-1 funds from the Department of Administration to the Department of Justice, which ended Department of Administration expenditures related to this program. This program's funding expired at the end of FY 2022.
9. Mineral Impact: Increased state special revenue expenditures in FY 2023 and FY 2024 are due to increased mineral impact revenue received and disbursed to counties where the mineral was produced.

