

State surplus \$23M more than expected, at \$392M

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HELENA - The state ended the budget year in mid-2009 with a preliminary general fund surplus of \$392 million, or nearly \$23 million more than the Legislature had projected, a legislative fiscal analyst told a committee Thursday.

Lawmakers adjourned in April and left a projected ending fund budget balance of \$369.1 million as of June 30.

The final and official numbers won't be available until after a legislative audit later this fall.

The increased budget balance is due primarily to higher than anticipated "reversions," which are funds appropriated to state agencies but which aren't spent in that budget year.

Johnson said the general fund reversions totaled nearly \$100 million in fiscal 2009, which were the most he'd ever seen, although nearly \$48 million of them were budgeted for. That left nearly \$52 million in unanticipated reversions.

Agencies must return these reversions to the state treasury. However, in some cases, agencies are still able to spend 30 percent of the reverted amounts on certain programs if they have what's known as "unanticipated continuing authority."

Johnson said that the reversions with "unanticipated continuing authority" that can be spent in part in the upcoming years totals \$17.9 million. If this is deducted, the state general fund balance could be only \$4.9 million higher or \$374 million, not \$392 million, he said.

The reversions helped make up for tax collections for the year that totaled \$36.6 million less than the Legislature had anticipated.

These lower tax collections were on top of the \$290 million that legislators had already reduced the official revenue estimates by from their estimates in November 2008. These in-session adjustments came as income and corporate revenue collections were tailing off.

Johnson said the final revenue numbers showed \$23.9 million in some revenue collections greater than anticipated. The top one was the corporate income tax, which was \$9.1 million more than projected.

However, some other revenue sources came in \$60.5 million less than expected. The biggest one was individual income taxes, which was \$37.5 million below estimates