



**GOVERNOR
STEVE BULLOCK
STATE OF MONTANA**

**Governor's Budget Highlights
Fiscal Years 2016-2017**

Governor's Office of Budget
and Program Planning



Governor's Budget Highlights

Fiscal Years 2016-2017

Montana is creating jobs, putting people to work and ensuring our next generation is ready for the workforce. Governor Steve Bullock believes that by balancing our budget and maintaining fiscal discipline, while making commonsense investments in our future, we can continue to grow.

In order to accomplish this, Gov. Bullock requests that the Legislature follow his lead and use these principles as it constructs a budget for his consideration:

1. The General Fund should have a minimum \$300 million ending fund balance on June 30, 2017.
2. The General Fund budget should be structurally balanced.
3. The General Fund should make fiscally prudent and sustainable investments to benefit Montanans for generations - well beyond the tenure of any given governor or legislator.

OFFICE OF THE GOVERNOR
STATE OF MONTANA

STEVE BULLOCK
GOVERNOR



ANGELA McLEAN
LT. GOVERNOR

November 17, 2014

To the People of Montana and the Honorable Members of the Sixty-Fourth Legislature:

Enclosed you will find my proposed budget for the 2017 biennium. Budgets reflect values and priorities, and you will clearly see mine reflected in this document. I believe those values and priorities also reflect what Montana families hold dear.

Montana's economy continues to grow and I believe with continued fiscal discipline it will grow stronger in the coming years.

By balancing our budget without raising taxes, protecting the money we've set aside for an unexpected rainy day and making responsible investments reflective of our priorities and values, Montana can move towards an even greater future; one the next generation will inherit.

During the last legislative session, Democrats and Republicans worked together to balance our budget, invest in schools, cut taxes for every business in the state, freeze tuition at our colleges and universities and shore up our pension system.

When we convene the 64th Regular Session of the Montana Legislature, my sincere hope - and the sincere hope of every Montanan - is that we, once again, work together for the betterment of our state.

I look forward to working with you to make Montana a better place for our kids and grandkids.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steve Bullock".

STEVE BULLOCK
Governor

**STATE OF MONTANA PROPOSED FY 2015 AND 2017 BIENNIUM
GENERAL FUND BALANCE SHEET**

State of Montana Proposed FY 2015 and 2017 Biennium General Fund Balance Sheet (Millions \$)				
<u>Description</u>	<u>Actual</u> FY 2014	<u>Enacted/Proposed</u> FY 2015	<u>Proposed</u> FY 2016	<u>Proposed</u> FY 2017
Beginning Fund Balance	537.609	426.867	343.278	285.367
Revenue Estimate	2,077.044	2,143.841	2,294.004	2,433.777
Proposed Revenue Legislation				
Apprenticeship Tax Credit				(0.784)
Prior Year Revenue Adjustments	(2.060)			
Total Funds Available	2,612.593	2,570.708	2,637.282	2,718.360
HB 2 Disbursements				
HB 2 Funded Base + SWPLA's	1,780.974	1,846.569	1,811.324	1,811.140
Present Law Change Packages - Ongoing			162.957	194.472
Present Law Change Packages - OTO			0.182	0.160
New Proposal Change Packages - Ongoing			46.586	62.662
New Proposal Change Packages - OTO			22.975	18.204
Proposed Legislation and Non-HB 2 Initiatives				
HB 1 - Feed Bill	1.547	11.100	1.593	11.411
HB 3	13.512	31.594		
HB 10			12.000	
HB 13 - Pay Plan			12.859	30.787
HB 13 - PS Contingency			4.075	
Quality Schools Redirect			4.900	8.100
Healthy Montana Act			(30.246)	(28.304)
Safe Child Initiative			1.500	1.500
Build Montana			7.689	15.378
Broadband Bonds			0.572	1.143
Water Adjudication Transfer			0.800	3.388
Other Disbursements				
Statutory Appropriations - Ongoing	254.625	276.732	275.031	282.582
Statutory Appropriations - OTO			0.396	0.396
Transfers - Ongoing	14.539	14.549	13.899	12.617
Transfers - OTO	81.425	21.700		
Fire Fund Transfer (HB 354)	39.779	3.653	9.900	
Other Appropriations	3.769	28.236		
Reversions		(6.702)	(7.077)	(7.277)
Prior Year Expenditure Adjustments	(2.690)			
Total Disbursements	2,187.481	2,227.431	2,351.915	2,418.359
Fund Balance Adjustments	1.755			
Ending Fund Balance	426.867	343.278	285.367	300.000
2017 Biennium Expenditure Growth		1.83%	5.59%	2.83%
2017 Biennium Revenue Growth		3.22%	7.00%	6.09%
Fund Balance as a % of Total Spend		15.41%	12.13%	12.41%
FY 2017 Structural Balance				5.09

TABLE OF CONTENTS

EXECUTIVE SUMMARY	5
THE BULLOCK ADMINISTRATION	7
BUDGET PRIORITIES	9
Creating Jobs and Building the Economy	9
Infrastructure	9
Workforce Development	10
Research	10
Strengthening our Schools	11
Early Edge	11
K-12 Education	12
Higher Education	13
Improving Access to Healthcare	14
Investing in our Mental Health System	15
STATEWIDE ISSUES	17
Protecting Montana’s Children	17
Equal Pay for Equal Work	17
Indian Country Economic Development	18
Offender and Inmate Population Management	19
Legislatively Enacted 4 Percent Personal Services Reductions	20
KEY BUDGET BILLS	21
AGENCY LEGISLATIVE PROPOSALS	24
REVENUE AND ECONOMIC OVERVIEW	30
Economic Outlook	30
Expanding Opportunities and Limiting Risks	38
APPENDICES	43
Appendix A: Oil and Gas Distributions per County	44
Appendix B: Statewide Bond Issuances (Jan. 2013 – Present)	45
Appendix C: School District Ending Fund Balances	47
Appendix D: 56 County Narratives	49

EXECUTIVE SUMMARY

Montana is a Great Place to Live and Do Business

Montana's economy is strong today and is positioned to grow stronger over the coming years. Our state is recognized as one of the best places to do business. That's because:

- Montana's unemployment rate continues to be among the lowest in the nation at 4.6%;
- Montana was the fifth fastest state for employment growth in the nation;
- Montana's personal income growth is faster than the national average;
- Montana's GDP expanded by 4.5 percent in 2013;
- All of Montana's industries, except for government, added jobs in 2013;
- Montana has the 6th best tax climate for business in the nation¹; and
- The cost of doing business in Montana is ranked the 5th lowest in the nation².

Main Street Montana workers and businesses are the engine of our strong economy. To capitalize on these strengths, Gov. Bullock engaged business leaders and over 3,000 Montanans to develop the Main Street Montana Plan, which was released in April 2014. Montanans want a good job, a safe community, good schools and a belief that their kids can do even better than they did. Those values are reflected in the Main Street Montana Plan, and they are reflected in Gov. Bullock's 2016-2017 budget.

Montana Continues to Be and Will Remain Fiscally Responsible

Montanans can be proud of our state. We have made historic investments in our public schools and higher education, cut taxes for every small business in the state, and continue to be the most fiscally responsible state in the nation. Our business climate supports job growth and entrepreneurship. Gov. Bullock's budget provides sound fiscal management of taxpayer dollars and prioritizes strategic investment in programs that will make Montana an even better place to raise a family, start a business, get an education and invest.

This year, Montana was recognized as the most fiscally prudent state in the nation³. This does not happen by accident. In order to maintain Montana's position of strength, Gov. Bullock insists on maintaining sufficient cash reserves in order to weather any rainy day. In recent years, this administration has:

- Prevented cuts in service to taxpayers or layoffs during the federal government's irresponsible shutdown of 2013;
- Increased investment income to the state; and
- Continually been named among the most tax friendly states in the nation.

¹ "2015 State Business Climate Index", *Tax Foundation*, 2014

² "America's Top States for Business," *CNBC*, 2013

³ *GOVERNING Magazine*, June 2014

Since 1990, Montana's ending fund balance has fallen below \$300 million 16 times. In almost half of those years, a special session was required. Montanans demand their elected officials maintain strong fiscal management of the state and Gov. Bullock has presented a balanced budget that will avoid the need for a special session to raise taxes or cut services because we spent more than we brought in.

Fiscal responsibility is not a partisan issue, and it never should be. Instead, it is an opportunity to come together as Democrats and Republicans to ensure Montana remains the envy of other states by investing in critical programs, like education, workforce training, and infrastructure, while not increasing taxes. The Governor remains committed to ensuring that Montana's fiscal house remains in order.

THE BULLOCK ADMINISTRATION

Key Accomplishments

Montana has accomplished much during Gov. Bullock's Administration. Since Gov. Bullock took office, he has:

- Ensured Montana's fiscal responsibility by having cash in the bank for an unexpected rainy day, leaving Montana the envy of the nation.
- Made permanent and historic investments in K-12 education including a first ever investment in quality pre-kindergarten programs through the Early Edge initiative.
- Froze tuition across Montana's college campuses, ensuring access, affordability and opportunity Montana's next generation of workers and employers.
- Improved access and affordability of college credit for high school students by increasing the number of students participating in dual enrollment courses by almost 100 percent in just two years.
- Made significant investments in workforce development to ensure our workers are ready for high-paying manufacturing, transportation, health care, science, technology, engineering and math (STEM) careers.
- Cut taxes for every business and recognized as having the "most fair tax system" in the country⁴.
- Became the first state in the nation to fix our retirement systems without increasing taxes or doing so on the backs of our public servants.
- Created a permanent funding source for fighting forest fires because we shouldn't go into debt every year protecting our landscape and property. As part of this project, Montana now makes investments in collaborative efforts to address forest restoration, wildfire risk, all the while putting Montanans to work in our forests.
- Responsibly developed Montana's natural resources, including leasing 4,697,980 acres of agriculture and grazing land, harvesting 105,719 million board feet of timber on 19,835 acres, and producing 2,502,357 barrels of oil, 5,531,494 million cubic feet of gas, and 7,372,868 tons of coal since January 2013.

⁴ "2014's Most & Least Fair State Tax Systems", <http://wallethub.com/edu/most-least-fair-tax-systems/6598/>, 2014

- Saved millions of taxpayer dollars by reducing interest rates on city and county infrastructure projects. These changes were made possible through strong fiscal management at the state level, and the state's sterling bond rating. These reduced rates are expected to provide \$29 million in approved savings for ratepayers.
- Put Montana's checkbook and critical financial information online so Montanans can see how their money is being spent and managed.

BUDGET PRIORITIES

Creating Jobs and Building the Economy

Gov. Bullock is committed to economic development across all of Montana. This year alone over 12,000 private sector jobs have been created. But more work remains to be done. To that end, Gov. Bullock is proposing targeted investments in infrastructure, workforce development, and research.

Infrastructure

In order for our businesses, communities, and state to flourish economically, we must invest in our infrastructure. Gov. Bullock is proposing historic investments in Montana's sewer, water, roads, broadband and education infrastructure. These investments are made possible by Montana's high credit rating, our prudent management of limited financial resources, and strong partnerships with Montana communities, schools, universities, and contractors. Montana ranks 47th in the country for tax supported debt⁵.

The Governor proposes investing over \$300 million across Montana through proven and successful programs, using both cash and bond proceeds. Through direct state investment or grants to local governments, Montana has an unprecedented opportunity to leverage our financial strength into job creation and economic growth now and in the future. Proposed investments include:

- \$26,914,078 in the Treasure State Endowment Program
- \$13,783,748 in the Renewable Resource Grants and Loans Program
- \$26,602,374 Renewable Resource Loans
- \$165,887,500 in the Long Range Building Program,
- \$31,247,338 in the Quality Schools Facility Grant Program
- \$8,002,908 in Reclamation Development Grant Program
- \$3,259,761 in Regional Water
- \$45 million in grants to Eastern Montana communities impacted by oil and gas development
- \$15 million for statewide broadband infrastructure

By using record low interest rates, the State of Montana has refinanced bonds issued by previous Governors and Legislatures to save taxpayers **\$4,729,239.**

Together these investments will improve and create infrastructure assets that will enhance communities and institutions throughout Montana, benefiting our state for generations.

These projects will be funded using \$95,433,579 in state funding and \$211,914,128 in bond proceeds. The bond proceeds will be general obligation bonds and will be repaid by the state general fund.

This use of bonds to fund critical infrastructure is the norm, not the rare exception.

⁵ "2014 State Debt Medians", *Moody's Investors Service*, May 2014

All across our state, local governments, schools, and state agencies regularly make long-term infrastructure investments through bonding. For a list of bonds issued throughout Montana during the last biennium, please see Appendix C. The blended approach of bonds with cash also reflects sound financial management, consistent with the way in which the private sector finances capital assets.

Workforce Development

Montana's low unemployment rate and aging population make focusing on effective and efficient worker training a top priority. Registered apprenticeship is one of the best opportunities to earn a wage while learning skills in high-demand occupations. Through our Registered Apprenticeship Program (RATP), the State of Montana can support the workforce needs of local employers while helping to ensure that apprentices receive a high quality education right in their hometown. Given the huge potential to meet both local employer needs and to open opportunities for Montana workers, the Bullock Administration is committed to investing in and expanding the RATP.

Montana has robust apprenticeship programs, and the Governor's proposal will significantly expand opportunities in new fields. Montana has been the recipient of over \$40 million in grants to expand and streamline education and training opportunities in the energy industry, advanced manufacturing and health care. These grants include record investments in the Montana Registered Apprenticeship Program and an unprecedented partnership between the Department of Labor and the Montana University System to provide hybrid, embedded apprenticeship opportunities to Montanans.

Without a qualifying employer, there can be no registered apprentice. Thus, Gov. Bullock will seek a \$1,000 per apprentice tax credit to encourage eligible employers to train more workers on-the-job in the communities where they live. This will help ensure that Montana continues to have a pipeline of highly skilled workers ready to compete in today's global economy.

Research

Business leaders, public university systems and state governments across the country recognize the role of research as a catalyst for economic development. The U.S. Chamber of Commerce has found that the states most likely to grow in the next decade will be those where government, universities and the private sector "collaborate effectively to make sure the more new ideas developed by companies in research labs scale up into industries."

Many states are strengthening and diversifying their economies by investing specifically in university research as growth in the high-tech industry has outpaced the national economy by an average of four-to-one. Success stories include:

- **Utah:** The Utah Science, Technology and Research (USTAR) Initiative. University researchers leveraged a modest state investment into nearly \$140 million in research, growing the state's research activity by 44 percent.

- **Georgia:** The Georgia Research Alliance (GRA). This initiative leveraged state funding into \$2.6 billion of direct grant investment in Georgia, supporting or assisting 300-plus newly launched companies and 6,000-plus high-value jobs.
- **Arizona:** The Technology and Research Initiative Fund (TRIF). The Arizona initiative has generated nearly \$630 million in entrepreneurial research activity geared toward identified state research priorities.

It is time that Montana capitalizes on the innovation, entrepreneurship and job creation that accompanies investment in research. Gov. Bullock is proposing to invest an additional \$15 million in the Montana University System to fund research in the areas of:

- Agriculture
- Energy
- Natural Resources
- Manufacturing
- Health and Biomedical Advancements

Gov. Bullock will direct the University System to develop research-based solutions to challenges in these industries that that will foster investment and job growth in the private sector.

Strengthening our Schools

Early Edge

Gov. Bullock recognizes that our greatest obligation is to the next generation of Montanans. It's with this in mind that he's put together a plan to make voluntary, high-quality early childhood education available to every Montana four-year-old.

Montana is currently one of eight states that has not committed public funding to pre-kindergarten options for four-year-olds.

Studies have shown the benefits that high-quality early childhood education has on student success.

Children who take part in high-quality early childhood education programs are:

- More likely to read at grade level;
- Less likely to repeat a grade or require special education;
- More likely to earn a high school diploma; and
- Less likely to become teenage parents, require public assistance, abuse drugs, or end up in jail.

In addition, these programs have been shown to help ensure that every child enters kindergarten ready to learn with appropriate social and behavioral habits that allow teachers to focus on teaching rather than managing distractions.

High-quality early childhood education programs have shown a significant economic impact as well, which is why the Main Street Montana Plan identifies this as a strategy for economic development. On average, for every dollar spent on these programs, communities see at least a \$7 return on investment through savings and increased economic activity. This may be the reason that, around the country, states with Republican governors are leading the way in investing in publicly funded preschool programs. In FY13-14, Republican governors increased state spending for pre-Kindergarten programs by \$14 million; nearly double the average increase in states with Democratic governors⁶.

Through the Governor's proposal, approximately \$37 million for state block grants will be available to all Montana public school districts to create or expand high-quality early childhood education programs in their community. Locally elected school districts will have the option of creating a new program or partnering with existing early childhood education programs, including Head Start and other community-based programs, to build on the existing strengths in their community. Participation in these programs will be voluntary, meaning that parents will be able to decide if it is the right option for their child.

When we spend taxpayer money, Montana residents must be assured that their dollars are being spent well. Programs will be required to meet high quality standards that:

- Require a lead teacher with an early grades endorsement;
- Set a teacher to student ratio of 1:10;
- Establish guidelines for family engagement that ensures family, community, and culture are integrated as part of a child's learning both inside and outside the classroom;
- Set a process for collaboration with community resources to connect children and families with tools to support health, growth, and development of children; and
- Require developmentally appropriate curriculum including social and emotional development through play while learning soft skills.

K-12 Education

Gov. Bullock knows that education must be our greatest priority. He is proposing continuing the historic investments in our public schools, universities and colleges born from the tremendous bipartisan successes of the last legislative session.

⁶ <http://dev.ecs.org/clearinghouse/01/10/34/11034.pdf>

In K-12 education, the Governor proposes the following:

- Increasing investments in the Basic Entitlement, Per ANB (student) Entitlement, At Risk, Quality Educator, Indian Education for All, American Indian Achievement Gap, and Data for Achievement payments;
- Redirecting the Natural Resource Development Payment dedicating those dollars to the Quality School Facility Program;
- Changing the minimum dropout age to 18;
- Providing ANB funding for 19 year olds; and
- Increasing maximum bond capacity for school districts to 100 percent of taxable value while limiting state debt service obligations to current levels.

These proposals will simplify the school funding formula, enhance local control, and, most importantly, reduce our dropout rate and increase achievement for Montana's students.

Higher Education

Tuition Freeze

With college tuition across the country consistently rising, students and working families are being pinched. In partnership with the Montana University System, Gov. Bullock proposes to freeze in-state tuition for the next two years.

Performance Based Funding

Montana will expand the performance-based funding in the MUS budget. In the current biennium, the MUS allocated five percent of its state appropriations through the performance-based funding targeted at increasing student retention and graduation rates. This saves Montana students and families money and it helps make sure that taxpayer dollars are spent effectively. Gov. Bullock is proposing to increase performance based funding to 10 percent of state appropriations and to expand the criteria to include dual enrollment and success of the remedial students at two-year colleges and research and development at four-year colleges.

Medical Student Exchange Programs

The State of Montana participates in four medical student exchange programs to produce physicians, dentists, and veterinarians through affordable access that would not otherwise be available in Montana. These health program exchanges are the WICHE Professional Student Exchange, WWAMI Medical Education Program, Minnesota Dental Program, and WIMU Regional Program in Veterinary Medicine.

These educational slots have proven effective in providing Montana communities with high-quality doctors, dentists, and other specialized health-care providers. In the last biennium Gov. Bullock increased the available slots by 50 percent. The University System has filled these slots with talented Montanans. Communities across Montana, rural and urban, have historically valued these programs for their production of excellent health care providers, contributing community members, and affordable opportunities for Montana students. Gov. Bullock proposes to build upon the investment made last session.

Improving Access to Healthcare

Gov. Bullock knows that when it comes to health care, we're paying too much and getting too little. That's why he wants to create a Made in Montana solution that will accept federal funds to expand access to Medicaid for over 70,000 Montanans. Failure to do so hurts low-income working parents, veterans and rural hospitals struggling under uncompensated care.

With neighboring states like Wyoming, North Dakota, Nevada and Utah either having already expanded Medicaid or moving closer towards that goal, Montana is at a competitive disadvantage when businesses are seeking a new home or a place to grow.

The Governor's **Healthy Montana Plan** is an innovative, uniquely-Montana alternative that will expand Medicaid coverage, reduce costs and improve the quality and access to health care across our state.

Modeled after Montana's highly popular and successful initiative to expand health coverage to children, the plan will contract with an insurer to provide healthcare through a private provider network at negotiated rates. The Healthy Montana Kids plan has used this model successfully in Montana for nearly a decade.

Until now, other expansion states have focused primarily on one of two delivery models: "pure" Medicaid expansion and the "private option." The Healthy Montana Plan takes the best of these models and creates a truly unique solution that maximizes access to care, reduces costs to the state and implements meaningful reform.

The Healthy Montana Plan

The Healthy Montana Plan reforms and refocuses effort to build a strong primary health care system to achieve better access and quality outcomes by:

- Using a broad private provider network to enhance access, at negotiated provider rates that are higher than Medicaid yet lower than the average rates paid by private insurers. This ensures that providers exist to treat the new population while maintaining the fiscal viability of the plan.
- Accessing innovative private sector programs to lower costs while improving patient health and productivity so Montanans get the right care, in the right place, at the right time.

- Requiring payment and delivery reforms for the existing Medicaid program focused on chronically ill, high risk, high cost patients through targeted care management and coordination.
- Creating a mandatory, multipronged fraud and abuse reporting system.
- Expanding access to quality health care for 70,000 more Montanans, including 9,500 veterans and their family members.
- Throwing a lifeline to rural hospitals struggling to keep their doors open because of the crushing cost of uncompensated care.
- Ensuring that Montana taxpayer dollars aren't used to help residents of other states, while patients here don't see improved access to care and Montana doesn't create new jobs.
- Reducing the number one cause of bankruptcy: medical debt.
- Slowing the annual rate hikes and cost-shift caused by those without insurance seeking high-cost emergency room care when they're sick, rather than visiting a doctor for preventative care.

Investing in our Mental Health System

Gov. Bullock is proposing a historic increase in services for Montanans suffering with mental illness. Consistent with national trends, Montana is seeing an increase in demand for services at all levels of care, including a rise in forensic commitments to the state hospital. The Governor's proposal will bolster the full continuum of services, from community-based promotion, prevention, out-patient services, and crisis intervention to measures that support the safe and effective treatment of individuals requiring acute levels of care. By investing in proven community-based treatments and services, the proposal will work to reduce the growth in demand for state hospital services and will ensure that services exist for those patients ready to return to their communities.

The mental health initiative encompasses a number of new or enhanced, proven services including Housing and Re-entry, Peer Support, Crisis Intervention Training, additional 72-Hour Crisis Intervention, Drop-In Centers, County matching grants (HB 130), Secure Crisis Beds (HB 131), Contracted Forensic Psychologists, a Medicaid IGT switch to enhance local governments' ability to meet local needs, funding to address youth crisis intervention, the epidemic of youth suicides, and Individual Placement and Support (IPS) Employment.

Additionally, at the acute care end of the continuum, the initiative proposes to improve safety, security, and treatment at the Montana State Hospital (MSH) for the state's forensic population. A new 20-bed addition to the forensic unit will create a more effective and safe environment, provide a space for containing combative, aggressive patients rapidly and safely, and decreasing the need for outside intervention specialists.

At the Montana Mental Health Nursing Care Center in Lewistown, the initiative will create a dedicated dementia treatment environment where individuals with a variety of specific and complex conditions can be better treated than in an acute psychiatric setting like MSH.

STATEWIDE ISSUES

Protecting Montana's Children

All children have a fundamental right to a safe and healthy childhood, and we must ensure the Child and Family Services Division (CFSD) and their partners meet outcome measures designed to ensure that children who have been abused and neglected find safety, achieve permanency, and have their needs met while in the custody of the State of Montana.

Over the past biennium, CFSD has seen more than a 20 percent increase in its caseload. Since a low point of children in foster care in 2008, the caseload has increased by nearly 60 percent. The number of children in foster care has gone from 1507 in 2008 to a near record high of 2391 as of September 2014. Gov. Bullock is proposing to devote additional resources to keep kids safe by ensuring CFSD can perform its statutory obligations and meet the increased workload and caseload across Montana. The additional resources will be used to specifically target areas to improve outcomes for children and families. It will allow CFSD to:

- Provide high quality ongoing case management in open cases until permanency is achieved;
- Fund critical services that will help to prevent future child abuse and neglect by intervening in current cases using best practices that have been demonstrated to stop the intergenerational cycle of child maltreatment;
- Hire and maintain adequate staff to ensure that statutory mandates and timelines are met and caseloads are kept at a level at which social workers can timely and thoroughly assess child safety in every investigation; and
- Target funds at development of an electronic case management system to improve efficiencies in the work done by CFSD staff each day.

This investment, totaling \$3 million, must be made to ensure the safety and health of Montana's most vulnerable children.

Equal Pay for Equal Work

Fifty years after the passage of the Equal Pay Act of 1963, a pay gap still exists between men and women in Montana. Gov. Bullock believes that Montana women earning 67.1 percent of their male counterparts is unacceptable. That is why he formed the Equal Pay Task Force to gather information, furnish advice, and provide recommendations on policies and actions to insure that Montana workers earn equal pay for equal work, regardless of gender.

Wage fairness issues are nonpartisan and affect economic opportunities for entire Montana families. While the Task Force has taken many steps over the past two years, three primary issues emerged from the Task Force requiring legislative action.

Paycheck Fairness

This bill would advance pay equity by allowing employees to discuss their wages without reprisal from their employers and require that pay disparities between genders be based on legitimate, non-discriminatory factors such as relative job responsibilities, experience, length of service or skills, among others.

Longevity Protection

Typically, state employees that leave their jobs to raise children or care for family members and then return to state employment are penalized when it comes to calculating their length of service to the State. This bill will permit all years of state service to count toward an employee's longevity allowance prospectively.

Unemployment Insurance for Domestic Violence

Under current law, victims of domestic violence who are forced to flee for their and their family's safety cannot receive unemployment insurance benefits. Worrying about paying the bills shouldn't keep families from being safe.

For example, if a Montanan loses their job for reasons other than certain disqualifying factors, that person is entitled to 24 weeks of unemployment insurance. However, if an individual loses their job because they were the victim of domestic violence, that person is only eligible for 10 weeks of unemployment insurance. We should not penalize women for protecting themselves and their families.

Indian Country Economic Development

Gov. Bullock is committed to creating jobs and improving education in Indian Country. In order to realize these goals, he proposes a series of budget requests and legislation. They are:

Improve Access to Capital

Native American-owned businesses often find it difficult to secure credit. Gov. Bullock proposes to create the Native American Gap Financing Revolving Loan Program, through the Department of Commerce, to help entrepreneurs secure financing and start businesses in Indian Country. His budget proposal includes \$500,000 of state special revenue to fund the program. This program, in partnership with traditional and tribal lending institutions, will provide collateral loans as security to banks to solidify the initiation of the loan. All loans will be expected to be paid in full by business owners to the state.

Support Higher Education and Training Opportunities

Tribal colleges provide quality educational opportunities to thousands of Montanans—including enrolled members and those who are not members of their tribe. The Tribal College Non-Beneficiary Assistance program provides funding to tribal colleges to support a portion of the costs of educating non-beneficiary students attending one of the seven tribal community colleges in Montana. The funds will offset the administrative and operational expenses associated with educating and preparing these students for the workforce or to transfer to another institution of higher education. The Board of Regents will provide assistance to tribal colleges subject to a line item appropriation by the legislature, up to a maximum of \$3,024 per year for each non-beneficiary student or until a total budget ceiling of \$2,053,054 is reached.

Preserve the Languages of the First Montanans

The languages of the first Montanans are suffering from the loss of fluent native speakers, writers, and signers. Gov. Bullock is committed to protecting American Indian cultural integrity and languages are vital to the identity of tribal nations. The pilot program created by the 2013 legislature was highly successful in producing Native language preservation material and generating community support and engagement. Results from the pilot suggest that the program has enabled languages to become more accessible to the growing Indian population in both reservation and urban areas. While the initial investment was invaluable, it was only a start to ensuring that our native languages never disappear. Gov. Bullock proposes to invest an additional \$1.5 million in the 2017 biennium to the Native Language Preservation program to continue this important work.

Support Economic Development in Indian Country

Montana's Indian Country Economic Development program (ICED) has consistently supported job growth, Native private business development, and entrepreneurialism. However, these job-creating funds are not permanent. Gov. Bullock proposes put the \$1.6 million funding for ICED into the base budget.

Offender and Inmate Population Management

The Montana Department of Corrections is facing significant population management issues. This, coupled with difficulty in recruiting and retaining correctional officers at Montana State Prison (MSP), necessitates additional spending above the present law and annualization budget for the Department.

Recruitment Pay Differential

The Bullock Administration proposes to allocate \$2,818,321 to the Department of Corrections to negotiate differential pay. Staffing shortages at MSP have required incarcerated population shifts from MSP to county jails, increasing costs to the Department and putting additional pressure on “downstream” law enforcement agencies. Additional staff at MSP will alleviate this pressure and safely accommodate additional inmates at MSP at lower costs to taxpayers.

Probation and Parole Officers

The Probation and Parole Bureau, through 23 field offices, supervises more than 9,000 adult probationers and parolees, the bulk of Montana’s corrections population. The Bureau also has several specialized approaches including the Intensive Supervision Program (ISP). This is a six-month program providing a heightened level of offender management in communities of Montana, utilizing electronic monitoring and tracking devices, daily offender agenda schedules, and close monitoring by field staff. Other dedicated approaches focus on offenders with co-occurring disorders, DUI offenses, sexual offending, and substance abuse. The Bullock Administration proposes increasing the number of Probation and Parole Officers across the state by 10 in order to accommodate additional community corrections opportunities outside of intensive and expensive secure care facilities and further to ensure successful reentry into society by offenders in order to reduce recidivism rates.

Legislatively Enacted 4 Percent Personal Services Reductions

The 2013 Legislature enacted a 4 percent statewide personal services reduction on Executive Branch agencies. It did not impose the same employee reductions on the Legislative or Judicial Branches. While the Governor questions the thoughtfulness of this approach, he has directed that the reductions be enacted in his Executive Budget. However the Governor is requesting exemptions for 24/7 public safety personnel across the state. This includes critical personnel at:

- Montana State Prison
- Montana Women’s Prison
- Pine Hills Youth Correctional Facility
- Riverside Youth Correctional Facility
- Montana State Hospital
- Montana Chemical Dependency Center
- Montana Developmental Center
- Montana Mental Health Nursing Care Center
- Montana Youth Challenge

KEY BUDGET BILLS

General Appropriations Act (House Bill 2)

General tax revenue, state special revenues, and federal receipts are appropriated in this omnibus bill, which is the primary legislation funding all of state government operations over the next two years. While there are exceptions traditionally not contained in HB 2, they are submitted by the Governor's Budget Office as other key budget bills.

Supplemental Bill (House Bill 3)

The bill contains supplemental requests necessary in the current fiscal year to support the operations of five state agencies totaling \$31.95 million. The requests are as follows:

- \$94,000 general fund appropriation for the Commissioner of Political Practices to cover unanticipated litigation and investigation costs.
- \$9,000,000 general fund appropriation for the Office of Public Instruction for Base Aid as a result of a \$3 million shortfall in FY 2013 that was paid with FY 2014 authority. In addition, increases to the Basic Entitlements and SB 96, Business Equipment Tax Reductions, block grant reimbursements created more change in GTB payments than anticipated during the budgeting process for the 2015 biennium.
- \$400,000 general fund appropriation for the Office of Public Instruction for Block Grants to provide reimbursements to school districts through the block grant program under 15-1-123(3), MCA.
- \$13,400,000 general fund transfer to the Risk Management and Tort Defense Program in the Department of Administration. The transfer is necessary to shore up funding in the program due to a large payout in the 2013 biennium for a settlement related to asbestos exposure in the Libby area.
- The Office of the Public Defender is projecting a shortfall in FY 2015 of \$1,700,000. This is split between the Public Defender Program (\$100,000) and the Conflict Coordinator Program (\$1,600,000). This projected shortfall is due to capital cases and workload related to dependent neglect cases.
- The Department of Corrections has requested a \$7,000,000 general fund appropriation primarily to address cost overruns for inmates housed in county jails throughout the state while they are awaiting permanent placement in a Department of Corrections facility. The overrun also includes items such as costs related to rate increase at county jails and a regional prison and a shortage of state special revenue sufficient to cover appropriations in that fund type from the 2013 Legislature.

Budget Amendments (House Bill 4)

In accordance with 17-7-401, MCA, HB 4 presents appropriations normally approved by budget amendment for approval by the legislature. Requested budget amendment appropriations are listed in Volume 3 of the budget book series.

Cultural and Aesthetic Grants Program (House Bill 9)

Projects that contribute to or improve the cultural development of a site, building, or service request are included in HB 9. Recommended projects can be seen in detail in Volume 7 of the budget books and total \$385,132 state special revenue.

Long Range Information Technology (House Bill 10)

HB10 funds significant information technology (IT) projects for the state in line with each agency's strategic IT plan. Projects of note include:

DEPT.	PROJECT	GF	SSR	FSR	TOTAL
DOA	Network Equipment and Maintenance	\$5,589,000			\$5,589,000
DOA	Data Protection Initiative	\$1,887,000			\$1,887,000
DOA	Statewide Public Safety Communications	\$2,000,000			\$2,000,000
COR	Security System Replacements/Assessments	\$1,200,000			\$1,200,000
JUD	Court Technology Improvement Program	\$490,000			\$490,000
DOJ	Court Data Exchange Enhancement	\$834,000			\$834,000
MDT	Program and Project Mgmt/Risk-based Asset Mgmt and Linear Ref. System		\$650,000	\$4,350,000	\$5,000,000
MDT	Financial Management Suite			\$3,000,000	\$3,000,000
	Total:	\$12,000,000	\$650,000	\$7,350,000	\$20,000,000

Pay Plan (House Bill 13)

The Executive has negotiated a \$.50 per hour base pay increase effective the first pay period in October in each year of the biennium for state employees as well as a 10 percent state share insurance contribution increase for calendar year 2016 and an 8 percent increase for calendar year 2017. This request totals \$43.6 million general fund for the biennium.

School Funding Bill

The Executive proposes to increase state aid to school districts as follows:

- Increasing investments in the Basic Entitlement, per ANB (student), At Risk, Quality Educator, Indian Education for All, American Indian Achievement Gap, and Data for Achievement payments,
- Redirecting the new Natural Resource Development Payment to the Quality School Facility Program,
- Changing the minimum drop out age to 18,
- Provide ANB funding for 19 year old and older students, and
- Increase maximum bond capacity for school districts to 100 percent of taxable value while limiting state debt service obligations to current levels.

AGENCY LEGISLATIVE PROPOSALS

Department of Administration

- Funding switch for the state's Central Stores program.
- Conversion to a new gaming system for Montana State Lottery.

Agency bills include:

- LC0149 – A bill to extend the bond validating act.
 - LC0518 – A bill consolidating procurement accounts.
 - LC0327 – A bill to remove references to the central stores program.
 - LC0519 – A bill to clarify the role of the State CIO.
 - LC0520 – A bill to provide for mutual aid frequency coordination.
 - LC0422 – A bill to provide revisions to the bank act.
 - LC0424 – A bill to provide clarity and enhance consumer protections.
 - LC0421 – A bill to amend the Montana mortgage act.
 - LC0423 – A bill to revise Montana credit union act.
 - LC0328 – A bill to provide payment to burial preservation board members.
 - LC0150 – A bill to correct references related to social security administration.
 - LC0329 – A bill to correct language to GASB standard.
 - LC0330 – A bill to correct reference to the state treasurer.
-

Department of Agriculture

- Fund the Food and Agriculture Development Centers

Agency bills include:

- LC0440 – A bill revising noxious weed budget laws.
- LC0441 – A bill standardizing per diem for all agricultural boards and committees.
- LC0442 – A bill to repeal laws related to the mint committee.
- LC0443 – A bill allowing the department to provide plant sampling services.
- LC0444 – A bill allowing for alfalfa seed assessments.
- LC0445 – A bill revising fee distribution laws for the agriculture analytical lab.

Department of Commerce

- Increase funding for economic development programs in Montana.
- Provide for new worker training grants for newly created jobs.
- Continue funding for the native language preservation program.

Agency bills include:

- LC0494 – A bill that provides revenue debt offset info sharing.
 - LC0493 – A bill to eliminate needless laws and regulations concerning visitor information centers.
 - LC0376 – A bill to streamline administration operations for the Montana heritage commission.
 - LC0491 – A bill to remove the sunset on the Big Sky on Big Screen Act.
-

Department of Corrections

- Annualizing and increasing appropriation for secure facilities
 - Restoring zero-based overtime for secure facilities
 - Providing a lump sum allocation to the Department to negotiate with employees in order to recruit and retain correctional officers
 - Hiring an additional 10 probation and parole officers
 - Providing a 2 percent provider rate increase
-

Department of Environmental Quality

- Increase the agencies capacity to address contaminated sites across the state, increasing jobs and improving quality of life.

Agency bills include:

- LC0019 – A bill allowing for additional uses of the orphan share fund and increasing the number of sites receiving environmental cleanup and restoration job creation.
- LC0391 – A bill authorizing creation of a state Brownfields fund to assist with redevelopment and restoration job creation.
- LC0387 – A bill revising the process for misclassified water bodies.
- LC0388 – A bill revising the controlled allocation of liability laws.
- LC0389 – A bill expanding the use of petroleum mixing zones.
- LC0390 – A bill revising air quality fee structure laws.

Department of Fish, Wildlife and Parks

- Supporting the work of the Environmental Quality Council Legislative Interim Committee to stabilize and fund the General License Account for years to come

Agency bills include:

- LC0382 – A bill to prohibit the statewide transport of live fish.
 - LC0379 – A bill authorizing electronic signatures for hunting and fishing licenses.
 - LC0380 – A bill authorizing the construction of a dock on Wild Horse Island.
 - LC0381 – A bill providing for a mandatory penalty for misuse of replacement fish and game licenses.
-

Department of Livestock

- Mitigate 2017 biennial fee increases on Montana producers by investing additional general fund dollars in the Montana veterinary diagnostic laboratory.

Agency bills include:

- LC0300 – A bill to provide for the feral hog prevention act.
-

Department of Military Affairs

- Hire two veterans service officers to provide assistance to Veterans of Foreign Wars (VFW) veterans

Agencies bills include:

- LC0147 – A Bill allowing federal regulations to govern members of the Montana National Guard.
- LC0148 – A Bill to provide protections for state duty for special work.
- LC0724 – A Bill to provide for Montana National Guard reenlistment or extension act.

Department of Natural Resources and Conservation

- Improve upon the management of public lands via a DNRC-USFS Liaison, representing the state's interest in the management of National Forests.
- Establishing a conservation trust in an effort to prevent listing of the greater sage grouse by funding voluntary, incentive-based non-regulatory conservation measures.

Agency bills include:

- LC0392 – A bill revising contracting laws for conservation districts.
 - LC0393 – A bill removing hearing rule requirements for conservation districts.
 - LC0394 – A bill revising board of adjustment laws for conservation districts.
 - LC0398 – A bill revising water adjudication account and benchmark laws.
 - LC0399 – A bill allowing water permit reduction due to incomplete use.
 - LC0400 – A bill revising public notice provisions for water rights.
 - LC0401 – A bill allowing electronic fund transfers for certain trust land transactions.
 - LC0402 – A bill addressing cabin and home-site sales.
 - LC0403 – A bill revising reporting of fiscal performance on state trust lands.
 - LC0404 – A bill revising the penalty for unauthorized use of state trust lands.
 - LC0405 – A bill revising the rental payment calculation for commercial lease of state trust land.
-

Department of Public Health and Human Services

- Continue funding allocated in the 2015 biennium to help improve the quality of child care programs across the state
- Increase TANF cash assistance benefits up to 35 percent of current federal poverty level (FPL)
- Continue the successful “Money Follows the Person” program initiated in the 2015 biennium wherein individuals who have transitioned from acute care settings to community-based services will continue to receive services in their home communities.
- Fund the Governor’s mental health initiative to address critical issues in the state’s ability to provide mental health services that will span the continuum of care from community based health promotion, prevention, out-patient services, crisis intervention, and acute care services to measures that support ultimate stability in the community.
- A new proposal to fund autism services through the Medicaid State Plan providing coverage to more children than currently on the waiver
- Provide a 2 percent provider rate increase and a direct care worker wage increase

Agency bills include:

- LC0343 – A bill to provide modernization to the immunization information system.
- LC0558 – A bill to provide transparency and public disclosure and review of child abuse.

- LC0604 – A bill to provide modernization of immunization statutes.
 - LC0560 – A bill allowing state veterans home admission of gold star parents.
 - LC0559 – A bill to revise healthy Montana kid plan laws and language.
 - LC0603 – A bill adopting the 2008 Uniform Interstate Family Support Act.
-

Department of Transportation

Agency bills include:

- LC0262 – A Bill to allow alternative contracting process.
 - LC0263 – A Bill establishing a post-crash “quick clearance” procedure to reopen roads.
 - LC0264 – A Bill making the penalty on delinquent license taxes discretionary and allowing the Department to waive them upon a showing of good cause.
 - LC0265 – A Bill allowing the Department to use unspent DUI task force funds in counties with an approved DUI program.
 - LC0267 – A Bill allowing the Department to transfer unneeded land to another state agency at below fair market value, but not below the purchase price paid by the Department so long as it remains in public ownership.
 - LC0268 – A Bill to deposit certain fees collected by the Department directly into the highway non-restricted account.
 - LC0269 – A Bill to revise fuel tax laws.
 - LC0270 – A Bill to provide flexibility to install or allow the installation of appropriate memorial/commemorative signs on certain routes.
 - LC0271 – A Bill to identify specific devices that are approved for use as a traction device.
 - LC0272 – A Bill to charge appropriate fees on certain registered vehicles more commensurate with actual costs.
-

Montana University System

- Implementing the Governor’s Performance Appropriation and the associated tuition freeze with the Montana University System.
- Continuing to fund the additional investments in the MSU veterinary medicine and WICHE/WWAMI/MN Dental slots created in the 2015 biennium.
- Increasing funding to Community Colleges by \$1,243,622 for the biennium.
- Continuing support for Montana’s non-beneficiary tribal college students at the statutory enrollment level of \$1,003,463 per year.
- Providing a one-time only appropriation of \$15 million for university-based research emphasizing agriculture, natural resources, manufacturing, health, and biomedical sciences.

Office of the Public Defender

- Providing a 2 percent contract attorney rate increase
 - Addressing double digit caseload growth
 - Addressing future growth with discretionary authority to the Commission and additional personnel and contract authority
-

Office of Public Instruction/K-12 Education

- Fully annualizing the statutory inflation increase for base aid up to the FY 2015 level
- Fully funding the statutory inflation increase for base aid for FY 2016 and FY 2017 as established in SB175 from the 2015 Legislative Session
- Funding Special Education Maintenance of Effort (MOE)
- State funding of FTE at the Office of Public Instruction to enhance public reporting and transparency. Members of the public can compare how their school stacks up to other schools in their district or across the state in areas such as English, math, and science performance, graduation rates, and college-readiness. Community members also have access to state and local school finance reports, ensuring transparency in how taxpayer dollars are being spent to educate Montana's K-12 students.

REVENUE AND ECONOMIC OVERVIEW

Introduction

Revenue estimates are a core piece of the executive budget because they inform both current and future expenditure decisions. The method of estimating state revenue is grounded in economic theory and built on economic assumptions. Appropriately digesting economic data is important to understanding the intricacies of the various sectors of the economy, many of which contribute tax revenue to the state of Montana.

In addition to knowing the details of individual sectors, it is helpful to have a big picture understanding of the economy as a whole. This section provides a succinct overview of economic conditions in the national economy and then moves into a more detailed discussion of the current outlook for the Montana economy. The economic overview is meant to shed light on some of the more broad economic assumptions that are consistent across all of the revenue estimates. Further detail on sector-specific economic assumptions is available in the descriptions of each individual revenue source.

Conditions in the National Economy

Overview

The US economy experienced the most severe downturn since the Great Depression in calendar years (CY) 2008 and 2009. This recession – referred to as the Great Recession – was sparked by the collapse of the housing market and was exacerbated by turmoil in the financial sector. The recovery from the depths of the Great Recession has been long and slow and experienced a hiccup during the winter of CY 2014. The economy is picking up speed, but potential roadblocks loom in the form of weak world oil demand and increases in short-term interest rates. If the dip in oil prices persists, it is unclear what the impact would be on the US economy and Montana. Cheaper energy inputs would be welcome in some parts of the economy, but could put the brakes on the current revival of the US oil industry. The Federal Reserve (Fed) is keeping a close eye on US economic data as it decides if and when it wants to ease back into the realm of tighter monetary policy. Strengthening US gross domestic product (GDP) growth, an improving employment picture, and stability in private financial markets are contributing to a largely positive outlook for economic activity going forward through the 2017 biennium.

Table 1 summarizes three key national economic indicators for fiscal years (FY) 2005 through 2014 and IHS Economics’ forecasts for FY 2015 through FY 2017, as of October 2014.

Fiscal Year	U.S. Gross Domestic Product		Unemployment	Inflation
	Billions \$	Change	Rate	Rate
2005	\$12,679	6.5%	5.3%	1.9%
2006	\$13,509	6.5%	4.8%	2.0%
2007	\$14,158	4.8%	4.5%	2.0%
2008	\$14,684	3.7%	5.0%	2.1%
2009	\$14,529	-1.1%	7.6%	2.1%
2010	\$14,630	0.7%	9.8%	2.2%
2011	\$15,247	4.2%	9.3%	2.2%
2012	\$15,856	4.0%	8.5%	2.3%
2013	\$16,431	3.6%	7.8%	2.3%
2014	\$17,081	4.0%	6.8%	2.3%
2015	\$17,840	4.4%	5.8%	2.4%
2016	\$18,601	4.3%	5.6%	2.4%
2017	\$19,535	5.0%	5.4%	2.5%

US Corporate Sector

Table 2 presents the developments in the United States corporate sector, as represented by corporate profits and the path of the Standard & Poor's 500 stock index (S&P 500), for FY 2005 through FY 2014 and the IHS Economics baseline forecast for FY 2015, FY 2016, and FY 2017. The table shows that as the national economy went through the Great Recession, corporate profits slowed in FY 2007 and then declined rapidly until FY 2010 when they bounced back strongly, recovering most of the decline of the prior two years. The fiscal year averages smoothed out quarterly changes. Before-tax corporate profits declined in late CY 2013 and early CY 2014, but have since recovered.

Fiscal Year	Corporate Profits		S&P 500	
	Billions \$	Change	Index	Change
2005	\$1,448	30.1%	1,160	7.6%
2006	\$1,775	22.6%	1,255	8.2%
2007	\$1,820	2.5%	1,400	11.6%
2008	\$1,643	-9.7%	1,427	1.9%
2009	\$1,254	-23.6%	966	-32.3%
2010	\$1,713	36.6%	1,086	12.4%
2011	\$1,833	7.0%	1,231	13.4%
2012	\$1,978	7.9%	1,288	4.7%
2013	\$2,173	9.9%	1,486	15.4%
2014	\$2,325	7.0%	1,795	20.8%
2015	\$2,512	8.0%	2,008	11.8%
2016	\$2,508	-0.1%	2,086	3.9%
2017	\$2,473	-1.4%	2,163	3.7%

The forecast for corporate profits anticipates that they will remain at high levels. The S&P 500 index forecast reflects those trends as well. While the corporate profits forecast in Table 2 are estimates of profits of all firms nationally, Montana participates in this national activity. In fact, the largest 25 Montana corporate income tax filers (of over 16,500 total filers) generally pay over 50% of Montana's annual corporate tax receipts. These firms apportion their national or worldwide profits to state taxing jurisdictions. Thus, the bulk of corporate income tax revenues are better reflected in the national corporation profits and S&P 500 index trends. Income from "main street" Montana businesses is principally reflected in Montana personal income with taxes on those incomes reported on individual income tax returns, as these firms tend to file partnership and "S" corporation returns.

Conditions in the Montana Economy

Montana Production and Income

Montana's economy was not affected by the Great Recession as severely as the national economy. Gross state product (GSP) and personal income in Montana for FY 2005 through FY 2014 are shown in Table 3, along with forecasts for FY 2015 through FY 2017 from IHS Economics. In the years leading up to the recession, Montana GSP growth outpaced national GDP growth. Montana's economy dipped in FY 2009 alongside the national economy, but recovered at a faster rate, nearly reaching 7% growth in FY 2012. Economic growth in Montana reverted back to near the growth rate in national GDP during FY 2013 and FY 2014. The projection for the FY 2015 through FY 2017 period for the Montana economy is slightly slower growth than the national economy, with GSP growth averaging just under 4.4% for the 2017 biennium.

A good summary indicator of how changes in the economic environment may impact state revenue collections is Montana personal income. Personal income is the combination of multiple variables (wages and salaries, capital gains, transfers, proprietors' incomes, inflation, etc.) that can play a big role in influencing the state revenue picture. Montana experienced rapid growth in personal income from FY 2005 to FY 2008. As a result of the Great Recession, personal income growth in the state approached zero percent in FY 2009 and FY 2010, averaging just under 0.5% for those two years. Significant increase in personal income growth occurred in FY 2011 and FY 2012, but cooled off thereafter. For the 2017 biennium, personal income in Montana is expected to grow by over 4% each year.

Fiscal Year	Gross State Product	Percent Change	Personal Income	Percent Change
2005	\$29,240	7.5%	\$26,843	5.8%
2006	\$31,811	8.8%	\$28,871	7.6%
2007	\$34,428	8.2%	\$31,095	7.7%
2008	\$36,487	6.0%	\$33,246	6.9%
2009	\$36,011	-1.3%	\$33,485	0.7%
2010	\$36,599	1.6%	\$33,545	0.2%
2011	\$38,711	5.8%	\$35,488	5.8%
2012	\$41,361	6.8%	\$38,038	7.2%
2013	\$43,055	4.1%	\$39,838	4.7%
2014	\$44,464	3.3%	\$40,664	2.1%
2015	\$46,106	3.7%	\$42,382	4.2%
2016	\$48,014	4.1%	\$44,206	4.3%
2017	\$50,239	4.6%	\$46,640	5.5%

Montana Employment and Population

Montana non-farm employment, working age population, and total population for FY 2005 through FY 2014 are presented in Table 4 along with IHS Economics' forecasts for FY 2015 through FY 2017. Total Montana employment grew at an average annual pace of 2.3% from FY 2005 to FY 2007. Employment growth slowed in FY 2008 and then turned negative in FY 2009 and FY 2010 as the impacts of the Great Recession took hold of the economy. With the recovery, Montana employment increased slightly in FY 2011 and then experienced strong growth in FY 2012, FY 2013, and FY 2014. Over the 2017 biennium, employment growth is predicted to average a growth rate of 1.5%, falling short of the rapid growth exhibited in the FY 2005 to FY 2007 period, a rate that proved to be unsustainable. The employment forecast is more indicative of growth during times of economic stability in Montana.

Employment growth differs across regions in the state. Montana is a large state and the many sectors that make up the economy have responded differently in the wake of the Great Recession. The eastern portion of the state has benefited from oil and gas development of the Bakken shale formation. In addition to drilling activity, there has been a host of oilfield service companies that have cropped up to meet the needs of the oil and gas industry. The surge in economic activity in the Bakken oilfield has boosted employment in many of Montana's easternmost counties. Employment in the northwest region of Montana has been the slowest to recover from the recession. Economic activity in this region was concentrated in wood product manufacturing and construction, two industries that were hit hard during the downturn. Southwest Montana suffered from the collapse in the construction industry as well, but employment in this region has fared better during the recovery than employment in northwest Montana. Overall, employment growth in Montana has outpaced the national average.

Fiscal Year	Employment	Percent Change	Working (16-65) Age Population	Percent Change	Total Population	Percent Change
2005	458,322	1.9%	628,762	1.4%	936,309	1.1%
2006	469,866	2.5%	637,238	1.3%	947,958	1.2%
2007	482,193	2.6%	645,282	1.3%	960,189	1.3%
2008	487,568	1.1%	651,595	1.0%	972,013	1.2%
2009	476,477	-2.3%	655,140	0.5%	981,140	0.9%
2010	462,733	-2.9%	657,976	0.4%	988,336	0.7%
2011	463,675	0.2%	660,893	0.4%	994,948	0.7%
2012	471,958	1.8%	662,072	0.2%	1,002,529	0.8%
2013	481,712	2.1%	663,378	0.2%	1,011,531	0.9%
2014	488,814	1.5%	664,963	0.2%	1,021,081	0.9%
2015	499,301	2.1%	665,524	0.1%	1,030,238	0.9%
2016	508,167	1.8%	665,631	0.0%	1,039,192	0.9%
2017	514,217	1.2%	665,802	0.0%	1,048,176	0.9%

From FY 2005 to FY 2008, the total population in Montana grew at an average pace of 1.2% per year. The population growth rate dipped below 1% in FY 2009, and has remained near 0.8% through FY 2014. Montana's population eclipsed one million individuals in FY 2012. Throughout the 2017 biennium, annual population growth is expected to remain consistent at rates seen in recent years.

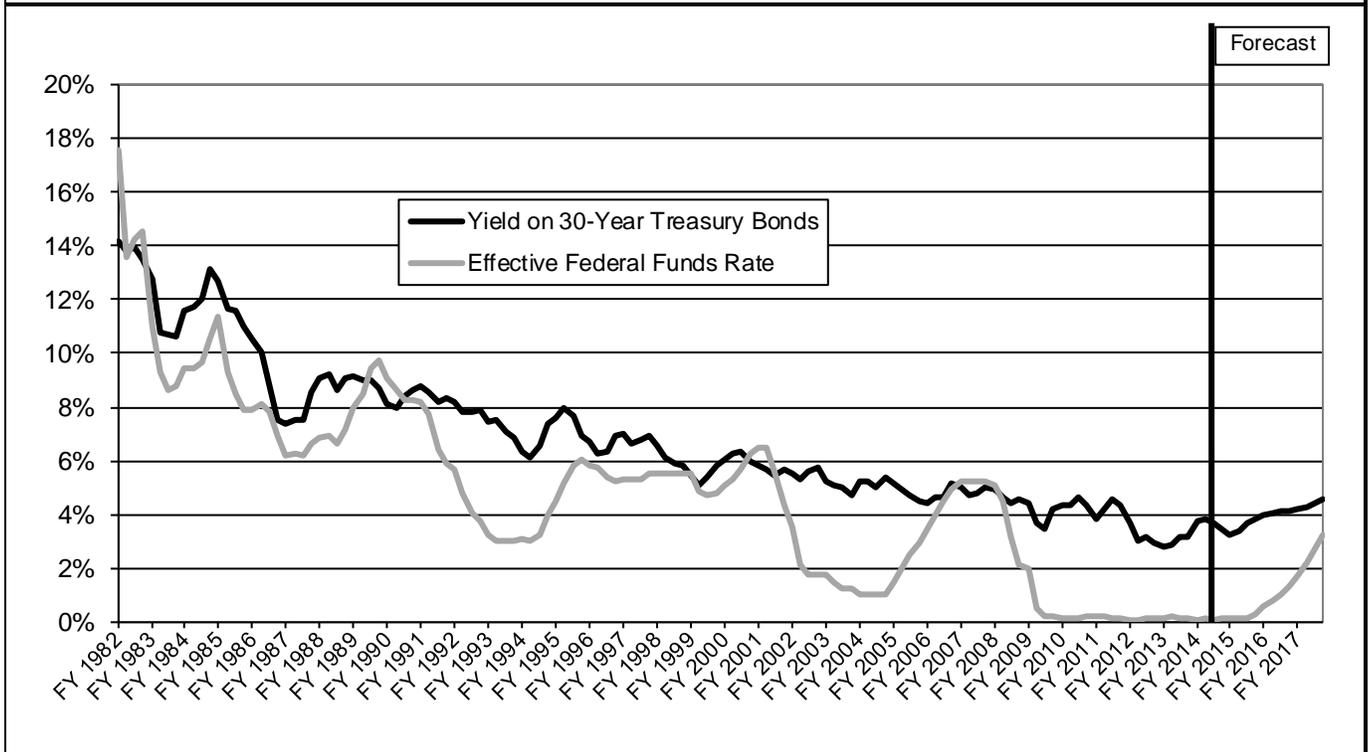
The story is different when focusing on the working age population in Montana. Working age population growth is slowing, and is forecast to reach zero percent growth in FY 2016 and FY 2017 as individuals in the "baby boomer" generation are retiring. As these individuals exit the working age population, there are fewer individuals achieving working age to mitigate the declining growth of this large chunk of the population. This leveling-out of the working age population may put upward pressure on wages as the economy continues to improve. Rising demand for labor in the face of constrained supply generally translates into higher wages; however, wage pressures could be mitigated by increases in the labor force participation rate, which has been ticking upward lately. Productivity gains, in-migration, and technology will also help offset the negative impacts of this change in the workforce.

Interest Rates

The state earns interest on trust funds, such as the coal severance tax trust fund, the school trust, and the tobacco settlement trust, and on short-term cash holdings in the general fund and other state funds. The state also pays interest on funds it borrows. Trust fund interest earnings and payments on debt are affected by changes in long-term interest rates. Most bonds held by the state trust funds are kept for several years; consequently, trust fund interest earnings are affected more by long-term trends than year-to-year variations. On the other hand, interest earnings on cash balances and interest payments on short-term debt are affected by short-term interest rates.

Graph 1 shows the effective federal funds rate and the annualized yield on 30-year US Treasury obligations from FY 1982 through the first quarter of FY 2015 and IHS Economics' forecast through FY 2017.

**Graph 1
Interest Rates**

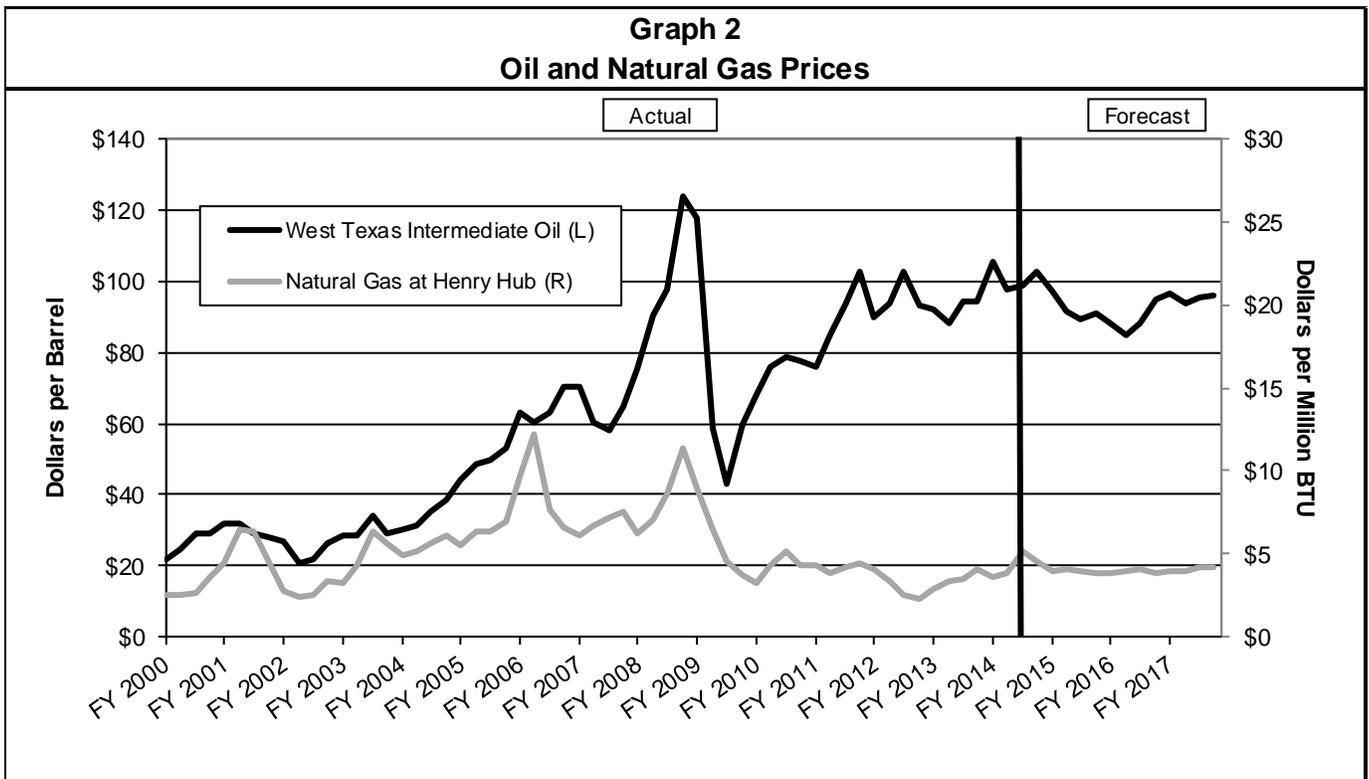


Both long-term and short-term interest rates have been trending downward since they reached historic highs in the 1980s. Over this time period, short-term interest rates have experienced more pronounced spikes and dips than long-term interest rates, a result of their ability to respond quickly to changes in economic conditions. In response to the economic downturn in CYs 2008 and 2009, the Federal Reserve Open Market Committee (FOMC) engaged in expansionary monetary policy that resulted in short-term interest rates falling to unprecedented lows. The federal funds rate (the rate banks charge each other on overnight loans used to meet reserve requirements) dropped to near zero. In a further effort to stimulate the economy, the Fed aimed to increase the money supply by purchasing large amounts of longer-term Treasury securities, along with mortgage-backed securities from the federally sponsored home mortgage agencies Freddie Mac and Fannie Mae. This policy, referred to as quantitative easing, had the goal of pushing down long-term interest rates in order to boost a weak housing market and incentivize private sector investment. The Fed instituted three rounds of quantitative easing, with the third round wrapping up in October 2014. With the federal funds rate expected to rise sometime in CY 2015, and the end of the Fed’s long run of quantitative easing, the era of historically low short-term and long-term interest rates might be slowly drawing to a close.

Oil and Natural Gas Prices

Oil and natural gas prices are linked to state revenues through royalties and taxes levied on oil and gas production in the state. As oil production from the Bakken shale formation in eastern Montana brought a new oil boom to the state, the price of oil became a relatively more important factor for state revenue collections. Montana crude oil prices are linked to the price of West Texas Intermediate (WTI) crude oil, a national benchmark price. Because of transportation costs, Montana oil trades at a price discount to WTI. The discount between Montana and WTI oil is not fixed and varies depending on regional supply and demand dynamics. Montana natural gas prices are determined less by national market activity and more by activity in local/regional markets.

Graph 2 shows quarterly historic and forecast national oil and natural gas benchmark prices. Historic prices are from FY 2000 through the first quarter of FY 2015. The price of WTI in dollars per barrel is shown on the left axis, and the price of Henry Hub natural gas in dollars per million BTU (mmbtu) is shown on the right axis.



The hydraulic fracturing revolution currently taking place in the US has reshaped the country’s domestic oil and natural gas picture. Generally rising oil prices since CY 2000 has supported the more costly method of oil extraction associated with horizontal drilling and hydraulic fracturing. The increasing supply of shale oil in the US has resulted in a glut of crude oil in the midcontinent and gulf coast regions. Since the US bans the export of crude oil, midcontinent and gulf coast refiners have been operating at near peak levels in order to keep up with the growing supply of domestic crude oil. Even so, WTI has been trading at a price discount to international benchmark crude oils such a North Sea Brent since CY 2010.

Both oil and natural gas prices in the US rose sharply from CY 2007 - CY 2008, and then came tumbling back down from CY 2008 - CY 2009. Since then, oil prices climbed steadily until leveling out near the \$100/barrel mark in CY 2011, remaining there until the most recent dip in CY 2014. Henry Hub natural gas prices dropped to near the \$2/mmbtu mark in the first half of CY 2012 in response to increased natural gas production from shale formations. Prices recovered in the second half of CY 2012 and climbed steadily during CY 2013 - CY 2014. The outlook for natural gas prices is relatively flat, with prices at the Henry Hub hovering between \$4 and \$5/mmbtu.

Recently, growing global oil supplies and a weak demand outlook have contributed to a significant drop in oil prices since the middle of CY 2014. Both Brent and WTI prices fell below \$90/barrel in October. If the drop in oil prices continues, there could be ramifications for the shale oil industry as some higher-cost wells may become uneconomical; however, the price dip would have to be deeper and last longer before large numbers of wells begin to be shut off. The volatility of oil prices makes even a month-ahead forecast uncertain, because unexpected events such a political unrest, natural disasters, and economic shocks can cause rapid, large swings in prices.

Age Structure of the Montana Population

Table 5 shows the CYs 1990, 2000, and 2010 census counts for Montana's population, along with the forecast from IHS Economics for CY 2017. The population numbers are broken down into ten-year age groups, showing the number of individuals in each age group as well as the group's percentage of the total population.

Age	1990		2000		2010		2017 Forecast	
	Persons	%	Persons	%	Persons	%	Persons	%
0-9	125,605	15.7%	116,546	12.9%	122,912	12.4%	128,607	12.2%
10-19	119,931	15.0%	140,754	15.6%	127,554	12.9%	126,634	12.0%
20-29	104,180	13.0%	109,379	12.1%	131,731	13.3%	139,094	13.2%
30-39	135,117	16.9%	118,664	13.1%	114,181	11.5%	126,125	12.0%
40-49	103,525	12.9%	149,416	16.5%	127,973	12.9%	120,492	11.5%
50-59	71,115	8.9%	109,901	12.2%	155,245	15.7%	144,663	13.8%
60-69	66,904	8.4%	70,235	7.8%	110,350	11.1%	133,732	12.7%
70-79	49,752	6.2%	54,610	6.0%	60,016	6.1%	83,080	7.9%
80+	24,074	3.0%	34,268	3.8%	40,566	4.1%	49,188	4.7%
Total	800,203	100.0%	903,773	100.0%	990,528	100.0%	1,051,615	100.0%

The table shows that the cohort over the age of 60 is growing as a share of the total population. At the 2000 census, individuals over 60 years of age represented 17.6% of the population in Montana. By 2010, this number had grown to 21.3%. The aging population in Montana is a reflection of a national trend and is expected to continue. In 2017, the percentage of individuals 60 years or older is predicted to make up approximately 25% of Montana's total population. Along those same lines, the cohort of individuals over 40 years old is forecast to represent over 50% of the population by 2017.

Economic Structure

Table 6 shows Montana's GSP divided into eleven sectors. Actual GSP by sector is shown for CY 2006 and CY 2010, with forecast values for CY 2014 and CY 2018. In addition to the dollar value of each sector's GSP, the sector's share of total state GSP is shown in Table 6. For sectors that have grown faster than the economy as a whole, their share of total output has increased over time. The opposite is true for sectors that have grown at a slower rate than the overall economy.

Economic Sector	CY 2006		CY 2010		CY 2014		CY 2018	
	\$	%	\$	%	\$	%	\$	%
Other Services	\$7,422	22.6%	\$8,851	23.6%	\$10,440	23.1%	\$12,603	23.7%
Finance, Insurance, & Real Estate	\$5,494	16.7%	\$6,665	17.8%	\$8,077	17.9%	\$9,536	17.9%
Transp., Comm., & Util.	\$3,165	9.6%	\$3,697	9.9%	\$4,083	9.0%	\$4,659	8.8%
State and Local Govt, Schools	\$3,504	10.7%	\$4,159	11.1%	\$4,504	10.0%	\$5,046	9.5%
Retail Trade	\$2,324	7.1%	\$2,475	6.6%	\$2,802	6.2%	\$3,247	6.1%
Manufacturing	\$2,193	6.7%	\$1,982	5.3%	\$3,068	6.8%	\$3,605	6.8%
Wholesale Trade	\$1,852	5.6%	\$1,993	5.3%	\$2,526	5.6%	\$3,180	6.0%
Construction	\$2,332	7.1%	\$1,992	5.3%	\$2,324	5.1%	\$2,786	5.2%
Federal Government	\$1,286	3.9%	\$1,555	4.1%	\$1,497	3.3%	\$1,575	3.0%
Agriculture, Forestry, & Fishing	\$1,003	3.1%	\$1,447	3.9%	\$2,538	5.6%	\$2,990	5.6%
Mining	\$1,808	5.5%	\$2,164	5.8%	\$2,701	6.0%	\$3,208	6.0%
Military	489.00	1.5%	541.99	1.4%	579.41	1.3%	\$716	1.3%
Total	\$32,875	100.0%	\$37,520	100.0%	\$45,138	100.0%	\$53,152	100.0%

During the 1990s and early 2000s Montana's service sectors grew from approximately 45% of total state GSP to over 53% of GSP. During this same time period, Montana's goods-producing sectors fell from approximately 23% to near 17% of state GSP. Since then, the service sectors have regressed somewhat as a share of GSP and the goods-producing sectors have rebounded. There are sectors of the economy that produce services almost exclusively, and in Montana these sectors include the following: finance and insurance, real estate, retail trade, wholesale trade, and other services. Similarly, there are sectors of the economy that are mostly goods-oriented. In Montana, these sectors are: agriculture, forestry, fishing, mining, manufacturing, and construction. The other sectors of the economy produce a mixture of goods and services. Together, the service sectors accounted for 53.3% of state GSP in CY 2010, and are forecast to be responsible for 52.8% of GSP in CY 2014 and 53.7% of GSP in CY 2018. The goods-producing sectors accounted for 20.3% of GSP in 2010, and are forecast to make up 23.5% and 23.6% of GSP in 2014 and 2018, respectively. Rounding out the sectors, those that produce a mix of goods and services made up 26.4% of GSP in 2010. In 2014, these mixed-product sectors are expected to account for 23.7% of GSP and in 2018 are expected to account for 22.7% of GSP.

Table 7 shows actual Montana wages and salaries divided into fifteen sectors⁷ for CY 2006 and CY 2010 and IHS Economics' forecast for CY 2014 and CY 2018. Wages and salaries for professional and business services have consistently grown faster than wages in the economy as a whole, and are expected to continue along this trend. As the population ages, health services are expected to drive continued growth in the education and health service group. State and local governments as well as local schools are expected to slightly reduce their share of wages and salaries. Construction and mining dropped in 2010 due to the economic downturn, but are expected to rebound in 2014 and 2018.

Table 7
Montana Wage and Salary Income by Economic Sector
(\$ millions)

Economic Sector	2006		2010		2014		2018	
	\$	%	\$	%	\$	%	\$	%
Educational & Health Svcs	\$1,885	13.5%	\$2,370	15.3%	\$2,871	15.6%	\$3,626	16.1%
State & Local Government, Schools	\$2,166	15.5%	\$2,574	16.6%	\$2,767	15.0%	\$3,191	14.1%
Professional & Business Svcs	\$1,255	9.0%	\$1,530	9.9%	\$1,903	10.3%	\$2,523	11.2%
Construction and Mining	\$1,574	11.3%	\$1,470	9.5%	\$1,942	10.5%	\$2,662	11.8%
Retail Trade	\$1,261	9.0%	\$1,335	8.6%	\$1,548	8.4%	\$1,836	8.1%
Financial Activities	\$886	6.3%	\$933	6.0%	\$1,106	6.0%	\$1,338	5.9%
Leisure & Hospitality	\$799	5.7%	\$903	5.8%	\$1,143	6.2%	\$1,390	6.2%
Manufacturing	\$759	5.4%	\$696	4.5%	\$861	4.7%	\$1,014	4.5%
Transportation, Warehousing & Utilities	\$746	5.3%	\$806	5.2%	\$1,037	5.6%	\$1,184	5.2%
Federal Government	\$740	5.3%	\$851	5.5%	\$815	4.4%	\$892	4.0%
Wholesale Trade	\$673	4.8%	\$711	4.6%	\$912	5.0%	\$1,092	4.8%
Other Services	\$440	3.2%	\$491	3.2%	\$578	3.1%	\$677	3.0%
Agriculture, Forestry & Fishing	\$232	1.7%	\$250	1.6%	\$346	1.9%	\$421	1.9%
Military	\$274	2.0%	\$296	1.9%	\$295	1.6%	\$369	1.6%
Information	\$290	2.1%	\$308	2.0%	\$296	1.6%	\$353	1.6%

⁷ The growth in total wages and salaries for a sector is due to a combination of growth in employment in the sector and growth of wages. These differ between sectors.

Expanding Opportunities and Limiting Risks

As stated previously, the executive budget is based on assumptions about economic conditions during the 2017 biennium. It is important to understand that these are assumptions about the future and they may or may not hold true as time progresses. There is a certain level of uncertainty associated with making economic assumptions and this introduces risks to the accuracy of revenue forecasts. The current outlook for the US economy is a move away from the many years of slow growth that have occurred since the Great Recession and into a period of normal growth. If past years are any indication, however, this assumption is anything but certain.

The depth of the Great Recession and the speed with which it occurred, is an indication of how fragile the US economy can become when bubbles develop. The bursting of the housing bubble and the resultant financial crash sent the economy reeling in CY 2008 and CY 2009. These types of events are nearly impossible to predict accurately, but there are often warning signs. Looking for these warning signs and correctly interpreting their meaning (not an easy thing to do) can be a way for forecasters to account for potential downside risk in their predictions. Because of the severity of the Great Recession, forecasters are now more wary about unusual or unprecedented economic behavior. There are risks that are unique to certain sectors, but their effects often flow over to multiple sectors in the economy.

Forecasters often try to identify the sector(s) that will be the source of the next economic shock. As a result, optimistic and pessimistic scenarios can be used to inform the sensitivity of predictions. Currently, there are mixed signals in the economy that are impacting economic forecasts. On one hand, there is optimism that increasingly positive economic data may lead the Fed to raise its target federal funds rates sometime in CY 2015. Recently, the Fed announced the termination of its quantitative easing policy – an effort to push down long-term interest rates in hopes of spurring private sector investment. Even with an improving economic picture, remaining labor market slack and low inflationary expectations are still weighing on the Fed's decision to pursue monetary tightening. On the other hand, there are concerns that a decline in world oil demand may reflect economic slowdowns in the rest of the world. For Montana the concern is mixed. Declines in US oil prices could put the squeeze on Montana oil producers. It is unknown if the benefits of lower energy prices in Montana could offset the reduction in economic activity that may result from these lower prices. So, while low energy prices are good for the consumer, a prolonged dip in prices could put strain on the US oil industry, which has been a bright spot in recent years as the rest of the economy has struggled to recover.

A study by Moody's Analytics⁸ tries to assess the countervailing effects of falling stocks, the rising dollar, falling oil and gasoline prices, and delays in changing interest rate policy. The study uses Moody's Analytics national econometric model to weight the impact of the confluence of these effects on national economic growth. Relative to their positive baseline (3.5% GDP growth in 2015) the balance of these positive and negative impacts could add an additional 0.3 percentage points to national growth by the end of CY 2015 and if they persist, up to 0.5 percentage points to the growth rate by the end of CY 2016. Lower interest rates and oil prices add to growth and the stronger dollar and a stock correction would subtract from growth. On balance, Mark Zandi of Moody's Analytics says in his presentation of the work, "the economic arithmetic adds up to a plus". It is possible that the positives may be smaller in Montana as the state's economy is more reliant on commodity prices relative to the rest of the United States. The weight on commodity prices would have to be about twice as high in Montana in order to offset the positive impacts of low interest rates and low oil prices.

For the 2017 biennium forecasts, the executive revenue estimates incorporate a modestly positive outlook for the US and Montana economies as they are characterized in the IHS Economics baseline forecast. There are many reasons to believe that significant upside risk exists, which may result in receipts above the current forecast. The Office of Budget and Program Planning (OBPP) is aware of certain sector-specific risks and opportunities, some of which are outlined below.

⁸ Ryan Sweet, "Market Shocks: Assessing the Economic Cross Currents," Moody's Analytics, Dismal Scientist, October 24, 2014

Corporation License Tax

When making the corporation license tax estimate, OBPP used the baseline outlook for US Corporate before tax profits, but selected the lower 90 percent confidence bound to address the ability of firms to claim carry-forward losses for up to seven years. The forecast model uses reported US corporate profits for each of the prior two years, individually, to try to capture claw-back behavior of corporate tax strategy. The corporation tax model explicitly excludes the above trend portion of FY 2009 corporation income tax collections. Additionally, because of unaccounted (in the model) policy-induced timing shifts of receipts in FY 2013 and FY 2014, the model's lower 90 confidence bound produces estimates that are lower than they might otherwise have been. FY 2013 collections exceeded SJR 2 estimates by a large margin (\$28.6 million) and in FY 2014 they were below SJR 2 estimates (\$6.5 million). These strategies of accounting for risk were taken despite corporation profits significantly exceeding the levels of previous Montana record collections. A significant portion of the shifts in FY 2013 and FY 2014 appear to be attributable to the 23rd hour extension, expansion and retroactive applicability of business bonus depreciation, and expensing provisions of the *American Taxpayer Relief Act of 2012* (ATRA). Other changes are simply due to long-standing difficulty in explaining the variance of Montana corporation tax collections.

Personal Income Tax

In the income tax model, the principle source of tax revenue is the level of wage and salary receipts of Montanans. The national forecasting companies, in their state models, rely heavily on the employment, wage, and salary information reported through the Current Employment Statistics (CES) payroll survey of establishments. The forecasting firms do so because the reporting establishments are classified by their sector of economic activity. This information permits them to develop economic sector estimates driven by sector labor market activity. The CES employment numbers at the state level are again showing discrepancies (lower employment gains in some sectors) with the Local Area Unemployment Statistics (LAUS) as they did in October of 2012. The LAUS system is designed for calculating broader measures like the unemployment rate, employment, and unemployment levels. Data discrepancies are reconciled with the Quarterly Census of Employment and Wages (QCEW) and annual labor statistics benchmarking (February and March every year); however, the QCEW reconciliation is done with a six- to nine-month lag. These adjustments suggest that the data being used by all forecasters is likely to be revised upward. The estimates presented contain a small upward adjustment conducted outside the model to try to account for this discrepancy. Additionally, the impact of ATRA tax year (TY) 2012 tax shifting coupled with CY 2013 and first half of CY 2014 gains in equity markets imply that while FY 2013 actual collections overstated estimated tax collections, FY 2014, TY 2013, tax form submissions are likely to be leading to understatement of future tax collections. At this time no adjustment has been made regarding potential positive ATRA effects.

Oil and Natural Gas

Since the start of FY 2012, oil production in Montana was trending upward until the second and third quarters of FY 2014 when production growth turned negative. Harsh winter weather provided a hindrance to drilling and well completion activities during this time. The outlook for oil production during the 2017 biennium is relatively flat with the possibility of a slight decline due to the maturation of the Bakken shale formation. The Bakken is the lifeblood of Montana's oil industry and is also becoming increasingly important for natural gas production. Natural gas that occurs as a byproduct of oil production (referred to as associated gas) is making up an increasing share of total natural gas production in the state. Output gains in natural gas from the Bakken region are offsetting production declines from older wells in the north-central portion of the state. The development of the Bakken formation is responsible for the revival of oil production in Montana, and the productivity of this formation going forward will determine the fate of the state's oil industry and, to a lesser extent, natural gas industry. Currently the productive areas of the Bakken formation in Montana have been extensively mapped out by industry participants. There is little exploratory activity taking place outside the Bakken and most of the current activity in the region consists of infill drilling occurring on existing spacing units. North Dakota is experiencing a much larger boom in oil production than Montana due to differences in geology of the Bakken formation between the two states. If the Keystone XL pipeline is approved and constructed, it would relieve some of the transportation bottleneck for Bakken oil, resulting in reduced price margins between Montana oil and other benchmark crude oils. Elimination of the US

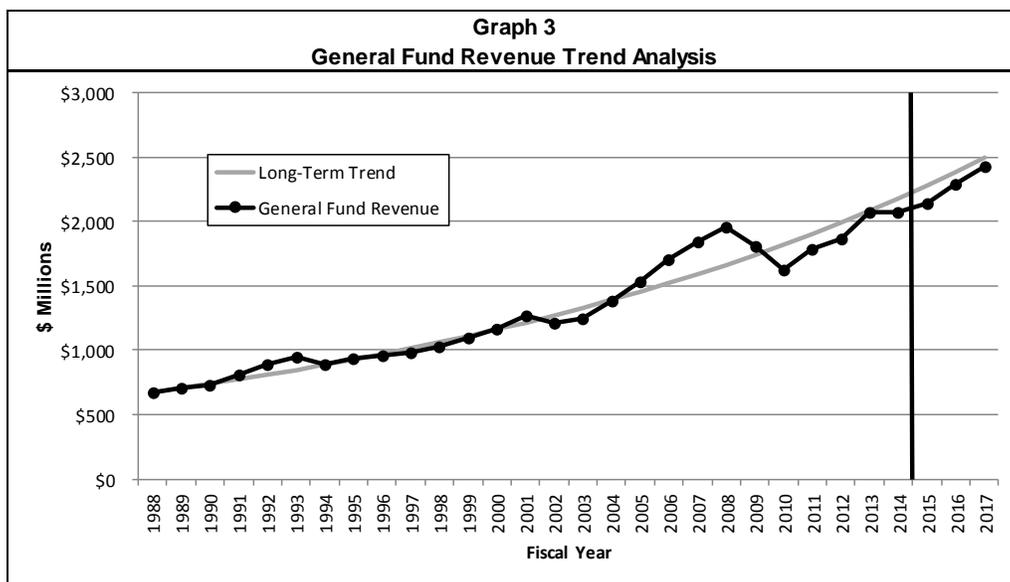
ban on crude oil exports would also lift Montana oil prices via the state’s production becoming more integrated with global markets.

Insurance Premium Tax

In August 2013, Health Care Services Corporation (HCSC) purchased Blue Cross Blue Shield of Montana (BCBS). As a result of the merger, premiums paid to BCBS became taxable. While there was noticeable growth in insurance premium tax revenue in FY 2014, future shifts in BCBS’s market share would have considerable impact on collections. Also, beginning January 1, 2014, the individual mandate of the Affordable Care Act (ACA) became effective. Under the ACA, an online insurance marketplace was created in order to assist individuals in purchasing health insurance. Currently, BCBS is the only taxable insurer that offers coverage on the healthcare exchange for Montanans. Changes in the tax liability of the other insurance companies on the exchange may have an impact on tax collections.

Trend in General Fund Revenue

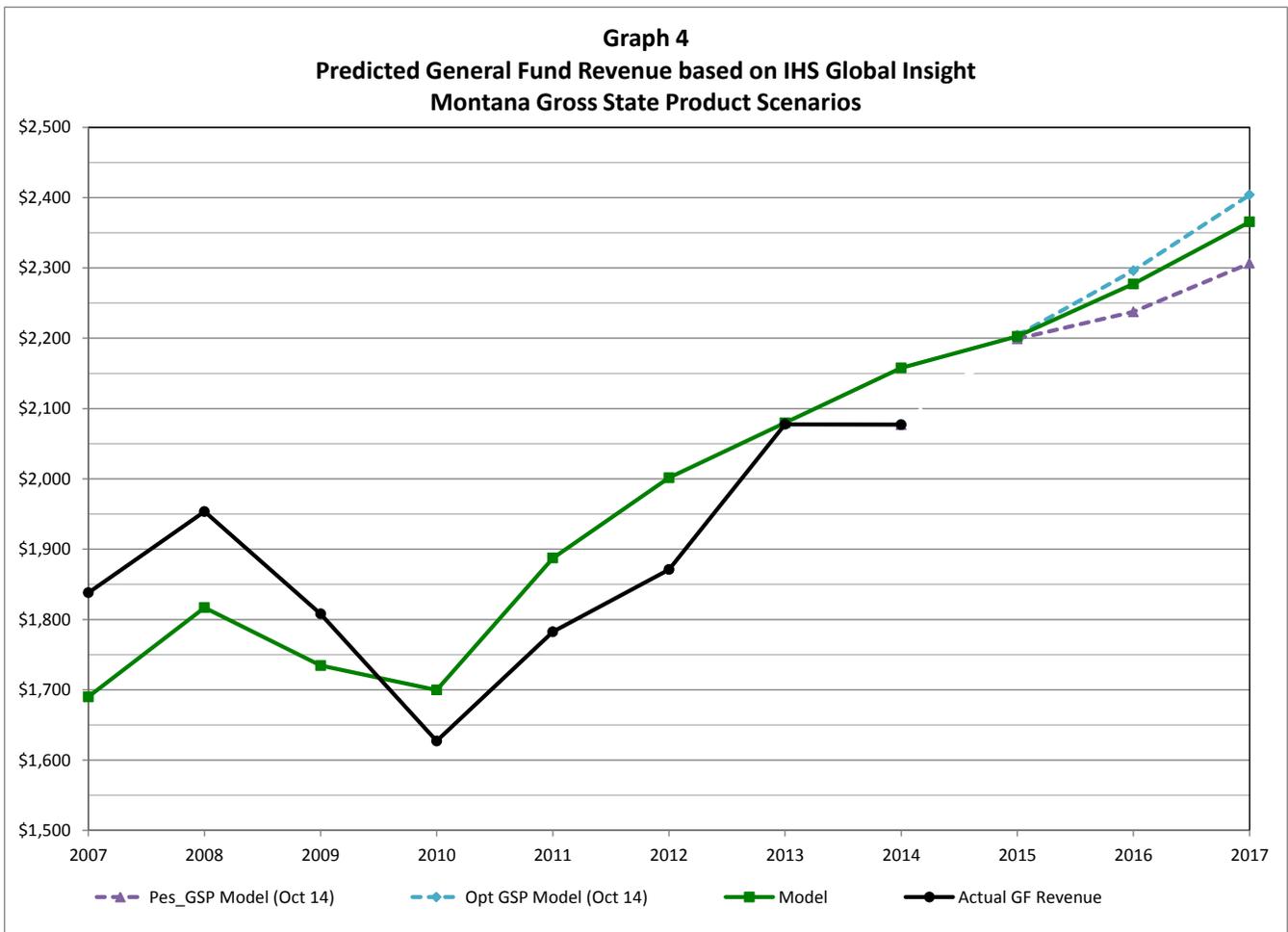
Over the years, general fund revenue has followed an upward trend, averaging 4.6% annual growth from FY 1988 through FY 2014. Graph 3 displays actual general fund revenue from FY 1988 through FY 2014 and OBPP forecast revenue for FY 2015 through FY 2017, along with the long-term trend of historical collections. Revenue growth from year-to-year is often greater or less than the trend growth rate, but these deviations from trend tend to be self-correcting, meaning revenue collections revert back to near their trend level following periods of above average or below average growth. For example, from FY 1991 to FY 1993, general fund revenue grew at an average rate of 9.3%, 4.7 percentage points higher than the trend growth rate of 4.6%. Revenue growth over this period turned out to be unsustainable, and was followed by a 6.4% drop in general fund collections in FY 1994 to \$892 million, just \$5 million above what would have been collected had the general fund revenue grown at the trend rate of 4.6% per year during FY 1991 to FY 1994. A similar scenario played out in FY 2001 - FY 2002, when relatively high revenue growth in FY 2001 was followed by negative revenue growth in FY 2002. An extended period of higher than average growth from FY 2004 to FY 2008 resulted in a large gap between actual general fund revenue and the long-term trend. This revenue bubble was largely the result of an overheating economy. General fund revenue fell sharply in FY 2009 and FY 2010 in response to a significant nationwide economic slowdown. In two years, revenue collections went from being \$290 million above trend in FY 2008, to \$194 million below trend in FY 2010. Since FY 2010, actual general fund revenue has remained below the long-term trend, despite an 11% surge in collections in FY 2013. For the 2017 biennium, general fund revenue is projected to remain below trend, but inches closer in FY 2016 and FY 2017 with above average growth expected for those years.



Sensitivity of Revenue Estimates to Economic Scenarios

In order to develop an estimate of the sensitivity of OBPP’s estimates to the IHS Economics scenarios and to evaluate the reasonableness of the OBPP estimate derived by aggregating the 33 independent tax type estimates, expected general fund revenue with respect to prior year Montana GSP was examined. This simple model generates an expected revenue path constructed around the baseline, optimistic, and pessimistic GSP estimates using the historical relationship of general fund revenue to GSP for the FY 2000 through FY 2014 period.

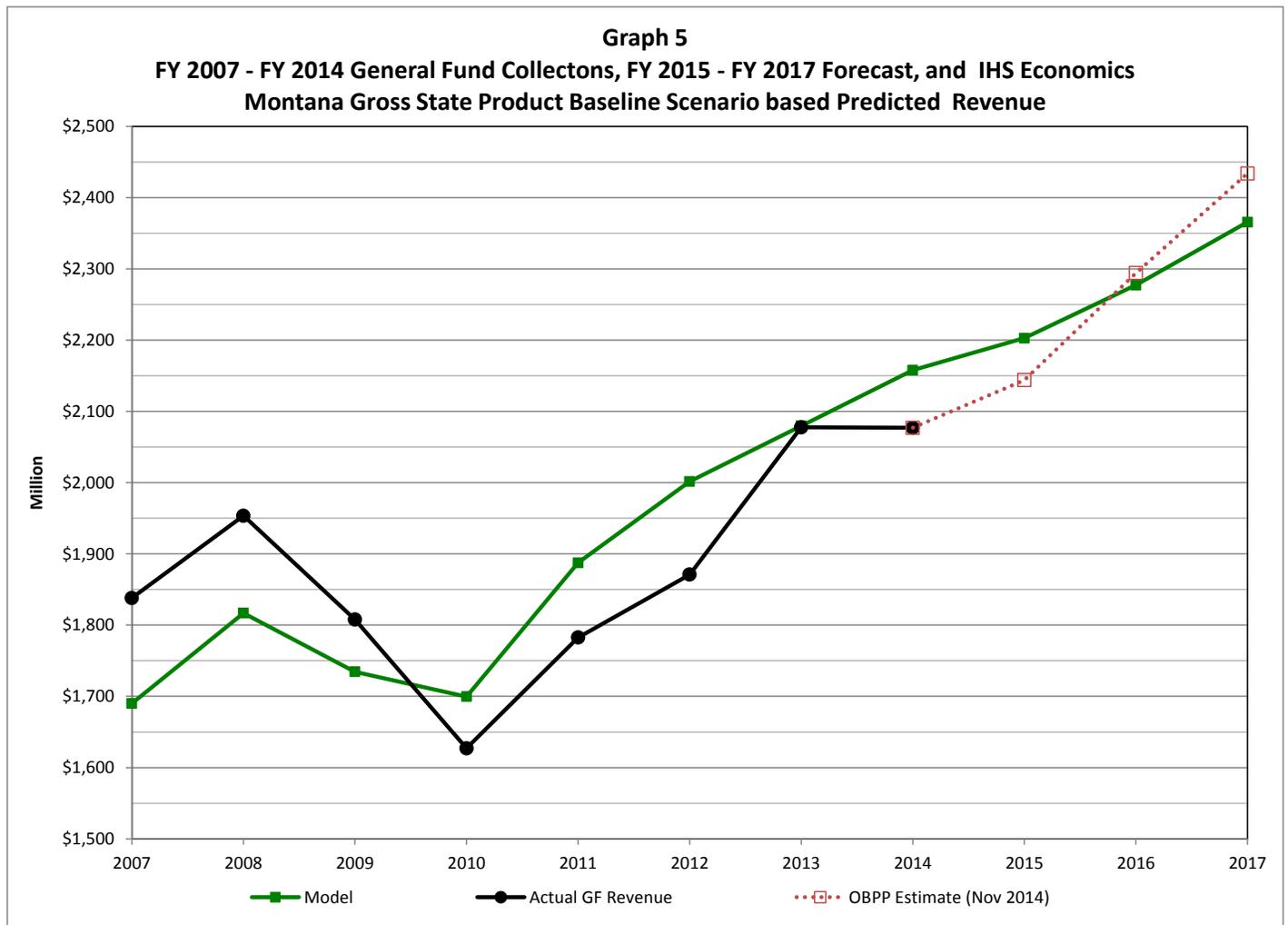
The simulated revenue paths are presented in Graph 4. The graph shows the expected level of general fund revenue under each scenario. Because of the one calendar year lag in the model, the estimates for FY 2015 show no significant difference. The optimistic model renders approximately \$19 million more in FY 2016 than the baseline estimate and approximately \$38 million more than baseline in FY 2017, for a biennial total of \$57 million. The pessimistic model, in turn, shows a reduction from the baseline of \$39 million in FY 2016 and \$59 million in FY 2017.



To evaluate the reasonableness of OBPP’s revenue estimates, the model output was then compared to the output of the summed individual tax type estimates. These are presented in Graph 5. The comparison shows that OBPP’s estimate for FY 2015 is approximately \$60 million below the baseline model. In FY 2016, the estimate is \$17 million above the baseline and in FY 2017 it is \$69 million above. These estimates result in a net three-year total difference of \$26 million with respect to the IHS simple baseline estimate. This is consistent with the IHS Economics scenario for Montana and adjustments for likely Montana employment conditions not yet captured in

the Current Employment Statistics data. While this is a very simple model and basis for comparison, it reflects the behavior of tax collections over a long and varied economic trajectory. It is also apparent that the model tends to somewhat undershoot periods of rapid growth and underestimate declines to some degree. Nonetheless, these estimates suggest that OBPP has a reasonable revenue estimate in light of probable economic updrafts.

OBPP monitors economic reports, changes in IHS Economics forecasts, and state revenue collections closely on an ongoing basis. As a general rule, monthly changes to the IHS Economics forecasts tend to have minor impact on the revenue estimates (roughly +/- \$5 to \$10 million per fiscal year). These shifts tend to have less impact in the near-term (six months) and greater impact in the long-term. Major quarterly updates that use US Bureau of Economic Analysis national income and product accounts data can have a relatively larger impact. Again, the impact is more noticeable two or more years into the future (a general fund effect of roughly +/- \$25 million per year).



APPENDICES

Appendix A: Oil and Gas Distributions per County

FY 2013 Oil and Gas Payments to Counties	
County	Distribution
Big Horn	\$419,339.75
Blaine	\$1,775,004.71
Carbon	\$1,822,722.93
Carter	\$73,613.15
Chouteau	\$127,466.58
Custer	\$7,527.36
Daniels	\$12,493.73
Dawson	\$2,631,544.73
Fallon	\$16,944,549.27
Fergus	\$3,590.86
Garfield	\$42,135.95
Glacier	\$1,708,668.29
Golden Valley	\$22,524.06
Hill	\$803,506.85
Liberty	\$802,235.16
McCone	\$23,990.30
Musselshell	\$635,472.84
Petroleum	\$71,507.30
Phillips	\$1,200,487.25
Pondera	\$454,812.49
Powder River	\$2,061,207.43
Prairie	\$202,752.00
Richland	\$45,210,248.21
Roosevelt	\$9,375,857.04
Rosebud	\$990,975.26
Sheridan	\$5,130,705.86
Stillwater	\$157,342.36
Sweet Grass	\$7,904.67
Teton	\$189,807.35
Toole	\$1,561,235.37
Valley	\$619,208.39
Wibaux	\$2,879,877.99
Yellowstone	\$49,744.40

Appendix B: Statewide Bond Issuances (Jan. 2013 – Present)

<u>Issuer Name *</u>	<u>Dated Date</u>
REVENUE BONDS (BOZEMAN DEACONESS HEALTH SERVICES OBLIGATED GROUP)	11/5/2014
SCHOOL DISTRICT NO. 15 (EKALAKA) CARTER COUNTY, MONTANA	9/26/2014
RAVALLI COUNTY PARK DISTRICT NO. 2 RAVALLI COUNTY, MONTANA	9/25/2014
RAVALLI COUNTY, MONTANA	9/25/2014
HIGH SCHOOL DISTRICT NO. 7 (BOZEMAN) GALLATIN COUNTY, MONTANA	8/20/2014
SCHOOL DISTRICT NO. 7 (BOZEMAN) GALLATIN COUNTY, MONTANA	8/20/2014
STATE OF MONTANA	7/17/2014
K-12 SCHOOL DISTRICT NO. 1-A (GLASGOW) VALLEY COUNTY, MONTANA	6/26/2014
SCHOOL DISTRICT NO. 27 (MONTANA CITY) JEFFERSON COUNTY, MONTANA	6/10/2014
MONTANA BOARD OF HOUSING	5/20/2014
MONTANA BOARD OF HOUSING	5/20/2014
MONTANA BOARD OF HOUSING	5/20/2014
SCHOOL DISTRICT NO. 2 (FRAZER) VALLEY COUNTY, MONTANA	4/24/2014
SCHOOL DISTRICT NO. 2 (FRAZER) VALLEY COUNTY, MONTANA	4/24/2014
CUSTER COUNTY, MONTANA	4/22/2014
CITY OF GREAT FALLS, MONTANA	4/3/2014
CITY OF GREAT FALLS, MONTANA	4/3/2014
HIGH SCHOOL DISTRICT NO. B (CASCADE) CASADE COUNTY, MONTANA	3/20/2014
HIGH SCHOOL DISTRICT NO. C (CENTERVILLE) CASCADE COUNTY, MONTANA	3/20/2014
SCHOOL DISTRICT NO. 3 (CASCADE) CASCADE COUNTY, MONTANA	3/20/2014
SCHOOL DISTRICT NO. 5 (CENTERVILLE) CASCADE COUNTY, MONTANA	3/20/2014
HIGH SCHOOL DISTRICT NO. 44 (BELGRADE) CASCADE COUNTY, MONTANA	3/19/2014
SCHOOL DISTRICT NO. 44 (BELGRADE) GALLATIN COUNTY, MONTANA	3/19/2014
SCHOOL DISTRICT NO. 1 (WEST VALLEY) FLATHEAD COUNTY, MONTANA	2/6/2014
MONTANA ST BRD REGENTS HIGHER ED REV	1/31/2014
SCHOOL DISTRICT NO. 2 (BILLINGS) YELLOWSTONE COUNTY, MONTANA	1/30/2014
HIGH SCHOOL DISTRICT NO. A (HAVRE) HILL COUNTY, MONTANA	1/28/2014
SCHOOL DISTRICT NO. 16 (HAVRE) HILL COUNTY, MONTANA	1/28/2014
THE BOARD OF REGENTS OF HIGHER EDUCATION FOR THE STATE OF MONTANA	12/31/2013
CITY OF BOZEMAN, MONTANA	12/23/2013
SCHOOL DISTRICT NO. 27 (MONFORTON)	12/18/2013
CITY OF LIVINGSTON, MONTANA	11/26/2013
HIGH SCHOOL DISTRICT NO. 14 (SHELBY) TOOLE COUNTY, MONTANA	11/20/2013
SCHOOL DISTRICT NO. 14 (SHELBY) TOOLE COUNTY, MONTANA	11/20/2013
CITY OF BILLINGS, MONTANA	11/12/2013
SOURDOUGH RURAL FIRE DISTRICT GALLATIN COUNTY, MONTANA	10/31/2013
MONTANA ST COAL SEVERANCE TAX	10/17/2013
STATE OF MONTANA	10/17/2013
STATE OF MONTANA	10/17/2013

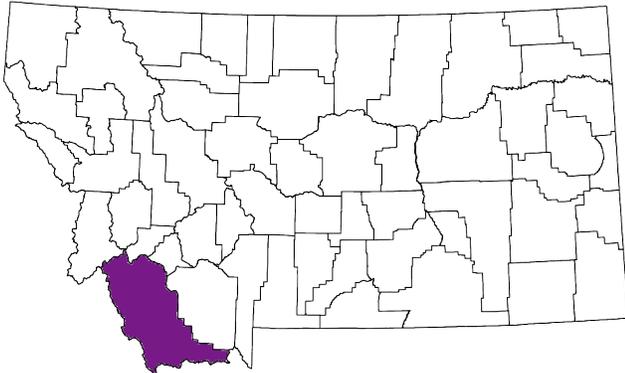
<u>Issuer Name *</u>	<u>Dated Date</u>
STATE OF MONTANA	10/17/2013
STATE OF MONTANA COAL SEVERANCE TAX BONDS	10/17/2013
STATE OF MONTANA COAL SEVERANCE TAX BONDS	10/17/2013
MONTANA BOARD OF HOUSING	9/26/2013
MONTANA BOARD OF HOUSING	9/26/2013
ANACONDA-DEER LODGE COUNTY, MONTANA	9/4/2013
CITY OF SHELBY, MONTANA	9/4/2013
K-12 SCHOOL DISTRICT NO. 6 (FROMBERG) CARBON COUNTY, MONTANA	8/29/2013
GALLATIN COUNTY, MONTANA	8/6/2013
K-12 SCHOOL DISTRICT NO. 72 (BIG SKY) GALLATIN COUNTY, MONTANA	7/31/2013
K-12 SCHOOL DISTRICT NO. 7 (TWIN BRIDGES) MADISON COUNTY, MONTANA	7/1/2013
HIGH SCHOOL DISTRICT NO. 23 (POLSON) LAKE COUNTY, MONTANA	6/20/2013
SCHOOL DISTRICT NO. 50 (EVERGREEN) FLATHEAD COUNTY, MONTANA	6/20/2013
GALLATIN COUNTY, MONTANA	6/19/2013
MADISON VALLEY RURAL FIRE DISTRICT MADISON COUNTY, MONTANA	6/18/2013
CITY OF BILLINGS, MONTANA	6/5/2013
YELLOWSTONE COUNTY, MONTANA	6/4/2013
YELLOWSTONE COUNTY, MONTANA	6/4/2013
CITY OF FORSYTH, ROSEBUD COUNTY, MONTANA	6/3/2013
MONTANA BOARD OF HOUSING	5/30/2013
MONTANA BOARD OF HOUSING	5/30/2013
MONTANA BOARD OF HOUSING	5/30/2013
SCHOOL DISTRICT NO. 23 (ELYSIAN) YELLOWSTONE COUNTY, MONTANA	5/30/2013
K-12 SCHOOL DISTRICT NO. 1-A (GLASGOW) VALLEY COUNTY, MONTANA	5/29/2013
CITY OF FORSYTH, ROSEBUD COUNTY, MONTANA	5/23/2013
CITY OF FORSYTH, ROSEBUD COUNTY, MONTANA	5/23/2013
YELLOWSTONE AND CARBON COUNTIES, MONTANA	5/22/2013
YELLOWSTONE AND CARBON COUNTIES, MONTANA	5/22/2013
HIGH SCHOOL DISTRICT NO. 5 (KALISPELL) FLATHEAD COUNTY, MONTANA	4/23/2013
SCHOOL DISTRICT NO. 8 (ELDER GROVE) YELLOWSTONE COUNTY, MONTANA	4/4/2013
SCHOOL DISTRICT NO. 6 (COLUMBIA FALLS) FLATHEAD COUNTY, MONTANA	4/2/2013
CITY OF BILLINGS, MONTANA	4/1/2013
CITY OF BILLINGS, MONTANA	4/1/2013
CITY OF BILLINGS, MONTANA	3/5/2013
MONTANA STATE BOARD OF INVESTMENTS ANNUAL ADJUSTABLE RATE TENDER OPTION	3/1/2013
K-12 SCHOOL DISTRICT NO. 40 (FRENCHTOWN) MISSOULA COUNTY, MONTANA	2/27/2013
HIGH SCHOOL DISTRICT NO. 1 (MISSOULA), MISSOULA COUNTY, MONTANA	2/20/2013
SCHOOL DISTRICT NO. 27 (MONTANA CITY) JEFFERSON COUNTY, MONTANA	2/7/2013
SCHOOL DISTRICT NO. 5 (KALISPELL) FLATHEAD COUNTY, MONTANA	1/31/2013
SCHOOL DISTRICT NO. 7 (BOZEMAN) GALLATIN COUNTY, MONTANA	1/17/2013
HIGH SCHOOL DISTRICT NO. 44 (WHITEFISH) FLATHEAD COUNTY, MONTANA	1/10/2013
SCHOOL DISTRICT NO. 44 (WHITEFISH) FLATHEAD COUNTY, MONTANA	1/10/2013

Appendix C: School District Ending Fund Balances

<u>County</u>	<u>FY 2014 Current ANB</u>	<u>K-12 District's Ending Fund Balance</u>	<u>EFB per ANB</u>
Beaverhead	1,204	5,928,623	\$4,924
Big Horn	2,438	10,714,493	\$4,395
Blaine	1,317	4,001,129	\$3,038
Broadwater	657	2,450,996	\$3,731
Carbon	1,427	7,240,926	\$5,074
Carter	130	2,301,063	\$17,700
Cascade	11,882	32,824,752	\$2,763
Chouteau	680	3,161,002	\$4,649
Custer	1,708	6,803,241	\$3,983
Daniels	277	1,212,784	\$4,378
Dawson	1,388	6,687,633	\$4,818
Deer Lodge	1,059	5,195,530	\$4,906
Fallon	561	36,633,377	\$65,300
Fergus	1,638	13,036,954	\$7,959
Flathead	14,178	52,588,311	\$3,709
Gallatin	12,640	54,948,115	\$4,347
Garfield	205	1,154,015	\$5,629
Glacier	2,829	7,844,777	\$2,773
Golden Valley	121	934,599	\$7,724
Granite	388	1,646,607	\$4,244
Hill	3,199	20,002,572	\$6,253
Jefferson	1,637	7,048,731	\$4,306
Judith Basin	268	2,082,810	\$7,772
Lake	4,534	10,531,688	\$2,323
Lewis & Clark	9,751	31,314,864	\$3,211
Liberty	273	1,645,829	\$6,029
Lincoln	2,448	8,270,874	\$3,379
Madison	902	9,573,409	\$10,614
McCone	260	3,013,399	\$11,590
Meagher	204	1,175,071	\$5,760
Mineral	624	3,176,143	\$5,090
Missoula	13,791	32,983,575	\$2,392
Musselshell	728	4,603,205	\$6,323
Park	2,003	11,655,773	\$5,819
Petroleum	91	461,992	\$5,077
Phillips	700	6,894,776	\$9,850
Pondera	964	5,256,989	\$5,453
Powder River	267	1,792,895	\$6,715
Powell	752	3,508,354	\$4,665
Prairie	153	807,173	\$5,276
Ravalli	5,682	16,344,269	\$2,876
Richland	1,965	35,156,296	\$17,891
Roosevelt	2,524	11,087,957	\$4,393
Rosebud	1,694	9,973,344	\$5,887
Sanders	1,400	6,102,223	\$4,359

County	FY 2014 Current ANB	K-12 District's Ending Fund Balance	EFB per ANB
Sheridan	581	9,330,793	\$16,060
Silver Bow	4,539	30,358,591	\$6,688
Stillwater	1,468	7,639,579	\$5,204
Sweet Grass	538	3,319,109	\$6,169
Teton	1,115	7,415,163	\$6,650
Toole	670	3,014,553	\$4,499
Treasure	80	849,111	\$10,614
Valley	1,290	21,622,556	\$16,762
Wheatland	327	1,654,335	\$5,059
Wibaux	171	2,940,062	\$17,193
Yellowstone	23,953	154,575,149	\$6,453
Total (Statewide)	148,273	\$744,492,136	\$5,021

Appendix D: 56 County Narratives



Beaverhead County

2013 Legislative Session Investments

Renewable Resource Grants/Loans	\$100,000
Community Development Block Grants	\$30,000
Long Range Building	\$4,000,000
Highway Funds	\$16,042,136

2015 Legislative Session Investments

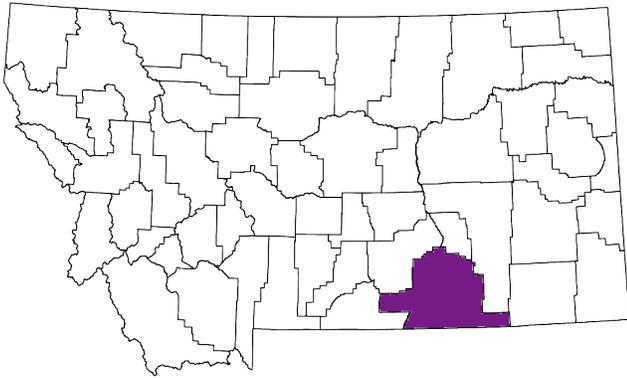
Treasure State Endowment Proposed	\$625,000
Renewable Resource Grants/Loans	\$250,000
Renewable Resource Bonds & Loans	\$50,000
Long Range Building	\$1,500,000
Highway Funds	\$23,149,427

State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$5,639,693
First Session Increases	\$147,388
Second Session Increases	\$257,030
TOTAL NEW INVESTMENT*	\$7,181,267
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Beaverhead County for the Montana University System	
Number of Students	300
Tuition Savings First Session	\$262,500
Tuition Savings Proposed	\$318,750
TOTAL SAVINGS	\$581,250

**Total Infrastructure Investment
\$46,022,213**

**Total Tax Cuts for
Small Businesses in
Beaverhead County
\$404,418**



Big Horn County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$1,002,462
Renewable Resource Grants/Loans	\$200,000
Highway Funds	\$32,263,936

2015 Legislative Session Investments

Treasure State Endowment Proposed	\$750,000
Renewable Resource Grants/Loans	\$242,500
Community Development Block Grants	\$450,000
Highway Funds	\$6,842,002

State Aid Payments to Schools & Local Government

K-12 State Aid in 2012	\$10,810,036
First Session Increases	\$148,141
Second Session Increases	\$293,106

TOTAL NEW INVESTMENT* \$14,344,536

Quality Schools Grants-2015 Bien	\$835,775
Quality Schools Grants 2017 Bien	\$1,220,000

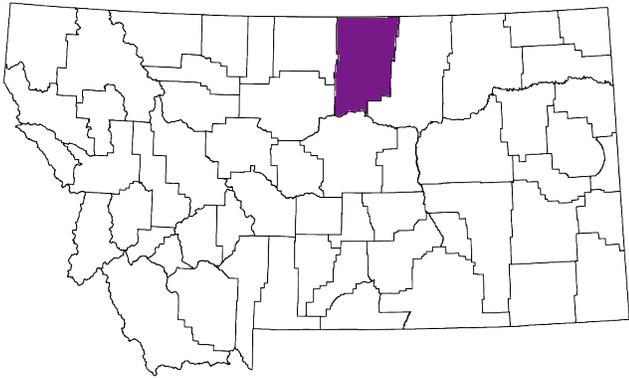
*Includes School and Local Government reimbursements

Tuition Tax Cuts in Big Horn County for the Montana University System

Number of Students	184
Tuition Savings First Session	\$161,000
Tuition Savings Proposed	\$195,500
TOTAL SAVINGS	\$356,500

**Total Infrastructure Investment
\$42,694,547**

**Total Tax Cuts for
Small Businesses in
Big Horn County
\$441,247**



Blaine County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$1,629,000
Renewable Resource Grants/Loans	\$200,000
Highway Funds	\$8,497,549

2015 Legislative Session Investments

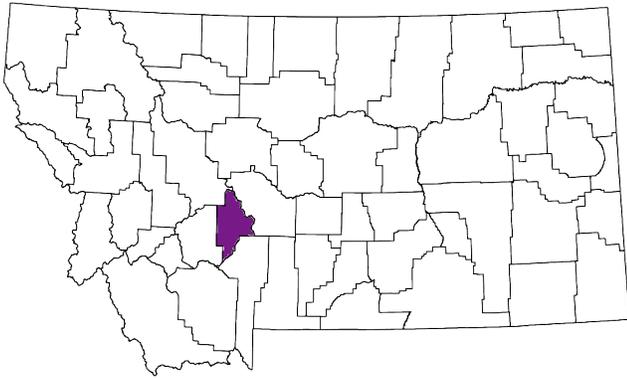
Highway Funds	\$3,444,279
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State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$6,864,819
First Session Increases	\$146,593
Second Session Increases	\$285,947
TOTAL NEW INVESTMENT*	\$8,977,870
Quality Schools Grants-2015 Bien	\$25,000
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Blaine County for the Montana University System	
Number of Students	153
Tuition Savings First Session	\$133,875
Tuition Savings Proposed	<u>\$162,563</u>
TOTAL SAVINGS	\$296,438

<p align="center">Total Infrastructure Investment \$13,770,827</p>
--

<p align="center">Total Tax Cuts for Small Businesses in Blaine County \$432,540</p>
--



Broadwater County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$15,000
Renewable Resource Grants/Loans	\$200,000
Renewable Resource Bonds & Loans	\$2,149,970
Highway Funds	\$22,596,516

2015 Legislative Session Investments

Treasure State Endowment Proposed	\$338,100
Renewable Resource Grants/Loans	\$125,000
Highway Funds	\$17,231,646

State Aid Payments to Schools & Local Government

K-12 State Aid in 2012	\$3,176,650
First Session Increases	\$81,327
Second Session Increases	\$131,255

TOTAL NEW INVESTMENT* \$3,551,911

Quality Schools Grants-2015 Bien	\$17,768
Quality Schools Grants 2017 Bien	\$231,339

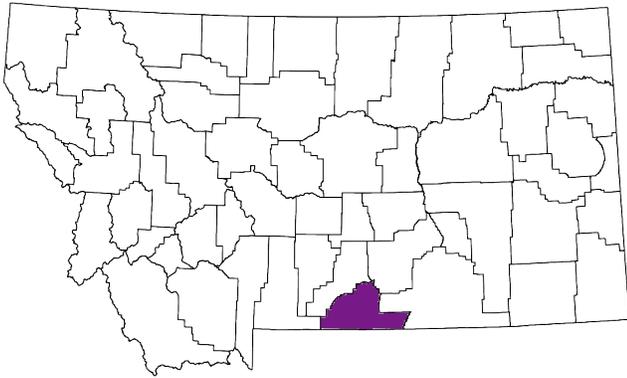
*Includes School and Local Government reimbursements

Tuition Tax Cuts in Broadwater County for the Montana University System

Number of Students	152
Tuition Savings First Session	\$133,000
Tuition Savings Proposed	\$161,500
TOTAL SAVINGS	\$294,500

**Total Infrastructure Investment
\$42,656,232**

**Total Tax Cuts for
Small Businesses in
Broadwater County
\$212,582**



Carbon County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$659,875
Renewable Resource Grants/Loans	\$300,000
Drinking Water/Waste Water	\$394,680
Renewable Resource Bonds & Loans	\$391,280
Community Development Block Grants	\$50,000
Highway Funds	\$20,226,451

2015 Legislative Session Investments

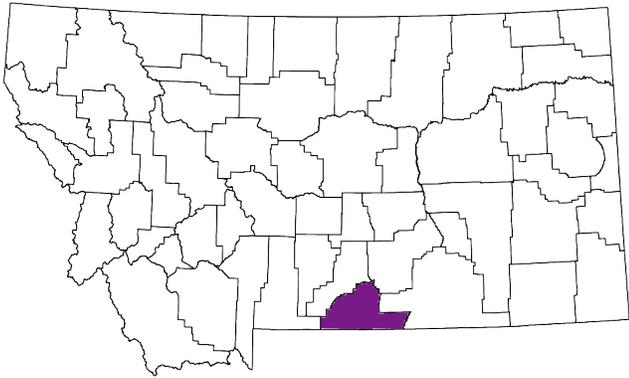
Treasure State Endowment Proposed	\$1,250,000
Renewable Resource Grants/Loans	\$125,000
Highway Funds	\$36,556,064

State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$6,727,626
First Session Increases	\$122,069
Second Session Increases	\$202,716
TOTAL NEW INVESTMENT*	\$8,501,342
Quality Schools Grants 2017 Bien	\$318,000
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Carbon County for the Montana University System	
Number of Students	260
Tuition Savings First Session	\$227,500
Tuition Savings Proposed	<u>\$276,250</u>
TOTAL SAVINGS	\$503,750

Total Infrastructure Investment
\$59,953,350

Total Tax Cuts for Small Businesses in Carbon County
\$324,784



Carter County

2013 Legislative Session Investments

Highway Funds \$7,347,230

2015 Legislative Session Investments

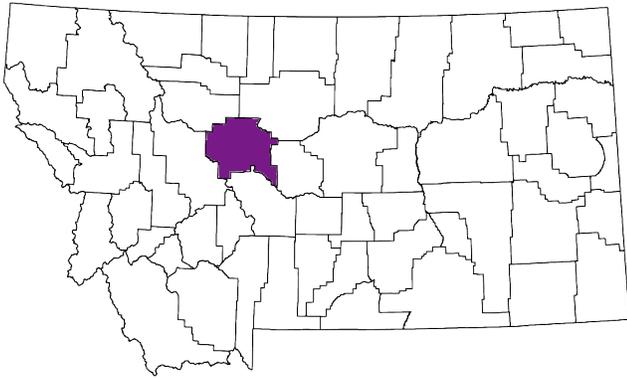
Highway Funds \$1,126,332

State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$695,887
First Session Increases	\$38,703
Second Session Increases	\$74,568
TOTAL NEW INVESTMENT*	\$1,050,332
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Carter County for the Montana University System	
Number of Students	20
Tuition Savings First Session	\$17,500
Tuition Savings Proposed	<u>\$21,250</u>
TOTAL SAVINGS	\$38,750

<p>Total Infrastructure Investment \$8,473,563</p>

<p>Total Tax Cuts for Small Businesses in Carter County \$113,271</p>
--



Cascade County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$3,074,500
Renewable Resource Grants/Loans	\$599,407
Drinking Water/Waste Water	\$1,400,000
Community Development Block Grants	\$907,500
Long Range Building	\$1,945,000
Highway Funds	\$61,779,906

2015 Legislative Session Investments

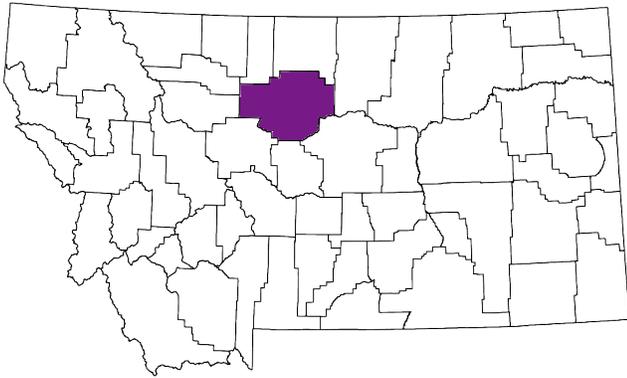
Treasure State Endowment Proposed	\$1,340,000
Renewable Resource Grants/Loans	\$1,000,000
Community Development Block Grants	\$900,000
Long Range Building	\$575,000
Highway Funds	\$33,531,647

State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$49,116,299
First Session Increases	\$808,142
Second Session Increases	\$1,302,283
TOTAL NEW INVESTMENT*	\$60,994,980
Quality Schools Grants-2015 Bien	\$306,368
Quality Schools Grants 2017 Bien	\$1,478,377
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Cascade County for the Montana University System	
Number of Students	2873
Tuition Savings First Session	\$2,513,875
Tuition Savings Proposed	<u>\$3,052,563</u>
TOTAL SAVINGS	\$5,566,438

<p>Total Infrastructure Investment \$109,451,225</p>

<p>Total Tax Cuts for Small Businesses in Cascade County \$2,110,425</p>



Chouteau County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$958,920
Renewable Resource Grants/Loans	\$100,000
Highway Funds	\$3,436,834

2015 Legislative Session Investments

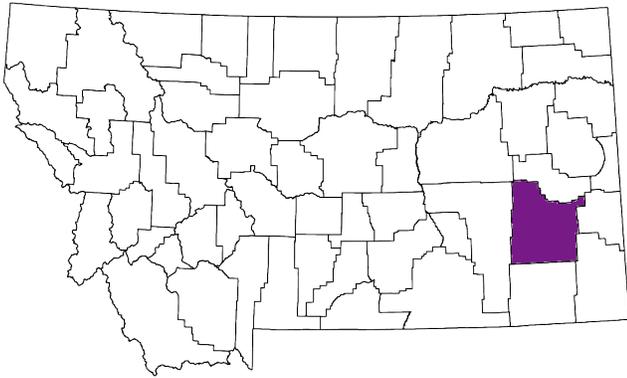
Treasure State Endowment Proposed	\$1,618,184
Renewable Resource Grants/Loans	\$250,000
Renewable Resource Bonds & Loans	\$60,000
Highway Funds	\$1,018,652

State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$3,614,347
First Session Increases	\$298,784
Second Session Increases	\$511,178
TOTAL NEW INVESTMENT*	\$5,546,074
Quality Schools Grants-2015 Bien	\$68,161
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Chouteau County for the Montana University System	
Number of Students	177
Tuition Savings First Session	\$154,875
Tuition Savings Proposed	\$188,063
TOTAL SAVINGS	\$342,938

<p>Total Infrastructure Investment \$7,442,590</p>

<p>Total Tax Cuts for Small Businesses in Chouteau County \$809,962</p>
--



Custer County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$1,265,000
Renewable Resource Grants/Loans	\$100,000
Community Development Block Grants	\$30,000
Long Range Building	\$5,511,000
Highway Funds	\$7,969,942

2015 Legislative Session Investments

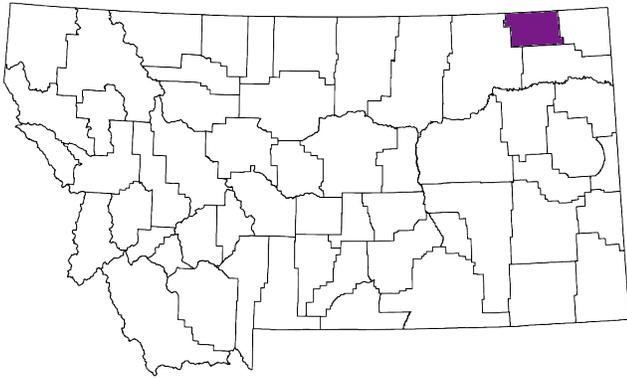
Treasure State Endowment Proposed	\$467,397
Renewable Resource Grants/Loans	\$125,000
Highway Funds	\$3,658,103

State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$8,066,829
First Session Increases	\$185,409
Second Session Increases	\$338,570
TOTAL NEW INVESTMENT*	\$9,825,172
Quality Schools Grants-2015 Bien	\$169,850
Quality Schools Grants 2017 Bien	\$1,319,877
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Custer County for the Montana University System	
Number of Students	301
Tuition Savings First Session	\$263,375
Tuition Savings Proposed	<u>\$319,813</u>
TOTAL SAVINGS	\$583,188

**Total Infrastructure Investment
\$19,136,442**

**Total Tax Cuts for
Small Businesses in
Custer County
\$523,979**



Daniels County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$15,000
Community Development Block Grants	\$16,000
Highway Funds	\$1,747,635

2015 Legislative Session Investments

Treasure State Endowment Proposed	\$625,000
Renewable Resource Grants/Loans	\$250,000
Highway Funds	\$928,464

State Aid Payments to Schools & Local Government

K-12 State Aid in 2012	\$1,715,667
First Session Increases	\$166,612
Second Session Increases	\$252,281

TOTAL NEW INVESTMENT* \$2,180,611

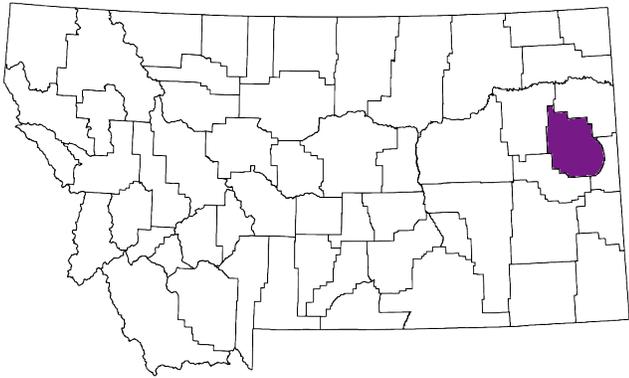
*Includes School and Local Government reimbursements

Tuition Tax Cuts in Daniels County for the Montana University System

Number of Students	41
Tuition Savings First Session	\$35,875
Tuition Savings Proposed	<u>\$43,563</u>
TOTAL SAVINGS	\$79,438

**Total Infrastructure Investment
\$3,732,099**

**Total Tax Cuts for
Small Businesses in
Daniels County
\$418,893**



Dawson County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$1,500,000
Renewable Resource Grants/Loans	\$400,000
Drinking Water/Waste Water	\$7,871,000
Community Development Block Grants	\$280,000
Highway Funds	\$15,540,800

2015 Legislative Session Investments

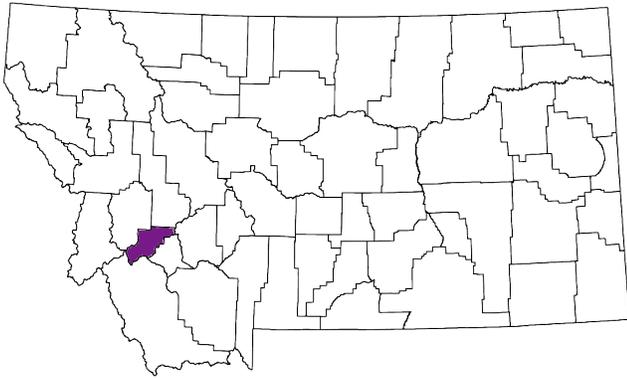
Renewable Resource Grants/Loans	\$125,000
Community Development Block Grants	\$450,000
Highway Funds	\$15,788,862

State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$5,743,632
First Session Increases	\$201,288
Second Session Increases	\$396,296
TOTAL NEW INVESTMENT*	\$8,106,292
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Dawson County for the Montana University System	
Number of Students	221
Tuition Savings First Session	\$193,375
Tuition Savings Proposed	<u>\$234,813</u>
TOTAL SAVINGS	\$428,188

<p>Total Infrastructure Investment \$41,970,663</p>
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<p>Total Tax Cuts for Small Businesses in Dawson County \$597,583</p>
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Deer Lodge County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$327,104
Drinking Water/Waste Water	\$1,652,000
Community Development Block Grants	\$15,000
Long Range Building	\$2,120,000
Highway Funds	\$4,460,613

2015 Legislative Session Investments

Long Range Building	\$150,000
Highway Funds	\$843,021

State Aid Payments to Schools & Local Government

K-12 State Aid in 2012	\$5,151,903
First Session Increases	\$65,330
Second Session Increases	\$137,682

TOTAL NEW INVESTMENT* **\$5,744,335**

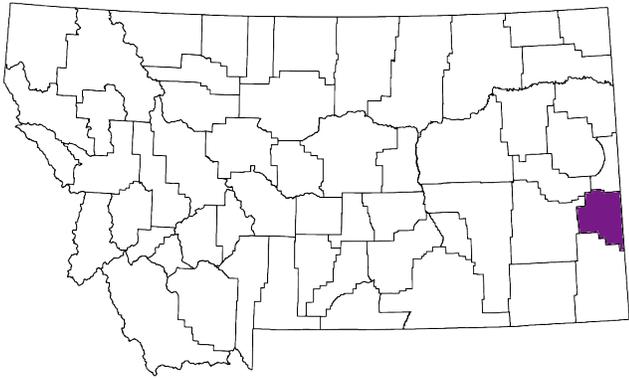
*Includes School and Local Government reimbursements

Tuition Tax Cuts in Deer Lodge County for the Montana University System

Number of Students	314
Tuition Savings First Session	\$274,750
Tuition Savings Proposed	<u>\$333,625</u>
TOTAL SAVINGS	\$608,375

Total Infrastructure Investment
\$11,202,738

Total Tax Cuts for
Small Businesses in
Deer Lodge County
\$203,012



Fallon County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$515,000
Renewable Resource Grants/Loans	\$100,000
Highway Funds	\$31,762,865

2015 Legislative Session Investments

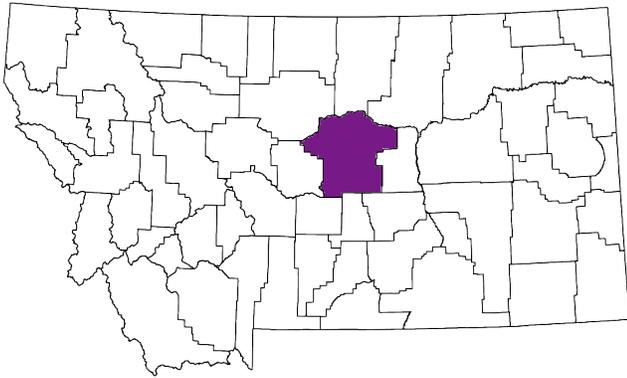
Treasure State Endowment Proposed	\$680,000
Renewable Resource Grants/Loans	\$125,000
Highway Funds	\$1,519,778

State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$2,260,738
First Session Increases	\$120,955
Second Session Increases	\$123,287
TOTAL NEW INVESTMENT*	\$3,140,325
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Fallon County for the Montana University System	
Number of Students	40
Tuition Savings First Session	\$35,000
Tuition Savings Proposed	\$42,500
TOTAL SAVINGS	\$77,500

Total Infrastructure Investment
\$34,702,643

Total Tax Cuts for Small Businesses in Fallon County
\$244,242



Fergus County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$1,450,000
Renewable Resource Grants/Loans	\$100,000
Highway Funds	\$54,840,470

2015 Legislative Session Investments

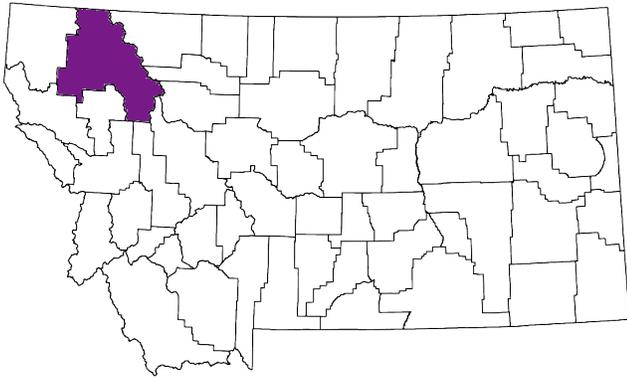
Treasure State Endowment Proposed	\$2,087,594
Renewable Resource Grants/Loans	\$375,000
Highway Funds	\$4,725,459

State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$8,646,400
First Session Increases	\$333,182
Second Session Increases	\$491,296
TOTAL NEW INVESTMENT*	\$11,557,194
Quality Schools Grants-2015 Bien	\$45,799
Quality Schools Grants 2017 Bien	\$62,763
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Fergus County for the Montana University System	
Number of Students	312
Tuition Savings First Session	\$273,000
Tuition Savings Proposed	\$331,500
TOTAL SAVINGS	\$604,500

<p>Total Infrastructure Investment \$64,241,522</p>
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<p>Total Tax Cuts for Small Businesses in Fergus County \$824,478</p>
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Flathead County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$15,000
Renewable Resource Grants/Loans	\$200,000
Drinking Water/Waste Water	\$1,998,300
Community Development Block Grants	\$30,000
Highway Funds	\$93,134,518

2015 Legislative Session Investments

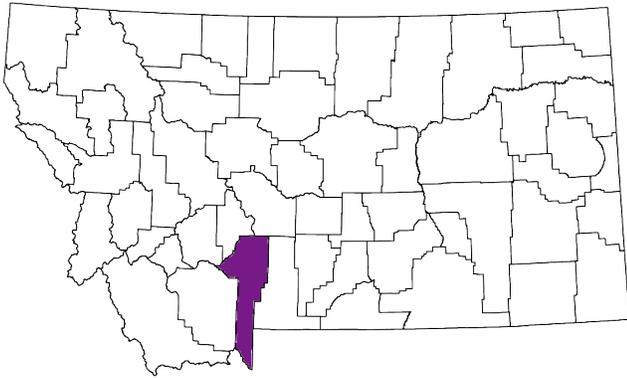
Treasure State Endowment Proposed	\$657,150
Renewable Resource Grants/Loans	\$250,000
Long Range Building	\$731,500
Highway Funds	\$44,271,696

State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$53,440,580
First Session Increases	\$873,335
Second Session Increases	\$1,660,090
TOTAL NEW INVESTMENT*	\$67,727,370
Quality Schools Grants-2015 Bien	\$1,016,217
Quality Schools Grants 2017 Bien	\$1,242,265
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Flathead County for the Montana University System	
Number of Students	3455
Tuition Savings First Session	\$3,023,125
Tuition Savings Proposed	<u>\$3,670,938</u>
TOTAL SAVINGS	\$6,694,063

**Total Infrastructure Investment
\$141,338,164**

**Total Tax Cuts for
Small Businesses in
Flathead County
\$2,533,426**



Gallatin County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$2,250,000
Renewable Resource Grants/Loans	\$475,000
Drinking Water/Waste Water	\$7,241,000
Community Development Block Grants	\$90,000
Long Range Building	\$5,200,000
Highway Funds	\$66,776,723

2015 Legislative Session Investments

Renewable Resource Grants/Loans	\$500,000
Long Range Building	\$88,000,000
Highway Funds	\$15,031,584

State Aid Payments to Schools & Local Government

K-12 State Aid in 2012	\$41,862,119
First Session Increases	\$948,359
Second Session Increases	\$1,348,411

TOTAL NEW INVESTMENT* \$58,821,204

Quality Schools Grants-2015 Bien	\$75,000
Quality Schools Grants 2017 Bien	\$563,647

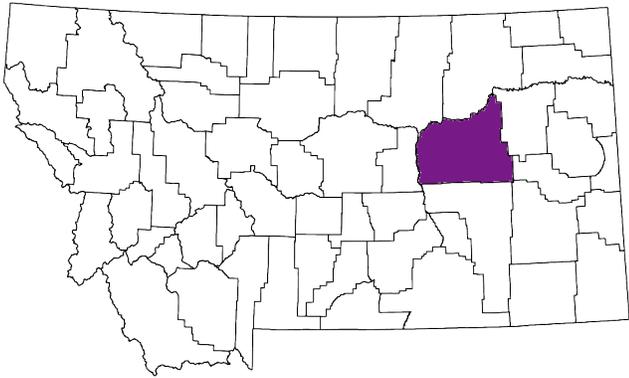
*Includes School and Local Government reimbursements

Tuition Tax Cuts in Gallatin County for the Montana University System

Number of Students	3359
Tuition Savings First Session	\$2,939,125
Tuition Savings Proposed	<u>\$3,568,938</u>
TOTAL SAVINGS	\$6,508,063

**Total Infrastructure Investment
\$187,664,307**

**Total Tax Cuts for
Small Businesses in
Gallatin County
\$2,296,770**



Garfield County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$15,000
Renewable Resource Grants/Loans	\$99,994
Highway Funds	\$6,503,958
All Other	\$54,940

2015 Legislative Session Investments

Treasure State Endowment Proposed	\$500,000
Renewable Resource Grants/Loans	\$250,000
Highway Funds	\$787,353

State Aid Payments to Schools & Local Government

K-12 State Aid in 2012	\$1,077,523
First Session Increases	\$97,028
Second Session Increases	\$136,087

TOTAL NEW INVESTMENT* **\$1,890,136**

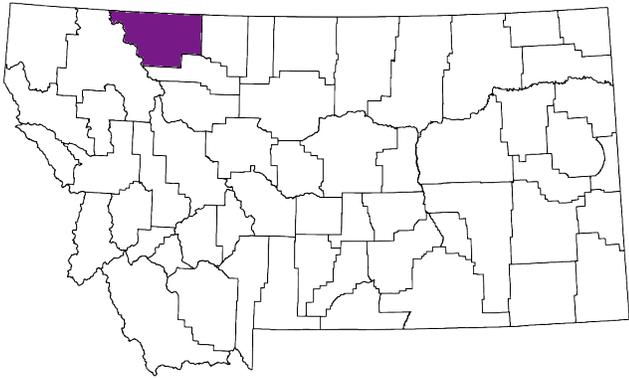
*Includes School and Local Government reimbursements

Tuition Tax Cuts in Garfield County for the Montana University System

Number of Students	38
Tuition Savings First Session	\$33,250
Tuition Savings Proposed	<u>\$40,375</u>
TOTAL SAVINGS	\$73,625

Total Infrastructure Investment
\$8,211,244

Total Tax Cuts for
Small Businesses in
Garfield County
\$233,115



Glacier County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$921,927
Renewable Resource Grants/Loans	\$100,000
Drinking Water/Waste Water	\$2,261,700
Community Development Block Grants	\$30,000
Highway Funds	\$10,337,335
All Other	\$7,000

2015 Legislative Session Investments

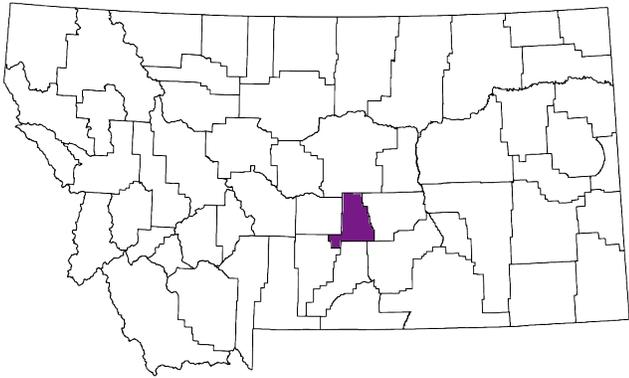
Renewable Resource Grants/Loans	\$125,000
Highway Funds	\$54,356,132

State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$13,032,388
First Session Increases	\$163,413
Second Session Increases	\$326,800
TOTAL NEW INVESTMENT*	\$16,343,654
Quality Schools Grants-2015 Bien	\$23,059
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Glacier County for the Montana University System	
Number of Students	271
Tuition Savings First Session	\$237,125
Tuition Savings Proposed	<u>\$287,938</u>
TOTAL SAVINGS	\$525,063

**Total Infrastructure Investment
\$68,139,094**

**Total Tax Cuts for
Small Businesses in
Glacier County
\$490,213**



Golden Valley County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$15,000
Drinking Water/Waste Water	\$567,000
Highway Funds	\$2,306,017

2015 Legislative Session Investments

Highway Funds	\$342,460
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State Aid Payments to Schools & Local Government

K-12 State Aid in 2012	\$1,050,910
First Session Increases	\$19,441
Second Session Increases	\$47,589

TOTAL NEW INVESTMENT* \$1,310,803

Quality Schools Grants-2015 Bien	\$9,962
Quality Schools Grants 2017 Bien	\$1,500,000

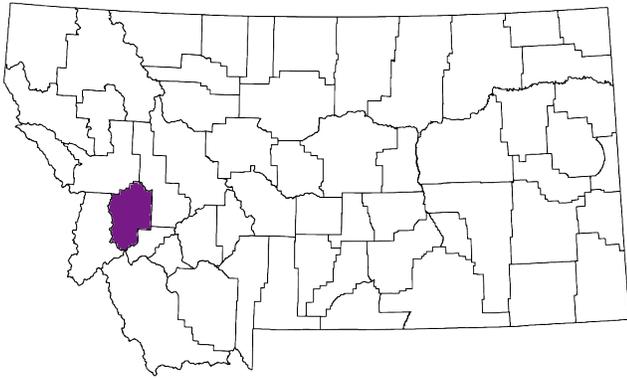
*Includes School and Local Government reimbursements

Tuition Tax Cuts in Golden Valley County for the Montana University System

Number of Students	27
Tuition Savings First Session	\$23,625
Tuition Savings Proposed	<u>\$28,688</u>
TOTAL SAVINGS	\$52,313

**Total Infrastructure Investment
\$3,473,644**

**Total Tax Cuts for
Small Businesses in
Golden Valley County
\$67,030**



Granite County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$1,691,004
Renewable Resource Grants/Loans	\$299,939
Drinking Water/Waste Water	\$424,000
Renewable Resource Bonds & Loans	\$1,478,274
Highway Funds	\$12,155,147

2015 Legislative Session Investments

Treasure State Endowment Proposed	\$545,000
Renewable Resource Grants/Loans	\$125,000
Highway Funds	\$1,201,966

State Aid Payments to Schools & Local Government

K-12 State Aid in 2012	\$2,024,279
First Session Increases	\$70,771
Second Session Increases	\$110,384

TOTAL NEW INVESTMENT* **\$2,661,986**

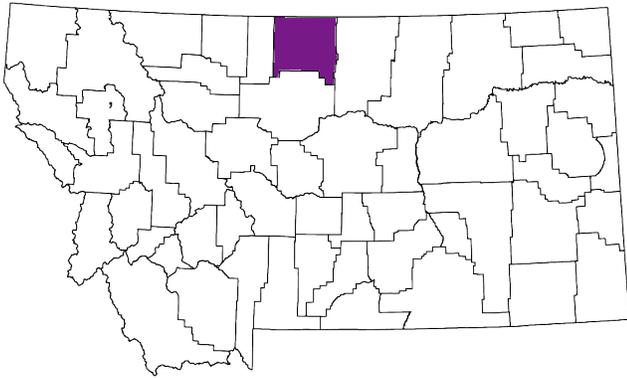
*Includes School and Local Government reimbursements

Tuition Tax Cuts in Granite County for the Montana University System

Number of Students	75
Tuition Savings First Session	\$65,625
Tuition Savings Proposed	\$79,688
TOTAL SAVINGS	\$145,313

Total Infrastructure Investment
\$19,020,330

Total Tax Cuts for
Small Businesses in
Granite County
\$181,155



Hill County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$972,250
Renewable Resource Grants/Loans	\$198,321
Drinking Water/Waste Water	\$626,000
Community Development Block Grants	\$211,500
Long Range Building	\$4,900,000
Highway Funds	\$23,933,553

2015 Legislative Session Investments

Treasure State Endowment Proposed	\$791,997
Renewable Resource Bonds & Loans	\$10,000,000
Community Development Block Grants	\$211,500
Highway Funds	\$4,576,855

State Aid Payments to Schools & Local Government

K-12 State Aid in 2012	\$14,544,006
First Session Increases	\$328,940
Second Session Increases	\$569,072

TOTAL NEW INVESTMENT* \$18,904,968

Quality Schools Grants-2015 Bien	\$2,380,607
Quality Schools Grants 2017 Bien	\$1,252,425

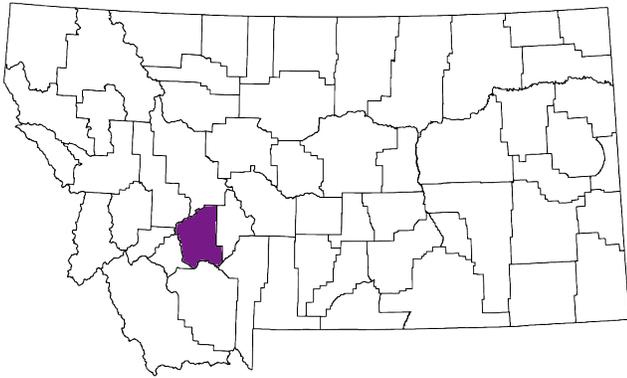
*Includes School and Local Government reimbursements

Tuition Tax Cuts in Hill County for the Montana University System

Number of Students	514
Tuition Savings First Session	\$449,750
Tuition Savings Proposed	\$546,125
TOTAL SAVINGS	\$995,875

**Total Infrastructure Investment
\$46,571,492**

**Total Tax Cuts for
Small Businesses in
Hill County
\$898,012**



Jefferson County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$1,006,882
Renewable Resource Grants/Loans	\$299,531
Community Development Block Grants	\$200,000
Highway Funds	\$18,298,411

2015 Legislative Session Investments

Renewable Resource Grants/Loans	\$125,000
Community Development Block Grants	\$200,000
Long Range Building	\$2,000,000
Highway Funds	\$28,672,825

State Aid Payments to Schools & Local Government

K-12 State Aid in 2012	\$7,383,912
First Session Increases	\$129,589
Second Session Increases	\$237,671

TOTAL NEW INVESTMENT* \$9,015,932

Quality Schools Grants-2015 Bien \$764,700

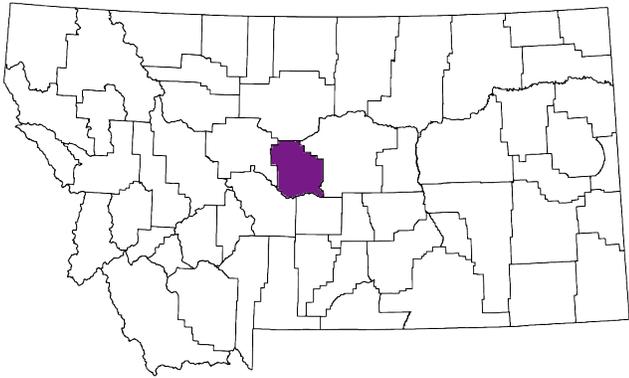
*Includes School and Local Government reimbursements

Tuition Tax Cuts in Jefferson County for the Montana University System

Number of Students	501
Tuition Savings First Session	\$438,375
Tuition Savings Proposed	<u>\$532,313</u>
TOTAL SAVINGS	\$970,688

**Total Infrastructure Investment
\$51,311,449**

**Total Tax Cuts for
Small Businesses in
Jefferson County
\$367,259**



Judith Basin County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$250,211
Community Development Block Grants	\$25,000
Highway Funds	\$2,846,586

2015 Legislative Session Investments

Highway Funds	\$744,974
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State Aid Payments to Schools & Local Government

K-12 State Aid in 2012	\$1,748,455
First Session Increases	\$72,829
Second Session Increases	\$133,565

TOTAL NEW INVESTMENT* \$2,420,832

Quality Schools Grants-2015 Bien	\$209,196
Quality Schools Grants 2017 Bien	\$413,040

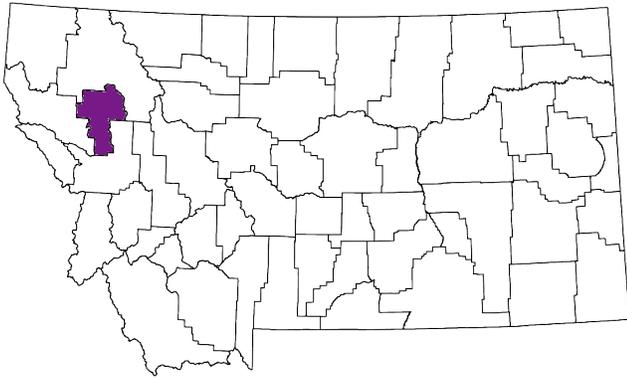
*Includes School and Local Government reimbursements

Tuition Tax Cuts in Judith Basin County for the Montana University System

Number of Students	75
Tuition Savings First Session	\$65,625
Tuition Savings Proposed	\$79,688
TOTAL SAVINGS	\$145,313

**Total Infrastructure Investment
\$3,866,771**

**Total Tax Cuts for
Small Businesses in
Judith Basin County
\$206,394**



Lake County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$625,000
Drinking Water/Waste Water	\$1,000,000
Community Development Block Grants	\$450,000
Long Range Building	\$1,000,000
Highway Funds	\$26,526,853

2015 Legislative Session Investments

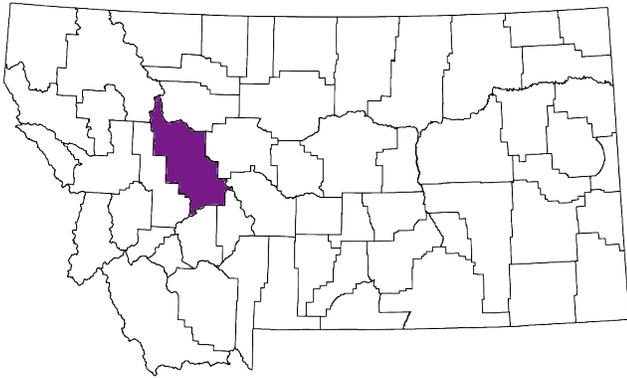
Treasure State Endowment Proposed	\$1,500,000
Renewable Resource Grants/Loans	\$125,000
Highway Funds	\$6,151,958

State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$19,793,044
First Session Increases	\$198,132
Second Session Increases	\$249,302
TOTAL NEW INVESTMENT*	\$24,325,626
Quality Schools Grants-2015 Bien	\$562,787
Quality Schools Grants 2017 Bien	\$1,712,981
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Lake County for the Montana University System	
Number of Students	521
Tuition Savings First Session	\$455,875
Tuition Savings Proposed	<u>\$553,563</u>
TOTAL SAVINGS	\$1,009,438

<p>Total Infrastructure Investment \$37,539,309</p>
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<p>Total Tax Cuts for Small Businesses in Lake County \$447,434</p>
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Lewis & Clark County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$981,493
Renewable Resource Grants/Loans	\$200,000
Drinking Water/Waste Water	\$2,054,000
Community Development Block Grants	\$30,000
Long Range Building	\$4,300,000
Highway Funds	\$41,044,511

2015 Legislative Session Investments

Treasure State Endowment Proposed	\$1,036,850
Renewable Resource Grants/Loans	\$375,000
Community Development Block Grants	\$450,000
Long Range Building	\$50,450,000
Highway Funds	\$49,065,612

State Aid Payments to Schools & Local Government

K-12 State Aid in 2012	\$40,040,244
First Session Increases	\$543,813
Second Session Increases	\$944,348

TOTAL NEW INVESTMENT* **\$48,985,615**

Quality Schools Grants-2015 Bien \$25,000

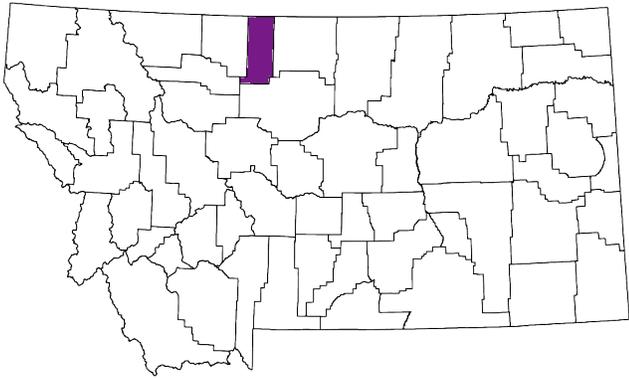
*Includes School and Local Government reimbursements

Tuition Tax Cuts in Lewis & Clark County for the Montana University System

Number of Students	2641
Tuition Savings First Session	\$2,310,875
Tuition Savings Proposed	<u>\$2,806,063</u>
TOTAL SAVINGS	\$5,116,938

Total Infrastructure Investment
\$150,800,342

Total Tax Cuts for
Small Businesses in
Lewis & Clark County
\$1,488,161



Liberty County

2013 Legislative Session Investments

Highway Funds \$1,204,114

2015 Legislative Session Investments

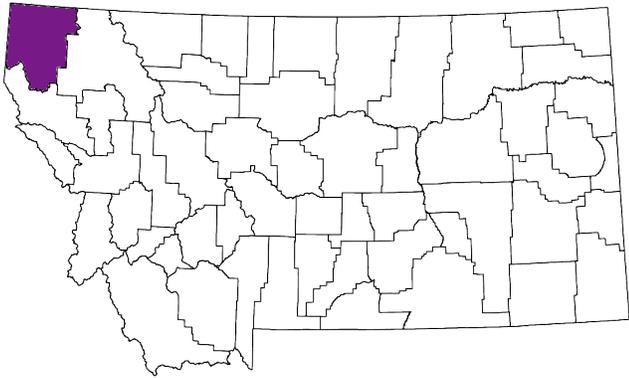
Treasure State Endowment Proposed \$500,000
 Renewable Resource Grants/Loans \$250,000
 Highway Funds \$305,513

State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$1,316,530
First Session Increases	\$149,925
Second Session Increases	\$210,160
TOTAL NEW INVESTMENT*	\$2,033,158
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Liberty County for the Montana University System	
Number of Students	62
Tuition Savings First Session	\$54,250
Tuition Savings Proposed	\$65,875
TOTAL SAVINGS	\$120,125

**Total Infrastructure Investment
 \$2,259,626**

**Total Tax Cuts for
 Small Businesses in
 Liberty County
 \$360,085**



Lincoln County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$1,300,000
Renewable Resource Grants/Loans	\$400,000
Drinking Water/Waste Water	\$4,233,778
Community Development Block Grants	\$450,000
Highway Funds	\$34,609,717

2015 Legislative Session Investments

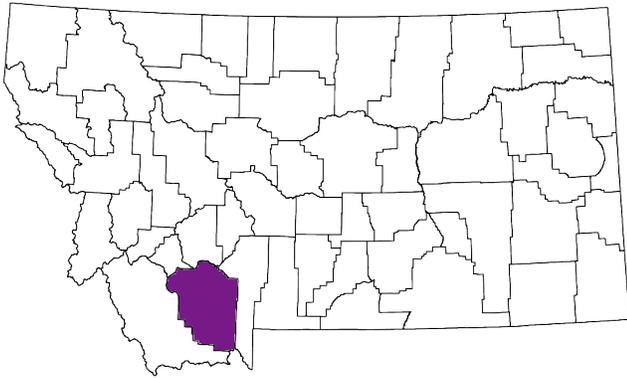
Renewable Resource Grants/Loans	\$235,500
Community Development Block Grants	\$450,000
Highway Funds	\$17,439,013

State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$12,350,643
First Session Increases	\$129,677
Second Session Increases	\$283,294
TOTAL NEW INVESTMENT*	\$13,505,532
Quality Schools Grants-2015 Bien	\$231,843
Quality Schools Grants 2017 Bien	\$1,490,565
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Lincoln County for the Montana University System	
Number of Students	243
Tuition Savings First Session	\$212,625
Tuition Savings Proposed	<u>\$258,188</u>
TOTAL SAVINGS	\$470,813

**Total Infrastructure Investment
\$62,768,604**

**Total Tax Cuts for
Small Businesses in
Lincoln County
\$412,971**



Madison County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$20,000
Renewable Resource Grants/Loans	\$100,000
Renewable Resource Bonds & Loans	\$8,000,000
Community Development Block Grants	\$480,000
Highway Funds	\$8,342,038

2015 Legislative Session Investments

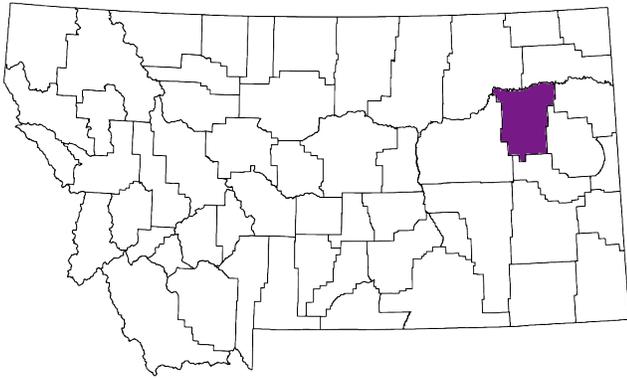
Treasure State Endowment Proposed	\$750,000
Renewable Resource Grants/Loans	\$250,000
Community Development Block Grants	\$900,000
Highway Funds	\$5,769,071

State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$4,562,662
First Session Increases	\$117,542
Second Session Increases	\$224,444
TOTAL NEW INVESTMENT*	\$5,718,338
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Madison County for the Montana University System	
Number of Students	199
Tuition Savings First Session	\$174,125
Tuition Savings Proposed	\$211,438
TOTAL SAVINGS	\$385,563

Total Infrastructure Investment
\$25,260,937

Total Tax Cuts for Small Businesses in Madison County
\$341,987



McCone County

2013 Legislative Session Investments

Highway Funds \$2,697,454

2015 Legislative Session Investments

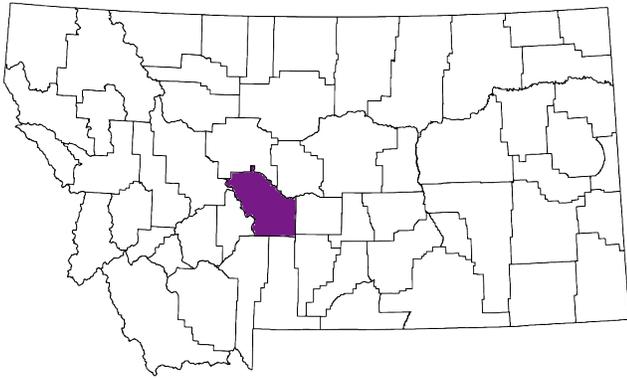
Highway Funds \$1,173,326

State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$1,298,518
First Session Increases	\$151,152
Second Session Increases	\$255,880
TOTAL NEW INVESTMENT*	\$2,067,688
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in McCone County for the Montana University System	
Number of Students	38
Tuition Savings First Session	\$33,250
Tuition Savings Proposed	\$40,375
TOTAL SAVINGS	\$73,625

**Total Infrastructure Investment
\$3,870,781**

**Total Tax Cuts for
Small Businesses in
McCone County
\$407,033**



Meagher County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$495,500
Renewable Resource Grants/Loans	\$100,000
Drinking Water/Waste Water	\$527,264
Community Development Block Grants	\$44,682
Highway Funds	\$18,454,901

2015 Legislative Session Investments

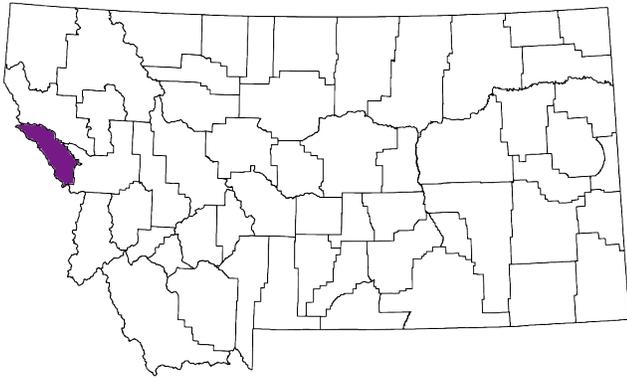
Treasure State Endowment Proposed	\$750,000
Renewable Resource Grants/Loans	\$125,000
Highway Funds	\$3,972,822

State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$1,129,005
First Session Increases	\$42,480
Second Session Increases	\$84,700
TOTAL NEW INVESTMENT*	\$1,299,678
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Meagher County for the Montana University System	
Number of Students	41
Tuition Savings First Session	\$35,875
Tuition Savings Proposed	\$43,563
TOTAL SAVINGS	\$79,438

Total Infrastructure Investment
\$24,470,168

Total Tax Cuts for Small Businesses in Meagher County
\$127,180



Mineral County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$290,500
Renewable Resource Grants/Loans	\$100,000
Drinking Water/Waste Water	\$549,000
Highway Funds	\$42,032,925

2015 Legislative Session Investments

Highway Funds	\$9,046,298
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State Aid Payments to Schools & Local Government

K-12 State Aid in 2012	\$3,514,549
First Session Increases	\$47,425
Second Session Increases	\$108,517

TOTAL NEW INVESTMENT* \$4,171,695

Quality Schools Grants-2015 Bien	\$246,370
Quality Schools Grants 2017 Bien	\$1,015,346

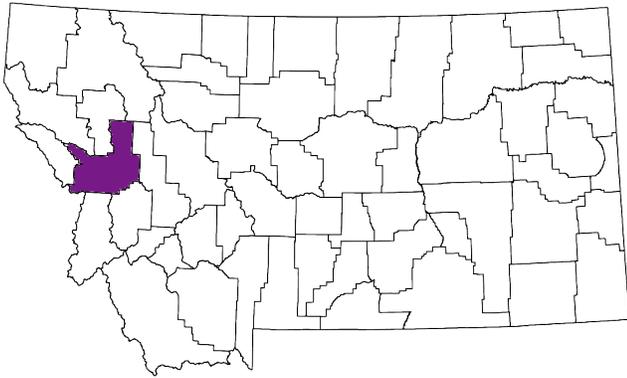
*Includes School and Local Government reimbursements

Tuition Tax Cuts in Mineral County for the Montana University System

Number of Students	88
Tuition Savings First Session	\$77,000
Tuition Savings Proposed	\$93,500
TOTAL SAVINGS	\$170,500

**Total Infrastructure Investment
\$52,018,723**

**Total Tax Cuts for
Small Businesses in
Mineral County
\$155,941**



Missoula County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$1,245,372
Renewable Resource Grants/Loans	\$699,860
Drinking Water/Waste Water	\$417,000
Community Development Block Grants	\$450,000
Long Range Building	\$29,100,000
Highway Funds	\$19,343,512

2015 Legislative Session Investments

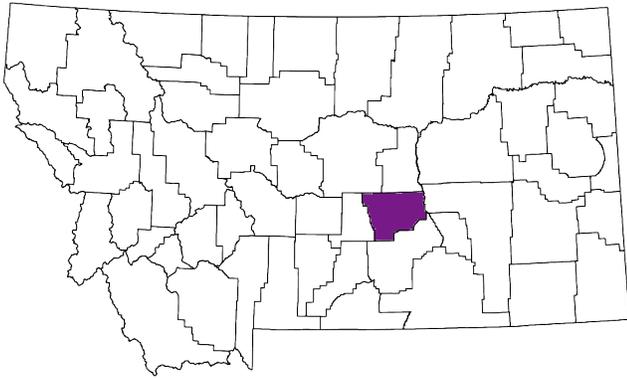
Renewable Resource Grants/Loans	\$750,000
Community Development Block Grants	\$450,000
Long Range Building	\$10,000,000
Highway Funds	\$64,167,453

State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$53,808,823
First Session Increases	\$1,450,464
Second Session Increases	\$2,171,375
TOTAL NEW INVESTMENT*	\$69,724,979
Quality Schools Grants-2015 Bien	\$354,551
Quality Schools Grants 2017 Bien	\$2,085,706
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Missoula County for the Montana University System	
Number of Students	4667
Tuition Savings First Session	\$4,083,625
Tuition Savings Proposed	<u>\$4,958,688</u>
TOTAL SAVINGS	\$9,042,313

Total Infrastructure Investment
\$129,208,086

Total Tax Cuts for Small Businesses in Missoula County
\$3,621,839



Musselshell County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$965,125
Renewable Resource Grants/Loans	\$200,000
Drinking Water/Waste Water	\$1,892,000
Highway Funds	\$3,327,882

2015 Legislative Session Investments

Treasure State Endowment Proposed	\$500,000
Renewable Resource Grants/Loans	\$250,000
Highway Funds	\$4,219,885

State Aid Payments to Schools & Local Government

K-12 State Aid in 2012	\$3,024,126
First Session Increases	\$72,162
Second Session Increases	\$157,247

TOTAL NEW INVESTMENT* **\$4,192,514**

Quality Schools Grants-2015 Bien	\$10,000
Quality Schools Grants 2017 Bien	\$137,376

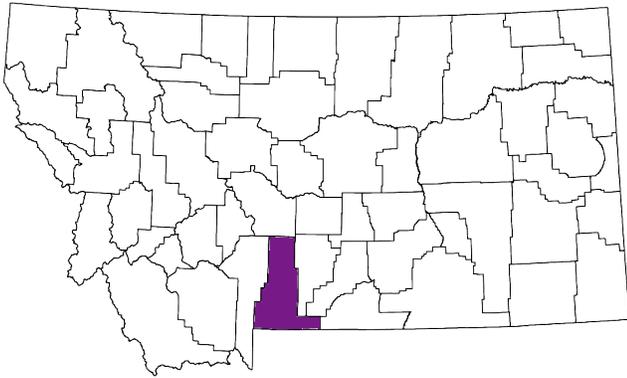
*Includes School and Local Government reimbursements

Tuition Tax Cuts in Musselshell County for the Montana University System

Number of Students	100
Tuition Savings First Session	\$87,500
Tuition Savings Proposed	\$106,250
TOTAL SAVINGS	\$193,750

Total Infrastructure Investment
\$13,490,326

Total Tax Cuts for
Small Businesses in
Musselshell County
\$229,409



Park County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$169,955
Renewable Resource Grants/Loans	\$100,000
Community Development Block Grants	\$10,000
Highway Funds	\$9,265,455

2015 Legislative Session Investments

Treasure State Endowment Proposed	\$625,000
Renewable Resource Grants/Loans	\$245,000
Community Development Block Grants	\$450,000
Highway Funds	\$13,482,424

State Aid Payments to Schools & Local Government

K-12 State Aid in 2012	\$9,144,944
First Session Increases	\$161,437
Second Session Increases	\$262,742

TOTAL NEW INVESTMENT* \$10,997,208

Quality Schools Grants-2015 Bien	\$54,500
Quality Schools Grants 2017 Bien	\$1,123,311

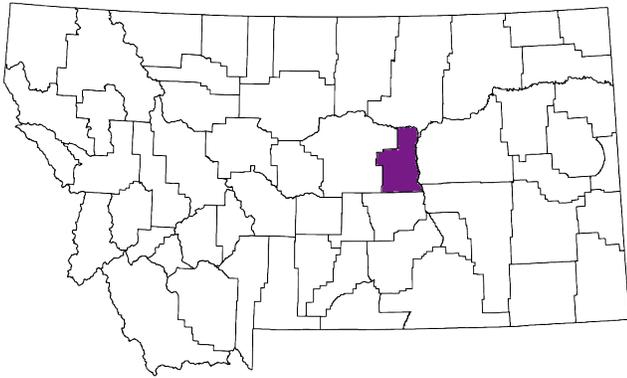
*Includes School and Local Government reimbursements

Tuition Tax Cuts in Park County for the Montana University System

Number of Students	472
Tuition Savings First Session	\$413,000
Tuition Savings Proposed	\$501,500
TOTAL SAVINGS	\$914,500

**Total Infrastructure Investment
\$24,466,734**

**Total Tax Cuts for
Small Businesses in
Park County
\$424,179**



Petroleum County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$750,000
Renewable Resource Grants/Loans	\$100,000
Highway Funds	\$1,642,072

2015 Legislative Session Investments

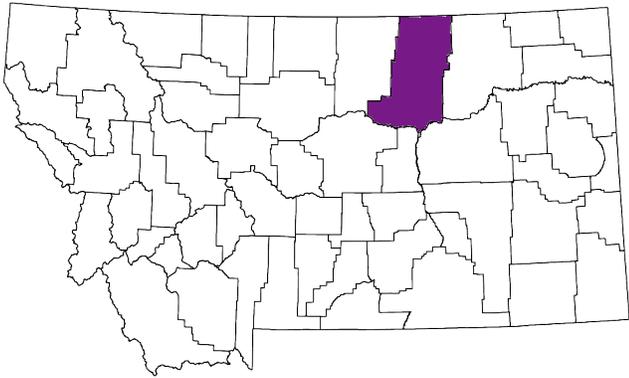
Community Development Block Grants	\$450,000
Highway Funds	\$237,629

State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$683,974
First Session Increases	\$39,914
Second Session Increases	\$61,748
TOTAL NEW INVESTMENT*	\$936,274
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Petroleum County for the Montana University System	
Number of Students	15
Tuition Savings First Session	\$13,125
Tuition Savings Proposed	<u>\$15,938</u>
TOTAL SAVINGS	\$29,063

<p>Total Infrastructure Investment \$3,179,701</p>

<p>Total Tax Cuts for Small Businesses in Petroleum County \$101,662</p>



Phillips County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$523,000
Renewable Resource Grants/Loans	\$200,000
Long Range Building	\$15,400,000
Highway Funds	\$7,358,858

2015 Legislative Session Investments

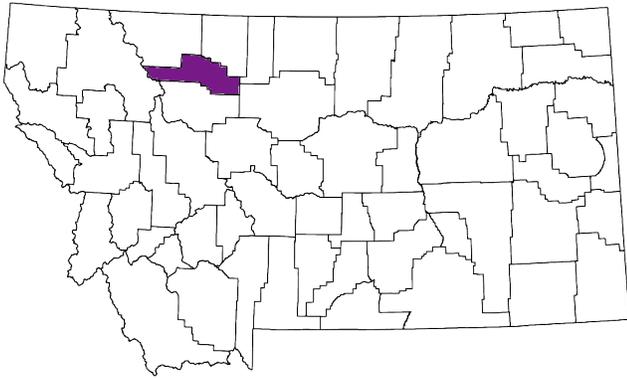
Renewable Resource Grants/Loans	\$250,000
Highway Funds	\$1,946,089

State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$4,108,925
First Session Increases	\$113,508
Second Session Increases	\$243,470
TOTAL NEW INVESTMENT*	\$5,333,183
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Phillips County for the Montana University System	
Number of Students	134
Tuition Savings First Session	\$117,250
Tuition Savings Proposed	\$142,375
TOTAL SAVINGS	\$259,625

Total Infrastructure Investment
\$26,547,426

Total Tax Cuts for Small Businesses in Phillips County
\$356,978



Pondera County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$1,382,500
Renewable Resource Grants/Loans	\$200,000
Drinking Water/Waste Water	\$1,266,583
Community Development Block Grants	\$11,250
Highway Funds	\$1,544,054

2015 Legislative Session Investments

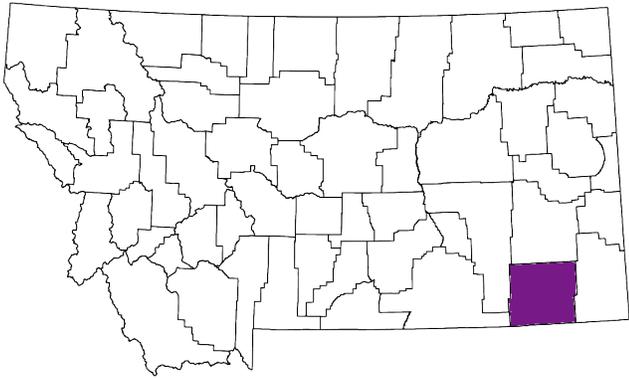
Treasure State Endowment Proposed	\$500,000
Renewable Resource Grants/Loans	\$375,000
Highway Funds	\$6,890,249

State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$5,090,701
First Session Increases	\$216,918
Second Session Increases	\$348,351
TOTAL NEW INVESTMENT*	\$6,665,972
Quality Schools Grants-2015 Bien	\$25,000
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Pondera County for the Montana University System	
Number of Students	203
Tuition Savings First Session	\$177,625
Tuition Savings Proposed	\$215,688
TOTAL SAVINGS	\$393,313

<p>Total Infrastructure Investment \$12,169,636</p>
--

<p>Total Tax Cuts for Small Businesses in Pondera County \$565,269</p>



Powder River County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$15,000
Highway Funds	\$19,667,697

2015 Legislative Session Investments

Community Development Block Grants	\$450,000
Highway Funds	\$21,022,965

State Aid Payments to Schools & Local Government

K-12 State Aid in 2012	\$1,546,469
First Session Increases	\$93,270
Second Session Increases	\$124,091

TOTAL NEW INVESTMENT* \$1,816,603

Quality Schools Grants-2015 Bien	\$36,380
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*Includes School and Local Government reimbursements

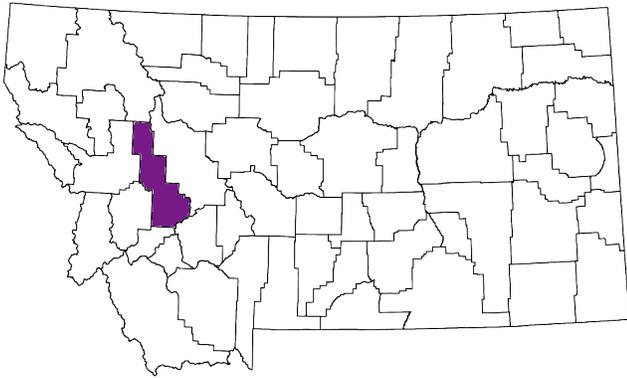
Tuition Tax Cuts in Powder River County for the Montana University System

Number of Students	27
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Tuition Savings First Session	\$23,625
Tuition Savings Proposed	<u>\$28,688</u>
TOTAL SAVINGS	\$52,313

**Total Infrastructure Investment
\$41,210,563**

**Total Tax Cuts for
Small Businesses in
Powder River County
\$217,361**



Powell County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$335,940
Renewable Resource Grants/Loans	\$100,000
Drinking Water/Waste Water	\$1,493,000
Community Development Block Grants	\$20,000
Highway Funds	\$12,402,554

2015 Legislative Session Investments

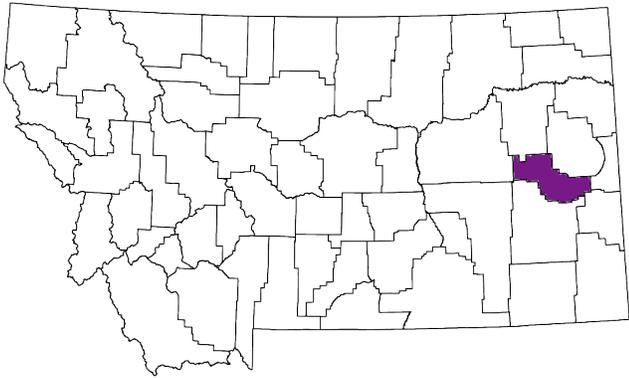
Highway Funds	\$1,363,272
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State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$3,870,767
First Session Increases	\$84,298
Second Session Increases	\$136,571
TOTAL NEW INVESTMENT*	\$4,605,052
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Powell County for the Montana University System	
Number of Students	154
Tuition Savings First Session	\$134,750
Tuition Savings Proposed	\$163,625
TOTAL SAVINGS	\$298,375

**Total Infrastructure Investment
\$16,016,767**

**Total Tax Cuts for
Small Businesses in
Powell County
\$220,869**



Prairie County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$15,000
Highway Funds	\$3,581,099

2015 Legislative Session Investments

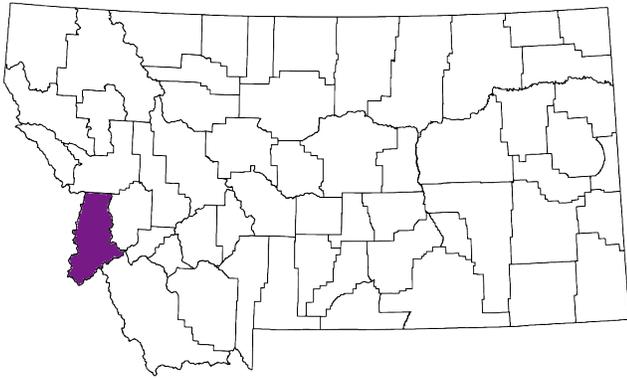
Treasure State Endowment Proposed	\$750,000
Renewable Resource Grants/Loans	\$125,000
Highway Funds	\$694,074

State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$833,727
First Session Increases	\$59,842
Second Session Increases	\$106,179
TOTAL NEW INVESTMENT*	\$1,229,891
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Prairie County for the Montana University System	
Number of Students	29
Tuition Savings First Session	\$25,375
Tuition Savings Proposed	\$30,813
TOTAL SAVINGS	\$56,188

<p>Total Infrastructure Investment \$5,166,673</p>

<p>Total Tax Cuts for Small Businesses in Prairie County \$166,021</p>



Ravalli County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$2,049,751
Renewable Resource Grants/Loans	\$600,000
Renewable Resource Bonds & Loans	\$46,857
Community Development Block Grants	\$700,000
Highway Funds	\$18,223,613

2015 Legislative Session Investments

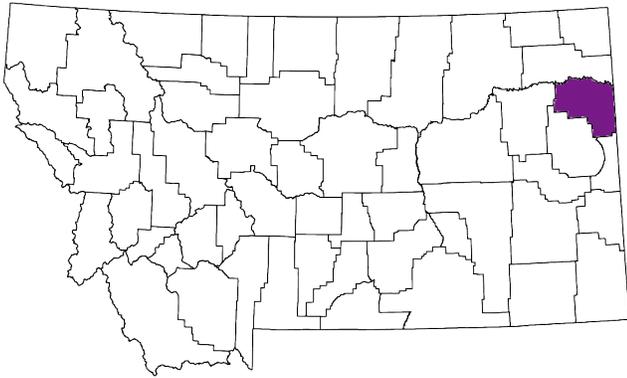
Treasure State Endowment Proposed	\$195,799
Renewable Resource Grants/Loans	\$375,000
Renewable Resource Bonds & Loans	\$1,773,976
Community Development Block Grants	\$1,150,000
Long Range Building	\$4,200,000
Highway Funds	\$12,764,634

State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$25,445,951
First Session Increases	\$223,098
Second Session Increases	\$348,032
TOTAL NEW INVESTMENT*	\$29,002,011
Quality Schools Grants-2015 Bien	\$1,456,986
Quality Schools Grants 2017 Bien	\$2,769,161
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Ravalli County for the Montana University System	
Number of Students	1255
Tuition Savings First Session	\$1,098,125
Tuition Savings Proposed	\$1,333,438
TOTAL SAVINGS	\$2,431,563

Total Infrastructure Investment
\$42,829,630

Total Tax Cuts for Small Businesses in Ravalli County
\$571,130



Richland County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$795,000
Renewable Resource Grants/Loans	\$100,000
Community Development Block Grants	\$470,276
Highway Funds	\$13,013,041

2015 Legislative Session Investments

Renewable Resource Grants/Loans	\$250,000
Community Development Block Grants	\$425,276
Highway Funds	\$15,583,876

State Aid Payments to Schools & Local Government

K-12 State Aid in 2012	\$6,614,990
First Session Increases	\$201,955
Second Session Increases	\$427,522

TOTAL NEW INVESTMENT* \$9,735,016

Quality Schools Grants-2015 Bien \$25,000

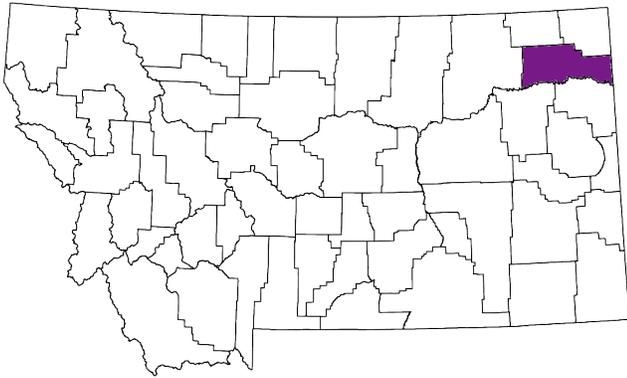
*Includes School and Local Government reimbursements

Tuition Tax Cuts in Richland County for the Montana University System

Number of Students	179
Tuition Savings First Session	\$156,625
Tuition Savings Proposed	<u>\$190,188</u>
TOTAL SAVINGS	\$346,813

**Total Infrastructure Investment
\$31,487,469**

**Total Tax Cuts for
Small Businesses in
Richland County
\$629,477**



Roosevelt County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$30,000
Drinking Water/Waste Water	\$5,604,000
Community Development Block Grants	\$476,000
Highway Funds	\$26,934,708

2015 Legislative Session Investments

Treasure State Endowment Proposed	\$625,000
Renewable Resource Grants/Loans	\$375,000
Renewable Resource Bonds & Loans	\$6,000,000
Community Development Block Grants	\$450,000
Highway Funds	\$3,600,226

State Aid Payments to Schools & Local Government

K-12 State Aid in 2012	\$11,617,155
First Session Increases	\$286,111
Second Session Increases	\$517,644

TOTAL NEW INVESTMENT* \$15,734,098

Quality Schools Grants-2015 Bien	\$510,500
Quality Schools Grants 2017 Bien	\$862,300

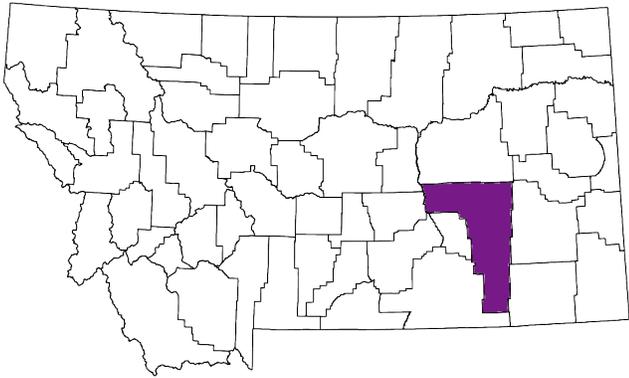
*Includes School and Local Government reimbursements

Tuition Tax Cuts in Roosevelt County for the Montana University System

Number of Students	20
Tuition Savings First Session	\$17,500
Tuition Savings Proposed	<u>\$21,250</u>
TOTAL SAVINGS	\$38,750

**Total Infrastructure Investment
\$44,394,934**

**Total Tax Cuts for
Small Businesses in
Roosevelt County
\$803,756**



Rosebud County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$500,000
Renewable Resource Grants/Loans	\$100,000
Drinking Water/Waste Water	\$1,624,000
Highway Funds	\$21,323,542

2015 Legislative Session Investments

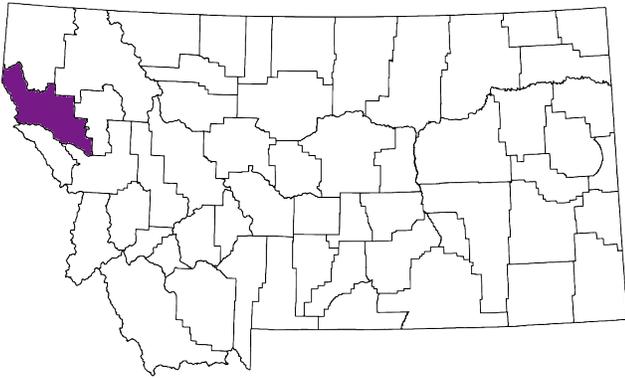
Highway Funds	\$15,436,644
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State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$10,075,223
First Session Increases	\$58,752
Second Session Increases	\$148,685
TOTAL NEW INVESTMENT*	\$11,388,432
Quality Schools Grants-2015 Bien	\$70,800
Quality Schools Grants 2017 Bien	\$2,192,710
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Rosebud County for the Montana University System	
Number of Students	216
Tuition Savings First Session	\$189,000
Tuition Savings Proposed	<u>\$229,500</u>
TOTAL SAVINGS	\$418,500

<p>Total Infrastructure Investment \$39,494,275</p>
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<p>Total Tax Cuts for Small Businesses in Rosebud County \$207,437</p>



Sanders County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$607,550
Drinking Water/Waste Water	\$941,945
Community Development Block Grants	\$29,500
Highway Funds	\$30,840,902

2015 Legislative Session Investments

Treasure State Endowment Proposed	\$602,000
Renewable Resource Grants/Loans	\$495,248
Community Development Block Grants	\$450,000
Highway Funds	\$23,835,908

State Aid Payments to Schools & Local Government

K-12 State Aid in 2012	\$7,517,304
First Session Increases	\$73,140
Second Session Increases	\$142,328

TOTAL NEW INVESTMENT* \$8,843,492

Quality Schools Grants-2015 Bien	\$1,647,240
Quality Schools Grants 2017 Bien	\$102,600

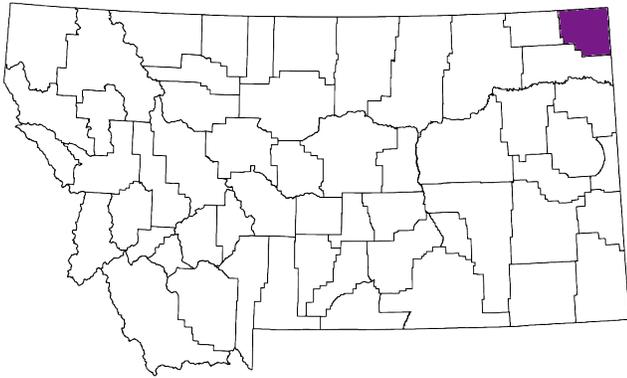
*Includes School and Local Government reimbursements

Tuition Tax Cuts in Sanders County for the Montana University System

Number of Students	206
Tuition Savings First Session	\$180,250
Tuition Savings Proposed	\$218,875
TOTAL SAVINGS	\$399,125

**Total Infrastructure Investment
\$57,803,053**

**Total Tax Cuts for
Small Businesses in
Sanders County
\$215,468**



Sheridan County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$15,000
Drinking Water/Waste Water	\$1,537,300
Community Development Block Grants	\$28,000
Highway Funds	\$4,859,282

2015 Legislative Session Investments

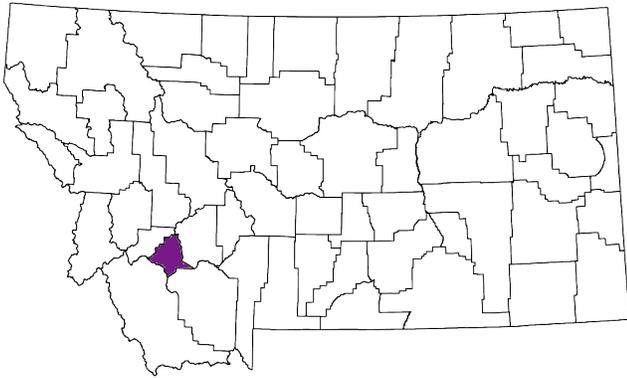
Treasure State Endowment Proposed	\$1,125,000
Renewable Resource Grants/Loans	\$250,000
Highway Funds	\$608,432

State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$2,715,272
First Session Increases	\$330,965
Second Session Increases	\$386,399
TOTAL NEW INVESTMENT*	\$4,343,357
Quality Schools Grants-2015 Bien	\$12,200
Quality Schools Grants 2017 Bien	\$900,000
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Sheridan County for the Montana University System	
Number of Students	74
Tuition Savings First Session	\$64,750
Tuition Savings Proposed	\$78,625
TOTAL SAVINGS	\$143,375

<p align="center">Total Infrastructure Investment \$8,723,014</p>

<p align="center">Total Tax Cuts for Small Businesses in Sheridan County \$717,364</p>
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Silver Bow County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$10,000
Drinking Water/Waste Water	\$30,268,000
Community Development Block Grants	\$30,000
Long Range Building	\$6,600,000
Highway Funds	\$27,132,730

2015 Legislative Session Investments

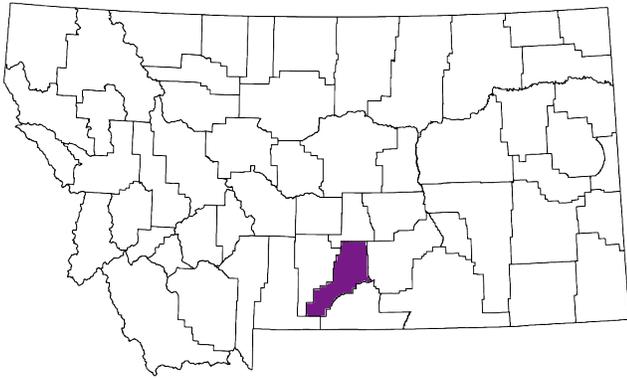
Treasure State Endowment Proposed	\$406,526
Renewable Resource Grants/Loans	\$375,000
Community Development Block Grants	\$30,000
Long Range Building	\$10,000,000
Highway Funds	\$15,733,307

State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$18,725,426
First Session Increases	\$323,654
Second Session Increases	\$629,806
TOTAL NEW INVESTMENT*	\$22,416,504
Quality Schools Grants 2017 Bien	\$1,190,645
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Silver Bow County for the Montana University System	
Number of Students	1518
Tuition Savings First Session	\$1,328,250
Tuition Savings Proposed	<u>\$1,612,875</u>
TOTAL SAVINGS	\$2,941,125

Total Infrastructure Investment
\$93,104,144

Total Tax Cuts for Small Businesses in Silver Bow County
\$953,460



Stillwater County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$220,028
Renewable Resource Grants/Loans	\$100,000
Highway Funds	\$21,318,320

2015 Legislative Session Investments

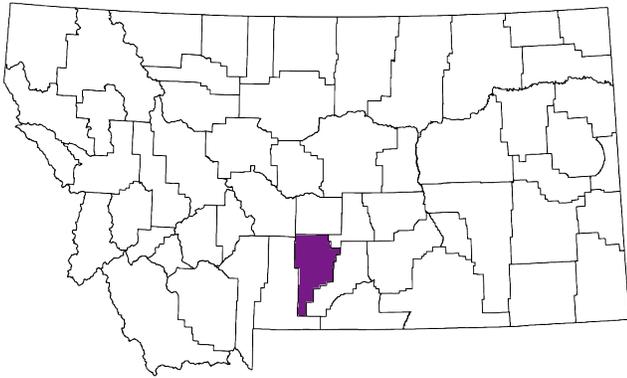
Highway Funds	\$6,356,924
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State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$6,855,387
First Session Increases	\$96,486
Second Session Increases	\$213,434
TOTAL NEW INVESTMENT*	\$8,637,579
Quality Schools Grants-2015 Bien	\$21,944
Quality Schools Grants 2017 Bien	\$562,396
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Stillwater County for the Montana University System	
Number of Students	242
Tuition Savings First Session	\$211,750
Tuition Savings Proposed	<u>\$257,125</u>
TOTAL SAVINGS	\$468,875

Total Infrastructure Investment
\$27,995,271

Total Tax Cuts for Small Businesses in Stillwater County
\$309,920



Sweet Grass County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$15,000
Renewable Resource Grants/Loans	\$300,000
Highway Funds	\$22,761,098

2015 Legislative Session Investments

Treasure State Endowment Proposed	\$303,898
Renewable Resource Grants/Loans	\$125,000
Highway Funds	\$997,540

State Aid Payments to Schools & Local Government

K-12 State Aid in 2012	\$2,417,769
First Session Increases	\$57,668
Second Session Increases	\$110,971

TOTAL NEW INVESTMENT* \$3,023,419

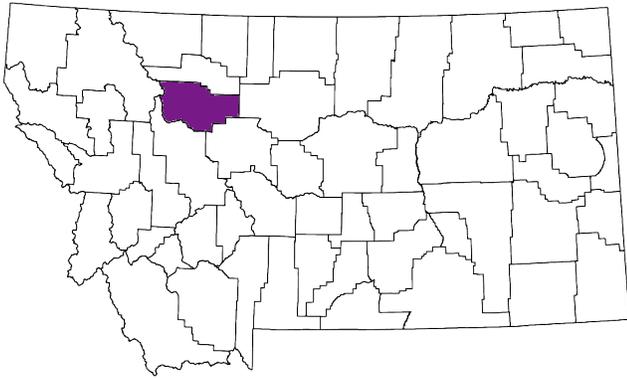
*Includes School and Local Government reimbursements

Tuition Tax Cuts in Sweet Grass County for the Montana University System

Number of Students	112
Tuition Savings First Session	\$98,000
Tuition Savings Proposed	<u>\$119,000</u>
TOTAL SAVINGS	\$217,000

**Total Infrastructure Investment
\$24,502,536**

**Total Tax Cuts for
Small Businesses in
Sweet Grass County
\$168,640**



Teton County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$1,923,500
Renewable Resource Grants/Loans	\$400,000
Drinking Water/Waste Water	\$770,000
Highway Funds	\$18,761,603

2015 Legislative Session Investments

Renewable Resource Grants/Loans	\$125,000
Highway Funds	\$19,420,540

State Aid Payments to Schools & Local Government

K-12 State Aid in 2012	\$6,109,217
First Session Increases	\$203,153
Second Session Increases	\$354,708

TOTAL NEW INVESTMENT* \$7,601,451

Quality Schools Grants-2015 Bien	\$621,379
Quality Schools Grants 2017 Bien	\$557,053

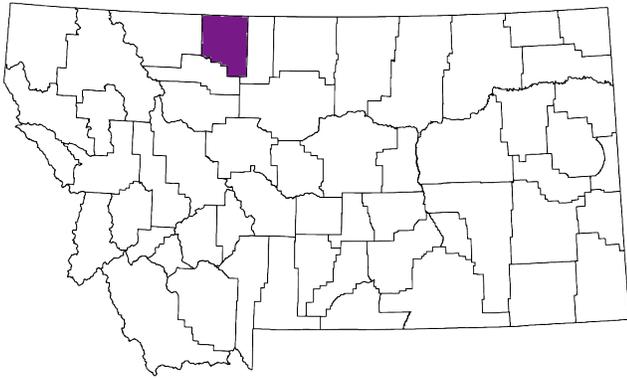
*Includes School and Local Government reimbursements

Tuition Tax Cuts in Teton County for the Montana University System

Number of Students	235
Tuition Savings First Session	\$205,625
Tuition Savings Proposed	\$249,688
TOTAL SAVINGS	\$455,313

**Total Infrastructure Investment
\$41,400,643**

**Total Tax Cuts for
Small Businesses in
Teton County
\$557,860**



Toole County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$660,000
Community Development Block Grants	\$15,000
Highway Funds	\$6,498,796

2015 Legislative Session Investments

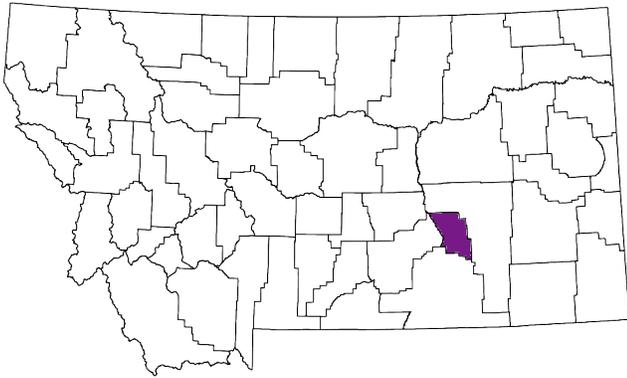
Treasure State Endowment Proposed	\$107,000
Renewable Resource Grants/Loans	\$250,000
Highway Funds	\$2,825,478

State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$3,493,016
First Session Increases	\$165,053
Second Session Increases	\$282,493
TOTAL NEW INVESTMENT*	\$4,213,376
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Toole County for the Montana University System	
Number of Students	131
Tuition Savings First Session	\$114,625
Tuition Savings Proposed	\$139,188
TOTAL SAVINGS	\$253,813

<p>Total Infrastructure Investment \$10,374,274</p>
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<p>Total Tax Cuts for Small Businesses in Toole County \$447,546</p>



Treasure County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$10,000
Highway Funds	\$2,646,014

2015 Legislative Session Investments

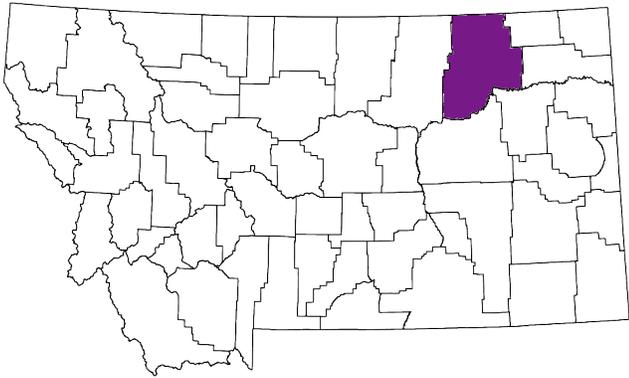
Treasure State Endowment Proposed	\$625,000
Renewable Resource Grants/Loans	\$250,000
Highway Funds	\$11,284,935

State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$624,281
First Session Increases	\$28,127
Second Session Increases	\$55,451
TOTAL NEW INVESTMENT*	\$800,270
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Treasure County for the Montana University System	
Number of Students	17
Tuition Savings First Session	\$14,875
Tuition Savings Proposed	\$18,063
TOTAL SAVINGS	\$32,938

<p>Total Infrastructure Investment \$14,875,949</p>
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<p>Total Tax Cuts for Small Businesses in Treasure County \$83,579</p>



Valley County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$30,000
Renewable Resource Grants/Loans	\$200,000
Community Development Block Grants	\$15,000
Highway Funds	\$23,205,511

2015 Legislative Session Investments

Treasure State Endowment Proposed	\$994,108
Renewable Resource Grants/Loans	\$125,000
Highway Funds	\$17,126,231

State Aid Payments to Schools & Local Government

K-12 State Aid in 2012	\$6,487,217
First Session Increases	\$223,319
Second Session Increases	\$373,638

TOTAL NEW INVESTMENT* \$8,574,416

Quality Schools Grants-2015 Bien	\$463,200
Quality Schools Grants 2017 Bien	\$150,930

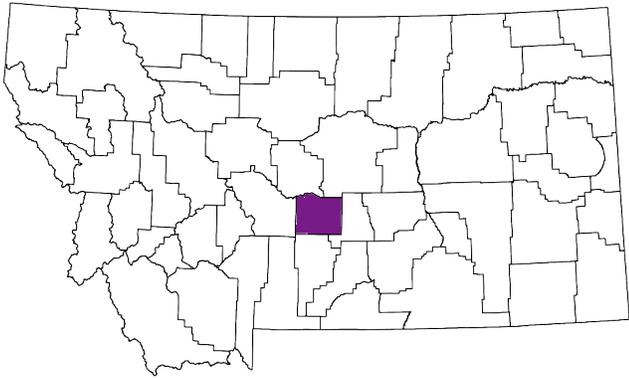
*Includes School and Local Government reimbursements

Tuition Tax Cuts in Valley County for the Montana University System

Number of Students	170
Tuition Savings First Session	\$148,750
Tuition Savings Proposed	\$180,625
TOTAL SAVINGS	\$329,375

**Total Infrastructure Investment
\$41,801,350**

**Total Tax Cuts for
Small Businesses in
Valley County
\$596,956**



Wheatland County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$630,000
Renewable Resource Grants/Loans	\$100,000
Drinking Water/Waste Water	\$825,000
Renewable Resource Bonds & Loans	\$900,000
Community Development Block Grants	\$15,000
Highway Funds	\$13,781,704

2015 Legislative Session Investments

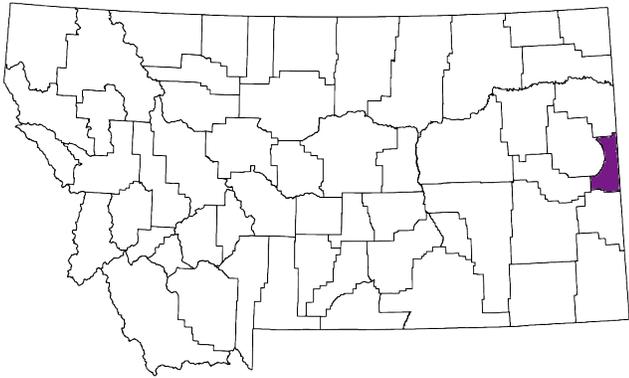
Treasure State Endowment Proposed	\$875,000
Renewable Resource Grants/Loans	\$250,000
Renewable Resource Bonds & Loans	\$500,000
Highway Funds	\$684,515

State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$1,660,023
First Session Increases	\$48,391
Second Session Increases	\$68,723
TOTAL NEW INVESTMENT*	\$2,032,914
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Wheatland County for the Montana University System	
Number of Students	52
Tuition Savings First Session	\$45,500
Tuition Savings Proposed	\$55,250
TOTAL SAVINGS	\$100,750

Total Infrastructure Investment
\$19,088,659

Total Tax Cuts for Small Businesses in Wheatland County
\$117,115



Wibaux County

2013 Legislative Session Investments

Highway Funds \$913,234

2015 Legislative Session Investments

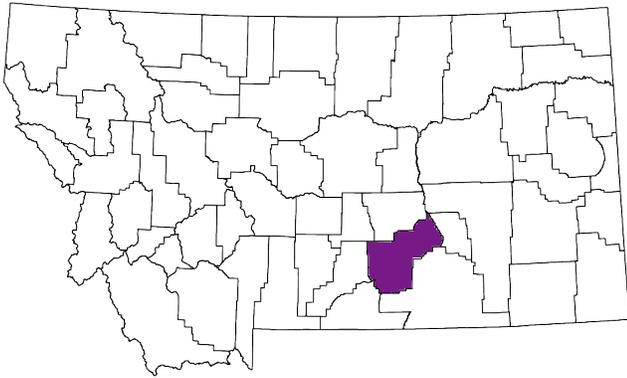
Highway Funds \$815,447

State Aid Payments to Schools & Local Government	
K-12 State Aid in 2012	\$693,807
First Session Increases	\$33,400
Second Session Increases	\$60,993
TOTAL NEW INVESTMENT*	\$1,072,992
*Includes School and Local Government reimbursements	

Tuition Tax Cuts in Wibaux County for the Montana University System	
Number of Students	29
Tuition Savings First Session	\$25,375
Tuition Savings Proposed	\$30,813
TOTAL SAVINGS	\$56,188

Total Infrastructure Investment
\$1,728,680

Total Tax Cuts for Small Businesses in Wibaux County
\$94,393



Yellowstone County

2013 Legislative Session Investments

Treasure State Endowment Awards	\$270,939
Renewable Resource Grants/Loans	\$100,000
Drinking Water/Waste Water	\$15,664,920
Community Development Block Grants	\$42,000
Long Range Building	\$10,000,000
Highway Funds	\$60,718,020
All Other	\$30,000,000

2015 Legislative Session Investments

Treasure State Endowment Proposed	\$1,148,476
Renewable Resource Grants/Loans	\$500,000
Renewable Resource Bonds & Loans	\$800,000
Long Range Building	\$2,650,000
Highway Funds	\$60,474,704

State Aid Payments to Schools & Local Government

K-12 State Aid in 2012	\$90,469,468
First Session Increases	\$1,866,819
Second Session Increases	\$3,201,640

TOTAL NEW INVESTMENT* \$119,434,216

Quality Schools Grants-2015 Bien	\$40,000
Quality Schools Grants 2017 Bien	\$3,547,736

*Includes School and Local Government reimbursements

Tuition Tax Cuts in Yellowstone County for the Montana University System

Number of Students	4458
Tuition Savings First Session	\$3,900,750
Tuition Savings Proposed	<u>\$4,736,625</u>
TOTAL SAVINGS	\$8,637,375

**Total Infrastructure Investment
\$184,704,059**

**Total Tax Cuts for
Small Businesses in
Yellowstone County
\$5,068,459**