

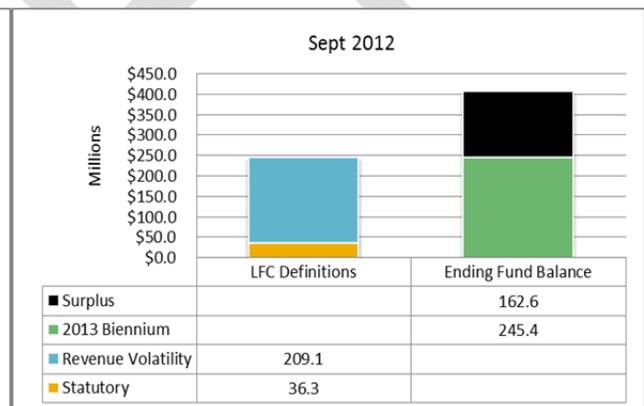
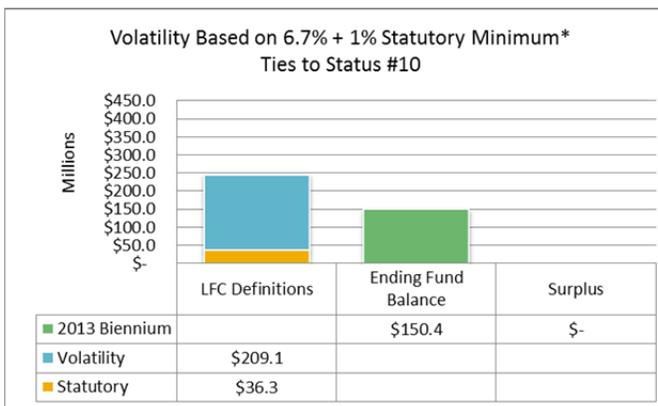
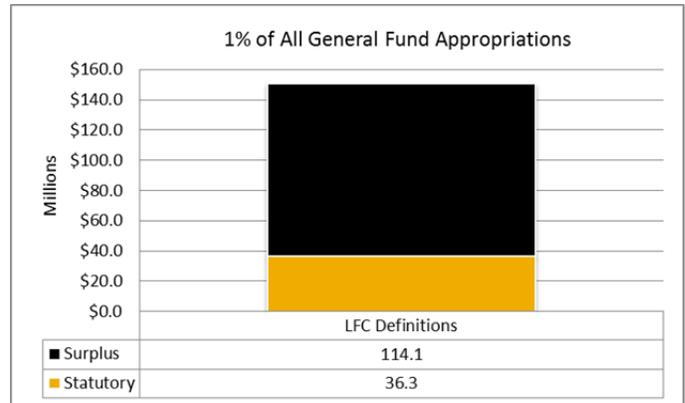
Examples of Charts that could be used on the Status Sheet

A reserve with the statutory ending fund balance only

If the LFC recommended only the minimum statutorily required ending fund balance of 1% of all general fund appropriations in the biennium, the chart for the #10 status sheet from the 2011 session would look like the chart at right.

A reserve with revenue volatility and spending volatility concurrent and the statutory ending fund balance is in addition.

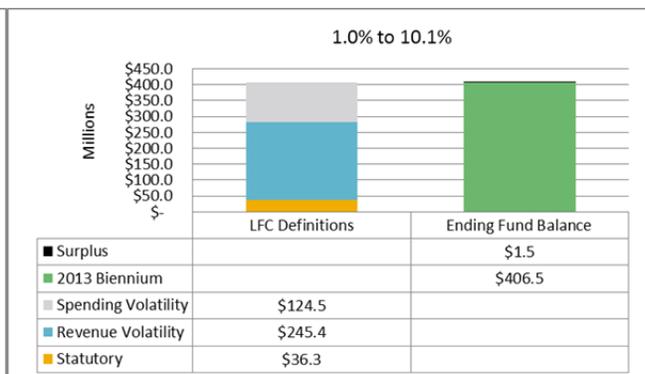
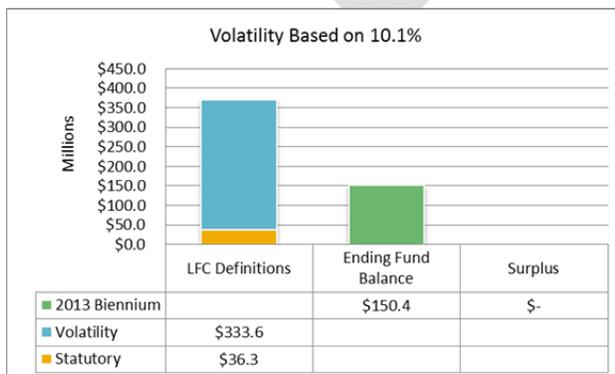
If in addition to the statutorily required ending fund balance of 1% of all general fund appropriations in the biennium the legislature wished to consider revenue and spending volatility, the chart would change. If revenue and spending volatility is considered concurrent the legislature assumes the likelihood of both revenue shortfall and unusually high supplemental demand unusual enough to not warrant a reserve fund to cover both risks at one time. The following the descriptive chart for the #10 status sheet from the 2011 session would look like the chart on the left and the Sept 2012 analysis would appear as it is on the right.

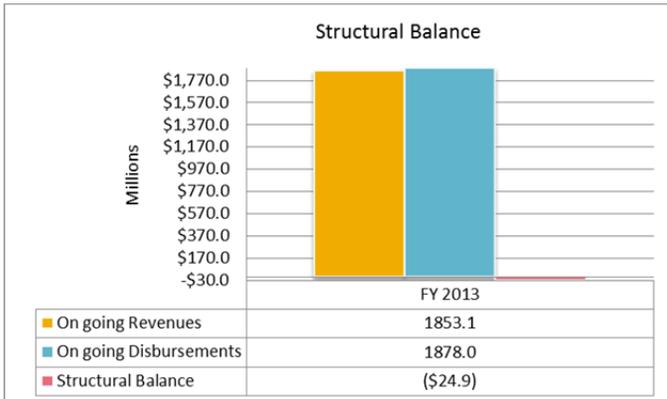


\*Revenue and spending volatility is assumed to be concurrent

A reserve with revenue volatility and spending volatility not concurrent and the statutory ending fund balance is in addition.

If revenue and spending volatility is considered not concurrent then the legislature assumes the likelihood of both revenue shortage and unusually high supplemental demand high enough to warrant a reserve fund to cover both risks. The following the descriptive chart for the #10 status sheet from the 2011 session would look like the chart on the left and the Sept 2012 analysis would appear as it is on the right.





Structural balance exists when anticipated revenues and ongoing expenditures are equal. A negative structural balance exists when anticipated revenues are short of the ongoing appropriations. When this occurs, the ending fund balance is drawn down cover the revenues needed to meet the expenditure demands.

### Definition of Terms Used in the General Fund Status Sheet

- Base: Actual expenditures from the last fully completed fiscal year works as a starting point for the next biennium's budget. Note that spending for items approved on a one time only basis have been excluded.

- Global Motions: Each session policies are adopted on global budget rules. Subcommittees are expected to follow these policies as they do their work.

- HB 2 General Appropriations bill: includes statewide present law items such as personal services, inflation/deflation and adjustments to fixed costs, and a vacancy savings rate of 4%.

- HB 2 Action: Includes decision packages approved by legislative action.

- One-time-only: Items that may not appear in the base budget in the next biennium.

- Structural balance: Structural balance is the difference between revenues and ongoing expenditures.

- Minimum Ending Fund Balance 17-7-140, MCA: Statute requires the state to maintain an ending fund balance of 1% of all general fund appropriations, when the ending fund balance falls below 1%, the Governor must impose spending reductions.

Legislative Fiscal Division					
Traditional General Fund Balance Sheet					
2013 Biennium (Figures In Millions)					
6/7/2011 4:55 p.m. 88th Legislative Day Status #10					
	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal Biennium
<b>Beginning Fund Balance</b>	\$369.1	\$314.9	\$227.3	\$188.9	\$227.3
<b>Revenues</b>					
Anticipated Revenue HJ 2	\$1,772.9	1672.1	1753.8	1826.0	\$3,579.7
HJ 2 Adjustments		19.5	17.8	26.2	\$44.0
Revenue Legislation		15.0	14.0	1.0	\$15.0
<b>Total Available Funds</b>	\$2,142.1	\$2,021.5	\$2,013.0	\$2,042.0	\$3,866.1
<b>Disbursements</b>					
HB2 General Appropriation Bill	\$1,498.9	\$1,673.1	\$1,511.7	\$1,510.1	3,021.8
HB2 Action		180.7	89.6	138.2	227.9
Statutory Appropriations	\$179.1	49.1	189.6	197.2	386.8
Non-Budgeted Transfers	\$9.4		16.8	12.5	29.4
Supplemental Appropriations	-				0.0
Feed Bill Appropriations	\$2.6	1.6	2.5	10.0	12.5
Anticipated Reversions	(\$5.3)	(112.3)	(5.4)	(6.7)	(12.1)
Non-HB2 Legislation - ongoing		10.8	(4.1)	0.2	(4.0)
Non-HB2 Legislation - one-time only					
<b>Total Disbursements</b>	\$1,829.4	\$1,803.0	\$1,800.7	\$1,861.6	3,662.3
Adjustments	-	(0.5)	0.0	0.0	0.0
Other Adjustments	-	9.3	(23.3)	(30.1)	(53.4)
<b>Projected Ending Balance</b>	\$312.7	\$227.3	\$188.9	\$150.4	150.4

Structural Balance Condition	Fiscal 2012 Fiscal 2013		
	Anticipated Revenues 2013 Biennium	1785.6	1853.1
One-Time Only Revenue	(14.6)	0.0	
Anticipated Disbursements 2013 Biennium	(1824.1)	(1891.7)	
One-Time Only Disbursements	14.5	13.7	
<b>Anticipated Structural Balance</b>	(38.5)	(24.9)	Warning

17-7-151 stipulates that budget amendments, supplemental appropriations and emergency appropriations must be included in budget comparisons, but must be segregated and indicated as noncomparable items. In this analysis, non-comparable items are defined as one-time only.