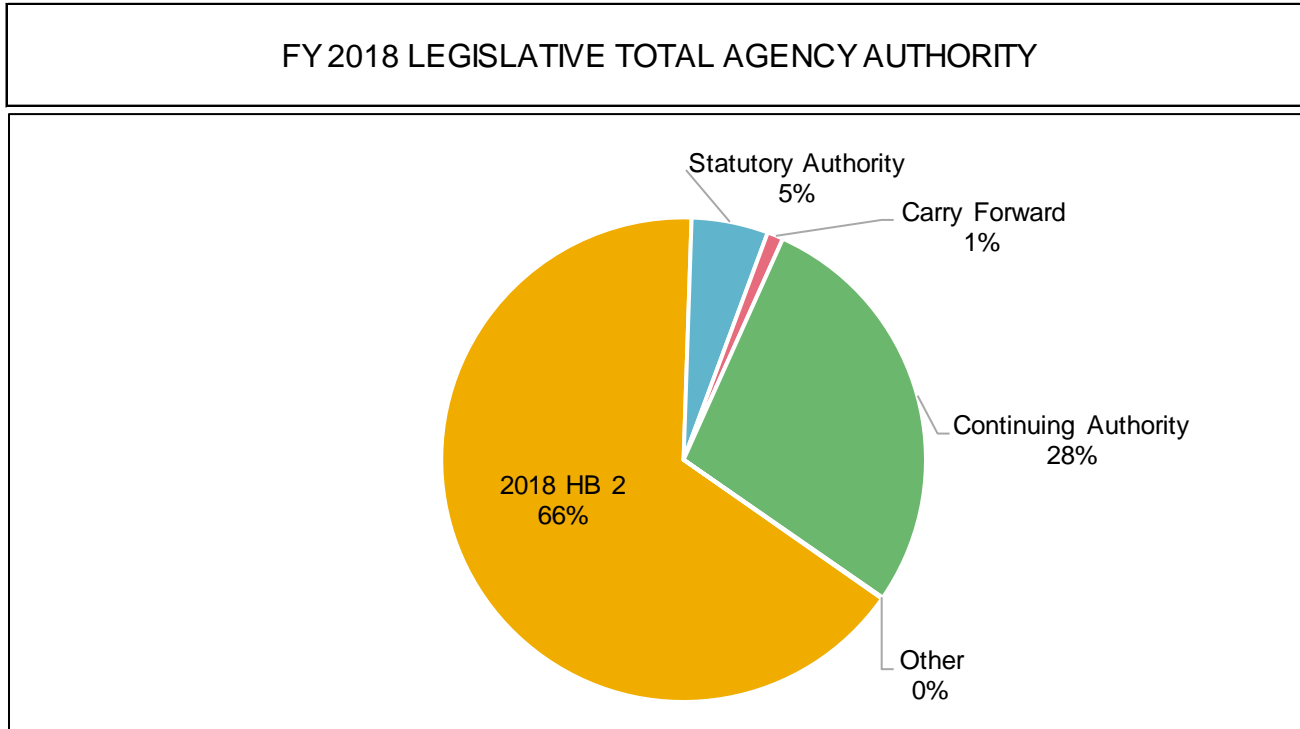


LEGISLATIVE BRANCH

BUDGET AND EXPENDITURE HIGHLIGHTS

The Legislative Branch's modified HB 2 budget of nearly \$14.8 million, comprised of general fund and state special revenue, was 94.2% expended as of the end of FY 2018. Operating expenses of \$3.2 million were 88.9% expended which is slightly below anticipated expenditures. Lower operating expenditures are due to lower information technology expenditures, timing associated with interim committee work plans, and lower travel expenditures. These are biennial appropriations and are anticipated to be used in FY 2019.

TOTAL APPROPRIATION AUTHORITY OVERVIEW



FY 2018 Total Agency Authority	
Authority	FYE Budget
2018 HB 2	14,789,095
Language Authority	0
Statutory Authority	1,150,568
Carry Forward	240,985
Continuing Authority	6,276,720
Budget Amendments	0
Other	16,750
Long Range Planning	0
Total Budgeted Authority	22,474,118
Non-Budgeted Proprietary	\$ -

FY 2018 Total Agency Authority Expended	
Total Expended	18,394,720
Total Budgeted Authority	22,474,118
% Expended	81.8%

This chart shows current FYE authority compared to special session budget authority for the agency (Appendix B). Budget Amendment authority is not legislative authority, instead it is added authority through the budget amendment process.

Statutory Appropriations

The Legislative Branch had statutory appropriations of approximately \$1.2 million in FY 2018 from the Legislative Branch reserve account. This account receives unexpended and unencumbered money included in the "feed

bill” (the bill that funds the legislative session each year) and the remaining carryforward appropriations for the divisions. The funds may be used for major Legislative Branch information technology projects including hardware, software, consulting services for new initiatives, and replacement and upgrading of existing systems. All projects and funding from the reserve account must be approved by the Legislative Council.

Budget Amendments

The Legislative Branch has not had any budget amendments.

Non-Budgeted Proprietary

The Legislative Branch does not have any non-budgeted proprietary funding.

Continuing Appropriations

The Legislative Branch has continuing appropriations, which include:

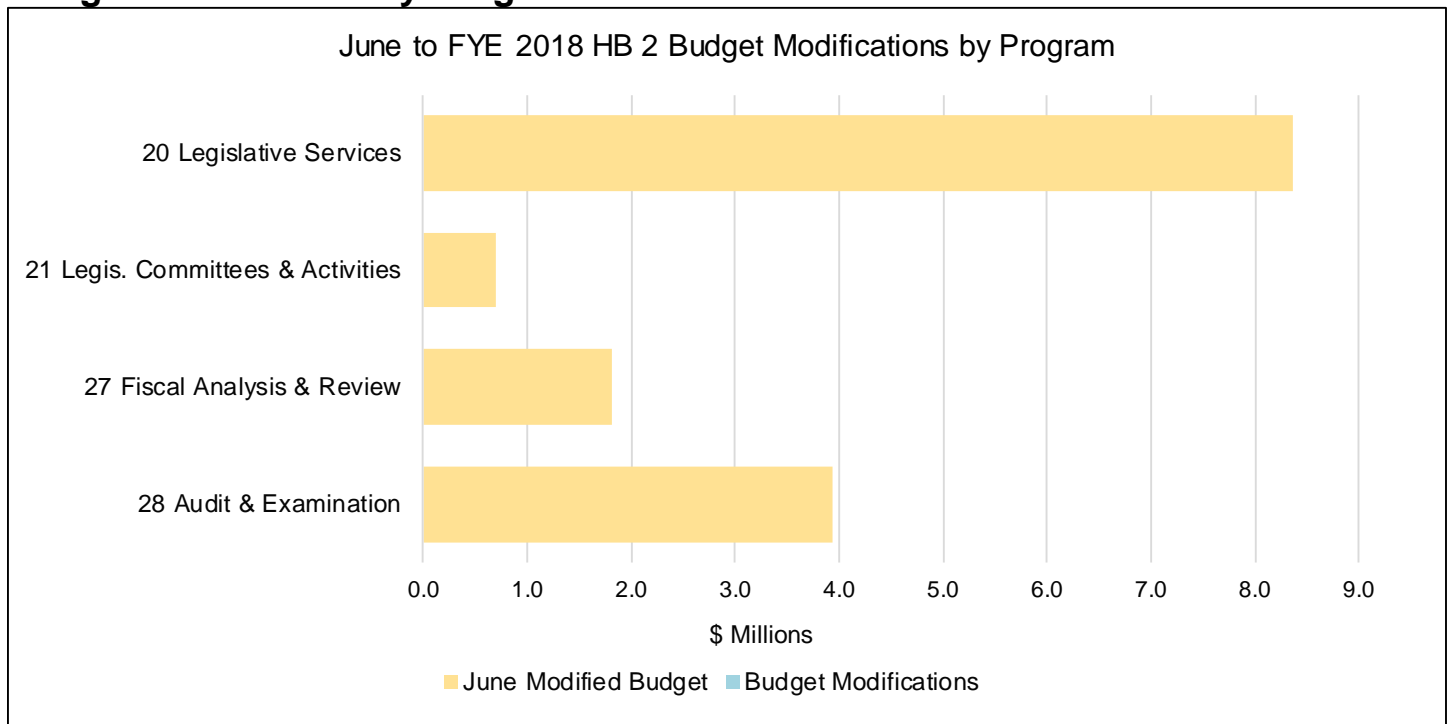
- Capital projects funds of \$1.3 million for the session systems replacement information technology project
- General fund of \$5.0 million from HB 1 which will be used for the beginning of the next legislative session

Carryforward

The Legislative Branch has carryforward authority of \$241,000 from FY 2017.

HB 2 BUDGET MODIFICATIONS

Budget Modification by Program

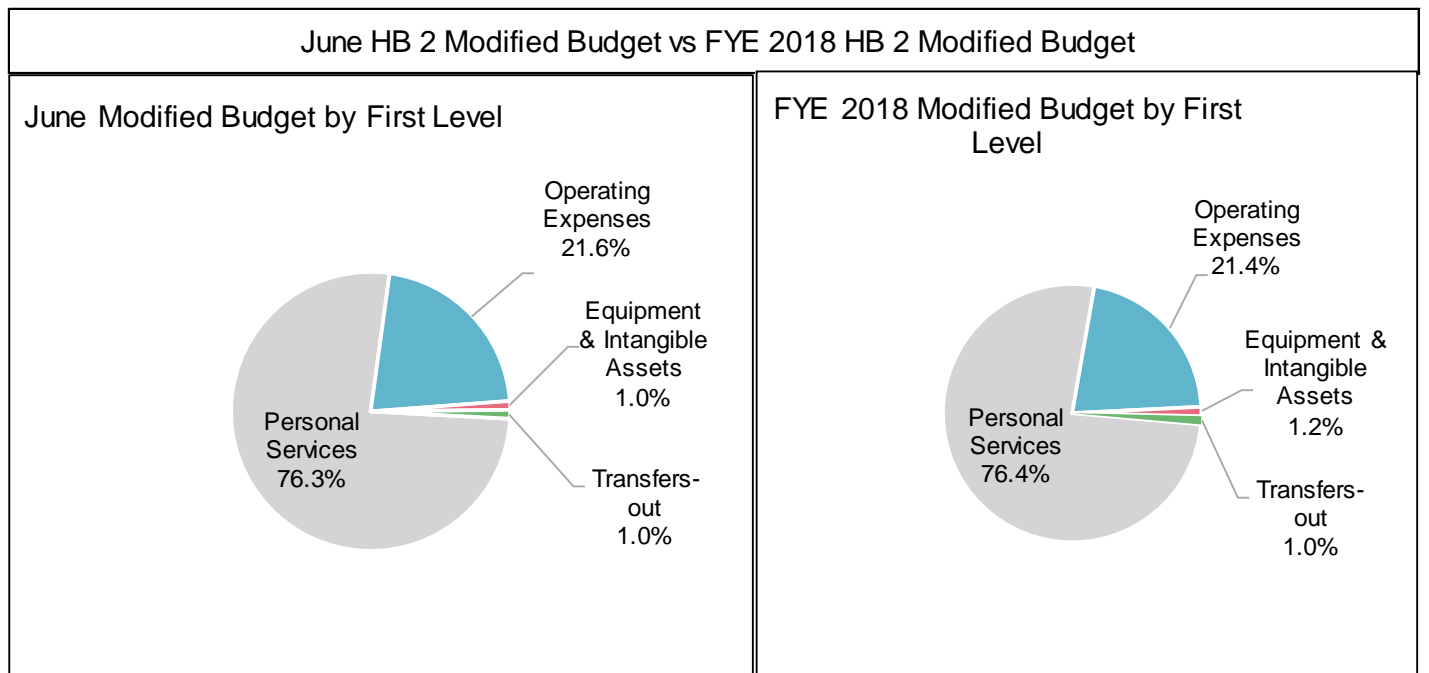


Program	June. Modified Budget	Modifications			FYE Modified Budget	Variance to June
		Increases	Decreases	Total		
20 Legislative Services	8,358,626	22,308	(22,308)	-	8,358,626	0.0%
21 Legis. Committees & Activities	687,258	4,385	(4,385)	-	687,258	0.0%
27 Fiscal Analysis & Review	1,805,071	-	-	-	1,805,071	0.0%
28 Audit & Examination	3,938,140	-	-	-	3,938,140	0.0%
Grand Total	\$14,789,095	\$26,693	(\$26,693)	\$0	\$14,789,095	0.0%

This chart shows budget modifications by program from June through FYE.

The Legislative Branch had one budget modification since June 1, 2018. This modification impacted the Legislative Services Division and Legislative Committees and Activities. Additional details on the HB 2 budget modifications are included in the section below.

Budget Modification by First Level



June to FYE 2018 HB 2 Budget Modification by First Level

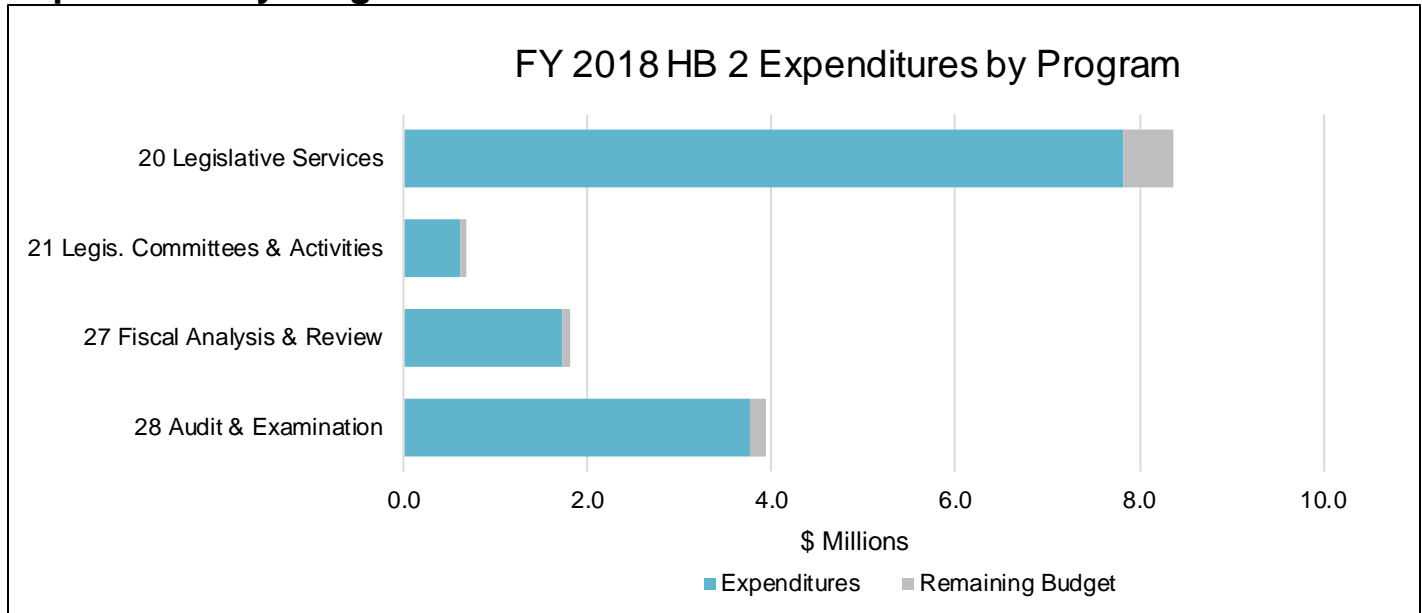
First Level	June Modified Budget	Modifications			Modified Budget	Variance to June
		Increases	Decreases	Total		
61000 Personal Services	\$11,290,204	4,385	-	4,385	11,294,589	0.0%
62000 Operating Expenses	\$3,198,713	-	(26,693)	(26,693)	3,172,020	-0.8%
63000 Equipment & Intangible Assets	\$150,000	22,308	-	22,308	172,308	14.9%
68000 Transfers-out	\$150,178	-	-	-	150,178	0.0%
Grand Total	\$14,789,095	\$26,693	(\$26,693)	\$0	\$14,789,095	0.0%

The above charts show June HB 2 modified budget by first level compared to FYE modified budget by first level.

The Legislative Branch had one budget modification since June 1, 2018 that impacted two divisions. The Legislative Services Division moved general fund of approximately \$22,000 from operating expenses to equipment and intangible assets in order to capitalize equipment purchases. Committees and Activities moved general fund of \$4,385 from operating expenses to personal services in order to realign budget reductions.

AGENCY HB 2 EXPENDITURES

Expenditure by Program



Program	FYE Modified Budget	Expenditures	Remaining Budget	Percent Expended
20 Legislative Services	8,358,626	7,835,123	523,503	93.7%
21 Legis. Committees & Activities	687,258	620,688	66,570	90.3%
27 Fiscal Analysis & Review	1,805,071	1,724,767	80,304	95.6%
28 Audit & Examination	3,938,140	3,755,838	182,302	95.4%
Grand Total	\$14,789,095	13,936,417	\$852,678	94.2%

This chart shows current FY 2018 expenditures by program and remaining authority for HB 2 budget.

Legislative Services Division

The Legislative Services Division expended 93.7% of its FY 2018 modified HB 2 budget. Personal services were 95.5% expended, operating expenses were 89.7% expended, equipment and intangible assets were 100.0% expended, and transfers-out were 92.4% expended. Operating expenses, budgeted at \$2.3 million, had a slightly lower percentage expended because the division was managing information technology expenditures until information on SB 9 restorations was available. The division is expecting to utilize these funds in FY 2019.

Legislative Committees and Activities

Legislative Committees and Activities expended 90.3% of its FY 2018 modified HB 2 budget. Personal services were 92.0% expended and operating expenses were 89.9% expended. Operating expenditures, budgeted at approximately \$560,000, had a slightly lower percentage expended in FY 2018 due to timing associated with interim committee work plans over the biennium. The division is anticipating using the remaining funds in FY 2019.

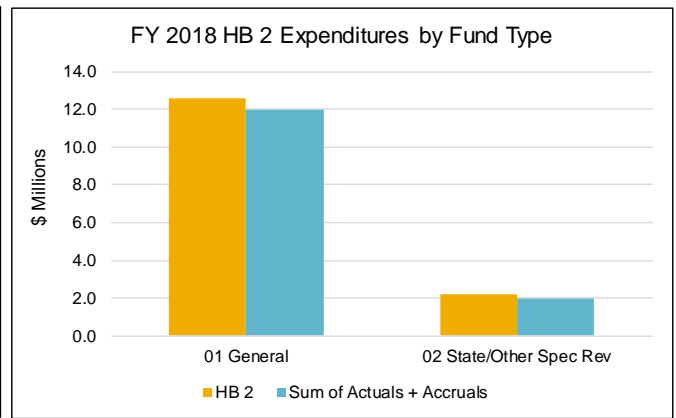
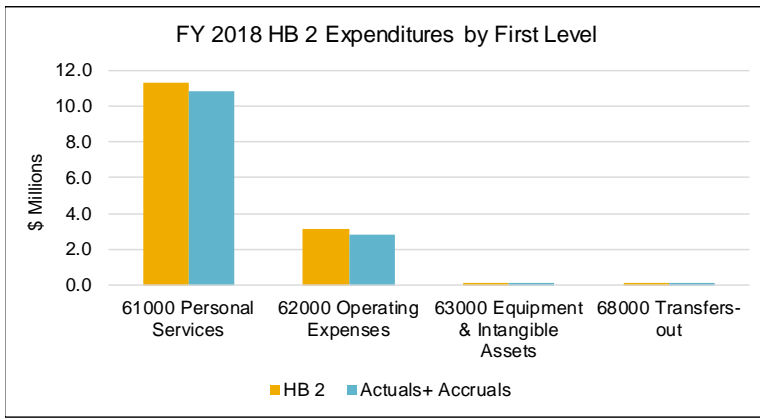
Legislative Fiscal Division

The Legislative Fiscal Division expended 95.6% of its FY 2018 modified HB 2 budget. Personal services expenditures were 96.6% expended and operating expenses were 74.7% expended. Operating expenses, budgeted at approximately \$83,000, had a lower percentage expended because the division was managing budget reductions through reduced travel expenses.

Legislative Audit Division

The Legislative Audit Division expended 95.4% of its modified HB 2 budget through FY 2018. Personal services were 95.6% and operating expenses were 91.7% expended.

Expenditure By First Level Account and Fund Type



First Level	FYE Modified HB 2	Expended	Percent Expended
61000 Personal Services	11,294,589	10,804,579	95.7%
62000 Operating Expenses	3,172,020	2,820,821	88.9%
63000 Equipment & Intangible Assets	172,308	172,307	100.0%
68000 Transfers-out	150,178	138,710	92.4%
Grand Total	\$14,789,095	\$13,936,417	94.2%

Fund Type	FYE Modified HB 2	Expended	Percent Expended
01 General	12,588,880	11,940,776	94.9%
02 State/Other Spec Rev	2,200,215	1,995,641	90.7%
Grand Total	\$14,789,095	\$13,936,417	94.2%

The above charts show HB 2 modified budget compared to expenditures by first level and fund type.

The Legislative Branch HB 2 modified budget is comprised of general fund and state special revenue. The branch expended 94.2% of its HB 2 modified budget as of the end of FY 2018. This is in line with anticipated expenditures at the end of the fiscal year.

REQUIRED REPORTS

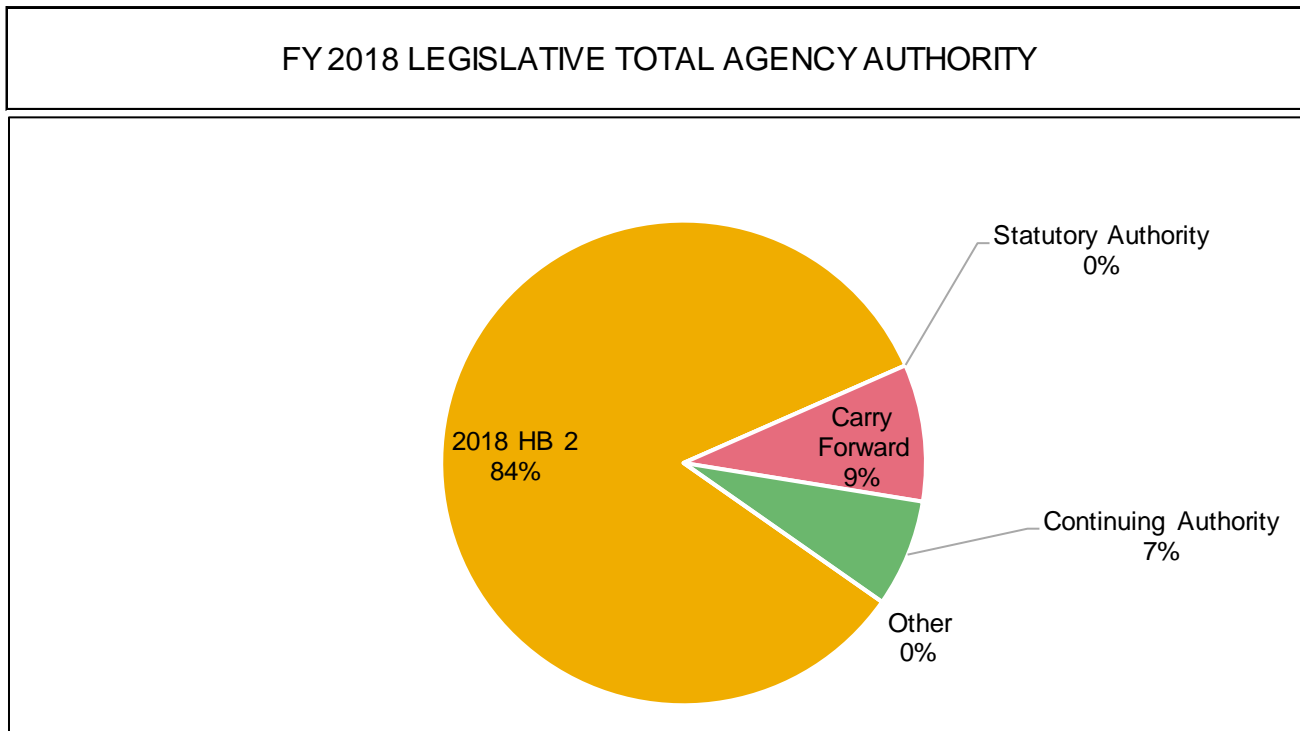
The Legislative Branch does not have any required reports due currently to the Legislative Finance Committee.

CONSUMER COUNSEL

BUDGET AND EXPENDITURE HIGHLIGHTS

The Montana Consumer Counsel's HB 2 modified budget of \$1.6 million, comprised entirely of state special revenue, was 75.7% expended as of the end of FY 2018. The lower percentage expended is primarily due to caseloads being lower than the historical average and the caseload contingency appropriation being unexpended.

TOTAL APPROPRIATION AUTHORITY OVERVIEW



FY 2018 Total Agency Authority	
Authority	FYE Budget
2018 HB 2	1,621,359
Language Authority	0
Statutory Authority	0
Carry Forward	177,311
Continuing Authority	138,875
Budget Amendments	0
Other	0
Long Range Planning	0
Total Budgeted Authority	1,937,545
Non-Budgeted Proprietary	\$ -

FY 2018 Total Agency Authority Expended	
Total Expended	1,227,189
Total Budgeted Authority	1,937,545
% Expended	63.3%

This chart shows current FYE authority compared to special session budget authority for the agency (Appendix B). Budget Amendment authority is not legislative authority, instead it is added authority through the budget amendment process.

Statutory Appropriations

The Montana Consumer Counsel does not have statutory appropriations.

Budget Amendments

The Montana Consumer Counsel does not have any budget amendments.

Non-Budgeted Proprietary

The Montana Consumer Counsel does not have non-budgeted proprietary funding.

Continuing Appropriations

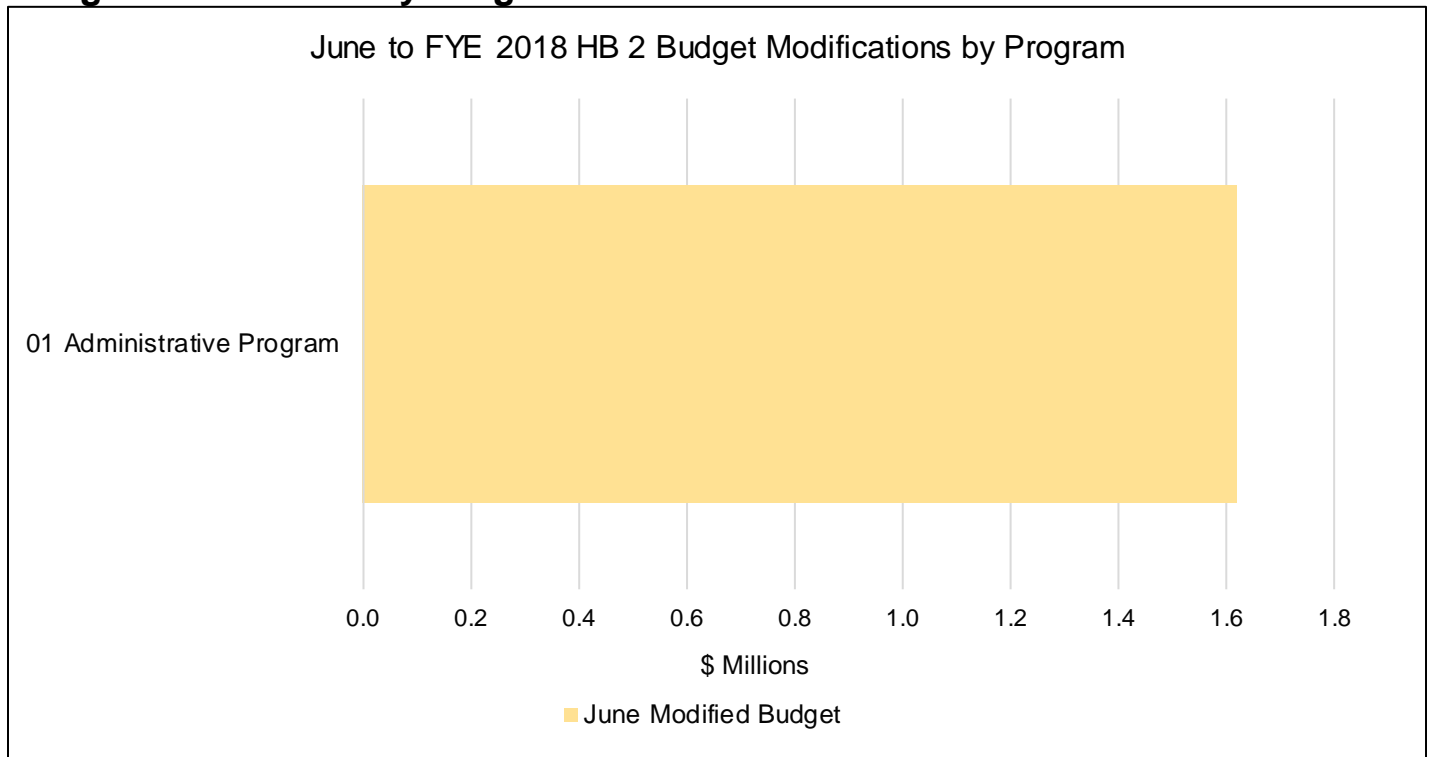
The Montana Consumer Counsel has continuing authority of \$139,000 from FY 2016 carryforward authority.

Carryforward

The Montana Consumer Counsel has carryforward authority of \$177,000 from FY 2017.

HB 2 BUDGET MODIFICATIONS

Budget Modification by Program

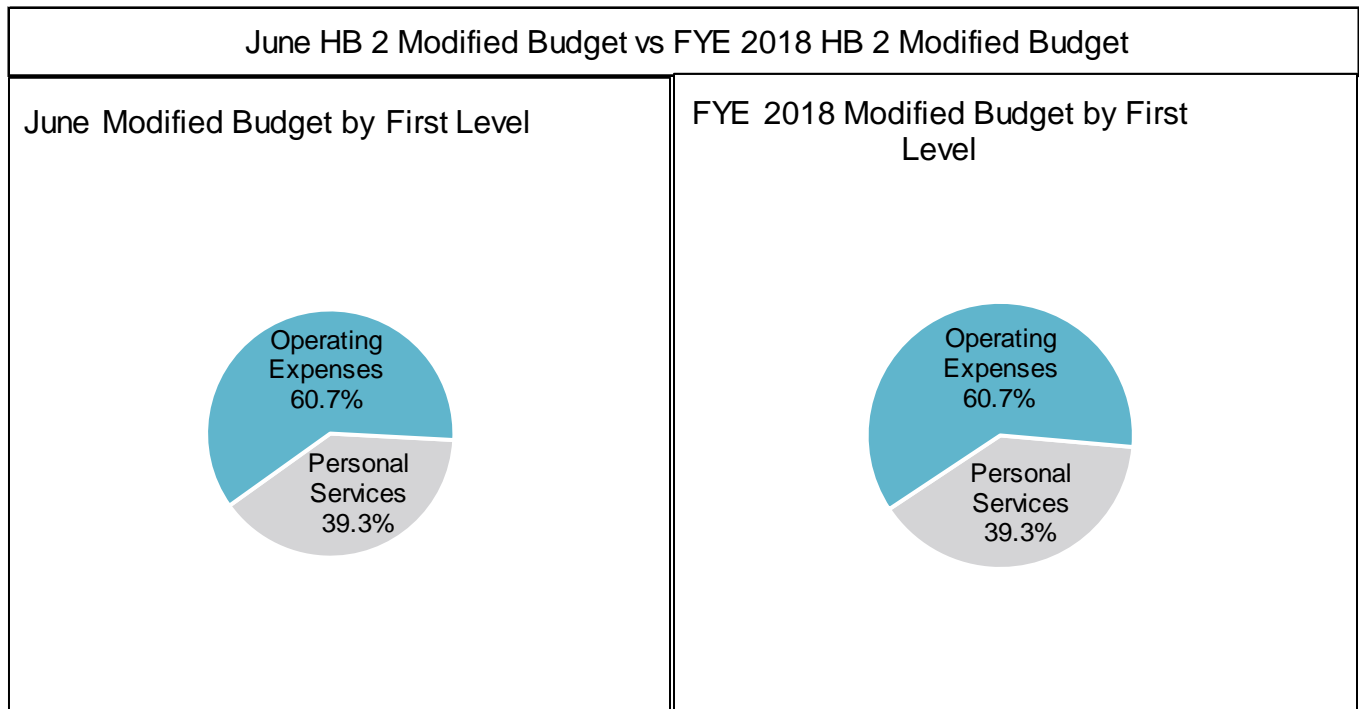


Program	June. Modified Budget	Modifications			FYE Modified Budget	Variance to June
		Increases	Decreases	Total		
01 Administrative Program	1,621,359	-	-	-	1,621,359	0.0%
Grand Total	\$1,621,359	\$0	\$0	\$0	\$1,621,359	0.0%

This chart shows budget modifications by program from June through FYE.

The Montana Consumer Counsel did not have any budget modifications since the last budget status report in June 2018.

Budget Modification by First Level



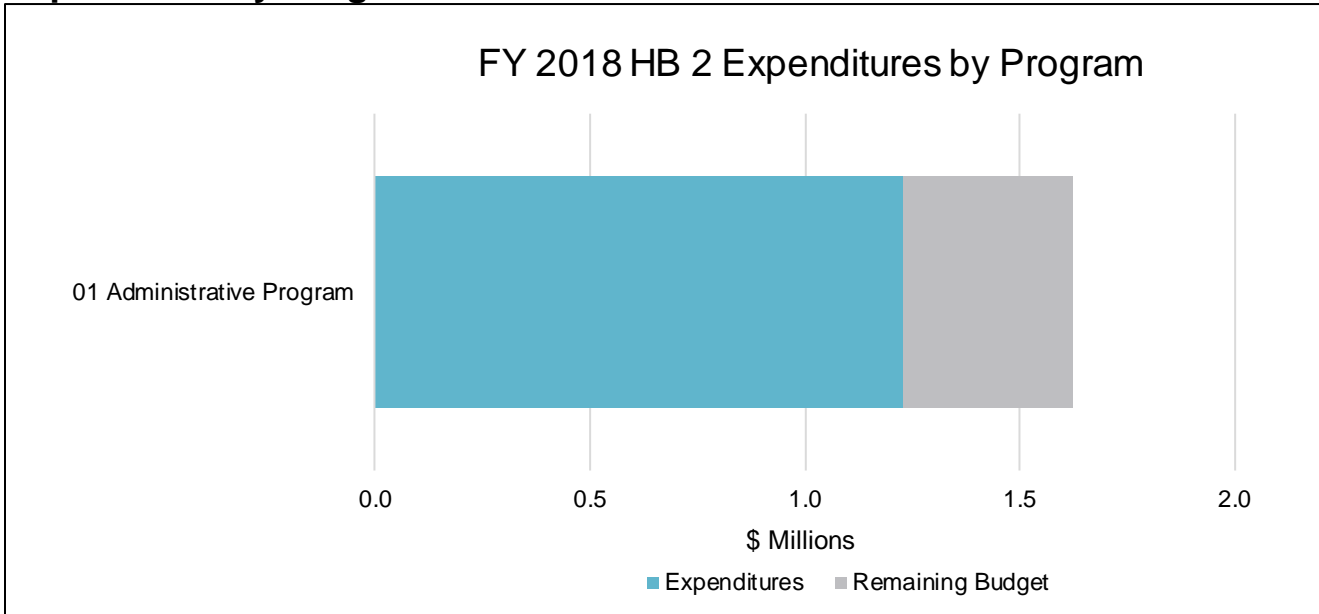
June to FYE 2018 HB 2 Budget Modification by First Level						
First Level	June Modified Budget	Modifications			Modified Budget	Variance to June
		Increases	Decreases	Total		
61000 Personal Services	\$636,860	-	-	-	636,860	0.0%
62000 Operating Expenses	\$984,499	-	-	-	984,499	0.0%
Grand Total	\$1,621,359	\$0	\$0	\$0	\$1,621,359	0.0%

The above charts show June HB 2 modified budget by first level compared to FYE modified budget by first level.

The Montana Consumer Counsel did not have any budget modifications since the last budget status report in June 2018.

AGENCY HB 2 EXPENDITURES

Expenditure by Program

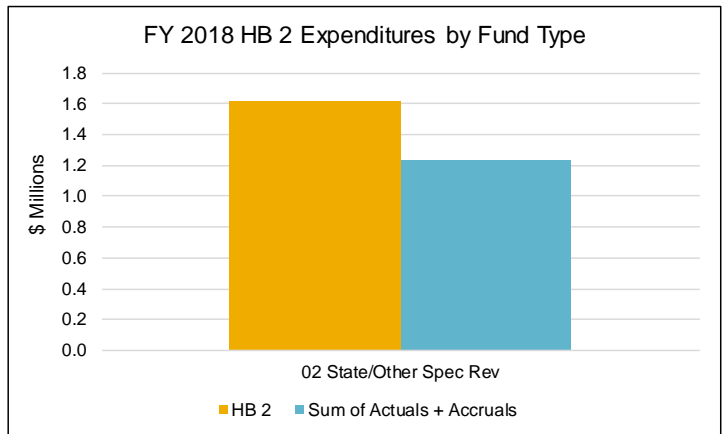
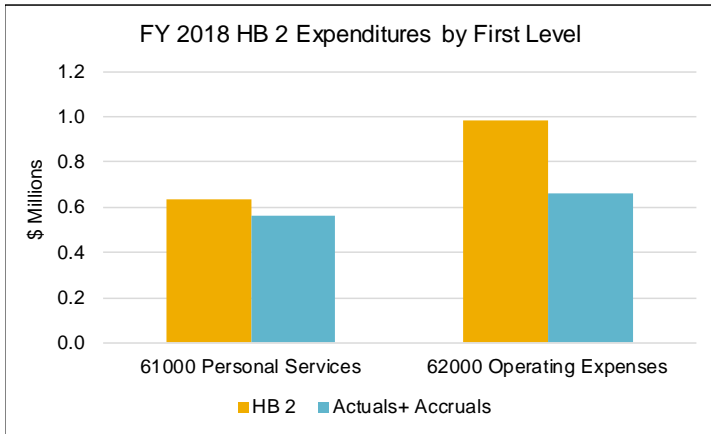


Program	FYE Modified Budget	Expenditures	Remaining Budget	Percent Expended
01 Administrative Program	1,621,359	1,227,189	394,170	75.7%
Grand Total	\$1,621,359	1,227,189	\$394,170	75.7%

This chart shows current FY 2018 expenditures by program and remaining authority for HB 2 budget.

The Montana Consumer Counsel's HB 2 modified budget of \$1.6 million is 75.7% expended as of the end of FY 2018. Lower operating expenses are primarily causing the lower percentage expended. There are two contributing factors. First, the Consumer Counsel's caseloads are determined by utility filings with the Public Service Commission and budgeted using a historical average. Additionally, the Consumer Counsel received a biennial appropriation of \$150,000 for costs associated with unanticipated caseloads. The fluctuations in the Public Service Commission filings and the unexpended caseload contingency are causing operating expenses to be low.

Expenditure By First Level Account and Fund Type



First Level	FYE Modified		Percent Expended
	HB 2	Expended	
61000 Personal Services	636,860	564,450	88.6%
62000 Operating Expenses	984,499	662,739	67.3%
Grand Total	\$1,621,359	\$1,227,189	75.7%

Fund Type	FYE Modified		Percent Expended
	HB 2	Expended	
02 State/Other Sp	1,621,359	1,227,189	75.7%
Grand Total	\$1,621,359	\$1,227,189	75.7%

The above charts show HB 2 modified budget compared to expenditures by first level and fund type.

The Montana Consumer Counsel's HB 2 modified budget is comprised entirely of state special revenue funds. The agency has expended 75.7% of its budget as of the end of FY 2018. Additional details on expenditures are outlined in the previous section.

REQUIRED REPORTS

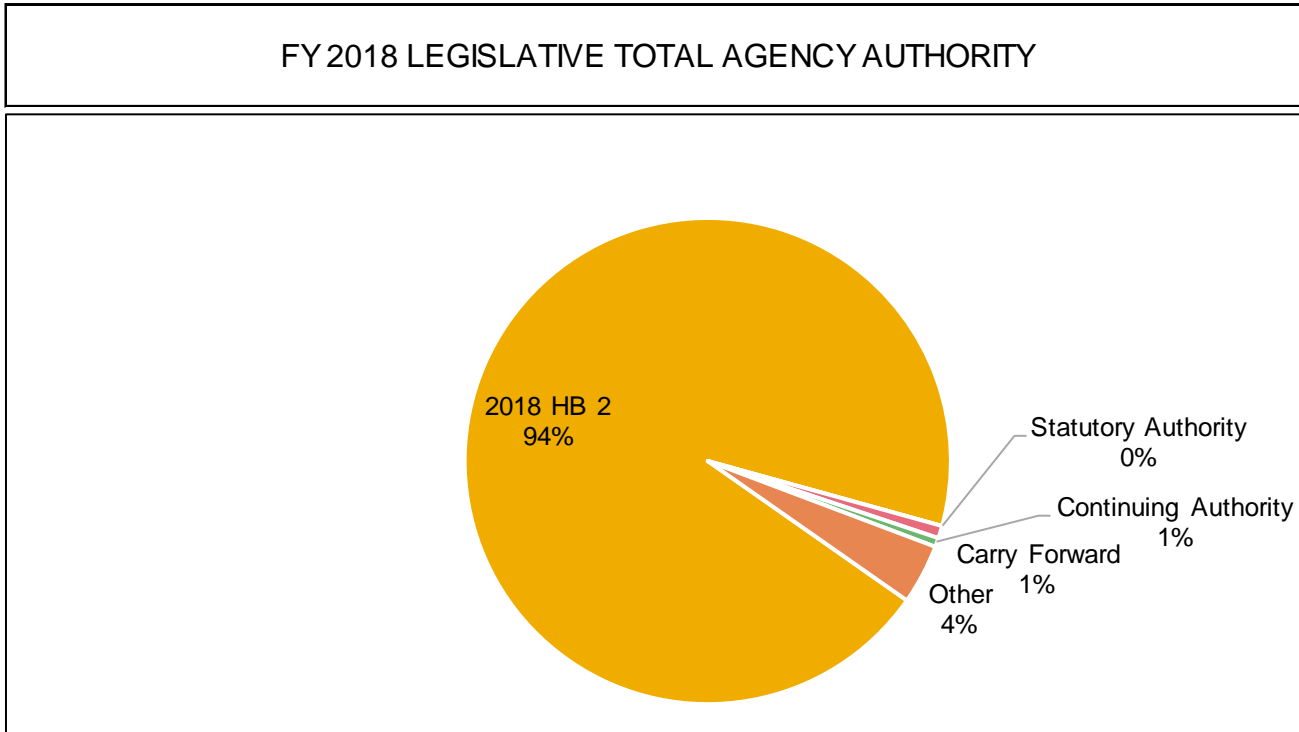
The Montana Consumer Counsel does not have any required reports due currently to the Legislative Finance Committee.

GOVERNOR'S OFFICE

BUDGET AND EXPENDITURE HIGHLIGHTS

The Governor's Office HB 2 modified budget of \$6.9 million was 84.7% expended as of the end of FY 2018. There was \$795,000 of personal services contingency funds included in the budget that has not been transferred to agencies as of fiscal year end. Excluding the remaining personal services contingency funding, the office has expended 95.7% of its budget.

TOTAL APPROPRIATION AUTHORITY OVERVIEW



FY 2018 Total Agency Authority	
Authority	FYE Budget
2018 HB 2	6,904,614
Language Authority	0
Statutory Authority	0
Carry Forward	60,656
Continuing Authority	43,874
Budget Amendments	0
Other	290,941
Long Range Planning	0
Total Budgeted Authority	7,300,085
Non-Budgeted Proprietary	\$ -

FY 2018 Total Agency Authority Expended	
Total Expended	5,997,042
Total Budgeted Authority	7,300,085
% Expended	82.2%

This chart shows current FYE authority compared to special session budget authority for the agency (Appendix B). Budget Amendment authority is not legislative authority, instead it is added authority through the budget amendment process.

Statutory Appropriations

The Governor's Office does not have statutory appropriations.

Budget Amendments

The Governor's Office did not have any budget amendments.

Non-Budgeted Proprietary

The Governor's Office does not have non-budgeted proprietary funding.

Carry Forward

The Governor's Office has approximately \$61,000 of carryforward authority from FY 2017.

Continuing Appropriations

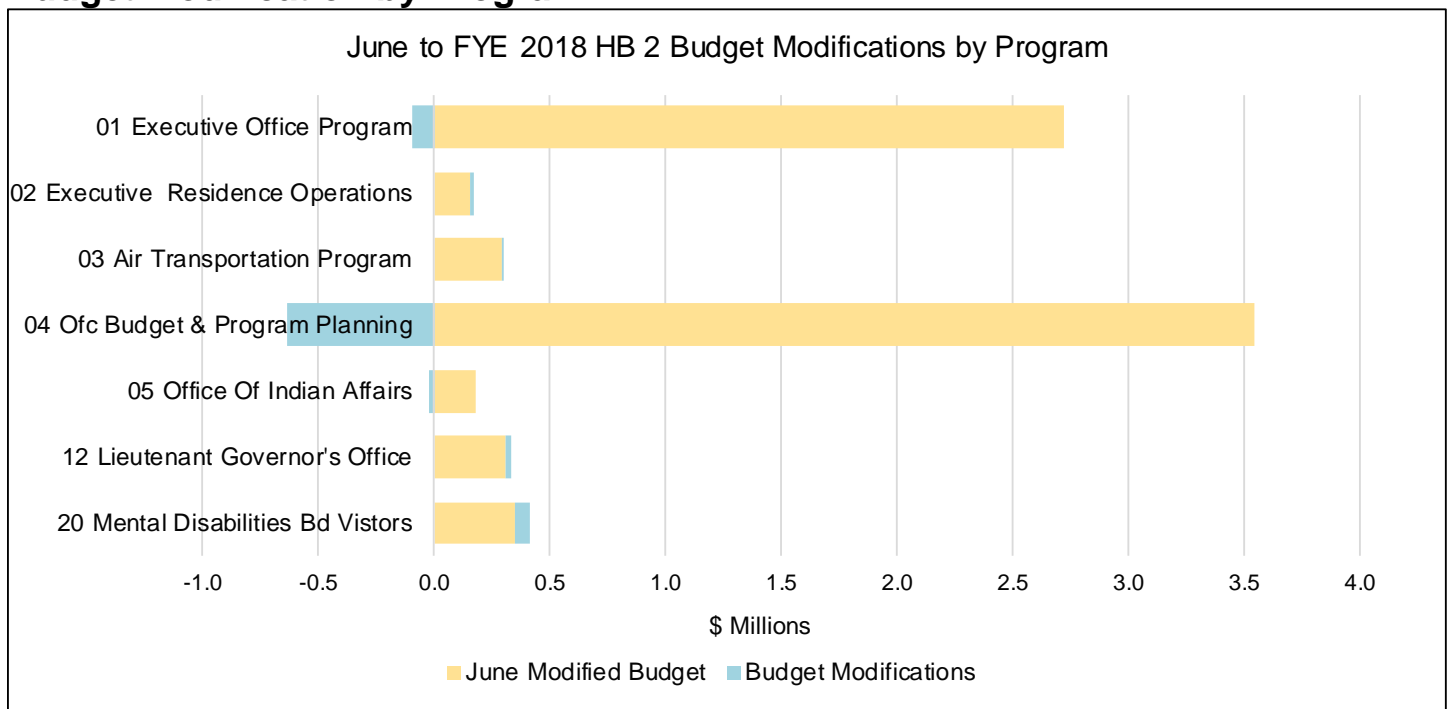
The Governor's Office has continuing appropriations, which primarily consists of approximately \$41,000 for FY 2016 carryforward authority.

Other Authority

The Governor's Office has non-budgeted authority totaling approximately \$291,000. This is primarily comprised of funding received from the Bonneville Power Administration for Governor appointed members of the Northwest Power Planning Council.

HB 2 BUDGET MODIFICATIONS

Budget Modification by Program



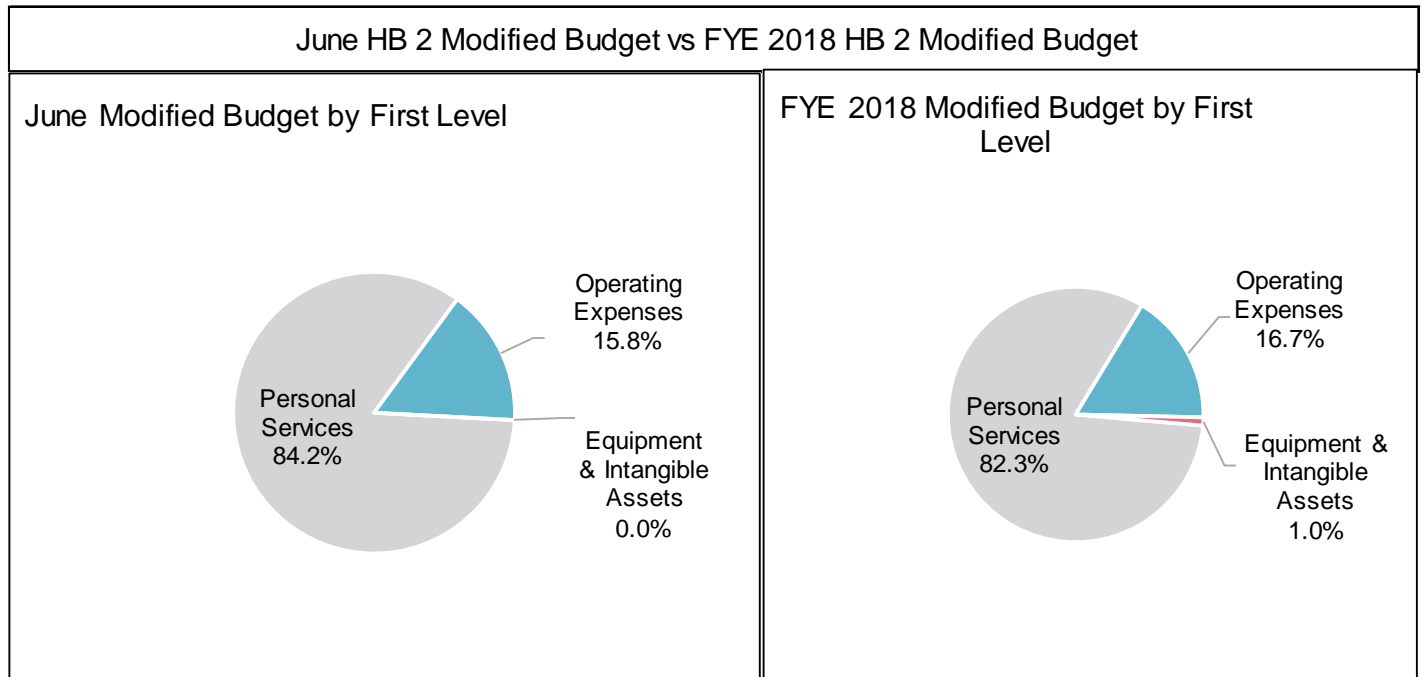
Program	June. Modified Budget	Modifications			FYE Modified Budget	Variance to June
		Increases	Decreases	Total		
01 Executive Office Program	2,721,429	-	(92,250)	(92,250)	2,629,179	-3.4%
02 Executive Residence Operations	150,673	23,000	-	23,000	173,673	15.3%
03 Air Transportation Program	288,898	71,250	(63,000)	8,250	297,148	2.9%
04 Ofc Budget & Program Planning	3,541,702	-	(633,600)	(633,600)	2,908,102	-17.9%
05 Office Of Indian Affairs	178,665	-	(25,900)	(25,900)	152,765	-14.5%
12 Lieutenant Governor's Office	304,421	24,000	-	24,000	328,421	7.9%
20 Mental Disabilities Bd Vistors	348,926	66,400	-	66,400	415,326	19.0%
Grand Total	\$7,534,714	\$184,650	(\$814,750)	(\$630,100)	\$6,904,614	-8.4%

This chart shows budget modifications by program from June through FYE.

The Governor's Office had several budget modifications since June 1, 2018. These modifications include:

- The Governor's Office transferred personal services contingency funds totaling \$630,100 to state agencies, which was comprised of general fund, state special revenue, and federal special revenue
 - The Montana Historical Society received \$52,000 of general fund
 - The Department of Natural Resources and Conservation received \$23,100 of state special revenue and \$50,000 of federal special revenue
 - The Department of Public Health and Human Services received \$300,000 of general fund
 - The Office of State Public Defender received \$205,000 of general fund
- The Executive Office Program and Office of Indian Affairs transferred personal services of \$44,400 and operating expenses of \$54,000 to the Executive Residence Operations, Lieutenant Governor's Office and Mental Disabilities Board of Visitor's Program. This transfer was made to realign the reductions in the budget
- The Air Transportation Program, Office of Budget and Program Planning, and Office of Indian Affairs transferred personal services authority of \$35,000 to the Mental Disabilities Board of Visitor's Program. This transfer was made to cover a shortfall in personal services in the Mental Disabilities Board of Visitors Program
- Executive Office Program and the Air Transportation Program transferred personal services and operating expense authority of \$71,250 to equipment and intangible assets in the Air Transportation Program. This transfer was made to cover maintenance expenses in the Air Transportation Program

Budget Modification by First Level



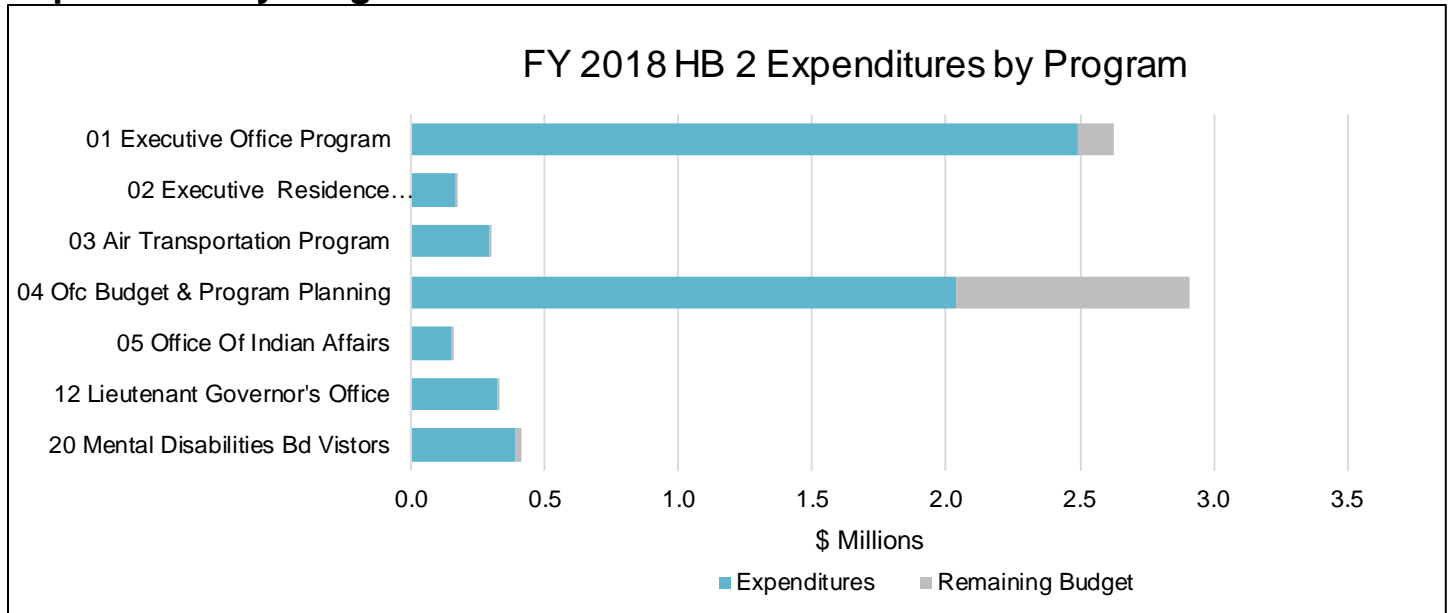
June to FYE 2018 HB 2 Budget Modification by First Level						
First Level	June Modified Budget	Modifications			Modified Budget	Variance to June
		Increases	Decreases	Total		
61000 Personal Services	\$6,346,160	68,400	(732,750)	(664,350)	5,681,810	-10.5%
62000 Operating Expenses	\$1,188,554	45,000	(82,000)	(37,000)	1,151,554	-3.1%
63000 Equipment & Intangible Assets	\$0	71,250	\$0	71,250	71,250	0.0%
Grand Total	\$7,534,714	\$184,650	(\$814,750)	(\$630,100)	\$6,904,614	-8.4%

The above charts show June HB 2 modified budget by first level compared to FYE modified budget by first level.

Additional details on the HB 2 budget modifications are included in the section above.

AGENCY HB 2 EXPENDITURES

Expenditure by Program



Program	FYE Modified Budget	Expenditures	Remaining Budget	Percent Expended
01 Executive Office Program	2,629,179	2,489,652	139,527	94.7%
02 Executive Residence Operations	173,673	168,967	4,706	97.3%
03 Air Transportation Program	297,148	294,193	2,955	99.0%
04 Ofc Budget & Program Planning	2,908,102	2,033,962	874,140	69.9%
05 Office Of Indian Affairs	152,765	149,912	2,853	98.1%
12 Lieutenant Governor's Office	328,421	321,235	7,186	97.8%
20 Mental Disabilities Bd Vistors	415,326	391,818	23,508	94.3%
Grand Total	\$6,904,614	5,849,739	\$1,054,875	84.7%

This chart shows current FY 2018 expenditures by program and remaining authority for HB 2 budget.

Executive Office Program

The HB 2 budget for the Executive Office was 94.7% expended in FY 2018. Personal services were 96.0% expended and operating expenses were 90.5% expended.

Executive Residence Operations

The HB 2 budget for Executive Residence Operations was 97.3% expended in FY 2018. Personal services were 99.2% expended and operating expenses were 94.4% expended.

Air Transportation Program

The HB 2 budget for the Air Transportation Program was 99.0% expended in FY 2018. Personal services were 99.3% expended, operating expenses were 97.9% expended, and equipment and intangible assets were 100.0% expended.

Office of Budget and Program Planning

The HB 2 budget for the Office of Budget and Program Planning was 69.9% expended in FY 2018. Personal services were 69.8% expended because this includes the remaining biennial appropriation for personal services contingency funding of \$795,000. Operating expenses were 71.7% expended. Lower operating expenses were due to reduced travel, reduced subscription expenditures, and lower operating costs associated with temporarily unfilled positions.

Office of Indian Affairs

The HB 2 budget for the Office of Indian Affairs was 98.1% expended in FY 2018. Personal services were 99.4% expended and operating expenses were 92.7% expended.

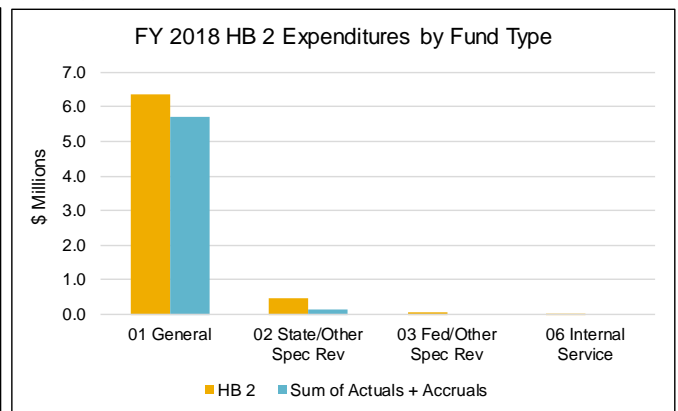
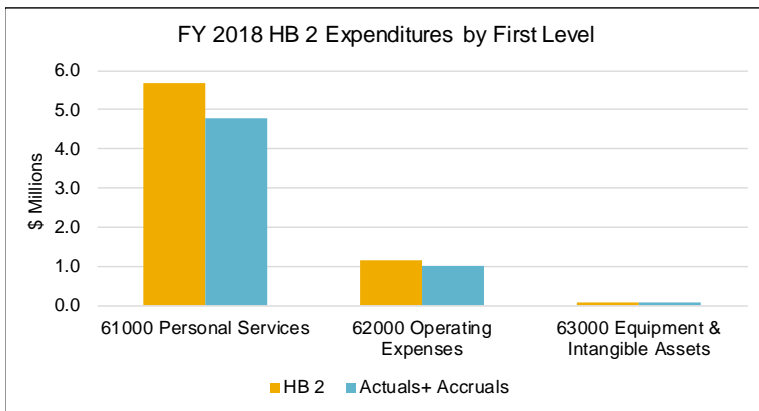
Lieutenant Governor’s Office

The HB 2 budget for the Lieutenant Governor’s Office was 97.8% expended in FY 2018. Personal services were 97.9% expended and operating expenses were 97.5% expended.

Mental Disabilities Board of Visitors

The HB 2 budget for the Mental Disabilities Board of Visitors was 94.3% expended in FY 2018. Personal services were 97.4% expended and operating expenses were 69.0% expended. Lower operating expenses were due to fewer site inspections due to vacant positions.

Expenditure By First Level Account and Fund Type



First Level	FYE Modified HB 2	Expended	Percent Expended
61000 Personal Services	5,681,810	4,778,879	84.1%
62000 Operating Expenses	1,151,554	999,610	86.8%
63000 Equipment & Intangible Assets	71,250	71,250	100.0%
Grand Total	\$6,904,614	\$5,849,739	84.7%

Fund Type	FYE Modified HB 2	Expended	Percent Expended
01 General	6,352,714	5,715,950	90.0%
02 State/Other Spec Rev	476,900	133,789	28.1%
03 Fed/Other Spec Rev	50,000	-	0.0%
06 Internal Service	25,000	-	0.0%
Grand Total	\$6,904,614	\$5,849,739	84.7%

The above charts show HB 2 modified budget compared to expenditures by first level and fund type.

The Governor’s Office expended 84.7% of its HB 2 modified budget as of the end of FY 2018. When adjusting for unexpended personal services contingency funding, the office has expended 95.7% of its budget. This is in line with anticipated expenditures.

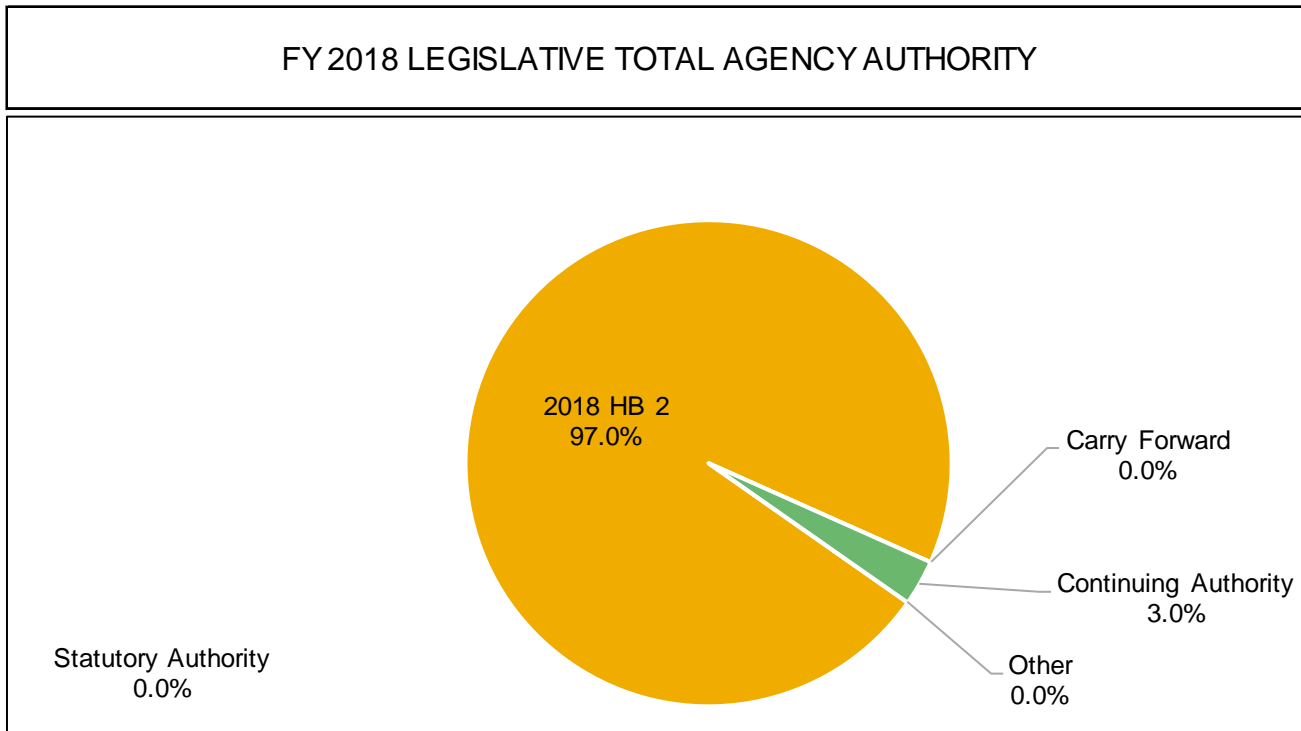
State special revenue funds are 28.1% expended. There are two reasons for the lower percentage. First, \$276,900 of the biennial appropriation for personal services contingency funding had not been transferred as of the end of FY 2018. Additionally, one-time-only funding of \$200,000 for economic development is 66.9% expended, which was due to the office not participating in trade shows, decreased advertising and travel expenses, and decreased rent due to an eliminated position.

COMMISSIONER OF POLITICAL PRACTICES

BUDGET AND EXPENDITURE HIGHLIGHTS

The modified HB 2 budget of \$670,000 for the Commissioner of Political Practices was 93.1% expended at the end of FY 2018, due to lower expenditures within operating expenses. Operating expenses was only 81.7% expended at the end of the fiscal year because of delayed court cases.

TOTAL APPROPRIATION AUTHORITY OVERVIEW



FY 2018 Total Agency Authority	
Authority	FYE Budget
2018 HB 2	670,126
Language Authority	0
Statutory Authority	0
Carry Forward	0
Continuing Authority	21,058
Budget Amendments	0
Other	0
Long Range Planning	0
Total Budgeted Authority	\$ 691,184
Non-Budgeted Proprietary	\$ -

FY 2018 Total Agency Authority Expended	
Total Expended	\$624,146
Total Budgeted Authority	\$691,184
% Expended	90.3%

This chart shows current FYE authority compared to special session budget authority for the agency (Appendix B). Budget Amendment authority is not legislative authority, instead it is added authority through the budget amendment process.

The Commissioner of Political Practices had a total budget of \$691,000 for FY 2018. This amount includes \$670,000 in HB 2 spending authority, which makes up 97.0% of the agency's total budget. The remainder of the budget consists of continuing authority. The agency expended 90.3% of its total spending authority in FY 2018.

Statutory Appropriations

The Commissioner of Political Practices does not have any statutory spending authority.

Carryforward

The Commissioner of Political Practices did not have any carryforward authority from FY 2017.

Continuing Appropriations

Continuing appropriations for the Commissioner of Political Practices totaled \$21,000 for FY 2018. This appropriation included funding for a long-range information technology project related to campaign reporting.

Budget Amendments

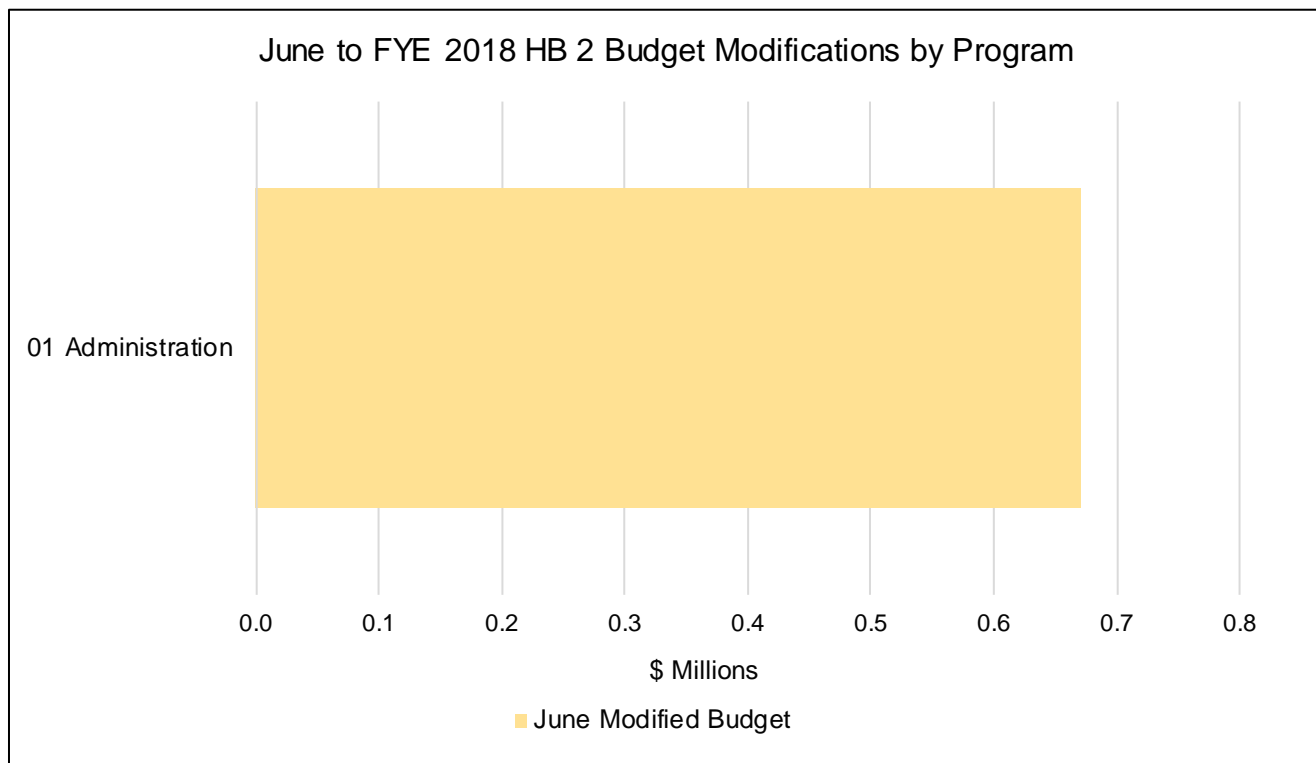
The Commissioner of Political Practices did not have any budget amendments since June 1, 2018.

Proprietary Funds

The Commissioner of Political Practices does not have any non-budgeted proprietary funds.

HB 2 BUDGET MODIFICATIONS

Budget Modification by Program

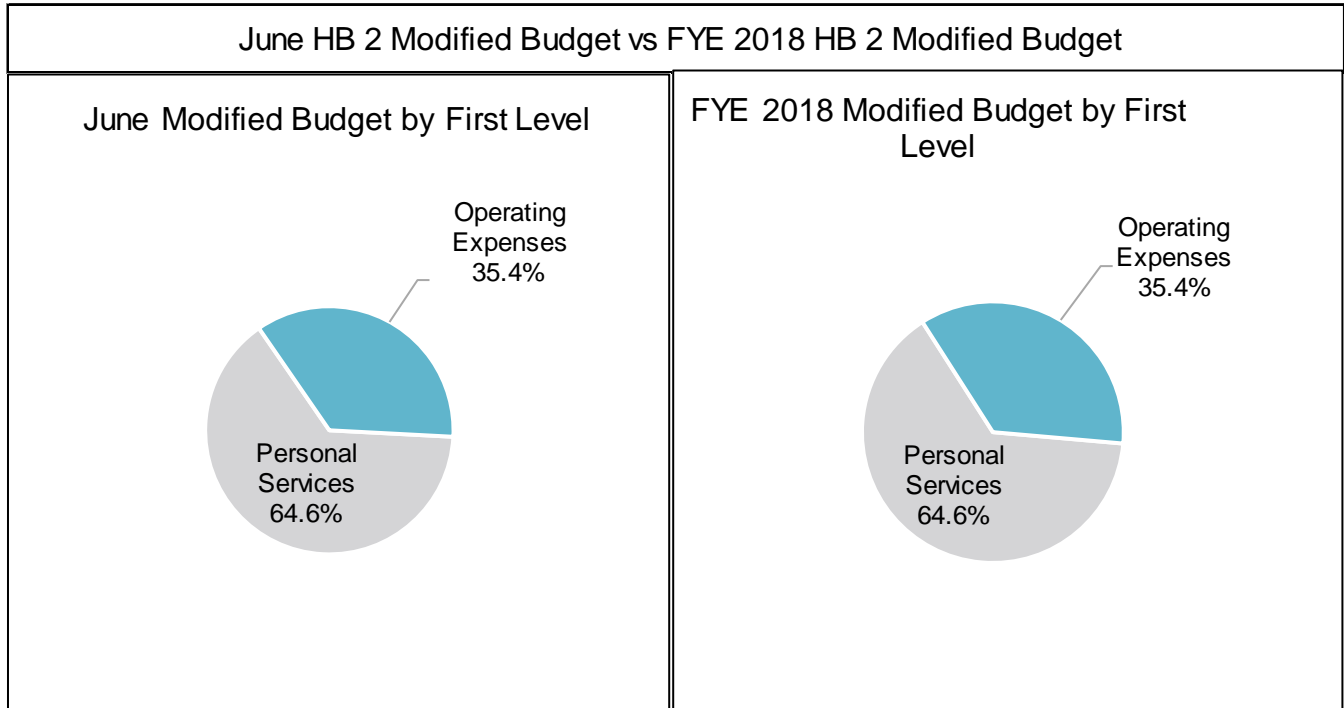


Program	June Modified Budget	Modifications			FYE Modified Budget	Variance to June
		Increases	Decreases	Total		
01 Administration	670,126	-	-	-	670,126	0.0%
Grand Total	\$670,126	\$0	\$0	\$0	\$670,126	0.0%

This chart shows budget modifications by program from June through FYE.

The Commissioner of Political Practices did not have any budget modifications between June 1, 2018 and fiscal year end.

Budget Modification by First Level



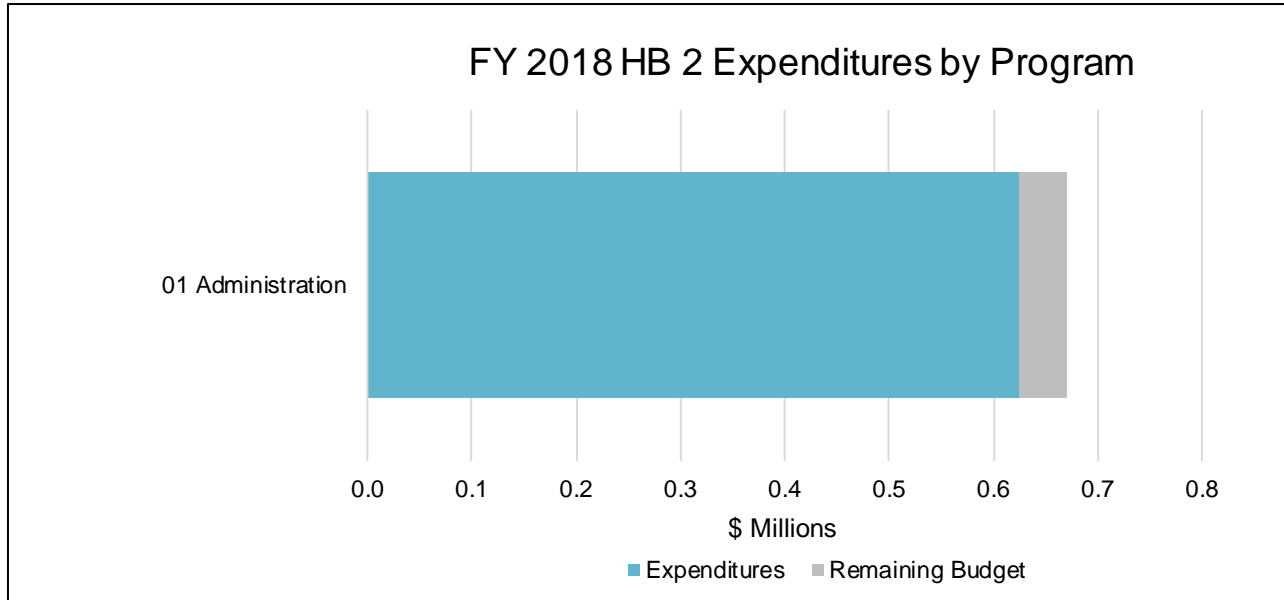
June to FYE 2018 HB 2 Budget Modification by First Level							
First Level	June Modified Budget	Modifications			Modified Budget	Variance to June	
		Increases	Decreases	Total			
61000 Personal Services	432,618	-	-	-	432,618	0.0%	
62000 Operating Expenses	237,508	-	-	-	237,508	0.0%	
Grand Total	\$670,126	\$0	\$0	\$0	\$670,126	0.0%	

The above charts show June HB 2 modified budget by first level compared to FYE modified budget by first level.

The Commissioner of Political Practices did not have any budget modifications between June 1, 2018 and fiscal year end.

AGENCY HB 2 EXPENDITURES

Expenditure by Program



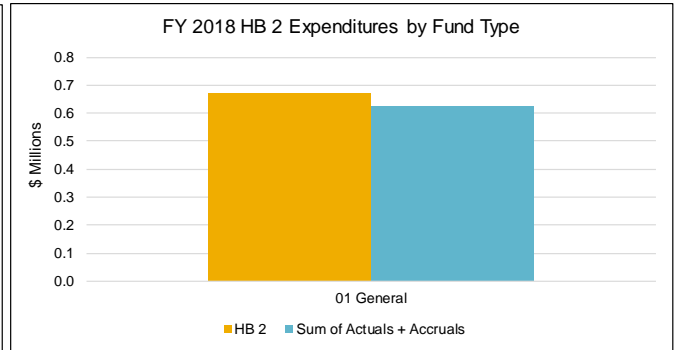
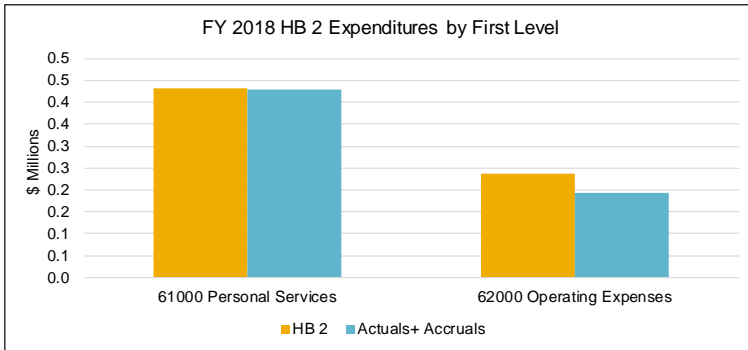
Program	FYE Modified Budget	Expenditures	Remaining Budget	Percent Expended
01 Administration	670,126	624,146	45,980	93.1%
Grand Total	\$670,126	\$624,146	\$45,980	93.1%

This chart shows current FY 2018 expenditures by program and remaining authority for HB 2 budget.

Administration

The Commissioner of Political Practices only has one program, which is funded entirely with general fund. The agency had expended 93.1% of its HB 2 modified budget of \$670,000 at the end of the fiscal year. Personal services was 99.4% expended, which is at a reasonable level for fiscal year end. The Commissioner of Political Practices expended only 81.7% of its operating expenses budget due to delayed court cases.

Expenditure By First Level Account and Fund Type



First Level	FYE Modified HB 2	Expended	Percent Expended
61000 Personal Services	432,618	430,061	99.4%
62000 Operating Expenses	237,508	194,085	81.7%
Grand Total	\$670,126	\$624,146	93.1%

Fund Type	FYE Modified HB 2	Expended	Percent Expended
01 General	670,126	624,146	93.1%
Grand Total	\$670,126	\$624,146	93.1%

The above charts show HB 2 modified budget compared to expenditures by first level and fund type.

The Commissioner of Political Practices HB 2 modified budget is funded entirely with general fund. The agency has expended 93.1% of its HB 2 modified budget as of the end of FY 2018. This percentage is slightly lower than would be anticipated at the end of the fiscal year due to delayed court cases.

REQUIRED REPORTS

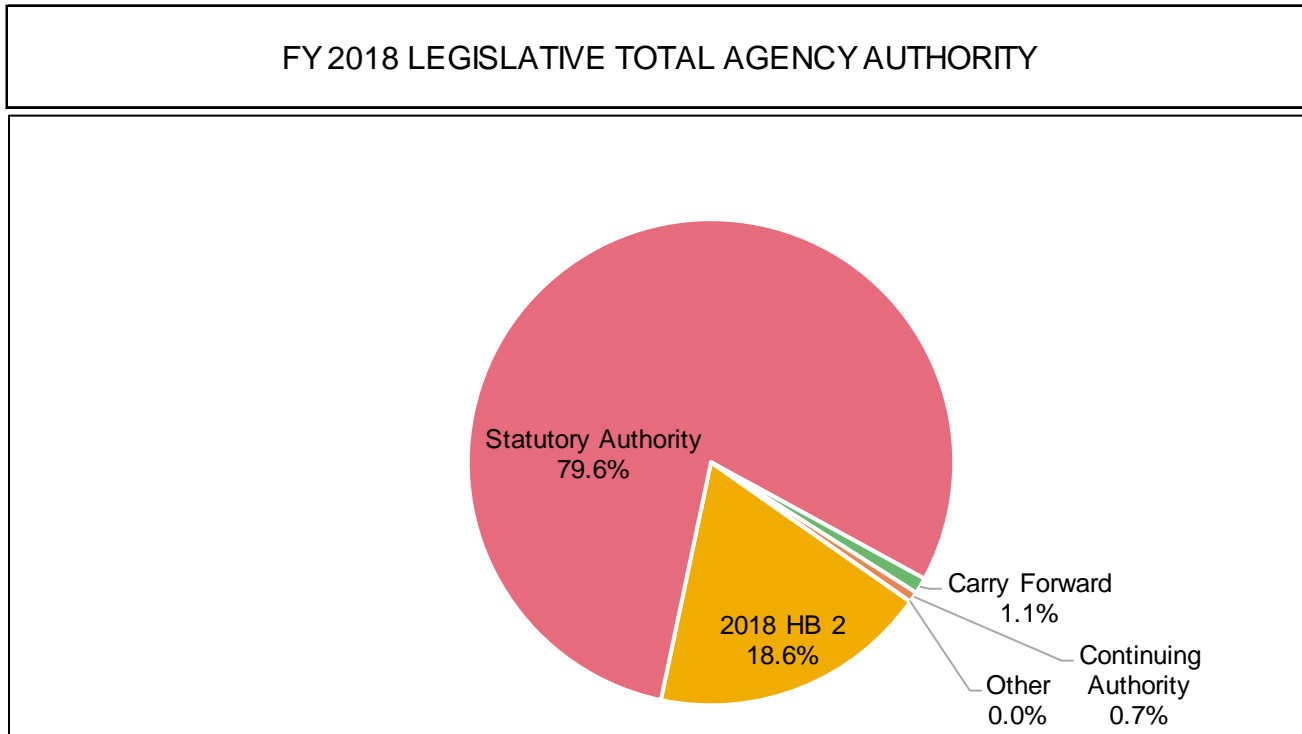
The Commissioner of Political Practices does not have any required reports due to the Legislative Finance Committee at this time.

STATE AUDITOR'S OFFICE

BUDGET AND EXPENDITURE HIGHLIGHTS

The modified HB 2 budget of \$8.2 million for the State Auditor's Office was 85.5% expended at the end of FY 2018. Expenditures within personal services were low due to unfilled positions. Operating expenses were low due to the timing of contract examinations.

TOTAL APPROPRIATION AUTHORITY OVERVIEW



FY 2018 Total Agency Authority	
Authority	FYE Budget
2018 HB 2	8,213,426
Language Authority	0
Statutory Authority	35,196,875
Carry Forward	472,304
Continuing Authority	310,381
Budget Amendments	0
Other	0
Long Range Planning	0
Total Budgeted Authority	44,192,986
Non-Budgeted Proprietary	\$ -

FY 2018 Total Agency Authority Expended	
Total Budgeted Expended	42,425,077
Total Budgeted Authority	44,192,986
% Expended	96.0%

This chart shows current FYE authority compared to special session budget authority for the agency (Appendix B). Budget Amendment authority is not legislative authority, instead it is added authority through the budget amendment process.

The State Auditor's Office had a total budget of \$44.2 million for FY 2018. This amount includes \$8.2 million in HB 2 spending authority, which makes up 18.6% of the agency's total budget. The remainder of the budget consists of statutory appropriations, carryforward authority, continuing authority, and budget amendments. The agency expended 96.0% of its total spending authority in FY 2018.

Statutory Appropriations

The State Auditor's Office had approximately \$35.2 million in statutory spending authority for FY 2018. This statutory authority is primarily used to pass along general fund dollars for local police and firefighting retirement programs. The retirement programs are funded from general insurance and fire insurance premium taxes.

Carryforward

The State Auditor's Office has carryforward authority from FY 2017 of approximately \$472,000.

Continuing Authority

Continuing authority for the State Auditor's Office totaled \$310,000 for FY 2018. This appropriation includes carryforward from FY 2016, which was used in part to offset personal services costs for FY 2018.

Budget Amendments

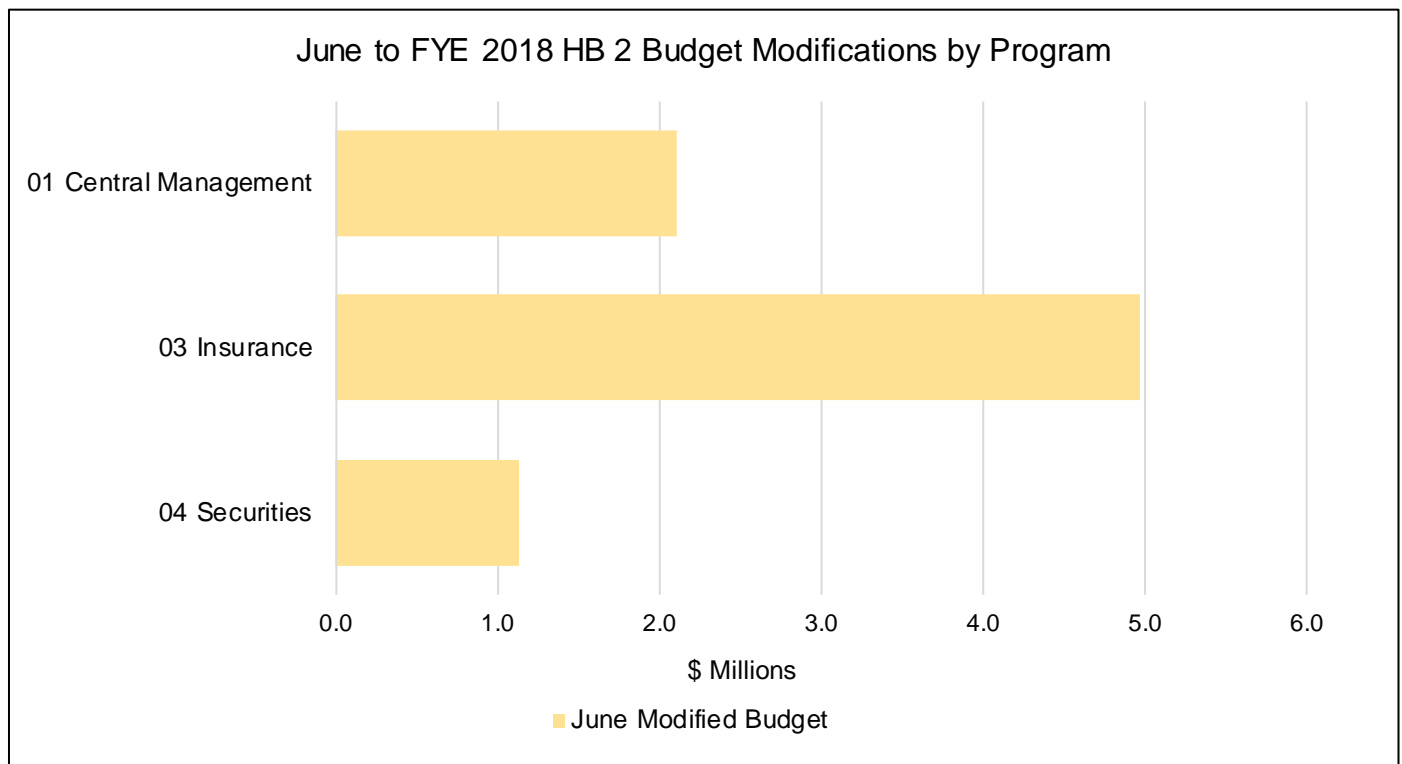
The State Auditor's Office did not have any budget amendments between June 1, 2018 and fiscal year end.

Proprietary Funds

The State Auditor's Office does not have any non-budgeted proprietary funds.

HB 2 BUDGET MODIFICATIONS

Budget Modification by Program

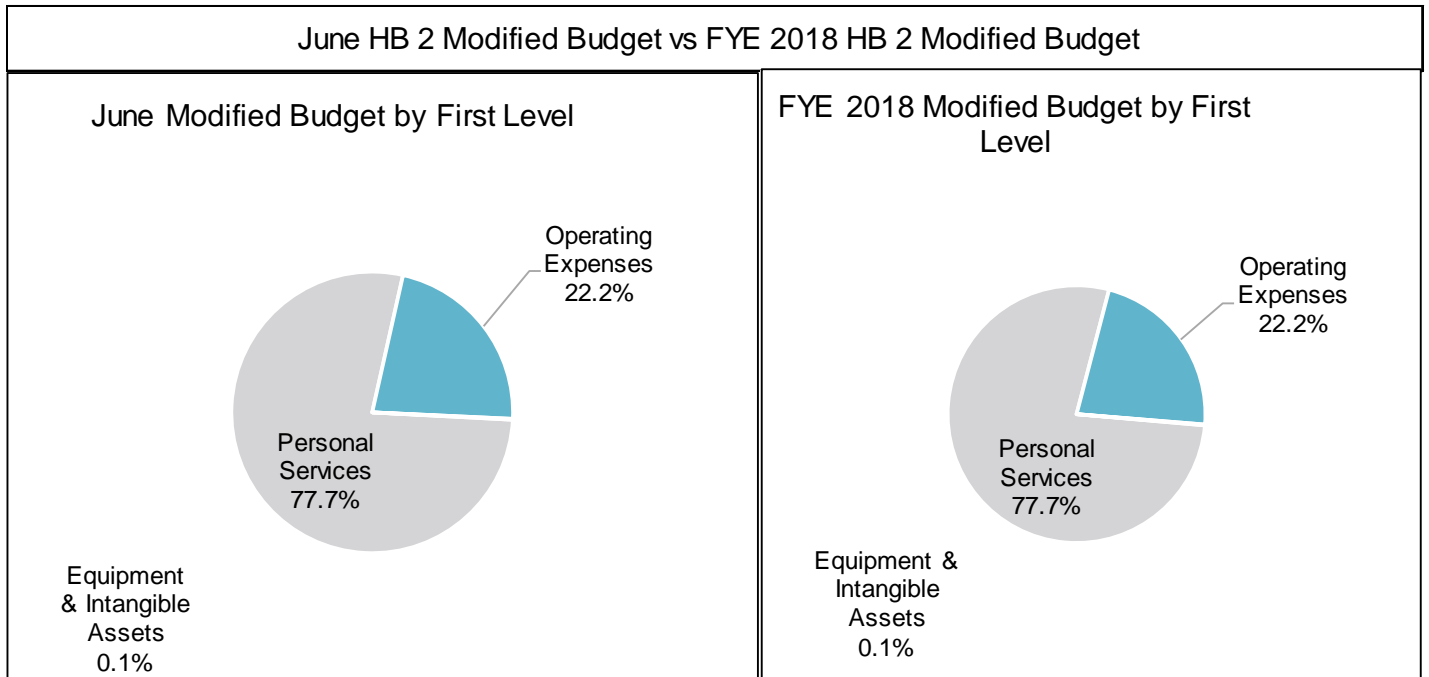


Program	June Modified Budget	Modifications			FYE Modified Budget	Variance to June
		Increases	Decreases	Total		
01 Central Management	2,109,823	-	-	-	2,109,823	0.0%
03 Insurance	4,968,600	-	-	-	4,968,600	0.0%
04 Securities	1,135,003	-	-	-	1,135,003	0.0%
Grand Total	\$8,213,426	\$0	\$0	\$0	\$8,213,426	0.0%

This chart shows budget modifications by program from June through FYE.

The State Auditor's Office did not have any budget modifications between June 1, 2018 and fiscal year end.

Budget Modification by First Level



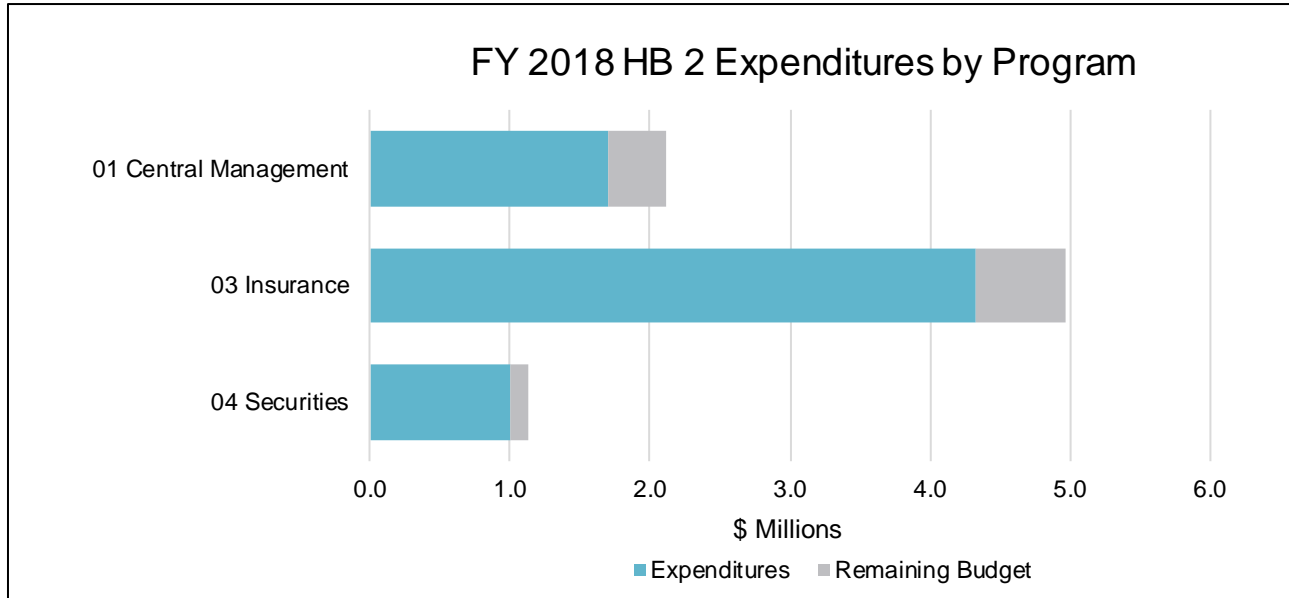
June to FYE 2018 HB 2 Budget Modification by First Level						
First Level	June Modified Budget	Modifications			Modified Budget	Variance to June
		Increases	Decreases	Total		
61000 Personal Services	6,380,421	-	-	-	6,380,421	0.0%
62000 Operating Expenses	1,825,011	-	-	-	1,825,011	0.0%
63000 Equipment & Intangible Assets	7,994	-	-	-	7,994	0.0%
Grand Total	\$8,213,426	\$0	\$0	\$0	\$8,213,426	0.0%

The above charts show June HB 2 modified budget by first level compared to FYE modified budget by first level.

The State Auditor's Office did not have any budget modifications between June 1, 2018 and fiscal year end.

AGENCY HB 2 EXPENDITURES

Expenditure by Program



Program	FYE Modified Budget	Expenditures	Remaining Budget	Percent Expended
01 Central Management	2,109,823	1,702,175	407,648	80.7%
03 Insurance	4,968,600	4,324,544	644,057	87.0%
04 Securities	1,135,003	995,927	139,076	87.7%
Grand Total	\$8,213,426	\$7,022,646	\$1,190,780	85.5%

This chart shows current FY 2018 expenditures by program and remaining authority for HB 2 budget.

The State Auditor's Office expended 85.5% of its HB 2 modified budget as of the end of FY 2018.

Central Management Division

The Central Management Division expended 80.7% of its \$2.1 million HB 2 modified budget as of fiscal year end. Expenditures for both personal services and operating expenses were low compared to the anticipated level at fiscal year end. The division held positions open to help meet the 6% vacancy savings requirement and also used carryforward authority to offset some of the personal services costs. Operating expenses were low due to lower staffing levels. The relatively small equipment budget was over-expended due to the purchase of a new server.

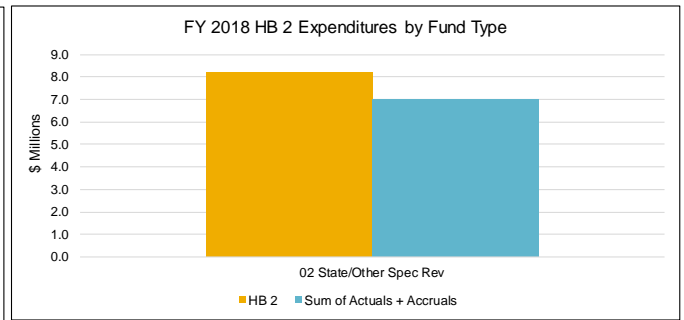
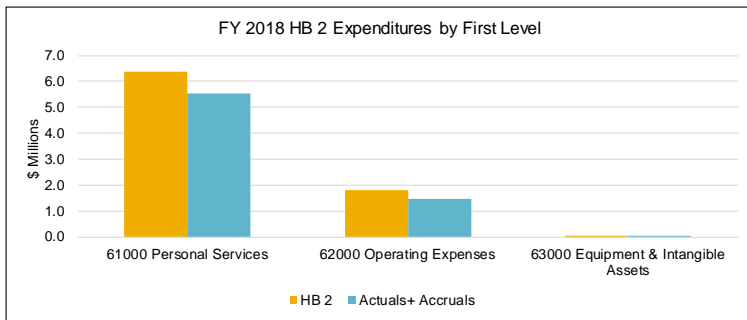
Insurance Division

The Insurance Division expended 87.0% of its \$5.0 million HB 2 modified budget as of fiscal year end. Expenditures for personal services and operating expenses were low for fiscal year end. The Insurance Division also held positions open to help meet the 6% vacancy savings requirement and used carryforward authority to offset some of the personal services costs. Operating expenses were again low due to lower staffing levels and the timing of contract examinations.

Securities Division

The Securities Division expended 87.7% of its \$1.1 million HB 2 modified budget as of fiscal year end. Expenditures for personal services were low for fiscal year end due to an open position, which has just been filled. Carryforward authority was used to offset some of the personal services costs as well.

Expenditure By First Level Account and Fund Type



First Level	FYE Modified HB 2	Expended	Percent Expended
61000 Personal Services	6,380,421	5,522,690	86.6%
62000 Operating Expenses	1,825,011	1,490,231	81.7%
63000 Equipment & Intangible Assets	7,994	9,725	121.7%
Grand Total	\$8,213,426	\$7,022,646	85.5%

Fund Type	FYE Modified HB 2	Expended	Percent Expended
02 State/Other Spec Rev	8,213,426	7,022,646	85.5%
Grand Total	\$8,213,426	\$7,022,646	85.5%

The above charts show HB 2 modified budget compared to expenditures by first level and fund type.

The State Auditor's Office HB 2 modified budget is comprised entirely of state special revenue funds. The agency has expended 85.5% of its HB 2 budget as of the end of FY 2018. Revenues for the state special revenue Captive Account were lower than anticipated, and thus the agency was unable to fully expend the budgeted amount. However, the agency fully expended the funds they did receive in the Captive Account. Additional details regarding expenditures are included in the section above.

REQUIRED REPORTS

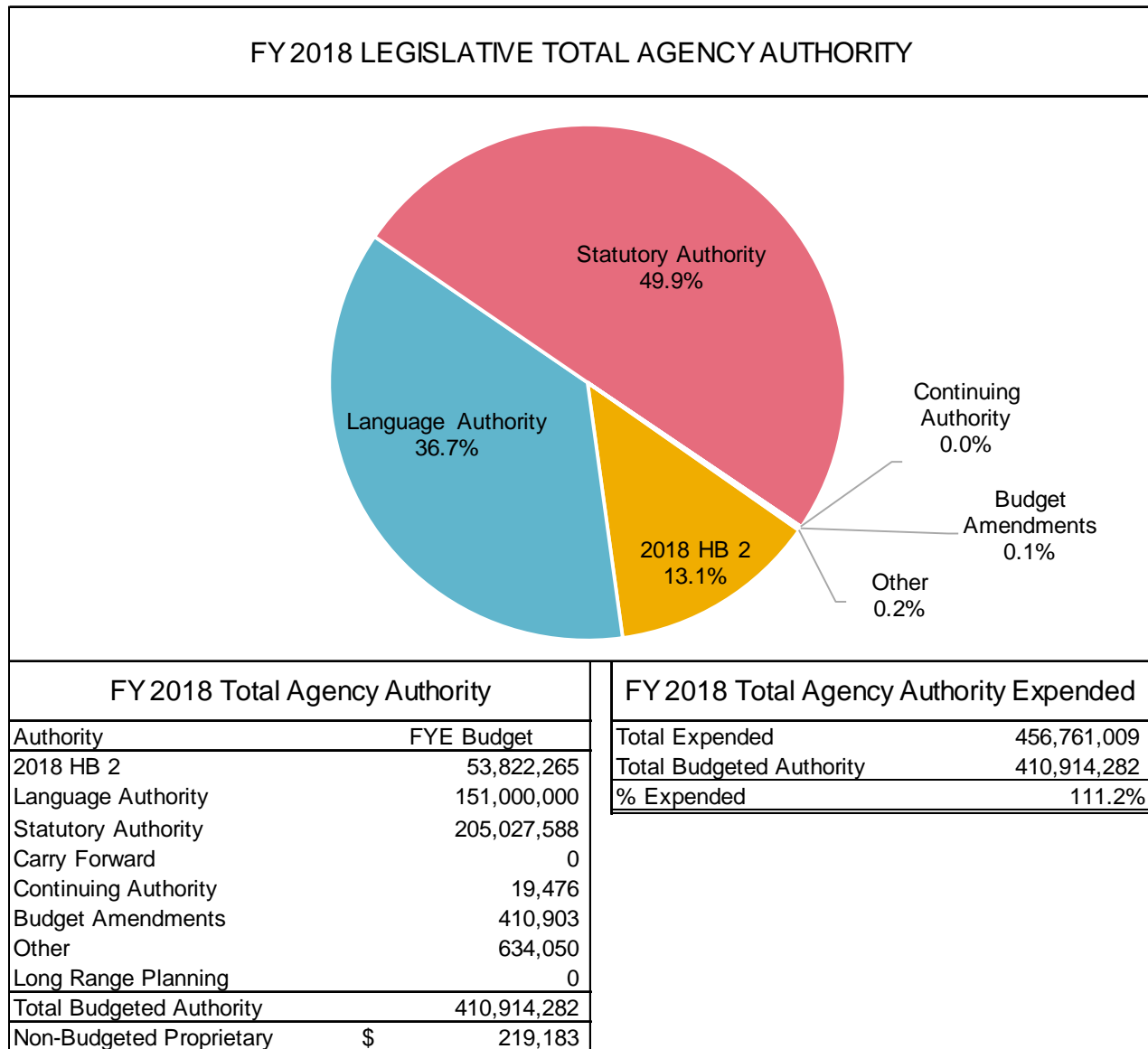
The State Auditor's Office does not have any required reports due to the Legislative Finance Committee at this time.

DEPARTMENT OF REVENUE

BUDGET AND EXPENDITURE HIGHLIGHTS

- The Department of Revenue's modified HB 2 budget of \$53.8 million, comprised primarily of general fund revenue, was 99.1% expended through the end of FY 2018. The current level of expenditure is in line with previous years, with small differences within expenditure types

TOTAL APPROPRIATION AUTHORITY OVERVIEW



This chart shows current FYE authority compared to special session budget authority for the agency (Appendix B). Budget Amendment authority is not legislative authority, instead it is added authority through the budget amendment process.

The department had total authority of \$411.1 million for FY 2018. Statutory and language authority comprise the majority of total agency authority, with HB 2 authority accounting for most of the remainder.

Statutory Appropriations

The department's statutory appropriation authority is primarily for local assistance in the form of entitlement share payments and oil and gas payments to local governments.

Budget Amendments

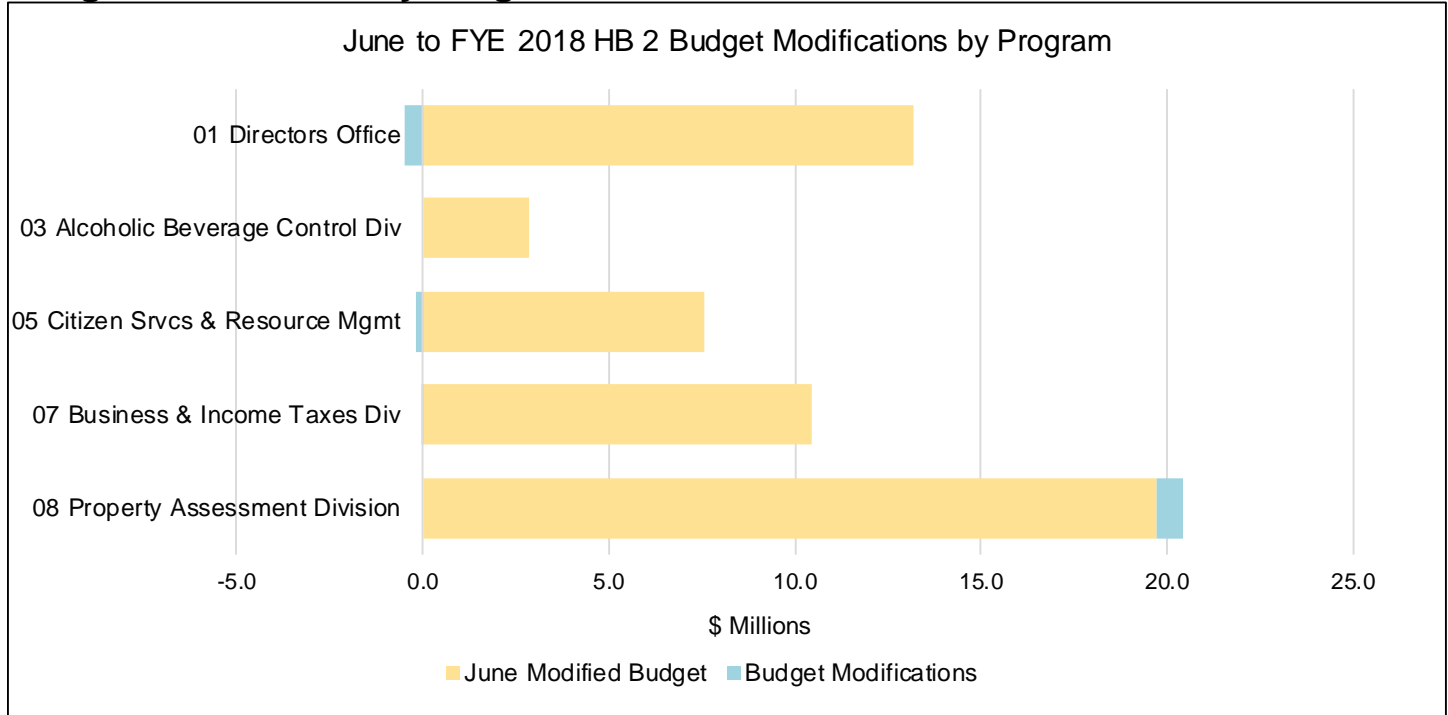
The department has not processed any budget amendments since the previous Budget Status Report.

Non-Budgeted Proprietary

The department has \$0.2 million in non-budgeted proprietary fund appropriation authority for FY 2018, most approved through rates established by the legislature. Montana law authorizes the Department of Revenue to assist other agencies in the collection of delinquent accounts. The department retains a percentage of these collections for the costs of assistance in conjunction with [17-4-103 \(3\)\(a\), MCA](#).

HB 2 Budget Modifications

Budget Modification by Program

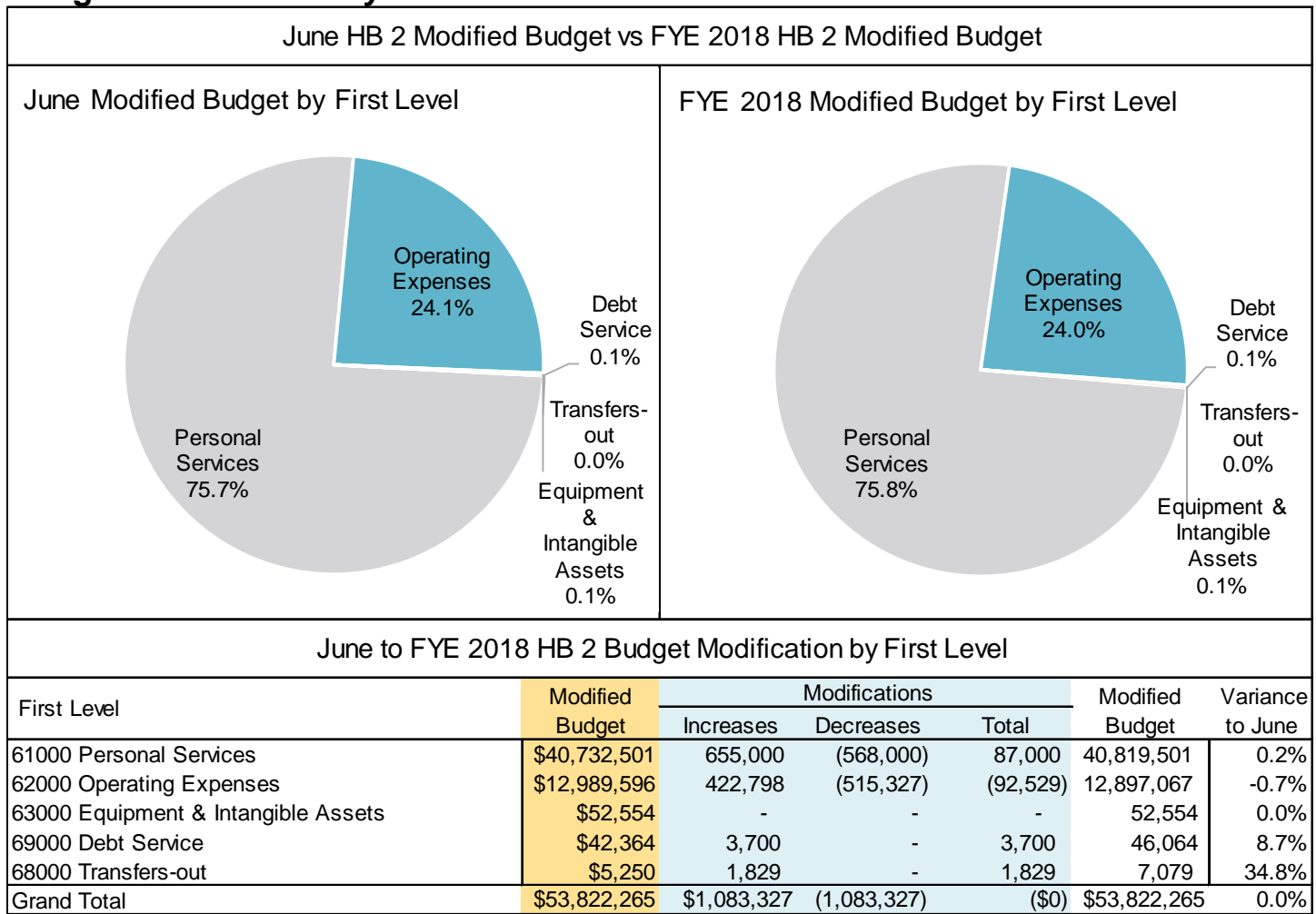


Program	June. Modified Budget	Modifications			FYE Modified Budget	Variance to June
		Increases	Decreases	Total		
01 Directors Office	13,178,380	-	(499,798)	(499,798)	12,678,582	-3.8%
03 Alcoholic Beverage Control Div	2,852,914	5,529	(5,529)	-	2,852,914	0.0%
05 Citizen Svcs & Resource Mgmt	7,580,774	352,889	(538,000)	(185,111)	7,395,663	-2.4%
07 Business & Income Taxes Div	10,473,886	33,000	(40,000)	(7,000)	10,466,886	-0.1%
08 Property Assessment Division	19,736,311	691,909	-	691,909	20,428,220	3.5%
Grand Total	\$53,822,265	\$1,083,327	(\$1,083,327)	\$0	\$53,822,265	0.0%

This chart shows budget modifications by program from June through FYE.

Several program transfers during the fiscal year end closing process shifted authority primarily from the Director's Office and Citizen Services & Resource Management Division into the Property Assessment Division. According to Department staff, the changes implemented during the November 2017 Special Session—especially the personal services reductions in the Property Assessment Division—were met through a hiring freeze and other cost-saving measures across the department.

Budget Modification by First Level

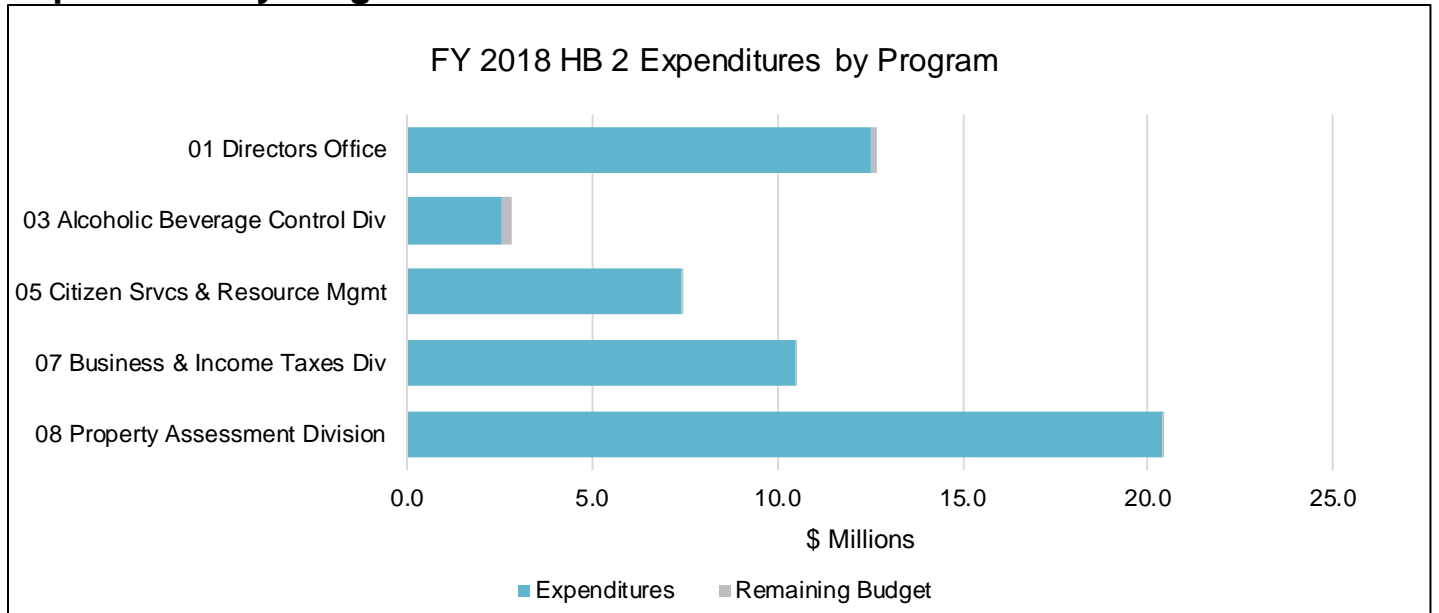


The above charts show June HB 2 modified budget by first level compared to FYE modified budget by first level.

The primary result of the adjustments was to shift operating authority to personal services as the department applied a branch-wide approach to managing the special session budget reductions.

AGENCY HB 2 EXPENDITURES

Expenditure by Program

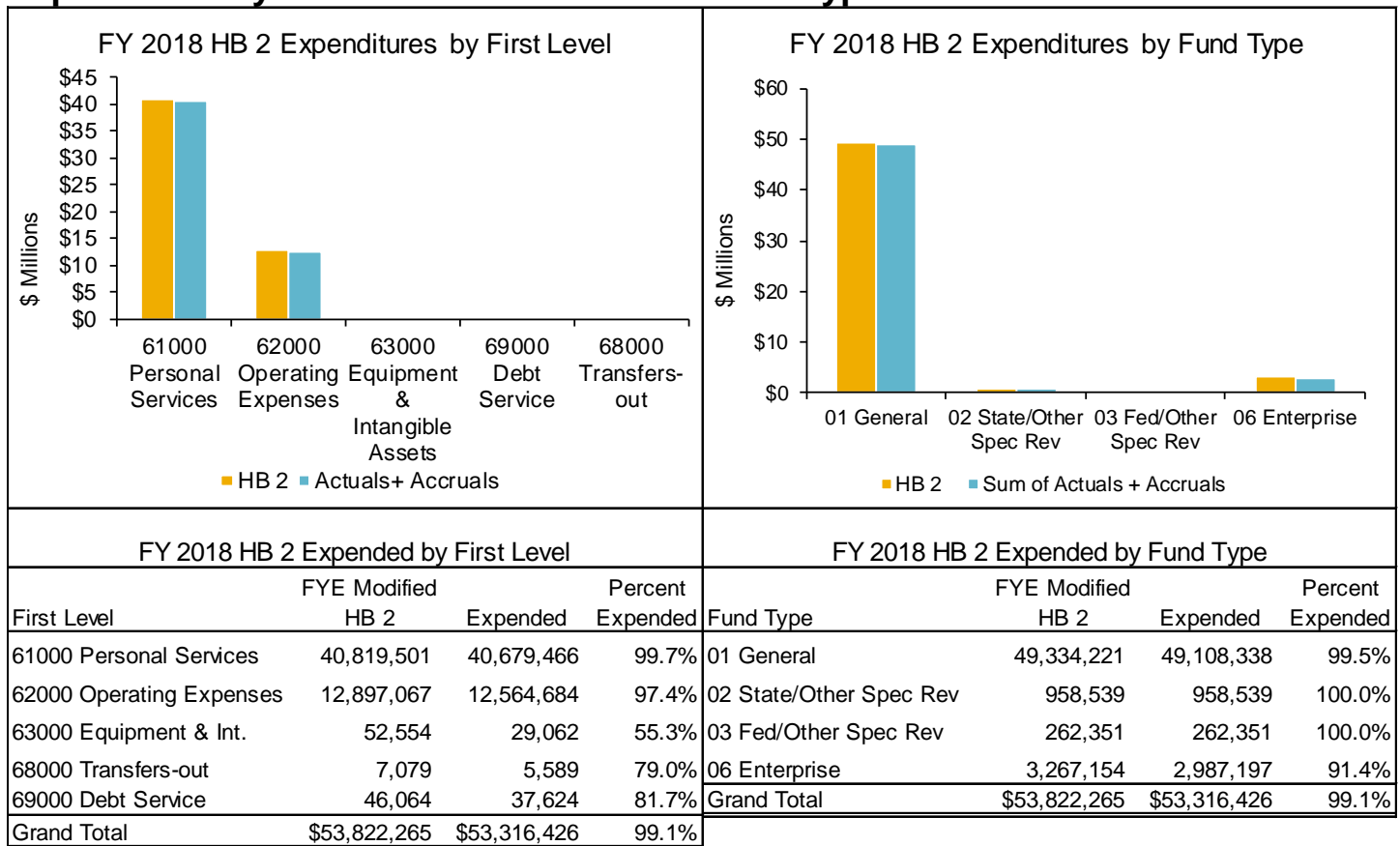


Program	FYE Modified Budget	Expenditures	Remaining Budget	Percent Expended
01 Directors Office	12,678,582	12,495,237	183,345	98.6%
03 Alcoholic Beverage Control Div	2,852,914	2,572,957	279,957	90.2%
05 Citizen Svcs & Resource Mgmt	7,395,663	7,387,426	8,237	99.9%
07 Business & Income Taxes Div	10,466,886	10,452,239	14,647	99.9%
08 Property Assessment Division	20,428,220	20,408,566	19,654	99.9%
Grand Total	\$53,822,265	53,316,426	\$505,839	99.1%

This chart shows current FY 2018 expenditures by program and remaining authority for HB 2 budget.

Overall expenditures for the department are in line with the past four years, with small differences by program.

Expenditure By First Level Account and Fund Type



FY 2018 HB 2 Expended by First Level

FY 2018 HB 2 Expended by Fund Type

First Level	FY 2018 HB 2 Expended by First Level			Fund Type	FY 2018 HB 2 Expended by Fund Type		
	FYE Modified HB 2	Expended	Percent Expended		FYE Modified HB 2	Expended	Percent Expended
61000 Personal Services	40,819,501	40,679,466	99.7%	01 General	49,334,221	49,108,338	99.5%
62000 Operating Expenses	12,897,067	12,564,684	97.4%	02 State/Other Spec Rev	958,539	958,539	100.0%
63000 Equipment & Int.	52,554	29,062	55.3%	03 Fed/Other Spec Rev	262,351	262,351	100.0%
68000 Transfers-out	7,079	5,589	79.0%	06 Enterprise	3,267,154	2,987,197	91.4%
69000 Debt Service	46,064	37,624	81.7%	Grand Total	\$53,822,265	\$53,316,426	99.1%
Grand Total	\$53,822,265	\$53,316,426	99.1%				

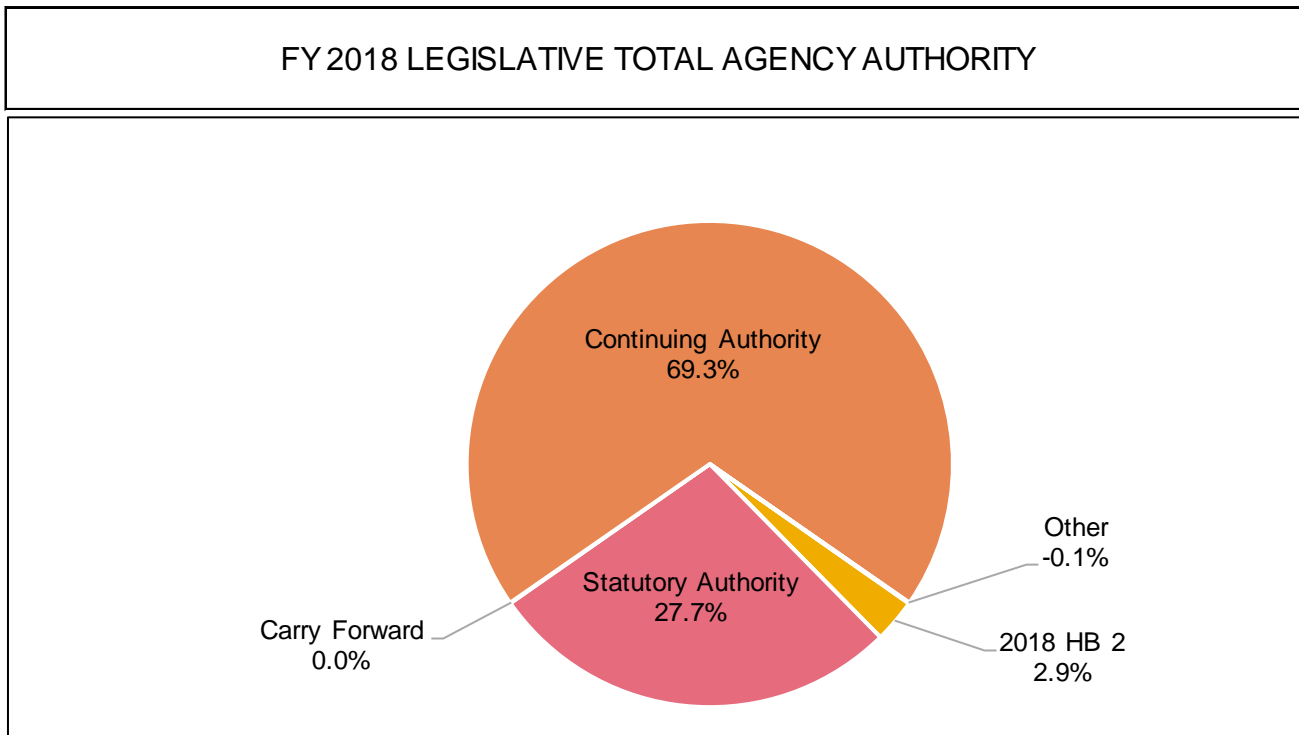
The above charts show HB 2 modified budget compared to expenditures by first level and fund type.

DEPARTMENT OF ADMINISTRATION

BUDGET AND EXPENDITURE HIGHLIGHTS

The Department of Administration's (DOA) HB 2 modified budget of \$19.4 million was 90.7% expended as of the end of FY 2018. Operating expenses of \$6.6 million were 79.5% expended which is below anticipated expenditures. Operating expenses in the State Information Technology Services Division (SITSD) primarily contributed to the lower percentage expended, which was primarily due to low expenditures related to FirstNet.

TOTAL APPROPRIATION AUTHORITY OVERVIEW



FY 2018 Total Agency Authority	
Authority	FYE Budget
2018 HB 2	19,380,046
Language Authority	0
Statutory Authority	184,976,284
Carry Forward	263,540
Continuing Authority	463,371,322
Budget Amendments	0
Other	(343,721)
Long Range Planning	0
Total Budgeted Authority	667,647,472
Non-Budgeted Proprietary	\$ 325,981,384

FY 2018 Total Agency Authority Expended	
Total Budgeted Expended	255,913,843
Total Budgeted Authority	667,647,472
% Expended	38.3%

This chart shows current FYE authority compared to special session budget authority for the agency (Appendix B). Budget Amendment authority is not legislative authority, instead it is added authority through the budget amendment process.

Total appropriation authority in the Department of Administration, excluding non-budgeted proprietary funds, was \$667.6 million as of the end of FY 2018. This includes:

- \$463.4 million in continuing appropriations, of which \$429.6 million is for the Long-range Building Program in the Architecture and Engineering Division

- \$185.0 million in statutory authority
- \$19.4 million in HB 2 authority

Continuing Appropriations

The Department of Administration had continuing appropriations of approximately \$463.4 million in FY 2018 consisting of \$20.1 million in state special revenue, \$53.0 million in federal special revenue, \$134.8 million in capital projects funds, \$1.9 million in internal service funds, \$40.2 million in trust funds, and \$213.4 million in university funds. Continuing appropriations primarily consisted of \$429.6 million for the Long-range Building Program. Additionally, there was \$32.8 million in appropriations for long-range information technology projects that were provided to SITSD. The Medicaid management information system has the majority of the appropriation authority at \$29.1 million. To date, expenditures from this funding source have not been required in FY 2018.

Statutory Appropriations

DOA had statutory authority of approximately \$185.0 million consisting of \$93.5 million in general fund, \$31.0 million in state special revenue, \$18.2 million in federal special revenue, and \$42.3 million in proprietary funds. The following chart shows the appropriations and expenditures by fund type for the statutory appropriations within DOA.

Department of Administration Statutory Appropriations FY 2018				
Description	Fund	Budget	Expenditures	Balance
Debt service costs	General Fund	\$12,408,801	\$12,395,476	\$13,325
Contracted banking services	General Fund	2,337,651	2,234,727	102,924
Contributions to local government employee pensions	General Fund	548,300	445,877	102,423
Supplemental contributions to PERS	General Fund	31,965,737	31,908,760	56,977
Contributions to teacher retirement	General Fund	936,064	909,308	26,756
Supplemental contributions to teacher retirement	General Fund	44,508,994	44,096,364	412,630
Cash Management Improvement Act returns	General Fund	13,317	13,317	0
Return federal portion of workers' compensation dividend	General Fund	396,431	213,475	182,956
Interest changes for general fund loan	General Fund	75,303	75,303	0
Federal rebates	General Fund	277,000	276,022	978
Indemnification of damages to state property	State Special	1,200,000	45,258	1,154,742
Distribute 911 surcharge revenues	State Special	21,628,586	12,951,541	8,677,045
Distribute mineral impact funds to counties	State Special	8,186,000	5,778,774	2,407,226
Apportion forest reserve funds to counties	Federal Special	18,017,000	15,119,644	2,897,356
Distribute Taylor Grazing Act funds to counties	Federal Special	155,000	154,442	558
Pay state lottery prizes, commissions, and vendor fees	Proprietary	42,322,100	40,661,300	1,660,800
Total		\$184,976,284	\$167,279,587	\$17,696,697

As reflected in the preceding figure, 83.4% of the general fund is transferred to the pension funds.

HB 61, enacted by the 2017 Legislature, required \$5.4 million in enhanced 911 funding to be transferred to a new state special revenue account for next generation 911 services, 911 geographical information system mapping, and statewide planning. While the appropriation authority has been established for HB 61, as of the end of FY 2018, no expenditures for the services have been made.

Budget Amendments

DOA did not have any budget amendments through the end of June 1, 2018.

Non-budgeted Proprietary

DOA has \$326.0 million in non-budgeted proprietary fund appropriation authority for FY 2018, most approved through rates established by the legislature. The following figure shows the various funds, appropriations, expenditures, and remaining budget authority at the end of FY 2018.

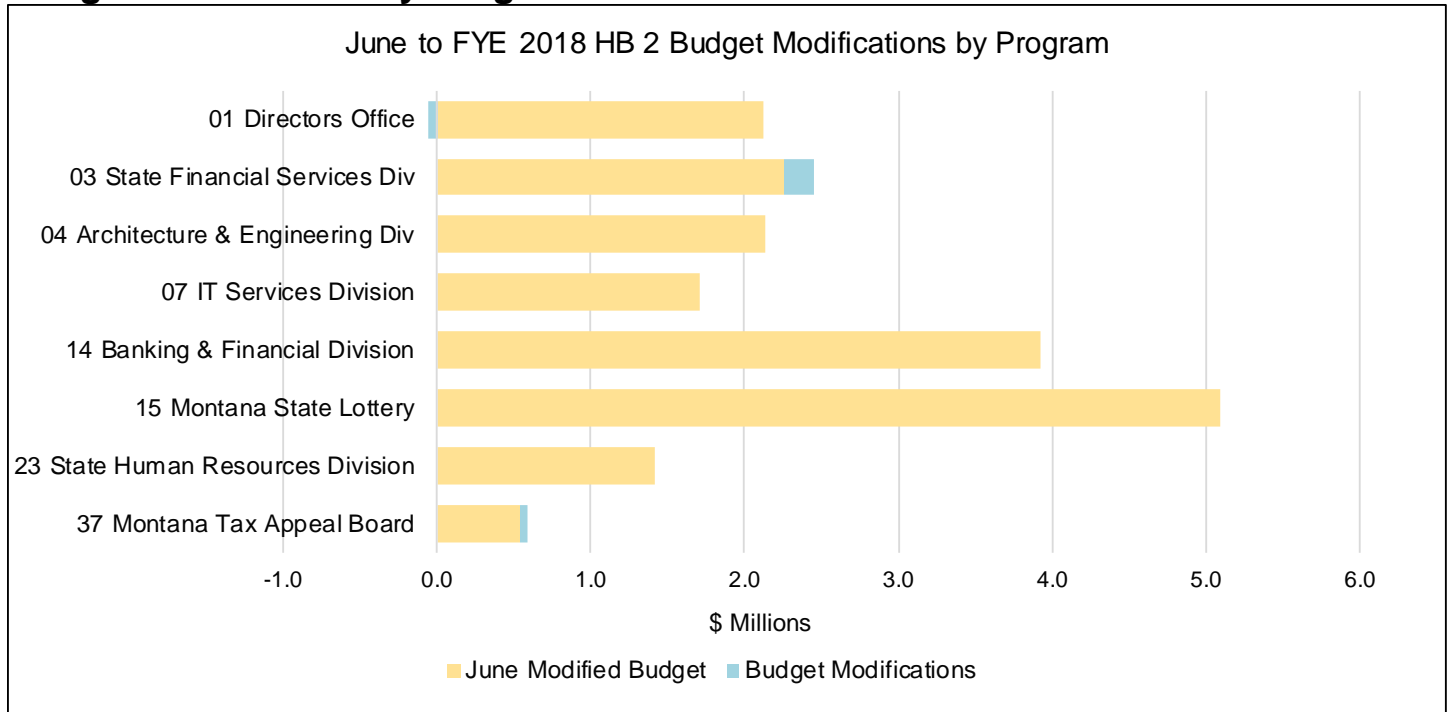
Department of Administration Non-Budgeted Proprietary Funds FY 2018				
	Modified Budget	Expenditures	Remaining Budget	Percent Expended
Director's Office				
Management Services	\$2,078,247	\$1,966,110	\$112,137	94.6%
Continuity Emergency Management	728,218	722,543	5,675	99.2%
State Financial Services Division				
Local Government Services Audit & Reporting	756,974	749,763	7,211	99.0%
SABHRS	4,708,469	3,865,469	843,000	82.1%
Warrant Writing	705,344	702,267	3,077	99.6%
General Services Division				
Surplus Property	699,077	684,757	14,320	98.0%
Rent And Maintenance	10,999,726	10,813,837	185,889	98.3%
Print and Mail Services	10,780,332	9,341,817	1,438,515	86.7%
Information Technology Services Division				
ISD Proprietary	49,602,547	47,516,610	2,085,937	95.8%
Health Care and Benefits Division				
Intergovernmental Training	7,813,858	7,231,542	582,316	92.5%
State Employee Group Benefit Plan	205,401,172	192,638,598	12,762,574	93.8%
Workers' Compensation Management Program	338,467	333,856	4,611	98.6%
State Human Resources Division				
Intergovernmental Training	401,829	399,422	2,407	99.4%
Group Benefits Claims	354,889	347,736	7,153	98.0%
HR Information Services	3,659,557	3,503,360	156,197	95.7%
Risk Management and Tort Defense Division				
Agency Insurance Internal Service	26,952,678	22,895,676	4,057,002	84.9%
Total	\$325,981,384	\$303,713,363	\$22,268,021	93.2%

At 63.0% of the proprietary funding, the State Employee Group Benefit Plan (SEGBP) makes up the majority of non-budgeted proprietary funds. As of the June 30, 2018, the fund balance for SEGBP exceeded actuarially recommended claim reserves by \$16.7 million. SB 3, enacted by the legislature during the November 2017 Special Session, implemented a two-month state employer contribution holiday for group benefits paid to SEGBP. This reduced the revenues to SEGBP in FY 2018 by an estimated \$24.5 million in total funds.

SITSD provides central computing, data network, and telecommunications to state agencies. As of the end of FY 2018 SITSD expended 95.8% of its budget. For FY 2018, the legislature reduced state agency funding for SITSD rates by 6.61% or \$2.6 million in total funds during the November 2017 Special Session.

HB 2 BUDGET MODIFICATIONS

Budget Modification by Program



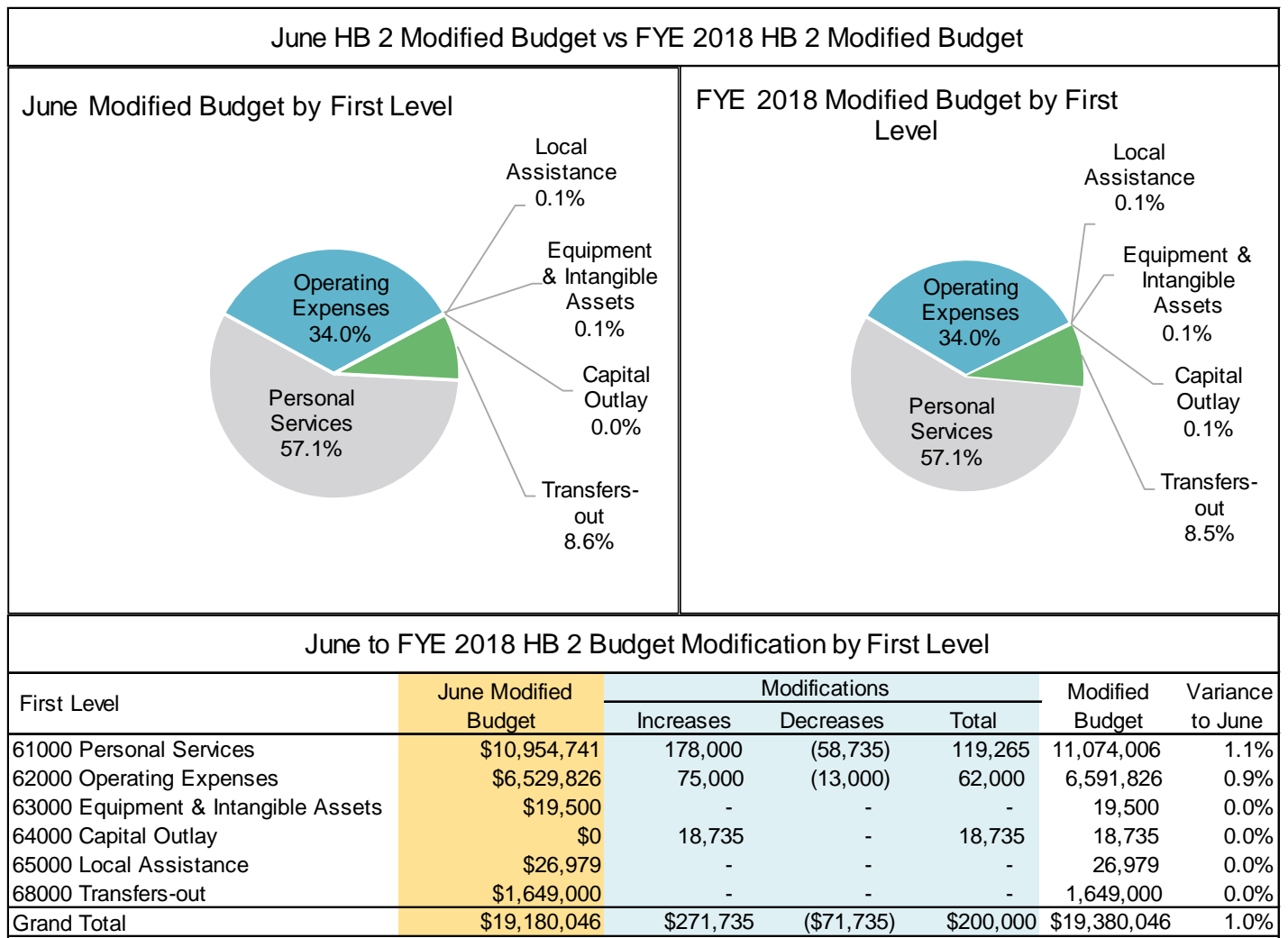
Program	June. Modified Budget	Modifications			FYE Modified Budget	Variance to June
		Increases	Decreases	Total		
01 Directors Office	2,120,880	-	(53,000)	(53,000)	2,067,880	-2.5%
03 State Financial Services Div	2,256,705	218,735	(18,735)	200,000	2,456,705	8.9%
04 Architecture & Engineering Div	2,130,864	-	-	-	2,130,864	0.0%
07 IT Services Division	1,709,547	-	-	-	1,709,547	0.0%
14 Banking & Financial Division	3,919,429	-	-	-	3,919,429	0.0%
15 Montana State Lottery	5,088,377	-	-	-	5,088,377	0.0%
23 State Human Resources Division	1,415,145	-	-	-	1,415,145	0.0%
37 Montana Tax Appeal Board	539,099	53,000	-	53,000	592,099	9.8%
Grand Total	\$19,180,046	\$271,735	(\$71,735)	\$200,000	\$19,380,046	1.0%

This chart shows budget modifications by program from June through FYE.

The Department of Administration had several budget modifications since June 1, 2018. Significant changes include:

- The Director's Office transferred general fund of \$53,000 to the Montana Tax Appeal Board. This transfer was completed to manage budget reductions within the Montana Tax Appeal Board
- The State Financial Services Division transferred approximately \$5,700 from personal services and \$13,000 from operating expenses to capital outlay. This transfer was made for remodel expenses that will need to be capitalized as building improvements when completed
- The State Financial Services Division transferred general fund of \$200,000 from FY 2019 to FY 2018

Budget Modification by First Level

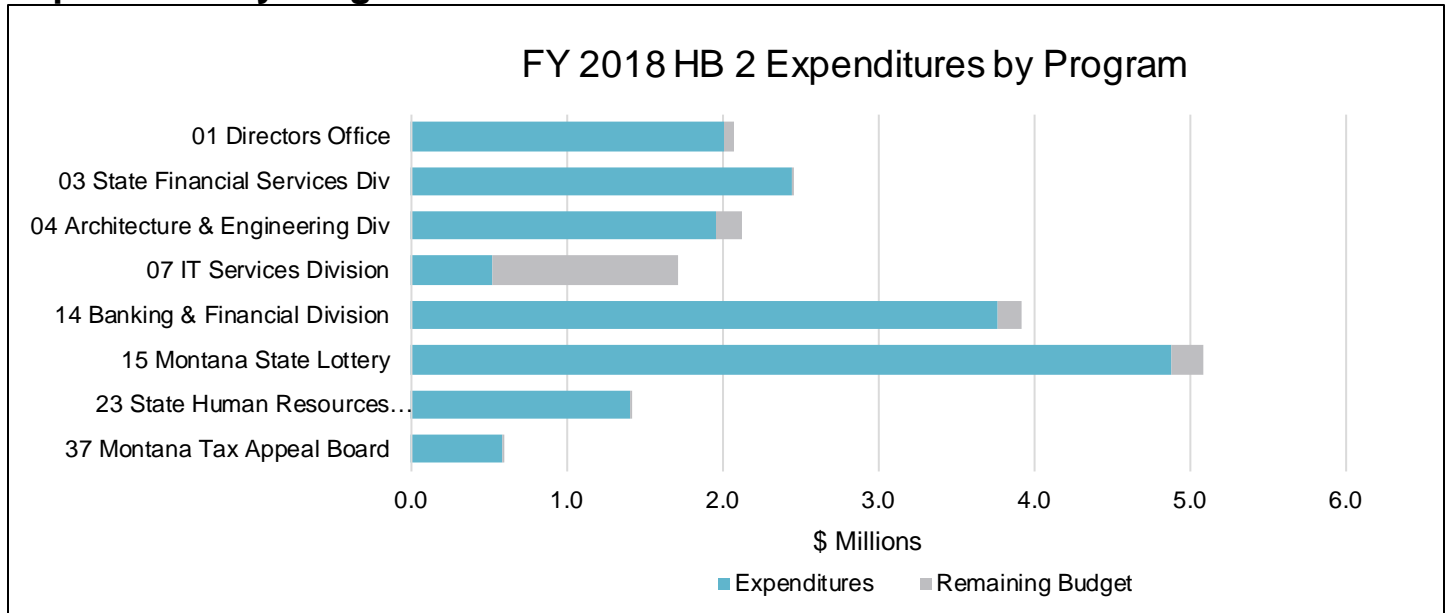


The above charts show June HB 2 modified budget by first level compared to FYE modified budget by first level.

Additional details on the HB 2 budget modifications are included in the section above.

AGENCY HB 2 EXPENDITURES

Expenditure by Program



Program	FYE Modified Budget	Expenditures	Remaining Budget	Percent Expended
01 Directors Office	2,067,880	2,014,775	53,105	97.4%
03 State Financial Services Div	2,456,705	2,448,505	8,200	99.7%
04 Architecture & Engineering Div	2,130,864	1,954,776	176,088	91.7%
07 IT Services Division	1,709,547	520,396	1,189,151	30.4%
14 Banking & Financial Division	3,919,429	3,766,594	152,835	96.1%
15 Montana State Lottery	5,088,377	4,881,939	206,438	95.9%
23 State Human Resources Division	1,415,145	1,401,411	13,734	99.0%
37 Montana Tax Appeal Board	592,099	587,048	5,051	99.1%
Grand Total	\$19,380,046	17,575,444	\$1,804,602	90.7%

This chart shows current FY 2018 expenditures by program and remaining authority for HB 2 budget.

Director's Office

The Director's Office expended 97.4% of its HB 2 modified budget as of the end of FY 2018. Personal services were 107.2% expended, operating expenses were 55.6% expended, and transfers-out were 100.0% expended.

State Financial Services Division

The State Financial Services Division expended 99.7% of its HB 2 modified budget as of the end of FY 2018. Personal services were 100.3% expended, operating expenses were 96.6% expended, and capital outlay was 100.0% expended.

Architecture and Engineering Division

The Architecture and Engineering Division expended 91.7% of its HB 2 modified budget as of the end of FY 2018. Personal services were 91.3% expended and operating expenses were 92.9% expended.

Information Technology Services Division

The Information Technology Services Division expended 30.4% of its HB 2 modified budget as of the end of FY 2018. Personal services were 67.1% expended and operating expenses were 12.3% expended. The lower percentage expended in the division was mainly comprised of federal funds associated with FirstNet. This was a federal grant to implement a dedicated frequency for first responders. The federal FirstNet contract was awarded to AT&T in August 2017. Expenditures by SITSD for FirstNet have been minimal to date.

Banking and Financial Services Division

The Banking and Financial Services Division expended 96.1% of its HB 2 modified budget as of the end of FY 2018. Personal services were 91.6% expended and operating expenses were 111.7% expended.

Montana State Lottery

The Montana State Lottery expended 95.9% of its HB 2 modified budget as of the end of FY 2018. Personal services were 98.2% expended, operating expenses were 94.3% expended, and equipment and intangible assets were 92.6% expended.

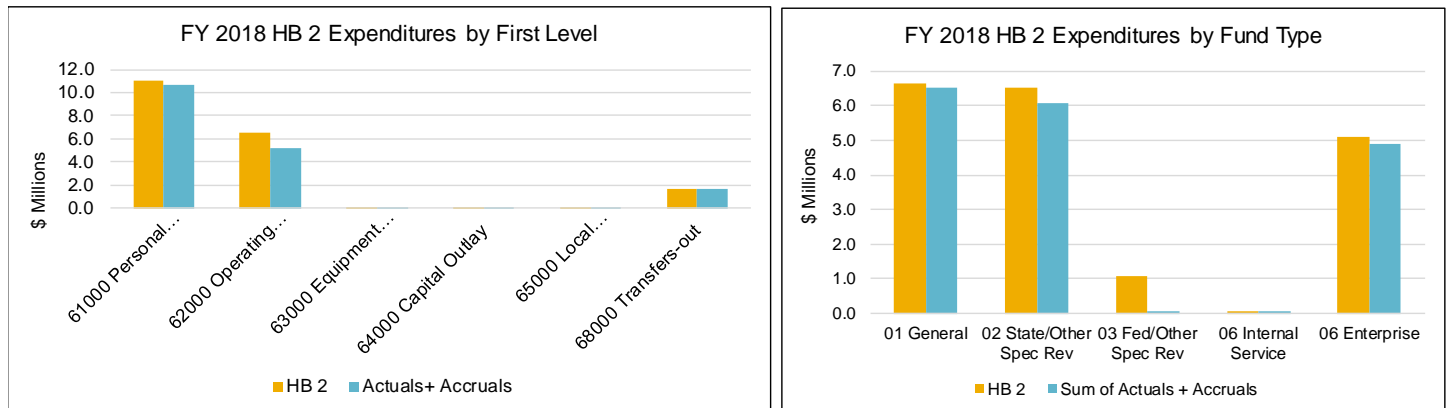
State Human Resources Division

The State Human Resources Division expended 99.0% of its HB 2 modified budget as of the end of FY 2018. Personal services were 113.7% expended and operating expenses were 59.8% expended.

Montana Tax Appeal Board

The Montana Tax Appeal Board expended 99.1% of its HB 2 modified budget as of the end of FY 2018. Personal services were 100.3% expended, operating expenses were 92.9% expended, and local assistance was 117.1% expended.

Expenditure By First Level Account and Fund Type



FY 2018 HB 2 Expended by First Level			
First Level	FYE Modified HB 2	Expended	Percent Expended
61000 Personal Services	11,074,006	10,626,172	96.0%
62000 Operating Expenses	6,591,826	5,240,831	79.5%
63000 Equipment & Intangible Assets	19,500	18,054	92.6%
64000 Capital Outlay	18,735	18,735	100.0%
65000 Local Assistance	26,979	22,652	84.0%
68000 Transfers-out	1,649,000	1,649,000	100.0%
Grand Total	\$19,380,046	\$17,575,444	90.7%

FY 2018 HB 2 Expended by Fund Type			
Fund Type	FYE Modified HB 2	Expended	Percent Expended
01 General	6,656,152	6,520,036	98.0%
02 State/Other Spec Rev	6,502,061	6,064,682	93.3%
03 Fed/Other Spec Rev	1,078,083	53,417	5.0%
06 Enterprise	5,088,377	4,881,939	95.9%
06 Internal Service	55,373	55,370	100.0%
Grand Total	\$19,380,046	\$17,575,444	90.7%

The above charts show HB 2 modified budget compared to expenditures by first level and fund type.

Overall, DOA has expended 90.7% of its HB 2 modified budget. Operating expenses were 79.5% expended and federal special revenue was 5.0% expended. These lower percentages expended were primarily due to low expenditures associated with FirstNet. Additional details are included in the section above.

REQUIRED REPORTS

The Department of Administration has submitted the following required reports due to the Legislative Finance Committee:

- General Fund Encumbrance Extensions – 17-1-102(4)(a), MCA
- Non-General Fund Encumbrance Extensions – 17-1-102(4)(b), MCA
- Inter-entity Loan Report, Fiscal Year-End 2018 – 17-2-107(5), MCA
- Deposit Policy Exemptions – 17-6-105, MCA

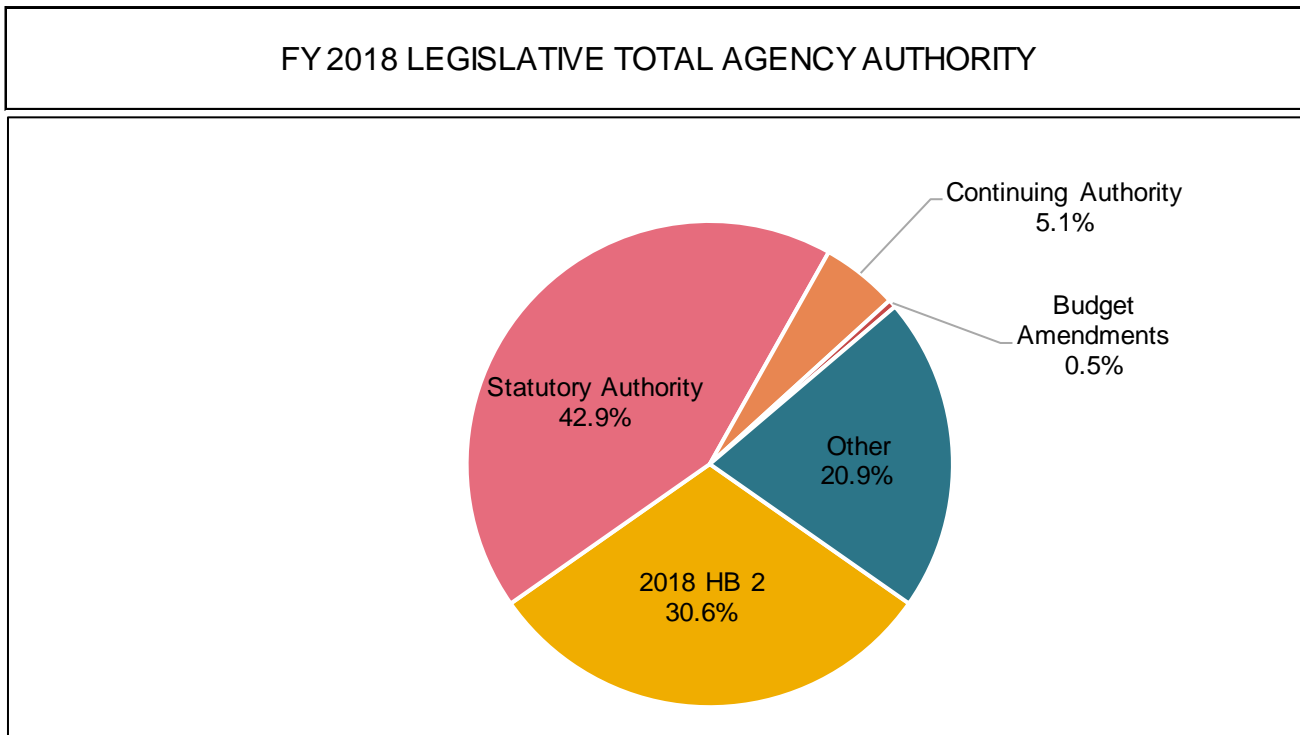
- 2018 Statewide Facility Inventory and Condition Assessment Report – 17-7-202, MCA
- Enterprise and Internal Service Fund Report – 17-8-101(7), MCA
- Biennial Lease Report – 2-17-101, MCA

DEPARTMENT OF COMMERCE

BUDGET AND EXPENDITURE HIGHLIGHTS

The Department of Commerce’s HB 2 modified budget of \$30.2 million was 49.0% expended as of the end of FY 2018. The primary reason for the low percentage expended is due to grant activity. Grants totaling \$21.0 million are 37.3% expended. The low percentage expended is primarily due to the timing of accruing valid obligations, timing related to grant disbursements, and fluctuation in the amount of federal funds received.

TOTAL APPROPRIATION AUTHORITY OVERVIEW



FY 2018 Total Agency Authority	
Authority	FYE Budget
2018 HB 2	30,164,659
Language Authority	0
Statutory Authority	42,320,711
Carry Forward	0
Continuing Authority	5,047,107
Budget Amendments	526,818
Other	20,672,151
Long Range Planning	0
Total Budgeted Authority	98,731,446
Non-Budgeted Proprietary	\$ 65,660,874

FY 2018 Total Agency Authority Expended	
Total Budgeted Expended	53,060,514
Total Budgeted Authority	98,731,446
% Expended	53.7%

This chart shows current FYE authority compared to special session budget authority for the agency (Appendix B). Budget Amendment authority is not legislative authority, instead it is added authority through the budget amendment process.

Statutory Appropriations

Statutory appropriations in the Department of Commerce total \$42.3 million. The majority of the statutory appropriations are from lodging and facility taxes (\$27.5 million) and the Big Sky Economic Development Program (\$5.9 million). Statutory appropriations also include funding for the Distressed Wood Products program,

Research and Commercialization, Hard Rock Mining, the Board of Horse Racing, the Board of Investments, and the Montana Heritage Commission.

Budget Amendments

The Department of Commerce has not had any budget amendments since June 1, 2018.

Other Authority

The Department of Commerce has authority for the Treasure State Endowment Program (TSEP) included in other authority. The TSEP program provides grants to assist local governments with infrastructure projects. Authority in FY 2018 totals \$20.7 million. During the November 2017 Special Session, the legislature authorized a transfer of \$7.5 million from the TSEP program to the state general fund. The legislature did not reduce any of the TSEP appropriations. The Long-Range Planning (Section F) budget status report provides additional details on TSEP.

Non-Budgeted Proprietary

The Department of Commerce has several non-budgeted proprietary funds, which total \$65.7 million in FY 2018. These include proprietary funds in the Montana Facility Finance Authority, Housing Division, Board of Investments, and Director's Office.

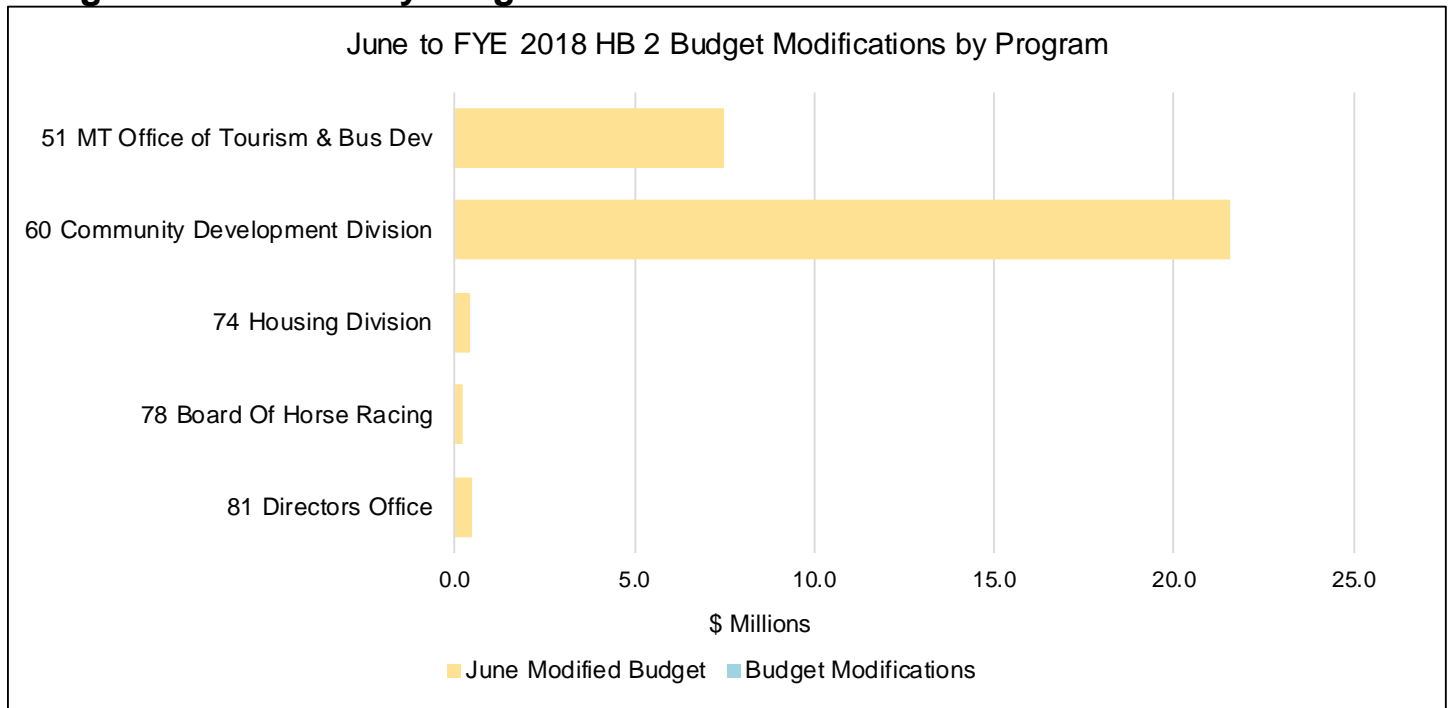
Continuing Appropriations

The Department of Commerce has continuing appropriations, which include:

- Federal special revenue of \$120,000 for the State Trade and Export Promotion program (STEP)
- Federal special revenue of \$3.0 million for the Housing and Urban Development (HUD) Housing Trust Fund (HTF)
- Federal special revenue of \$1.9 million for Section 811 Supportive Housing for Persons with Disabilities program

HB 2 BUDGET MODIFICATIONS

Budget Modification by Program



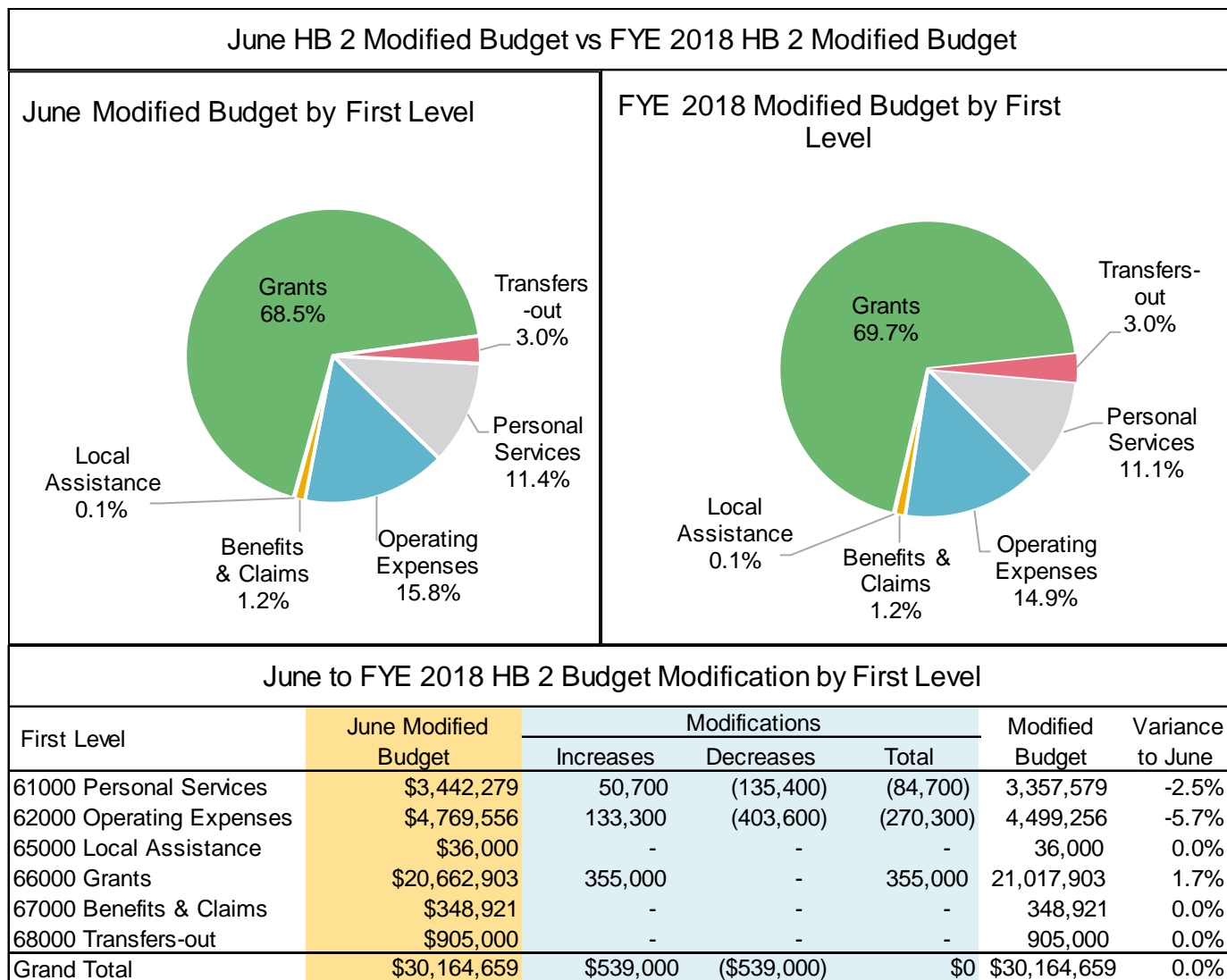
Program	June. Modified Budget	Modifications			FYE Modified Budget	Variance to June
		Increases	Decreases	Total		
51 MT Office of Tourism & Bus Dev	7,478,408	433,000	(433,000)	-	7,478,408	0.0%
60 Community Development Division	21,555,145	101,400	(101,400)	-	21,555,145	0.0%
74 Housing Division	433,921	-	-	-	433,921	0.0%
78 Board Of Horse Racing	197,185	4,600	(4,600)	-	197,185	0.0%
81 Directors Office	500,000	-	-	-	500,000	0.0%
Grand Total	\$30,164,659	\$539,000	(\$539,000)	\$0	\$30,164,659	0.0%

This chart shows budget modifications by program from June through FYE.

The Department of Commerce had several budget modifications since June 1, 2018. Significant changes include:

- The Montana Office of Tourism and Business Development transferred state special revenue of \$355,000 from operating expenses to grants to allow for the accrual of outstanding primary business sector worker training grants. The office also transferred general fund of \$78,000 from personal services to operating expenses because operating expenses were greater than anticipated

Budget Modification by First Level

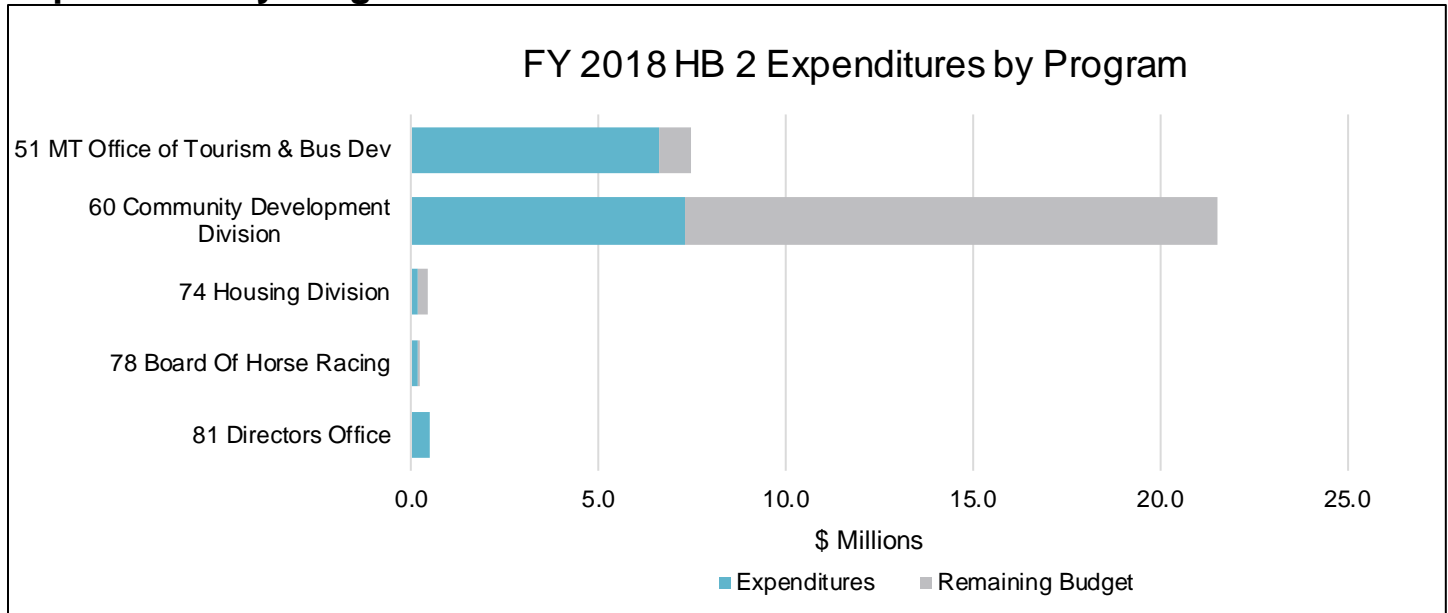


The above charts show June HB 2 modified budget by first level compared to FYE modified budget by first level.

Additional details on the HB 2 budget modifications are included in the section above.

AGENCY HB 2 EXPENDITURES

Expenditure by Program



Program	FYE Modified Budget	Expenditures	Remaining Budget	Percent Expended
51 MT Office of Tourism & Bus Dev	7,478,408	6,634,412	843,996	88.7%
60 Community Development Division	21,555,145	7,296,741	14,258,404	33.9%
74 Housing Division	433,921	146,725	287,196	33.8%
78 Board Of Horse Racing	197,185	195,018	2,167	98.9%
81 Directors Office	500,000	500,000	-	100.0%
Grand Total	\$30,164,659	14,772,896	\$15,391,763	49.0%

This chart shows current FY 2018 expenditures by program and remaining authority for HB 2 budget.

Montana Office of Tourism and Business Development

The Montana Office of Tourism and Business Development expended 88.7% of its HB 2 modified budget as of the end of FY 2018. Personal services were 94.5% expended, operating expenses were 79.0% expended, and grants were 92.0% expended. The lower percentage expended for operating expenses was primarily due to the microbusiness loan account, which was 0.0% expended because all funds had already been dispersed.

Community Development Division

The Community Development Division expended 33.9% of its HB 2 modified budget as of the end of FY 2018. The low percentage expended was primarily related to Coal Board grants, Community Development Block grants and Home Investment Partnership Program (HOME) grants.

The Coal Board expended 48.5% of its \$3.4 million of its appropriations for grants. The unexpended portion of the appropriation for grants is a biennial appropriation which can be used in FY 2019. Community Development Block Grant appropriations of \$6.8 million and HOME grant appropriations of \$7.9 million were 23.8% expended. The division has awarded grants of approximately \$5.7 million in state FY 2018; however, startup conditions had not yet been met to be obligated through contract, which was needed to accrue the expenditures in FY 2018.

Housing Division

The Housing Division expended 33.8% of its HB 2 modified budget as of the end of FY 2018. The Shelter Plus Care program primarily contributed to the lower percentage expended. The Housing Division was awarded a grant to address chronic homelessness in scattered sites in Cascade, Flathead, and Yellowstone counties. The program is in the process of being closed out (October 2018) which caused the decline in expenditures.

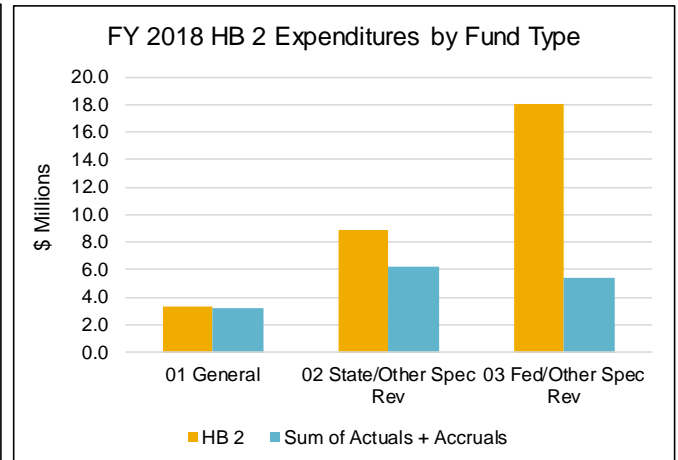
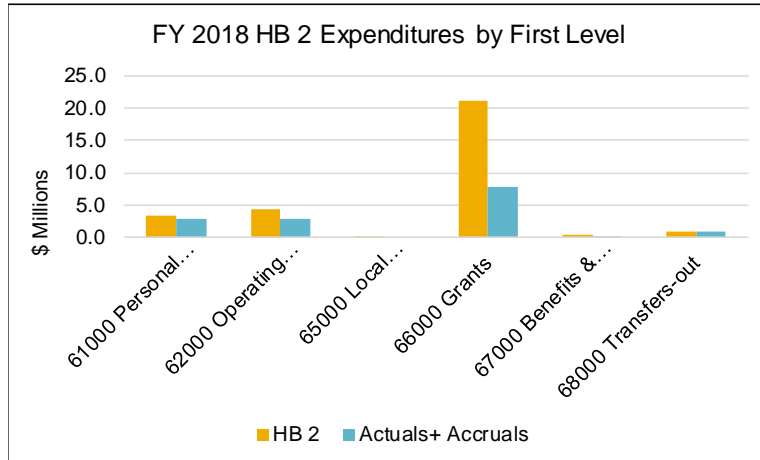
Board of Horse Racing

The Board of Horse Racing expended 98.9% of its FY 2018 HB 2 modified budget as of the end of FY 2018. Personal services were 99.4% expended and operating expenses were 98.9% expended.

Director's Office

The Director's Office expended 100.0% of its modified HB 2 budget as of the end of FY 2018.

Expenditure By First Level Account and Fund Type



First Level	FYE Modified		Percent Expended
	HB 2	Expended	
61000 Personal Services	3,357,579	2,974,162	88.6%
62000 Operating Expenses	4,499,256	2,909,620	64.7%
65000 Local Assistance	36,000	-	0.0%
66000 Grants	21,017,903	7,842,932	37.3%
67000 Benefits & Claims	348,921	141,183	40.5%
68000 Transfers-out	905,000	905,000	100.0%
Grand Total	\$30,164,659	\$14,772,896	49.0%

Fund Type	FYE Modified		Percent Expended
	HB 2	Expended	
01 General	3,264,192	3,196,571	97.9%
02 State/Other Spec Rev	8,827,125	6,178,381	70.0%
03 Fed/Other Spec Rev	18,073,342	5,397,944	29.9%
Grand Total	\$30,164,659	\$14,772,896	49.0%

The above charts show HB 2 modified budget compared to expenditures by first level and fund type.

The Department of Commerce HB 2 modified budget is comprised of general fund, state special revenue, and federal special revenue. The department expended 49.0% of its HB 2 modified budget as of the end of FY 2018. The low percentage expended was primarily federal special revenue related to Community Development Block Grant and HOME Grant expenditures. Additional details are outlined in the previous section.

REQUIRED REPORTS

The Department of Commerce does not have any required reports due currently to the Legislative Finance Committee.

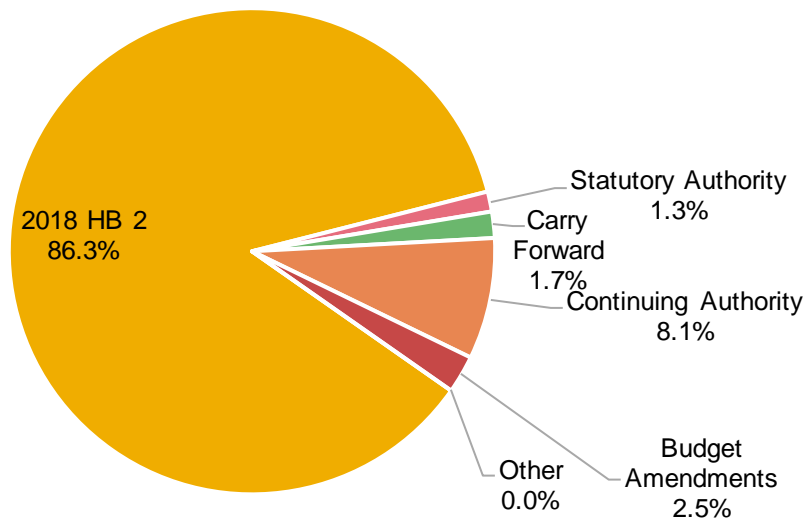
DEPARTMENT OF LABOR AND INDUSTRY

BUDGET AND EXPENDITURE HIGHLIGHTS

The modified HB 2 budget of \$80.1 million for the Department of Labor and Industry was 90.8% expended through the end of FY 2018. This lower percentage expended is primarily due to lack of federal grant awards, primarily within the Workforce Services Division.

TOTAL APPROPRIATION AUTHORITY OVERVIEW

FY 2018 LEGISLATIVE TOTAL AGENCY AUTHORITY



FY 2018 Total Agency Authority	
Authority	FYE Budget
2018 HB 2	80,066,349
Language Authority	0
Statutory Authority	1,237,598
Carry Forward	1,621,790
Continuing Authority	7,490,463
Budget Amendments	2,336,575
Other	0
Long Range Planning	0
Total Budgeted Authority	92,752,775
Non-Budgeted Proprietary	\$ 153,150,834

FY 2018 Total Agency Authority Expended	
Total Budgeted Expended	75,362,364
Total Budgeted Authority	92,752,775
% Expended	81.3%

This chart shows current FYE authority compared to special session budget authority for the agency (Appendix B). Budget Amendment authority is not legislative authority, instead it is added authority through the budget amendment process.

The Department of Labor and Industry had a total budgeted authority of \$92.8 million for FY 2018. This amount includes \$80.1 million in HB 2 spending authority, which makes up 86.3% of the department's total budgeted authority. The remainder of the budget consists of statutory appropriations, carryforward authority, continuing authority, and budget amendments. The department expended only 81.3% of its total budgeted spending authority in FY 2018.

Statutory Appropriations

The Department of Labor and Industry had \$1.2 million in statutory spending authority. The majority of the statutory appropriations are for the Uninsured Employers Fund (\$790,000), which was under-expended at the end of the fiscal year. Because the fund is used strictly to pay medical claims of injured employees whose employers did not carry workers' compensation insurance, the lower percentage expended was directly related to how many uninsured employees were injured and the extent of their claims.

Carryforward

The Department of Labor and Industry had about \$1.6 million in carryforward authority for FY 2018. The department expended about \$54,000 of its federal carryforward authority in FY 2018, mainly within personal services to offset reductions from the November 2017 Special Session.

Continuing Appropriations

Continuing appropriations in the Department of Labor and Industry totaled \$7.5 million. These appropriations include the continuation of federal grants and funding for long-range information technology projects.

Budget Amendments

The Department of Labor and Industry had \$2.3 million in budget amendment authority in FY 2018. The department did not have any budget amendments between June 1, 2018 and the end of the fiscal year.

Long-Range Planning

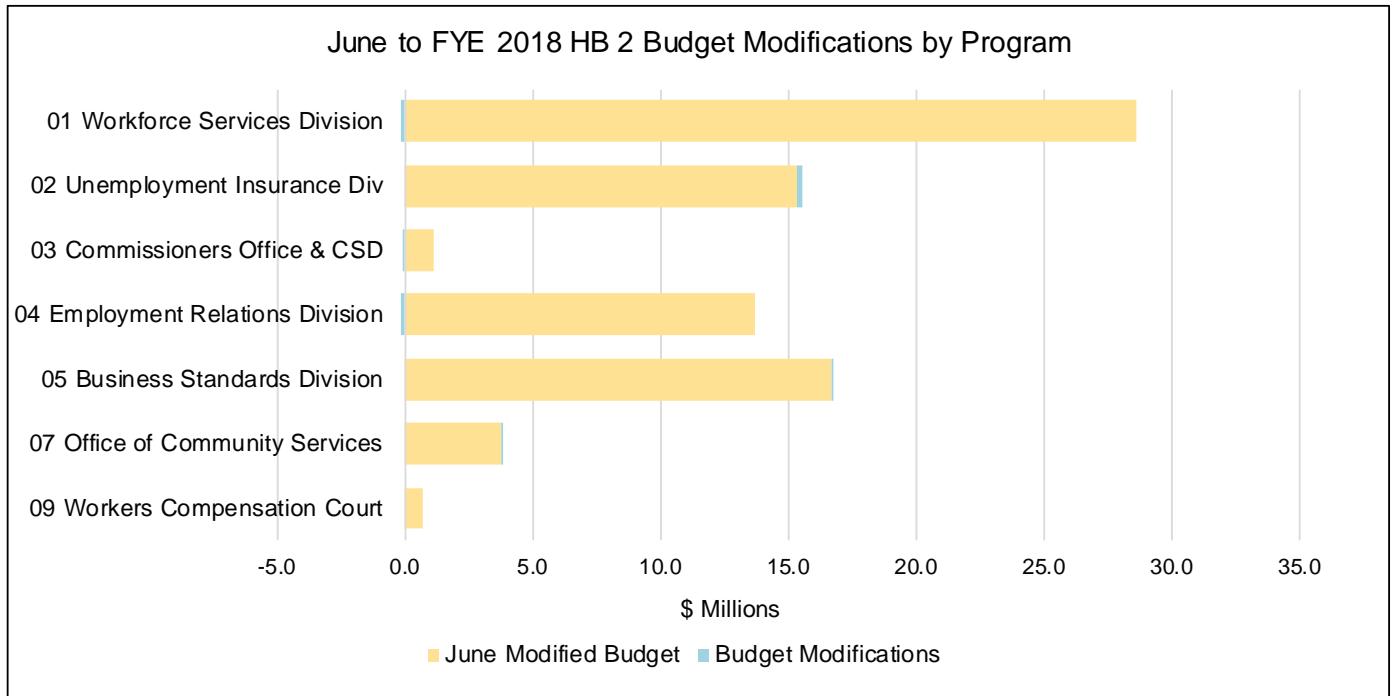
The Department of Labor and Industry did not have any long-range planning projects.

Proprietary Funds

Non-budgeted propriety funds in the Department of Labor and Industry total \$153.2 million in FY 2018. This amount primarily consists of the Unemployment Insurance Benefit Fund which totals \$134.2 million. The fund was slightly under-expended at fiscal year end due to the current low unemployment rate.

HB 2 BUDGET MODIFICATIONS

Budget Modification by Program



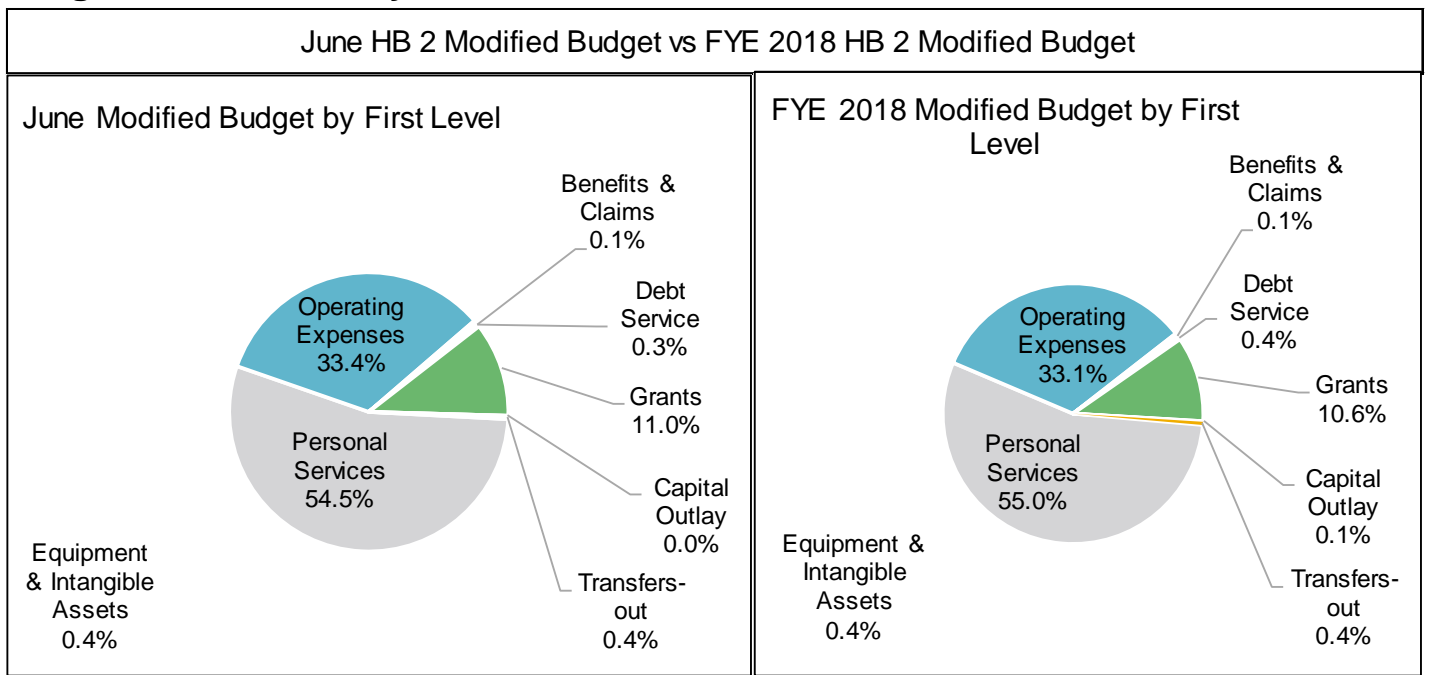
Program	June Modified Budget	Modifications			FYE Modified Budget	Variance to June
		Increases	Decreases	Total		
01 Workforce Services Division	28,605,673	297,000	(444,000)	(147,000)	28,458,673	-0.5%
02 Unemployment Insurance Div	15,321,303	660,300	(405,300)	255,000	15,576,303	1.7%
03 Commissioners Office & CSD	1,151,335	62,942	(112,592)	(49,650)	1,101,685	-4.3%
04 Employment Relations Division	13,729,207	300,447	(447,297)	(146,850)	13,582,357	-1.1%
05 Business Standards Division	16,715,396	104,200	(21,700)	82,500	16,797,896	0.5%
07 Office of Community Services	3,809,283	11,000	(5,000)	6,000	3,815,283	0.2%
09 Workers Compensation Court	734,152	17,600	(17,600)	-	734,152	0.0%
Grand Total	\$80,066,349	\$1,453,489	(\$1,453,489)	\$0	\$80,066,349	0.0%

This chart shows budget modifications by program from June through FYE.

The Department of Labor and Industry had several modifications between June 1, 2018 and fiscal year end, the most major of which are outlined below.

- The Unemployment Insurance Division transferred \$290,000 in state special revenue from operating expenses to personal services. The Commissioner's Office and the Employment Relations Division transferred a total of \$140,000 in state special revenue to the Unemployment Insurance Division for their needs in personal services and operating expenses. The Unemployment Insurance Division was unable to meet their 6% vacancy savings
- The Department of Labor and Industry moved \$247,000 of state special revenue from operating expenses to personal services within the Employment Relations Division in order to staff the division at an appropriate level
- The Department of Labor and Industry transferred \$315,000 in state special revenue from grants to operating expenses within the Workforce Services Division, allowing the department to track technology services expenses correctly
- The department transferred 11.00 HB 2 base FTE from the Workforce Services Division to the Business Standards Division to bring licensing and inspecting staff to the level necessary to meet job demand

Budget Modification by First Level



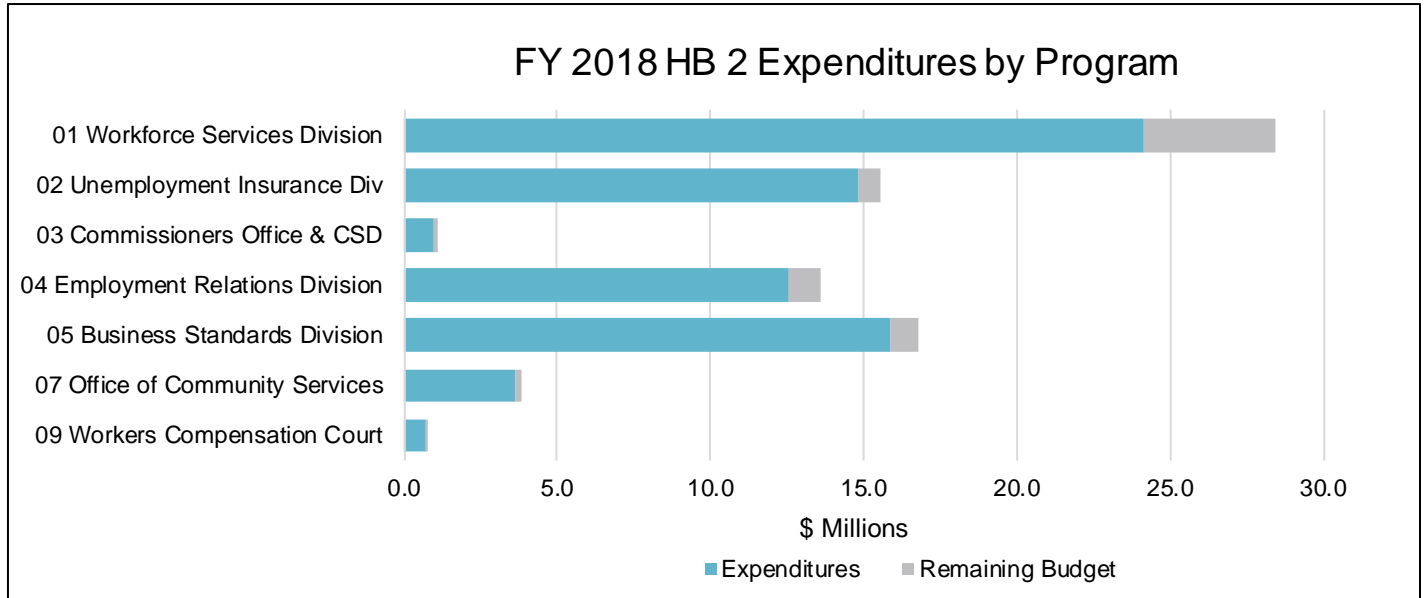
June to FYE 2018 HB 2 Budget Modification by First Level						
First Level	June Modified Budget	Modifications			Modified Budget	Variance to June
		Increases	Decreases	Total		
61000 Personal Services	43,620,627	840,527	(422,750)	417,777	44,038,404	1.0%
62000 Operating Expenses	26,705,255	516,580	(741,339)	(224,759)	26,480,496	-0.8%
63000 Equipment & Intangible Assets	312,574	-	(10,400)	(10,400)	302,174	-3.3%
64000 Capital Outlay	-	57,076	-	57,076	57,076	0.0%
66000 Grants	8,767,792	-	(279,000)	(279,000)	8,488,792	-3.2%
67000 Benefits & Claims	100,389	-	-	-	100,389	0.0%
69000 Debt Service	247,729	37,306	-	37,306	285,035	15.1%
68000 Transfers-out	311,983	2,000	-	2,000	313,983	0.6%
Grand Total	\$80,066,349	\$1,453,489	(\$1,453,489)	\$0	\$80,066,349	0.0%

The above charts show June HB 2 modified budget by first level compared to FYE modified budget by first level.

The Department of Labor and Industry had several budget modifications between June 1, 2018 and fiscal year end. See the previous section for details on HB 2 budget modifications.

AGENCY HB 2 EXPENDITURES

Expenditure by Program



Program	FYE Modified Budget	Expenditures	Remaining Budget	Percent Expended
01 Workforce Services Division	28,458,673	24,126,724	4,331,949	84.8%
02 Unemployment Insurance Div	15,576,303	14,841,997	734,306	95.3%
03 Commissioners Office & CSD	1,101,685	999,452	102,233	90.7%
04 Employment Relations Division	13,582,357	12,532,622	1,049,735	92.3%
05 Business Standards Division	16,797,896	15,884,484	913,412	94.6%
07 Office of Community Services	3,815,283	3,624,631	190,652	95.0%
09 Workers Compensation Court	734,152	719,076	15,076	97.9%
Grand Total	\$80,066,349	\$72,728,985	\$7,337,364	90.8%

This chart shows current FY 2018 expenditures by program and remaining authority for HB 2 budget.

The Department of Labor and Industry expended 90.8% of its modified HB 2 budget in FY 2018.

Workforce Services Division

The Workforce Services Division expended 84.8% of its \$28.5 million HB 2 modified budget as of fiscal year end. Personal services, operating expenses, and grants were all under-expended due a lack of federal grant dollars to support the appropriation, which resulted in the closure of several job services offices.

Unemployment Insurance Division

The Unemployment Insurance Division expended 95.3% of its \$15.6 million HB 2 modified budget as of fiscal year end. Operating expenses was slightly under-expended due to the use of one-time-only grant funds for IT projects, which freed up some of the base appropriation.

The Commissioner's Office / Centralized Services Division

The Commissioner's Office and Centralized Services Division expended 90.7% of its \$1.1 million HB 2 modified budget as of fiscal year end. Both personal services and operating expenses were under-expended, in part due to the department's decreased utilization of the Employment Security Account state special revenue fund. The largest portion of the unspent authority occurred within the BSD Hearings fund, which is used by the division's Office of Administrative Hearings (OAH) when hearing cases from the Business Standards Division. The OAH caseload in that area was relatively low for FY 2018 and tends to be extremely variable from year to year.

Employment Relations Division

The Employment Relations Division expended 92.3% of its \$13.6 million HB 2 modified budget as of fiscal year end due to slightly lower operating expenses. The lower percentage expended was a result of lower usage of the Uninsured Employer Fund, which covers the legal, investigatory, and prosecution costs for workers' compensation fraud.

Business Standards Division

The Business Standards Division expended 94.6% of its \$16.8 million HB 2 modified budget, which is within the anticipated range for fiscal year end. Personal services and operating expenses were both within the anticipated range for the division as well.

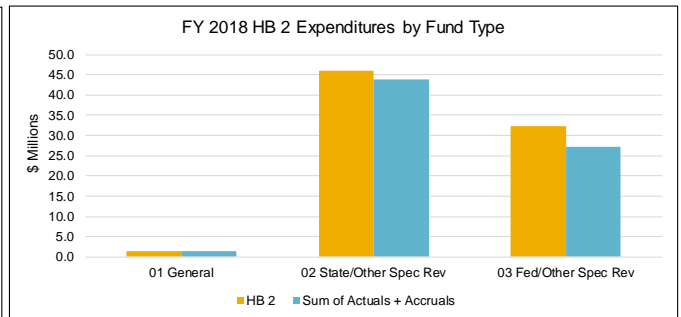
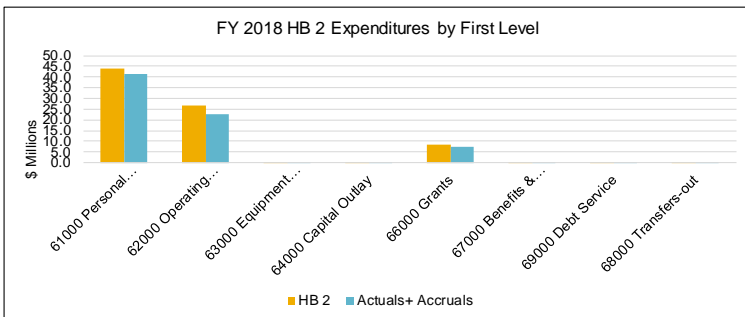
Office of Community Services

The Office of Community Services expended 95.0% of its \$3.8 million HB 2 modified budget, which is within the anticipated range for fiscal year end. Expenditures for personal services and operating expenses were also at reasonable levels for fiscal year end.

Workers' Compensation Court

The Workers' Compensation Court expended 97.9% of its \$734,000 HB 2 modified budget, which is at a reasonable level for fiscal year end. Expenditures for personal services and operating expenses for the division were also within the anticipated range for fiscal year end.

Expenditure By First Level Account and Fund Type



FY 2018 HB 2 Expended by First Level			
First Level	FYE Modified HB 2	Expended	Percent Expended
61000 Personal Services	44,038,404	41,654,153	94.6%
62000 Operating Expenses	26,480,496	22,726,592	85.8%
63000 Equipment & Intangible Assets	302,174	167,162	55.3%
64000 Capital Outlay	57,076	57,051	100.0%
66000 Grants	8,488,792	7,353,074	86.6%
67000 Benefits & Claims	100,389	50,050	49.9%
68000 Transfers-out	313,983	386,026	122.9%
69000 Debt Service	285,035	334,877	117.5%
Grand Total	\$80,066,349	\$72,728,985	90.8%

FY 2018 HB 2 Expended by Fund Type			
Fund Type	FYE Modified HB 2	Expended	Percent Expended
01 General	1,566,994	1,566,869	100.0%
02 State/Other Spec Rev	46,095,448	43,872,936	95.2%
03 Fed/Other Spec Rev	32,403,907	27,289,181	84.2%
Grand Total	\$80,066,349	\$72,728,985	90.8%

The above charts show HB 2 modified budget compared to expenditures by first level and fund type.

The Department of Labor and Industry's HB 2 modified budget is comprised of general fund, state special revenue, and federal special revenue. The department expended 90.8% of its HB 2 modified budget as of the 2018 fiscal year end. Additional details on expenditures are outlined in the previous section.

REQUIRED REPORTS

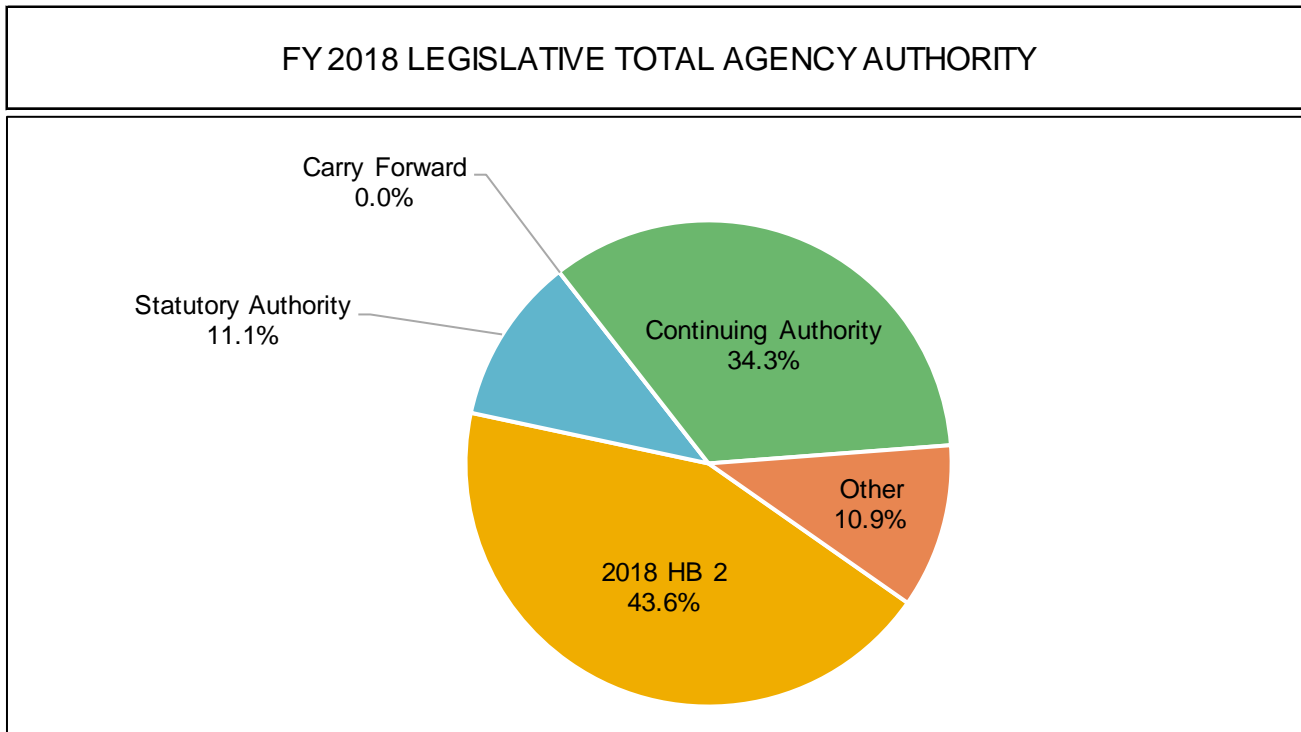
The Department of Labor and Industry does not have any required reports due to the Legislative Finance Committee at this time.

DEPARTMENT OF MILITARY AFFAIRS

BUDGET AND EXPENDITURE HIGHLIGHTS

The FY 2018 modified HB 2 budget of \$48.0 million for the Department of Military Affairs (DMA) was 74.9% expended through the end of FY 2018. The HB 2 general fund expenditures were 97.3% expended as of fiscal year end, but the lower overall percentage expended was mainly due to low expenditures in federal special revenue. Several programs within the Department of Military Affairs had an excess of federal spending authority. Additionally, some programs track their federal funds in the federal fiscal year and plan to spend those funds between state fiscal year end and the federal fiscal year end of September 31st.

TOTAL APPROPRIATION AUTHORITY OVERVIEW



FY 2018 Total Agency Authority	
Authority	FYE Budget
2018 HB 2	47,997,670
Language Authority	0
Statutory Authority	12,227,237
Carry Forward	0
Continuing Authority	37,789,856
Budget Amendments	843,364
Other	12,015,000
Long Range Planning	0
Total Budgeted Authority	\$ 110,873,126
Non-Budgeted Proprietary	\$ -

FY 2018 Total Agency Authority Expended	
Total Expended	\$54,238,975
Total Budgeted Authority	\$110,873,126
% Expended	48.9%

This chart shows current FYE authority compared to special session budget authority for the agency (Appendix B). Budget Amendment authority is not legislative authority, instead it is added authority through the budget amendment process.

The Department of Military Affairs had a total budget of \$110.8 million for FY 2018. This amount includes \$48.0 million in HB 2 spending authority, which makes up 43.6% of the department's total budget. The remainder of the budget consists of statutory appropriations, continuing authority, budget amendments, and authority from other house and senate bills. The department expended only 48.9% of its total spending authority in FY 2018.

Statutory Appropriations

The majority of the statutory appropriations in the Department of Military Affairs are for the Disaster Fund, which is provided to the Governor in the event of a declared emergency or disaster. The Governor has the authority to authorize up to \$16.0 million for disaster relief via executive orders.

Carryforward

The Department of Military Affairs did not have any carryforward authority in FY 2018.

Continuing Authority

Continuing authority for the Department of Military Affairs totaled \$37.8 million for FY 2018. Continuing appropriations include funding for several readiness centers, long-range building projects, and natural disaster relief from the Federal Emergency Management Agency (FEMA).

Budget Amendments

The Department of Military Affairs had one budget amendment from June 1, 2018 through fiscal year end. This budget amendment increased federal special revenue by \$362,000 in the ChalleNGe program, which is military-modeled training program for youth aged 16 to 18 who have dropped out of high school. The program aims to increase the educational level and employment potential of its participants.

Other Authority

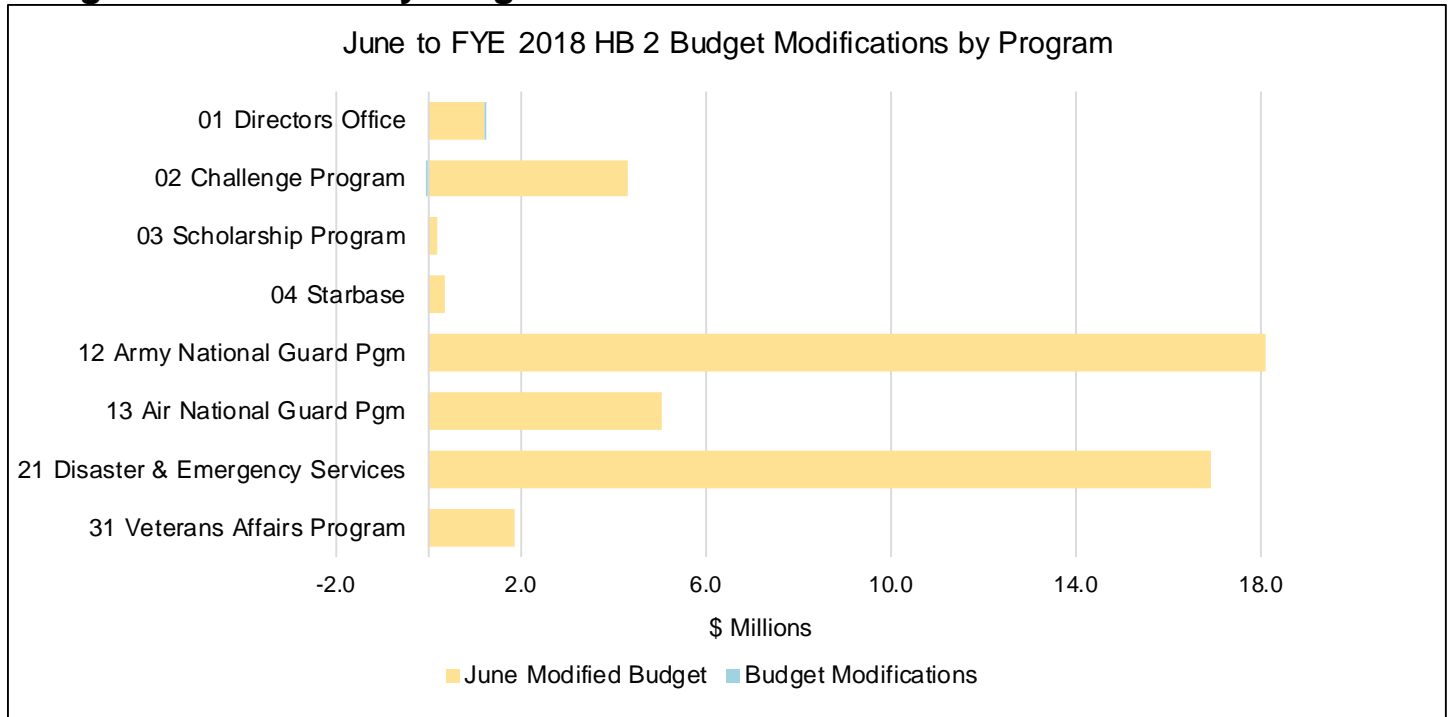
The Department of Military Affairs had appropriations from other house and senate bills totaling about \$12.0 million. The majority of this funding is for long-range building and planning projects.

Proprietary Funds

The Department of Military Affairs does not have non-budgeted proprietary funds.

HB 2 BUDGET MODIFICATIONS

Budget Modification by Program



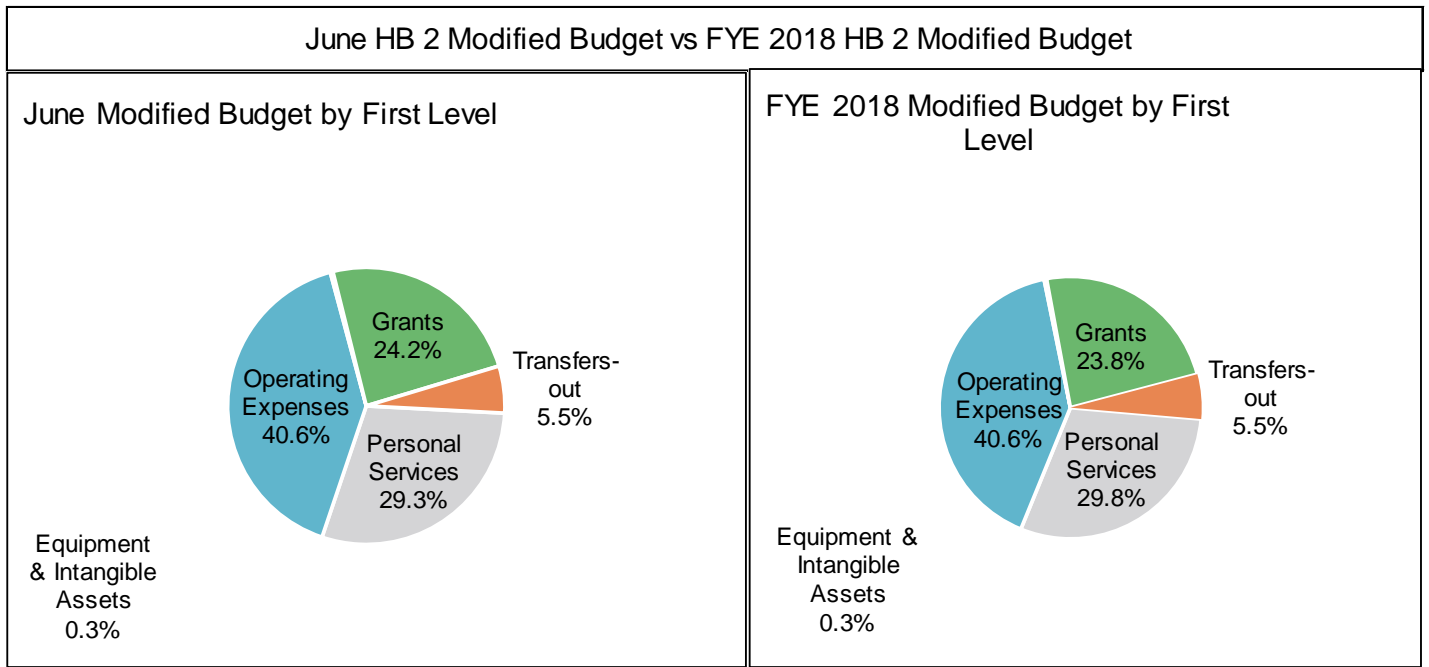
Program	June. Modified Budget	Modifications			FYE Modified Budget	Variance to June
		Increases	Decreases	Total		
01 Directors Office	1,196,080	45,430	(25,430)	20,000	1,216,080	1.7%
02 Challenge Program	4,335,932	-	(20,000)	(20,000)	4,315,932	-0.5%
03 Scholarship Program	186,626	-	-	-	186,626	0.0%
04 Starbase	339,294	30,144	(30,144)	-	339,294	0.0%
12 Army National Guard Pgm	18,105,055	24,600	(24,600)	-	18,105,055	0.0%
13 Air National Guard Pgm	5,059,533	12,445	(12,445)	-	5,059,533	0.0%
21 Disaster & Emergency Services	16,908,584	200,739	(200,739)	-	16,908,584	0.0%
31 Veterans Affairs Program	1,866,567	6,867	(6,867)	-	1,866,567	0.0%
Grand Total	\$47,997,670	\$320,225	(\$320,225)	\$0	\$47,997,670	0.0%

This chart shows budget modifications by program from June through FYE.

The Department of Military Affairs had several budget modifications between June 1, 2018 and fiscal year end, the most major of which are outlined below.

- The Army National Guard Program transferred \$17,900 in general fund from operating expenses to transfers to balance budgets for fiscal year end
- Disaster and Emergency Services transferred \$111,672 in general fund and \$80,500 in federal authority from grants to personal services to balance budgets for the end of the fiscal year
- The ChalleNGe program transferred \$20,000 of general fund from operating expenses to the personal services account in the Director's Office at fiscal year end in order to manage the impacts of budget reductions

Budget Modification by First Level



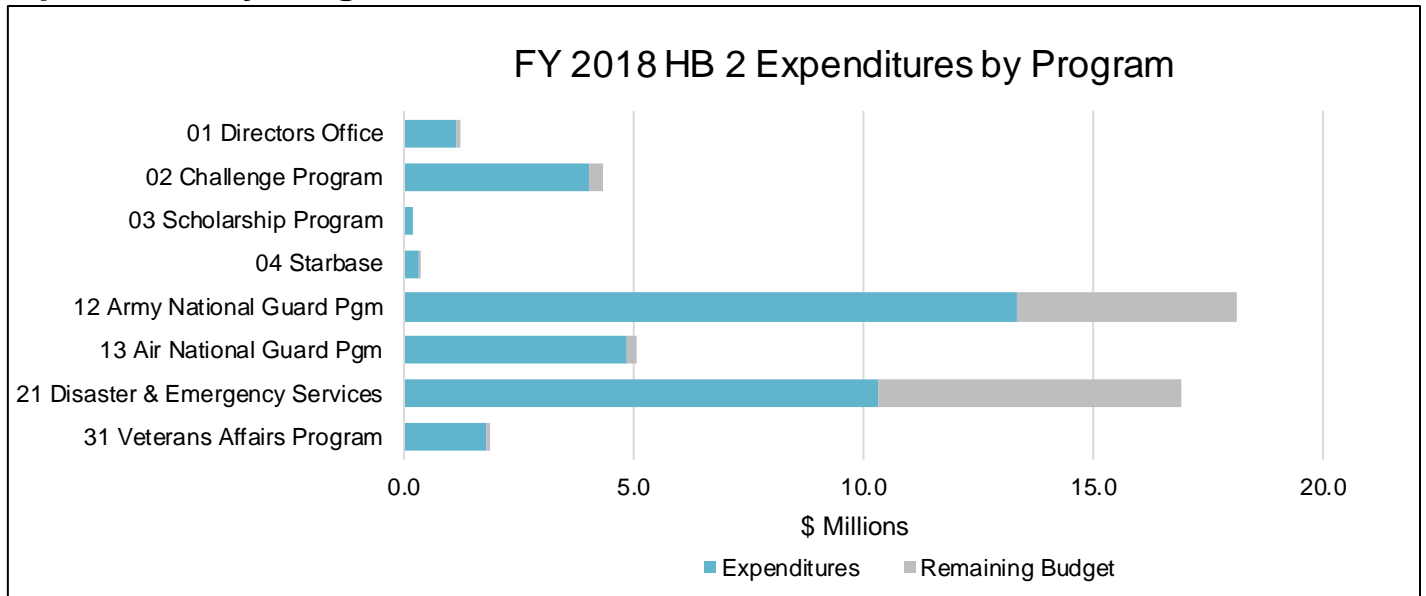
June to FYE 2018 HB 2 Budget Modification by First Level						
First Level	June Modified Budget	Modifications			Modified Budget	Variance to June
		Increases	Decreases	Total		
61000 Personal Services	14,083,861	247,047	(39,711)	207,336	14,291,197	1.5%
62000 Operating Expenses	19,503,712	48,578	(57,775)	(9,197)	19,494,515	0.0%
63000 Equipment & Intangible Assets	150,536	-	(4,000)	(4,000)	146,536	-2.7%
66000 Grants	11,626,301	-	(200,739)	(200,739)	11,425,562	-1.7%
68000 Transfers-out	2,633,260	24,600	(18,000)	6,600	2,639,860	0.3%
Grand Total	\$47,997,670	\$320,225	(\$320,225)	\$0	\$47,997,670	0.0%

The above charts show June HB 2 modified budget by first level compared to FYE modified budget by first level.

The Department of Military Affairs had several budget modifications between June 1, 2018 and fiscal year end. See the previous section for details on HB 2 budget modifications.

AGENCY HB 2 EXPENDITURES

Expenditure by Program



Program	FYE Modified Budget	Expenditures	Remaining Budget	Percent Expended
01 Directors Office	1,216,080	1,129,384	86,696	92.9%
02 Challenge Program	4,315,932	4,025,860	290,073	93.3%
03 Scholarship Program	186,626	186,625	1	100.0%
04 Starbase	339,294	338,343	951	99.7%
12 Army National Guard Pgm	18,105,055	13,321,113	4,783,942	73.6%
13 Air National Guard Pgm	5,059,533	4,851,329	208,203	95.9%
21 Disaster & Emergency Services	16,908,584	10,325,813	6,582,771	61.1%
31 Veterans Affairs Program	1,866,567	1,767,397	99,170	94.7%
Grand Total	\$47,997,670	\$35,945,863	\$12,051,807	74.9%

This chart shows current FY 2018 expenditures by program and remaining authority for HB 2 budget.

The Department of Military Affairs expended 74.9% of its modified HB 2 budget in FY 2018.

The Director's Office

The Director's Office expended 92.9% of its \$1.2 million HB 2 modified budget as of fiscal year end. Personal services was slightly under-expended due to excess federal spending authority. General fund in the Director's Office was 98.7% expended.

ChalleNGe Program

The ChalleNGe Program expended 93.3% of its \$4.3 million HB 2 modified budget as of fiscal year end. Operating expenses was slightly under-expended due to excess federal spending authority.

The Scholarship Program

The Scholarship Program expended nearly 100.0% of its \$187,000 HB 2 modified budget as of fiscal year end, all of which is funded via general fund. This percentage expended is within the anticipated range for fiscal year end, and expenditures for personal services and operating expenses were also at reasonable levels for fiscal year end.

STARBASE

The STARBASE program expended 99.7% of its \$339,000 HB 2 modified budget as of fiscal year end, all of which is funded with federal special revenue. This percentage expended is within the anticipated range for fiscal year end, and expenditures for personal services and operating expenses were also at reasonable levels for fiscal year end.

Army National Guard Program

The Army National Guard Program expended 73.6% of its \$18.1 million HB 2 modified budget as of fiscal year end. Operating expenses were low at fiscal year end, due to an excess of federal spending authority. According to the department, lack of general fund match prevented the program from spending some of its federal funds, despite having the federal spending authority to do so. As a result, a few maintenance and construction projects were delayed.

Air National Guard Program

The Air National Guard Program expended 95.9% of its \$5.1 million HB 2 modified budget, which is at a reasonable level for fiscal year end. Expenditures for personal services and operating expenses for the division were also within the anticipated range for fiscal year end.

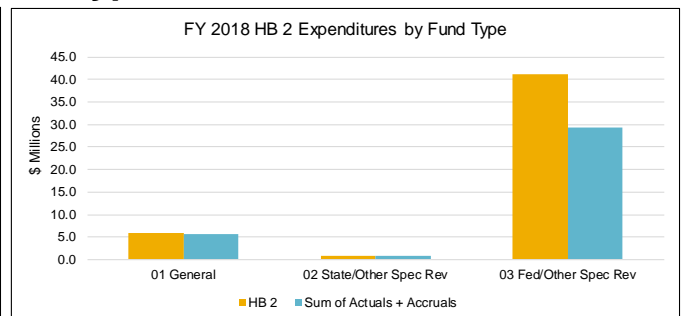
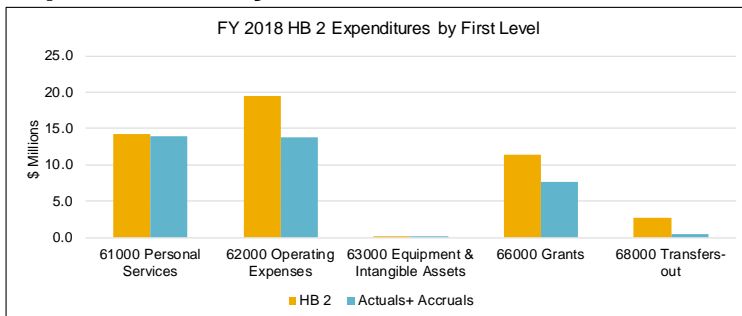
Disaster and Emergency Services

Disaster and Emergency Services expended 61.1% of its \$16.9 million HB 2 modified budget as of fiscal year end. The lower percentage expended is due to the department receiving authority for federal grants which are expended over several fiscal years, resulting in expenditures for FY 2018 which are much lower than the budgeted amount.

Veterans Affairs

The Veterans Affairs program expended 94.7% of its \$1.9 million HB 2 modified budget, which is at a reasonable level for fiscal year end. Operating expenses was slightly under-expended at the end of FY 2018, due to lower expenditures out of the Patriotic License Plate Fee state special revenue account.

Expenditure By First Level Account and Fund Type



FY 2018 HB 2 Expended by First Level			
First Level	FYE Modified HB 2	Expended	Percent Expended
61000 Personal Services	14,291,197	13,962,742	97.7%
62000 Operating Expenses	19,494,515	13,758,776	70.6%
63000 Equipment & Intangible Assets	146,536	44,210	30.2%
66000 Grants	11,425,562	7,645,968	66.9%
68000 Transfers-out	2,639,860	534,167	20.2%
Grand Total	\$47,997,670	\$35,945,863	74.9%

FY 2018 HB 2 Expended by Fund Type			
Fund Type	FYE Modified HB 2	Expended	Percent Expended
01 General	5,935,830	5,774,648	97.3%
02 State/Other Spec Rev	890,140	800,577	89.9%
03 Fed/Other Spec Rev	41,171,700	29,370,637	71.3%
Grand Total	\$47,997,670	\$35,945,863	74.9%

The above charts show HB 2 modified budget compared to expenditures by first level and fund type.

The Department of Military Affairs HB 2 modified budget is comprised of general fund, state special revenue, and federal special revenue. The department has expended 74.9% of its HB 2 modified budget as of the end of FY 2018. Additional details on expenditures are outlined in the previous section.

REQUIRED REPORTS

The Department of Military Affairs does not have any required reports due to the Legislative Finance Committee at this time.