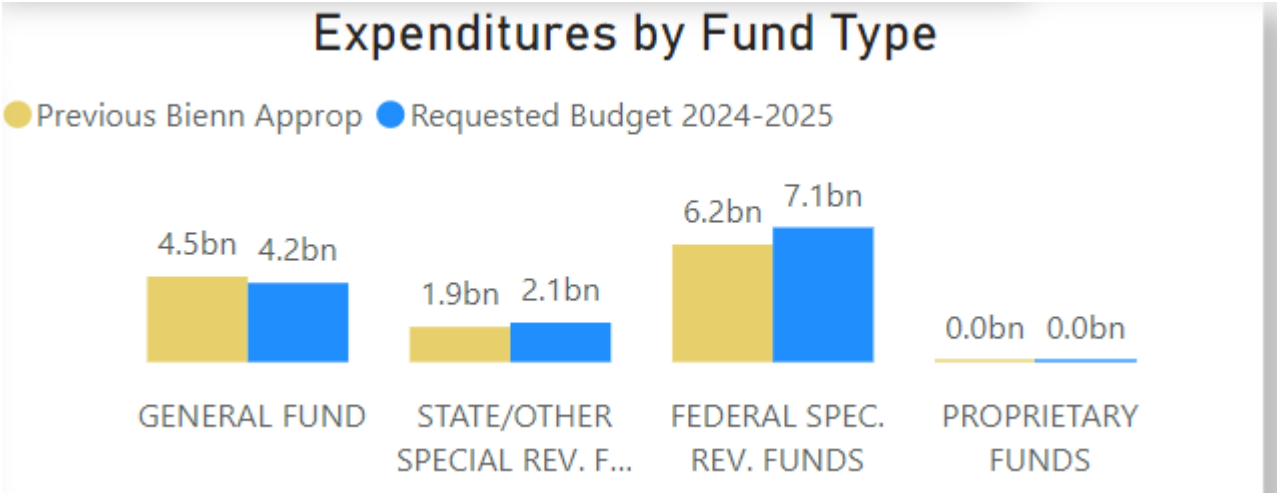


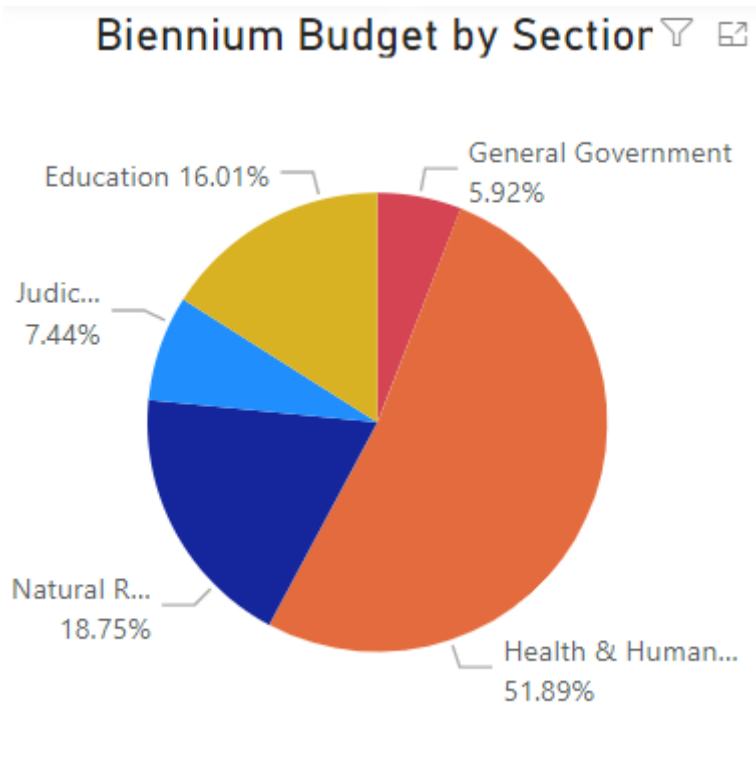
68th Montana Legislative UPDATE #7 March 23, 2023

The highlight of this week in the Legislature was the passage of House Bill 2 by the House. House Bill 2 (HB2) is the main budget bill for the State. It contains the ongoing funding for the State agencies, State institutions, and the State’s share for Public Schools, and the University system. Legislators serving on the House Appropriations Committee and the Senate Finance and Claims committee spend several weeks at the beginning of the session working as subcommittees on the various parts of the budget. Those subcommittees work with the agencies, the Superintendent of Schools, and the Commissioner of Higher Education to evaluate the Governor’s budget proposal, make adjustments, and report back to the House Appropriations committee. That committee then holds a hearing on HB 2 in its entirety and also makes adjustments. After HB2 passes out of committee it is presented on the House floor, amendments are proposed, the bill is discussed and ultimately voted on. The House concluded its action on HB 2 Thursday when it passed third reading. It will now be transmitted to the Senate where the Senate Finance and Claims committee will hold a hearing and possibly make further changes to HB 2.

Total spending in HB 2, both State and Federal funds, increased 794 million dollars. This is a 6.2% increase. Almost all of that increase is due to increases in Federal money in the budget. The following graph illustrates this. State general fund spending actually decreased but this is primarily to shifting some state revenue and spending from the general fund to State special revenue.



The following graph shows the major spending areas of State government from State revenues and Federal money.



Source: Both graphs are from the Legislative Fiscal Division

To find more information on the State budget check out the following link.

<https://leg.mt.gov/lfd/budget-reports-hb2/>