

LONG-RANGE PLANNING PROGRAMS OVERVIEW

LONG-RANGE PLANNING BUDGETS BY PROGRAM

Long-Range Planning (LRP) programs are devoted to the creation and upkeep of major state and local infrastructure (not including state roads and highway construction and maintenance programs). Most of the projects that come through LRP programs require more than one biennium to complete and have significant costs. The LRP budget is focused on nine programs. LRP programs include:

- Long-Range Building Program (LRBP) – acquisition, construction, and major maintenance of state-owned lands and buildings, administered by Department of Administration
- State Building Energy Conservation Program (SBCEP) – energy efficiency improvements to state-owned buildings, administered by Department of Environmental Quality
- Long-Range Information Technology Program (LRITP) – major information technology build and upgrade, administered by Department of Administration
- Montana Coal Endowment Program (MCEP) – water, wastewater, solid waste, and bridge infrastructure grants to local governments, administered by the Department of Commerce
- Montana Coal Endowment Regional Water Program (MCEPRW) – matching funds for major regional water projects, administered by the Department of Natural Resources and Conservation
- Renewable Resource Grant and Loan Program (RRGL) – grants to local governments for projects that measurably conserve, develop, manage, or preserve resources, administered by the Department of Natural Resources and Conservation
- Reclamation and Development Grant Program (RDGP) – grants for the reclamation of lands degraded by resource severance activities and the development of critical infrastructure, administered by the Department of Natural Resources and Conservation
- Cultural and Aesthetic Grant Program (C&A) – arts, cultural, and historical grants, administered by the Montana Arts Council
- Montana Historic Preservation Grants Program (MHPG) – grants for public or private entities to complete activities for the preservation of historic sites, historical societies, or history museums in the state, administered by the Department of Commerce

In the work of the Section F, or Long-Range Planning (LRP), Subcommittee, the budgets are assessed, and hearings held, by program. However, as the LRP budgets make their way through the legislative process after the LRP Subcommittee has incorporated its recommendations, the budgets are assessed and generally referred to by bill. Figure 1 provides a fiscal overview of the final adopted LRP bills by program and fund type.

Figure 2 shows a map of the projects authorized in the long-range planning programs by bill. Note that for some projects, like those included in HB 872 which provides capital funds for the Department of Public Health and Human Services for behavioral health regional care facilities, the location for those facilities is unknown as it will be determined in the future. Therefore, those projects are not shown on the map. The projects for the MCEPRW program are also not included for the same reason, that it is unknown how much funding and which projects will be funded within the regional water systems. The interactive map tool that lists the projects by bill and program is available here:

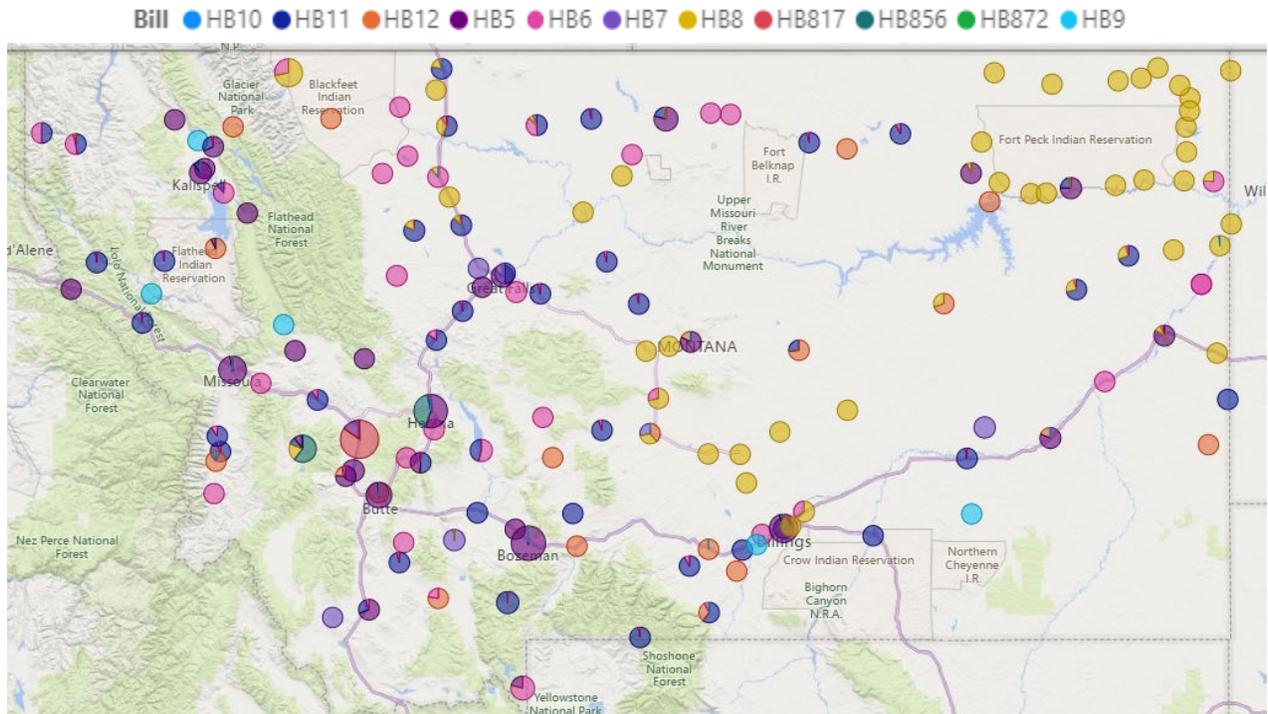
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Figure 1

LRP Total Appropriations by Bill and Fund Type									
Bill #	Program	General Fund	Capital Projects	State Special	Federal Special	Prop.	Author.	CST Bonds	Total
HB 5	LRBP		372,504,225	106,086,740	87,757,649	690,000	255,195,000	0	822,233,614
HB 5	FWP Capital			35,533,404	20,064,742		6,333,234		61,931,380
HB 5	SBECP						3,700,000		3,700,000
HB 5	Other Capital	16,975,257							16,975,257
HB 5	O&M	13,196,968		644,862	226,472	40,000			14,108,302
HB 817	LRBP		180,940,831						180,940,831
HB 817	O&M	176,560							176,560
HB 856	LRBP		78,695,418	37,500,000					116,195,418
HB 872	LRBP		75,000,000						75,000,000
HB 872	O&M			1,661,426					1,661,426
Total HB 5/817/856/872		\$30,348,785	\$707,140,474	\$181,426,432	\$108,048,863	\$730,000	\$265,228,234	\$0	\$1,292,922,788
HB 6	RRGL - Grants			42,310,000					42,310,000
HB 7	RDGP			5,653,347					5,653,347
HB 8	RRGL - Loans							129,415,000	129,415,000
HB 9	C&A			588,876					588,876
HB 10	LRITP		145,230,218	11,945,193	80,796,205				237,971,616
HB 11	MCEP			31,209,713					31,209,713
HB 11	MCEPRW			10,000,000					10,000,000
Total HB 11		\$0	\$0	\$41,209,713	\$0	\$0	\$0	\$0	\$41,209,713
HB 12	MHPG			11,368,044					11,368,044
Total LRP Bills		\$30,348,785	\$852,370,692	\$294,501,605	\$188,845,068	\$730,000	\$265,228,234	\$129,415,000	\$1,761,439,384

Figure 2



LONG-RANGE PLANNING PROGRAMS OVERVIEW

BUDGET COMPARISON

Figure 3 compares the 2023 biennium appropriated budget to the 2025 biennium appropriated budget by type of expenditure and source of funding.

Figure 3

Long-Range Planning Budget Comparison (\$ millions)				
Budget Item / Funding Source	Appropriations FY 22-23	Appropriations FY 24-25	Biennium Change	Biennium % Change
Long-Range Building Program (LRBP)	\$414.3	\$1,292.9	\$878.6	212.1%
<i>State Building Energy Conservation Program (SBECP)</i>	3.6	3.7	0.1	2.8%
<i>Other Capital Projects</i>	0.0	17.0	17.0	0.0%
Long-Range Information Technology Program (LRITP)	53.5	238.0	184.5	344.8%
Montana Coal Endowment Program (MCEP)	27.7	31.2	3.5	12.7%
Montana Coal Endowment Regional Water Program (MCEPRW)	5.0	10.0	5.0	100.0%
Renewable Resource Grant and Loan Program (RRGL)	113.0	171.7	58.7	52.0%
Reclamation and Development Grant Program (RDGP)	6.6	5.7	(0.9)	-14.3%
Cultural and Aesthetic Grant Program (C&A)	0.3	0.6	0.3	96.3%
Montana Historic Grant Program (MHGP)	5.5	11.4	5.9	106.7%
Total Costs	\$625.9	\$1,761.4	\$1,135.5	181.4%
General Fund (GF)	\$1.9	\$30.3	\$28.4	1497.3%
Capital Projects Fund (Capital)	144.5	852.4	707.9	489.9%
State Special (SS)	85.2	294.5	209.3	245.7%
Federal Special (FS)	208.3	188.8	(19.5)	-9.4%
Total Bonds (Bonds)	101.7	129.4	27.7	27.3%
<i>General Obligation Bonds Subtotal</i>	0.0	0.0	0.0	0.0%
<i>Coal Severance Tax Bonds Subtotal</i>	101.7	129.4	27.7	27.3%
Proprietary Fund (Prop)	2.1	0.7	(1.4)	-65.2%
Subtotal State Funds	543.7	1,496.2	952.5	175.2%
Authorization (Author)	82.2	265.2	183.0	222.7%
Total Funds	\$625.9	\$1,761.4	\$1,135.5	181.4%

SUMMARY OF LEGISLATIVE ACTION

The LRP budgets are principally dedicated to state and local infrastructure projects. The state projects are made up primarily of the construction and major maintenance of state agency space, while the local infrastructure projects consist of grants to local governments for infrastructure purposes. In the 2025 biennium, the LRP budgets are \$1,761.4 million and are composed of 86.9% of state infrastructure projects and 13.1% of local government grants. Figure 3 shows a summary of the appropriations made by the 68th Legislature for each of the LRP programs. The total legislative appropriations and authorizations of \$1,761.4 million is an increase of 181.4% above the appropriations provided by the 2021 Legislature. The increase is primarily related to the following:

- Significant transfers of funding from the budget stabilization reserve fund into the capital development fund occurred during the 2023 biennium, allowing for investment of that funding in state infrastructure

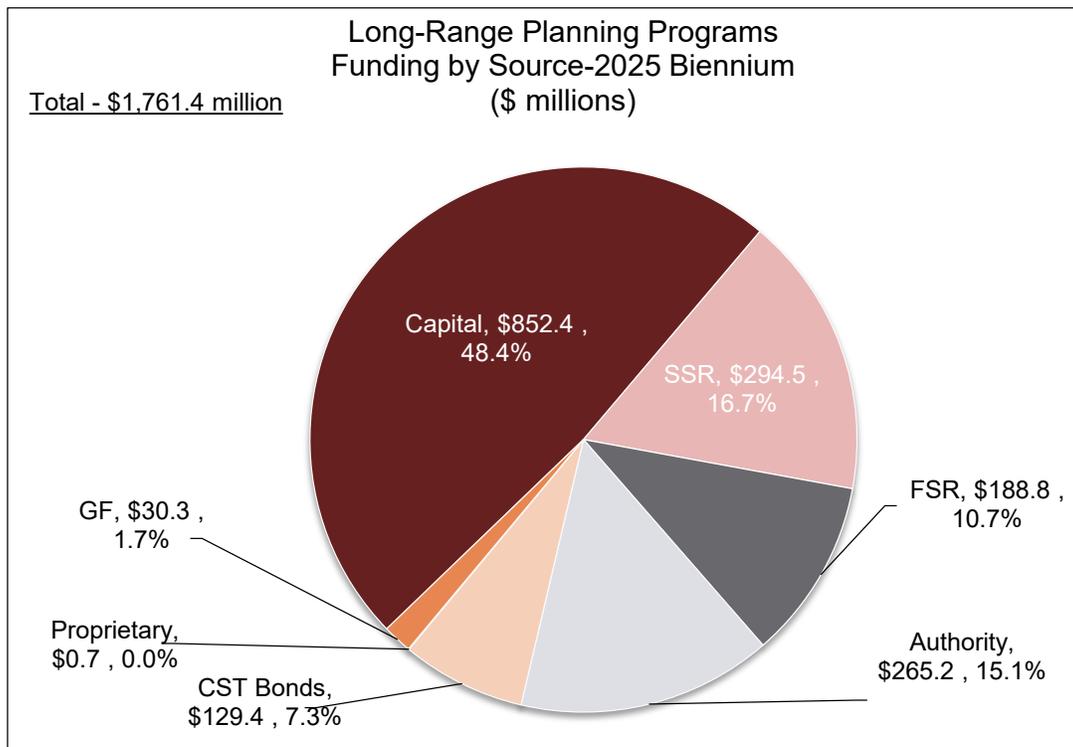
LONG-RANGE PLANNING PROGRAMS OVERVIEW

- During the 2023 biennium, the water and wastewater grants for local governments were primarily funded with federal American Rescue Plan Act funds; this allowed a greater fund balance of state special revenue to be available for appropriation in the 2025 biennium
- Dedicated funding of five of the LRP programs is substantially or totally reliant on the investment earnings from trust balances. Interest rates are projected to increase in the 2025 biennium to 4.1% in FY 2024 and 4.3% in FY 2025, allowing additional funding to be available for projects within those programs

FUNDING

As seen in Figure 4, LRP programs are primarily financed with statutorily dedicated allocations of funds. Generally, the program/project budget is strictly based on the amount of revenue estimated to be available for the program costs. Other revenues come from a variety of sources including tax allocations and in several cases interest earnings from dedicated trusts. The only exception from earmarked program revenue is seen in the Long-Range Information Technology Program (LRITP) which has no designated source of funding (projects are funded either through agency revenues or general fund and transferred into the LRITP capital projects fund).

Figure 4



LRP budgets, as reflected in the appropriations and authorizations provided by the legislature, include: \$852.4 million or 48.4% of appropriations from capital project accounts, \$294.5 million or 16.7% from state special revenue (SSR) accounts, and \$188.8 million or 10.7% from federal special (FSR) accounts. Authority (private, non-budgeted funding) is \$265.2 million or 15.1% of total funding and are not technically appropriations but require legislative approval to be expended. Coal severance tax (CST) bonds included in HB 8 are authorized at \$129.4 million or 7.3% of the total funding.

LONG-RANGE PLANNING PROGRAMS OVERVIEW

EXECUTIVE BUDGET COMPARISON

Figure 5 provides the legislative changes from the executive budget proposal.

Figure 5

Long-Range Planning Budget Comparison (\$ millions)				
Budget Item / Funding Source	Executive Proposal FY 24-25	Appropriated FY 24-25	Proposed vs. Legislative Change	Proposed vs. Legislative % Change
Bill & Program				
HB 5/817/856/872 - Long-Range Building Program (LRBP) - including Other capital projects, O&M, & SBCEP	\$1,131.6	\$1,292.9	\$161.3	14.3%
<i>HB 5 - Other capital projects included in HB 5¹</i>	0.0	17.0	17.0	0.0%
<i>HB 5 - Operations & Maintenance Funding²</i>	11.2	15.9	4.7	42.0%
<i>HB 5 - State Building Energy Conservation Program (SBCEP)</i>	3.7	3.7	0.0	0.0%
HB 10 - Long-Range Information Technology Program (LRITP)	240.3	238.0	(2.3)	-1.0%
HB 11 - Montana Coal Endowment Program (MCEP)	31.0	31.2	0.2	0.7%
HB 11- MCEP Regional Water Program (MCEPRW)	7.0	10.0	3.0	42.9%
HB 6 & HB 8 - Renewable Resource Grant and Loan Program (RRGL) ³	115.1	171.7	56.6	49.2%
HB 7 - Reclamation and Development Grant Program (RDGP)	5.7	5.7	0.0	0.0%
HB 9 - Cultural and Aesthetic Grant Program (C&A)	0.6	0.6	0.0	0.0%
HB 12 - Montana Historic Grant Program (MHGP)	8.5	11.4	2.9	52.1%
Total Costs	\$1,539.7	\$1,761.4	\$221.7	14.4%
Fund Type - All Bills				
General Fund (GF)	\$10.3	\$30.3	\$20.0	194.6%
Capital Projects Fund (Capital)	813.5	852.4	38.9	4.8%
State Special (SS)	227.2	294.5	67.3	29.6%
Federal Special (FS)	140.7	188.8	48.1	34.2%
Total Bonds (Bonds)	98.9	129.4	30.5	30.9%
<i>General Obligation Bonds Subtotal</i>	0.0	0.0	0.0	0.0%
<i>Coal Severance Tax Bonds Subtotal</i>	98.9	129.4	30.5	30.8%
Proprietary Fund (Prop)	1.4	0.7	(0.7)	-50.0%
Subtotal State Funds	1,292.0	1,496.1	204.1	15.8%
Authorization (Author)	247.7	265.2	17.5	7.1%
Total Funds	\$1,539.7	\$1,761.4	\$221.7	14.4%
1. Includes general fund appropriations to agencies for facility-related grants/projects in HB 5 2. Operations & Maintenance funding is appropriated in HB 5/817/872 to be included in agency base budgets for new buildings; agencies can begin using funds once buildings are completed. 3. Includes a \$26.0 million general fund transfer to the natural resources project account for a loan for the Milk River project in HB 6				

The 68th Legislature approved a LRP budget that was \$221.7 million, or 14.4% greater than the executive request. The legislature made numerous changes to the executive proposal for LRP programs. The legislature added \$161.3 million of new projects to the Long-Range Building Program (LRBP). Funding totaling \$52.0 million was added for loans in HB 6 and HB 8 for the Milk River Project and the Saint Mary's siphon replacement projects. More information on the changes from the executive budget are discussed within the various program sections of this report.

LONG-RANGE BUILDING PROGRAM

PROGRAM BUDGET COMPARISON

Figure 6 compares the Long-Range Building Program 2023 biennium appropriated budget to the 2025 biennium appropriated budget by type of expenditure and source of funding.

Figure 6

Program Comparison - Long-Range Building Program				
Budget Item	Budget 2023 Bien.	Budget 2025 Bien.	Biennium Change	Biennium % Change
	<u>Appropriated / Authorized</u>	<u>Appropriated/ Authorized</u>		
LRBP Project Costs				
<i>Major Repairs</i>	36,905,742	84,484,803	47,579,061	128.9%
<i>Capital Development</i>	257,369,876	1,035,449,482	778,079,606	302.3%
LRBP Project Costs	\$294,275,618	\$1,119,934,285	\$825,658,667	280.6%
Agency Project Appropriations ¹	40,970,335	74,435,578	33,465,243	81.7%
FWP Capital Program Appropriations ¹	71,136,150	61,931,380	-9,204,770	-12.9%
SBECF Project Costs	3,700,000	3,700,000	-	0.0%
Other Capital Projects	-	16,975,257	16,975,257	0.0%
17-7-210 O&M	4,202,061	15,946,288	11,744,227	0.0%
Total Costs	414,284,164	1,292,922,788	878,638,624	212.1%
General Fund	1,937,741	30,348,785	28,411,044	1466.2%
Capital Projects	144,012,005	707,140,474	563,128,469	391.0%
State Special	67,030,868	181,426,432	114,395,564	170.7%
Federal Special	117,020,293	108,048,863	-8,971,430	-7.7%
Proprietary ²	2,074,027	730,000	-1,344,027	-64.8%
Authorization ²	82,209,230	265,228,234	183,019,004	222.6%
Total Funds	414,284,164	1,292,922,788	878,638,624	212.1%
¹ Includes major repairs and capital development appropriations made directly to various agencies				
² Does not require appropriation but requires approval of the legislature				

PROGRAM DISCUSSION

In 1963, the legislature enacted the Long-Range Building Program (LRBP) to provide funding for construction, alteration, repair, and maintenance of state-owned buildings and grounds. The program was developed to present a single, comprehensive, and prioritized plan for allocating state resources for capital construction and repair of state-owned facilities. Historically, the LRBP has been funded with a combination of cash accounts and bonding. The various types of cash accounts include state and federal special revenue funds, other funds (such as university and private funds), and the capital projects funds (long-range building major repairs and capital development accounts). The LRBP is administered by the Department of Administration, Architecture and Engineering Division (A&E).

SUMMARY OF LEGISLATIVE ACTION

The 68th Legislature authorized a LRBP budget in HB 5, HB 817, HB 856, and HB 872 that consists of 204 projects with total costs of \$1,277.0 million, along with establishing future operations and maintenance (O&M) appropriations of \$15.9 million into the respective agency base budgets. Included in the total costs, HB 5, HB 856, and HB 872 also provide appropriations of capital improvement funds to several agencies and programs.

LONG-RANGE BUILDING PROGRAM

The LRBP budget is 212.1% greater than the LRBP appropriations of the 2023 Biennium. The following list details the distribution of funding across programs and purposes.

- LRBP – 87.7% of the budget is dedicated to the construction and major repairs of state-owned buildings
- Other Agency Projects – 5.8% of the budget is appropriated directly to state agencies and is dedicated to construction and maintenance of state buildings
- SBECF Projects – 0.3% of the budget is dedicated to energy conservation improvements to state buildings
- Fish, Wildlife, & Parks (FWP) Capital Program – 4.8% of the budget is dedicated to land acquisition, recreational facility maintenance, and grants to recreationalists for various recreational activities
- Other Capital Projects – 1.3% of the budget consists of general fund appropriations to specific agencies primarily for non-state-owned facilities or grants

The following project types were funded in the LRBP budget (items are not mutually exclusive):

- 91 Major repair projects
- 90 Capital development projects
- 17 FWP Land acquisition, land/water maintenance, and recreation site improvements
- 6 Other capital projects
- 32 New building, additions, or storage space projects

BUDGET HIGHLIGHTS

Some of the major LRBP highlights include:

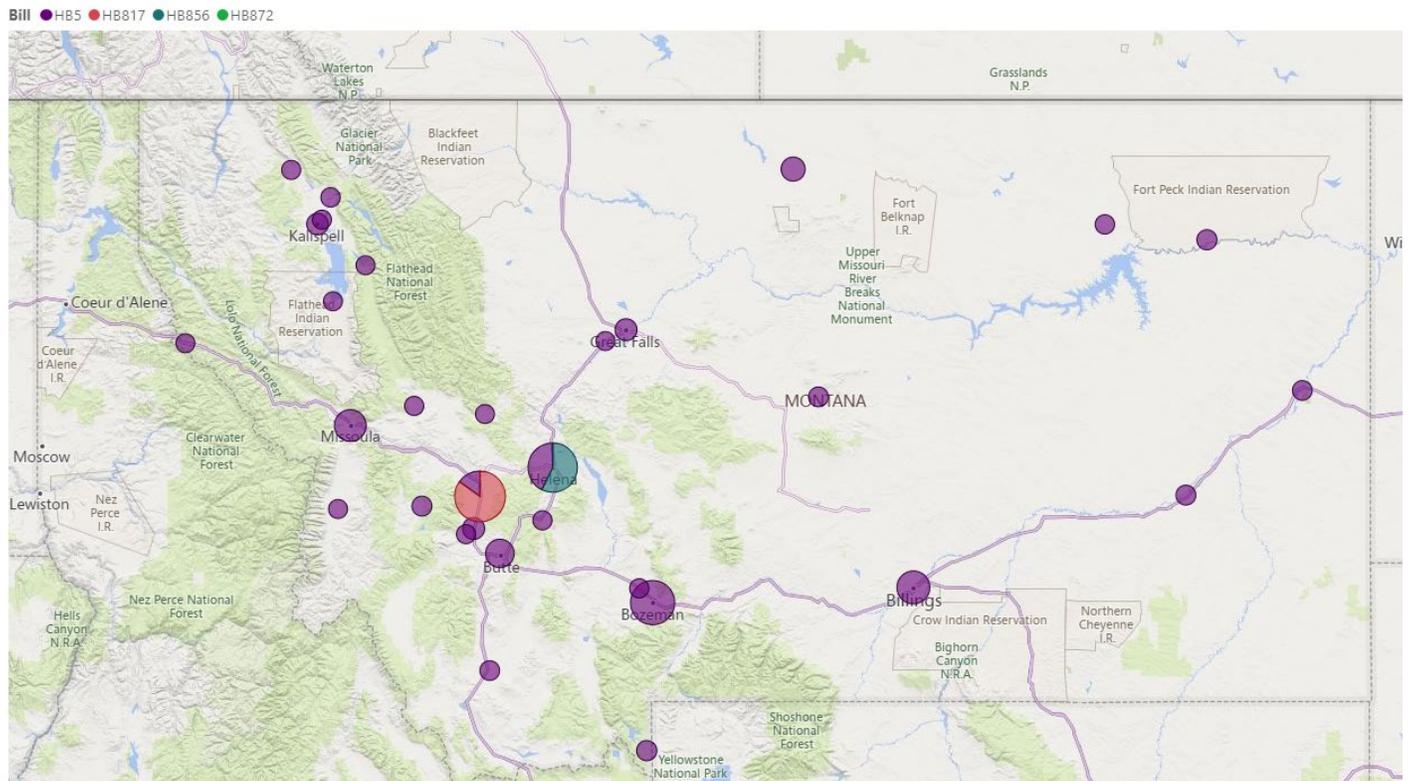
- Montana State Prison Low-Side Housing Replacement - \$156.0 million for replacement of low-side housing units and the associated infrastructure upgrades at the Montana State Prison. This project is one of six LRBP projects at the Montana State Prison that were originally proposed in HB 5. The legislature moved these projects to HB 817 and added language for these projects to be prioritized, with direction to the Department of Administration to move at all deliberate speed to have each project under contract by September 30, 2023
- Department of Public Health & Human Services (DPHHS) Behavioral Health System for Future Generations - \$55.0 million of capital development funds for construction or renovation of regional behavioral health care facilities, as well as \$20.0 million of capital development funds for the acquisition of new or remodeling of existing infrastructure or property to support the establishment of behavioral health settings and intermediate care facilities for individuals with intellectual disabilities. Originally included in HB 5, the legislature moved the appropriations to HB 872. These projects are funded with capital development funds, but the bill also includes a transfer of \$75.0 million of general fund to the capital development fund
- The Montana University System received significant donations for buildings, including \$92.0 million for the five facilities for the MSU Mark and Robyn Jones College of Nursing and \$50.0 million for the MSU Gianforte Hall School of Computing building. Authorization to expend the private funds was provided in HB 5
- Five LRBP projects were included in HB 856, related to the state capitol building and the capitol complex:

LONG-RANGE BUILDING PROGRAM

- State Capitol Building Improvements - \$28.7 million of capital development funds for improvements needed to the state capitol building, including addressing repairs needed to the capitol dome and roof
- Renovation of Capitol Complex Offices - Remote Office Workspace Study (ROWS) - \$50.0 million of capital development funds for renewing and right-sizing capitol complex space in accordance with the findings of the remote office workspace study
- Renovation of Capitol Complex Offices - Remote Office Workspace Study (ROWS) Continuation - \$6.0 million of state special revenue to continue renovation, replacement, or construction of capitol complex facilities
- Legislative Audit Division (LAD) Move & Capitol Complex ROWS Implementation – \$19.0 million of state special revenue for movement of the LAD to provide additional space within the capitol, as well as additional funding for renovation of capitol complex offices
- Legislative Branch Capital Development Plan Development & Implementation - \$12.5 million of state special revenue was appropriated to the Legislative Branch for development of a long-range legislative branch capital development plan and for the planning, renovation, replacement, and construction of capital improvements for the exclusive use of the legislative branch

Figure 7 shows a map of the projects included in the Long-Range Building Program. Projects for which the locations will be determined during the planning process and are currently unknown are not included on the map. Figure 8 shows by agency the projects approved by the legislature for all the major repair, capital development, FWP capital projects, and other capital projects included in HB 5, HB 817, HB 856, and HB 872.

Figure 7



LONG-RANGE BUILDING PROGRAM

Figure 8

Long-Range Building Program HB 5 & 817 - 2025 Biennium							
Approp Agency / Project Agency / Project	LRBP Major Repairs Fund	Other Capital Projects Funds	State Special	Federal Special	Prop.	Authority	Total
Major Repairs Projects							
A&E Appropriations							
Department of Administration (10 MR Projects)							
1	Parking Garage Repairs - 5 Last Chance Gulch	1,808,145					1,808,145
2	Original Governor's Mansion Repairs	600,000					600,000
3	Facilities Condition Assessment (FCA) Baseline Assessments	1,500,000					1,500,000
4	Project Management & Supervision	2,000,000					2,000,000
5	Boiler & Chiller Replacement - Walt Sullivan Building		473,707				473,707
6	Elevator Modifications - Cogswell Building		768,757				768,757
7	Elevator Modifications- Walt Sullivan Building		379,763				379,763
8	Roof & Mechanical - DPHHS 111 N. Sanders		1,309,099				1,309,099
9	Roof Replacement - FWP Headquarters		289,695				289,695
10	DOA State of Montana Data Center Roof Replacement		700,000				700,000
Department of Corrections (13 MR Projects)							
11	Supplemental Door Control Systems	450,000					450,000
12	Pine Hills Roof Replacement	1,000,000					1,000,000
13	Eastmont HVAC System Repairs/Replacement	200,000					200,000
14	MT Women's Prison (MWP) Cooling System Upgrade	750,000					750,000
15	DOC Develop Facility Specific Program & Master Plan	600,000					600,000
16	MWP Heating System Upgrade	1,500,000					1,500,000
17	MWP Perimeter Fence/Dog Yard	1,000,000					1,000,000
18	Pine Hills Unit F Sewer Line Replacement	500,000					500,000
19	MSP Site Infrastructure Study	300,000					300,000
20	AUTHORITY MCE Food Factory Emergency Generator				100,000		100,000
21	Montana Correctional Enterprises (MCE) Industries Repairs	700,000					700,000
22	HB 817 - MT State Prison (MSP) Red Light/Emergency Notification System	1,000,000					1,000,000
23	HB 817 - MSP Perimeter Fence Enhancement	1,500,000					1,500,000
Department of Natural Resources and Conservation (2 MR Projects)							
24	Supplemental Swan Lake Office Siding	187,687					187,687
25	Stillwater Shop Replacement	1,214,837					1,214,837
Department of Public Health and Human Services (8 MR Projects)							
26	Supplemental Montana State Hospital (MSH) Wastewater Treatment	1,400,000					1,400,000
27	Supplemental MSH Hospital Roof	800,000					800,000
28	Supplemental MT Mental Health Nursing Care Center (MMHNCC) Roof Replacement	1,500,000					1,500,000
29	Supplemental MT Veterans Home (MVH) Roof Replacement			1,600,000			1,600,000
30	Supplemental MVH Courtyard Improvements			517,000			517,000
31	Supplemental MVH Floor Project			367,000			367,000
32	Supplemental MVH ARPA HVAC			423,039			423,039
33	MMHNCC Key card entry system	125,000					125,000

LONG-RANGE BUILDING PROGRAM

Figure 8- Continued

Approp Agency / Project Agency / Project	LRBP Major Repairs Fund	Other Capital Projects Funds	State Special	Federal Special	Prop.	Authority	Total
Montana School for the Deaf and Blind (3 MR Projects)							
34 Supplemental Mustang Center Fire Sprinkler System	830,854						830,854
35 Campus Security Camera Install	300,000						300,000
36 Create Bus Loop and Update Parking Lot	349,637						349,637
Montana University System (38 MR Projects)							
37 Supplemental UM Flathead Lake Biological Station (FLBS) Sewer Treatment Plant	1,100,000						1,100,000
38 Supplemental UM Mansfield Library Roof Repair	500,000						500,000
39 Supplemental MSU-N Vande Bogart Library Roof Replacement	675,000						675,000
40 Supplemental MSU Reid Hall Fire System Upgrades	1,000,000						1,000,000
41 Supplemental MSU-N Brockmann Center HVAC Upgrade	1,907,320						1,907,320
42 Supplemental UM Clapp Building Elevator	500,000						500,000
43 Supplemental UM Stone Hall Roof Replacement	800,000						800,000
44 MUS UM-HC Supplemental Donaldson Building HVAC	1,000,000						1,000,000
45 MUS MSU Supplemental Montana Hall Fire System Upgrades	220,000						220,000
46 GFC Fire Suppression System Upgrades	500,000						500,000
47 MSU Barnard Hall Failed Chiller Replacement	1,750,000						1,750,000
48 UM Priority 1 Roof Replacements	2,425,000						2,425,000
49 MSU-B P.E. Building Roof Replacement	2,400,000						2,400,000
50 UMW Repair/Replace Sewer Mains	125,000						125,000
51 UM Upgrade/Replace Elevators	2,498,650						2,498,650
52 UM FLBS Roof Replacements	262,000						262,000
53 MT Tech Electrical Distribution - Multiple Bldgs	650,000						650,000
54 MSU-B Campus Water Plumbing System Repairs	2,000,000					400,000	2,400,000
55 MSU Lewis Hall ADA Upgrades ¹	2,400,000						2,400,000
56 UM Replace Fire Alarms - Clapp Building ¹	780,000						780,000
57 MSU Tietz Hall Roof Replacement	1,300,000						1,300,000
58 MSU Cobleigh Hall Parapet Structural Repair	2,400,000						2,400,000
59 MT Tech Restroom Renovations in Five Buildings ¹	1,200,000						1,200,000
60 MSU Campus Heating Plant Boiler Controls Upgrade	1,600,000					800,000	2,400,000
61 MSU Emergency Water System & Fixture Upgrades	2,400,000						2,400,000
62 MT Tech Masonry Repairs - Plaster, Tuckpointing, Flat	455,000						455,000
63 UMW Elevator Repair/Replacement	325,000						325,000
64 MAES WARC Shop Renovation & Safety Upgrades	600,000						600,000
65 MSU-N Campus EMS Building Controls Upgrade Project	400,000						400,000
66 UM Campus Building Envelope Repairs	415,000						415,000
67 UM Replace Electrical Equipment	325,000						325,000
68 MSU-N Electronics Tech. HVAC & Lighting Upgrade	800,000						800,000
69 MAES Lambing Barn Renovation & Safety Upgrades	200,000						200,000
70 MSU Hamilton Hall Life- Safety System Improvements	2,400,000						2,400,000
71 MSU-N Pershing Hall Renovation	2,400,000						2,400,000
72 MSU-N Metals Technology Building Roof Project	400,000						400,000
73 MAES BART Demolition Project	400,000						400,000
74 AUTHORITY HC Renovate Area For New Cosmetology Program						2,495,000	2,495,000
Department of Labor & Industry (1 MR Project)							
75 Billings Unemployment Insurance (UI) Call Center Repairs	1,000,000						1,000,000

LONG-RANGE BUILDING PROGRAM

Figure 8- Continued

Approp Agency / Project Agency / Project	LRBP Major Repairs Fund	Other Capital Projects Funds	State Special	Federal Special	Prop.	Authority	Total
Department of Justice (4 MR Projects)							
76 Boiler Replacement - MT Law Enforcement Academy (MLEA) Admin Building	830,000						\$830,000
77 Roof Replacement & Upgrades- MT Highway Patrol (MHP) Boulder Campus	1,860,000						\$1,860,000
78 Missoula Crime Lab Expansion Feasibility Study	75,000						\$75,000
79 MHP Boulder Dorm Renovations	250,000						\$250,000
Department of Military Affairs (4 MR Projects)							
80 Gallatin Readiness Center (RC) Roof Replacement	741,455			741,455			1,482,910
81 Gallatin RC & FMS Retro-Commissioning Repairs	320,747			962,241			1,282,988
82 HAFRC Lighting and Control Modifications	26,768			324,947			351,715
83 SMART Program	1,500,000						1,500,000
Department of Transportation & Fish, Wildlife, & Parks (1 MR Project)							
84 MDT/FWP Clearwater Junction RV Dump Station System Repair & Renovation	1,600,000						1,600,000
Total A&E Major Repairs Appropriations	\$71,833,100	\$3,921,021	\$2,907,039	\$2,028,643	\$100,000	\$3,695,000	\$84,484,803
Agency Major Repairs Appropriations							
Department of Military Affairs (7 MR Projects)							
85 Fort Harrison (FTH) Aviation Support Facility Energy Improvements				1,067,500			1,067,500
86 FTH Building 1005 Expansion and Compound Upgrades				713,700			713,700
87 FTH Building 530 Compound Improvements				526,125			526,125
88 FTH Crew Proficiency Course Tower Improvements				396,934			396,934
89 Energy Improvements and Generator Backup				320,250			320,250
90 FTH Maintenance Shop Retro-Commissioning Repairs				1,486,733			1,486,733
91 FTH Training Equipment Site Retro-Commissioning				569,969			569,969
Subtotal Department of Military Affairs Projects	\$0	\$0	\$0	5,081,211	\$0	\$0	\$5,081,211
Total Major Repairs	\$71,833,100	\$3,921,021	\$2,907,039	\$7,109,854	\$100,000	\$3,695,000	\$89,566,014

¹ If funding appropriated for related capital development projects, funding must be reallocated by the department to other major repair projects.

LONG-RANGE BUILDING PROGRAM

Figure 8 – Continued

Long-Range Building Program HB 5, HB 817, HB 856, & HB 872 - 2025 Biennium						
Approp Agency / Project Agency / Project	Capital Dev. Fund	State Special	Federal Special	Prop.	Authority	Total
Capital Development Projects						
A&E Capital Development Projects						
Department of Administration (6 CD Projects)						
1	Supplemental: Mazurek Building Renovation	5,000,000				5,000,000
2	Old Board of Health Renovation (Legislative Staff)	3,500,000				3,500,000
3	DOA Statewide AUTHORITY Federal Spending Authority				5,000,000	5,000,000
4	HB 856 - Renovation of Capitol Complex Offices Remote Office Workspace Study (ROWS)	50,000,000				50,000,000
5	HB 856 - State Capitol Building Improvements	28,695,418				28,695,418
6	HB 856 - Legislative Audit Division Move & Capitol Complex ROWS Implementation		19,000,000			19,000,000
7	HB 856 - ROWS study capital improvements		6,000,000			6,000,000
Department of Corrections (9 CD Projects)						
8	Montana State Prison (MSP) Entry/Staff Services Addition to Wallace Building	12,800,000				12,800,000
9	MSP Replace Roofs	5,600,000				5,600,000
10	Xanthopoulos Building Repairs	2,950,000				2,950,000
11	MSP New Multi-Purpose Programs Building	9,000,000				9,000,000
12	Montana Women's Prison (MWP) Roof Replacement	5,000,000				5,000,000
13	MSP Check Point Building/Wallace Entry Security	3,000,000				3,000,000
14	DOC Flathead County Prerelease Center	7,000,000				7,000,000
15	MCE Motor Vehicle Ventilation & Paint/Sandblasting Booths			590,000		590,000
16	HB 817 - MSP Replace Low-Side Housing	156,000,000				156,000,000
17	HB 817 - MSP Unit F Water Supply Upgrade	600,000				600,000
18	HB 817 - MSP Water Line Replacement	3,000,000				3,000,000
19	HB 817 - MSP Unit D Renovations	18,840,831				18,840,831
Department of Agriculture (1 CD Project)						
20	Supplemental Ag Analytical (Combined Labs)	3,858,000				3,858,000
Department of Labor and Industry (1 CD Project)						
21	Job Service Great Falls Building Renovation	5,767,880				5,767,880
Department of Livestock (1 CD Project)						
22	Supplemental Vet Diagnostic Lab (Combined Labs)	2,200,000				2,200,000
Department of Public Health and Human Services (5 CD Projects)						
23	Supplemental State Health Lab Renovation		7,000,000			7,000,000
24	Supplemental Southwest Montana Veterans Home (SW MVH) Cottage Connectors	5,250,000				5,250,000
25	Montana State Hospital (MSH) Compliance Upgrades for Recertification & Deferred Maintenance	15,903,000				15,903,000
26	MMHNCC Heated Storage Unit	360,000				360,000
27	HB 872 - Behavioral Health System for Future Generations	55,000,000				55,000,000
Department of Revenue (1 CD Project)						

LONG-RANGE BUILDING PROGRAM

Figure 8 Continued

	Approp Agency / Project Agency / Project	Capital Dev. Fund	State Special	Federal Special	Prop.	Authority	Total
28	Supplemental Liquor Warehouse Expansion		15,515,750				15,515,750
Department of Natural Resources and Conservation (6 CD Projects)							
29	Supplemental Eastern Land Office (ELO) Facilities & Shop	3,003,553					3,003,553
30	Seedling Nursery Capital Investment	2,797,320					2,797,320
31	Clearwater Replacement Bunkhouse	1,189,178					1,189,178
32	Anaconda Bunkhouse	1,180,962					1,180,962
33	Northeastern Land Office (NELO) Fire Ready Room	445,491					445,491
34	Central Land Office (CLO) Dispatch Center Expansion	545,000					545,000
Montana University System (25 CD Projects)							
35	MSU Supplemental Wool Lab (Combined Labs)	4,700,000					4,700,000
36	Supplemental MT Tech Heating Systems Upgrade	2,750,000					2,750,000
37	Supplemental UMW Block Hall Renovation	3,600,000					3,600,000
38	Supplemental MAES Research Labs	4,396,000					4,396,000
39	Supplemental MSU Haynes Hall Ventilation Upgrades	3,400,000					3,400,000
40	UM Flathead Lake Biological Station (FLBS) Water & Sewer Systems	2,500,000					2,500,000
41	HC Acquire & Renovate Airport Hangar	3,600,000					3,600,000
42	UM Clapp Building Renovation	27,000,000				10,000,000	37,000,000
43	MT Tech Engineering Hall Full Interior Renovations	8,000,000					8,000,000
44	MT Tech Main Hall Remodel & Renovation	30,000,000					30,000,000
45	MAES BART Life-Safety & Programmatic Improvements	10,000,000					10,000,000
46	UM Campus Storage/Warehouse Building	1,250,000					1,250,000
47	MUS MSU-N Health and Recreation Complex	25,000,000					25,000,000
48	Gallatin College	23,500,000				22,500,000	46,000,000
49	Supplemental MSU Facilities Yard Relocation - AO					8,000,000	8,000,000
50	Supplemental UM Mansfield Library Remodel - AO					4,000,000	4,000,000
51	Supplemental Visual Communications Building PBS Addition - AO					4,000,000	4,000,000
52	Mark and Robyn Jones MSU College of Nursing - AO					92,000,000	92,000,000
53	Gianforte Hall MSU Computing Building - AO					50,000,000	50,000,000
54	UM Adams Center - Student Athlete Locker Rooms - AO					6,000,000	6,000,000
55	UM Campus-Wide Classroom Upgrades - AO					6,000,000	6,000,000
56	UM Liberal Arts Building/Eck Hall - AO					4,000,000	4,000,000
57	MSU Indoor Practice Facility- AO					15,000,000	15,000,000
58	MT Tech Highlands College Indoor Pole Barn - AO					2,000,000	2,000,000
59	MUS UM McGill Hall Expansion - AO					3,000,000	3,000,000
Department of Military Affairs (7 CD Projects)							
60	Supplemental Butte-Silverbow Readiness Center	5,491,795		8,221,254			13,713,049
61	Supplemental Billings AFRC Unheated Storage	46,208		46,208			92,416
62	Supplemental Havre Unheated Building	63,318		63,318			126,636
63	Billings Readiness & Innovation Campus	26,840,000		52,000,000			78,840,000
64	Helena Readiness HVAC & Temp Control Upgrade	798,420		2,542,248			3,340,668
65	State Emergency Coordination Center Expansion	6,581,000					6,581,000
66	State Disaster Warehouse	5,704,000					5,704,000
Department of Transportation (5 CD Projects)							
67	Supplemental Yellowstone Airport Terminal	9,000,000					9,000,000
68	Supplemental Lincoln Airport Snow Removal Equipment (SRE) Building			250,000			250,000
69	Combination Facility Great Falls		12,600,000				12,600,000
70	Combination Facility Kalispell		11,000,000				11,000,000
71	Combination Facility Missoula		10,500,000				10,500,000

LONG-RANGE BUILDING PROGRAM

Figure 8 – Continued

Approp Agency / Project Agency / Project	Capital Dev. Fund	State Special	Federal Special	Prop.	Authority	Total
Department of Fish, Wildlife, and Parks (8 CD Projects)						
72 Supplemental Havre Area Office		2,199,600	620,400			\$2,820,000
73 Supplemental Glasgow Headquarters		3,100,000				\$3,100,000
74 Supplemental Lewistown Area Office		4,000,000				\$4,000,000
75 Supplemental MT Wild Avian Rehab Building			550,000			\$550,000
76 Makoshika Campground Improvement & Addition		2,500,000	2,500,000			5,000,000
77 Beartooth Wildlife Management Area (WMA) Facilities Upgrade		8,000,000				8,000,000
78 Agency Staff Housing		7,500,000				7,500,000
79 Central Services Site Upgrades		10,343,330				10,343,330
80 Miles City Train Depot		2,000,000				2,000,000
Department of Justice (1 CD Project)						
81 DOJ MLEA Supplemental Scenario Building	2,600,000					2,600,000
Total A&E Capital Development Appropriations	\$615,307,374	\$121,258,680	\$66,793,428	\$590,000	\$231,500,000	\$1,035,449,482
Agency Capital Development Appropriations						
Montana University System						
82 General Spending Authority - AO					20,000,000	20,000,000
Department of Military Affairs						
83 FTH Aviation Facility HVAC & Temperature Control Upgrade			3,580,365			3,580,365
84 FTH Ready Building Addition			4,700,000			4,700,000
85 FTH Training Site HVAC & Controls Upgrade			2,574,002			2,574,002
86 Federal Spending Authority			3,000,000			3,000,000
Department of Transportation						
87 Maintenance, Repair, and Small Projects		3,000,000				3,000,000
Legislative Branch						
88 HB 856 - Legislative Branch Capital Development Plan Development & Implementation		12,500,000				12,500,000
Department of Public Health and Human Services						
89 HB 872 - Behavioral Health Settings and Intermediate Care Facilities Infrastructure/Property Acquisition	20,000,000					20,000,000
Total Agency Capital Development Appropriations	\$20,000,000	\$15,500,000	13,854,367	\$0	\$20,000,000	\$69,354,367
Department of Environmental Quality State Building Energy Conservation Program (SBCEP)*See Breakout for Projects						
Department of Environmental Quality						
90 Authority - Energy Improvements, Statewide					3,700,000	3,700,000
Total SBCEP Capital Development Appropriations	\$0	\$0	\$0	\$0	\$3,700,000	\$3,700,000
Department of FWP Capital Program Projects						
Department of Fish, Wildlife, & Parks						
91 Statewide Admin Facilities Major Maintenance		1,991,500			5,000,000	6,991,500
92 Signage & Wayfinding Updates		1,250,000				1,250,000
93 Erosion Control		2,673,000				2,673,000

LONG-RANGE BUILDING PROGRAM

Figure 8 Continued

Approp Agency / Project Agency / Project	Capital Dev. Fund	State Special	Federal Special	Prop.	Authority	Total
94 Community Ponds		200,000				200,000
95 Forest Management		100,000	300,000			400,000
96 Site Maintenance Upgrades & Improvements		4,572,450	1,770,750		1,193,000	7,536,200
97 Shooting Range Development		1,000,000	3,000,000			4,000,000
98 Wildlife Habitat Improvement Program Renewal			2,000,000			2,000,000
99 Wildlife Habitat Management & Maintenance		1,140,000	2,765,000			3,905,000
100 Upland Game Bird Enhancement Program		1,908,000	600,000			2,508,000
101 Migratory Bird Wetland Program		500,000				500,000
102 Future Fisheries		2,000,000				2,000,000
103 Hatcheries Maintenance		2,000,000				2,000,000
104 Public Outdoor Recreation (POR) Grant Programs		5,000,000	6,000,000			11,000,000
105 Fish Connectivity		548,454	1,278,992		140,234	1,967,680
106 Public Access Land Agreement (PALA) Access Program		1,000,000				1,000,000
Total FWP Capital Development Appropriations	\$0	\$25,883,404	\$17,714,742	\$0	\$6,333,234	\$49,931,380
Department of FWP Capital Program Projects - Land Acquisition						
107 Habitat Montana		9,650,000	2,350,000			12,000,000
Total Land Acquisition Appropriations	\$0	\$9,650,000	2,350,000	\$0	\$0	\$12,000,000
Total Capital Development Appropriations	\$635,307,374	\$172,292,084	\$100,712,537	\$590,000	\$261,533,234	\$1,170,435,229
AO - Authority only - for amounts that do not require appropriation						

Other Capital Projects - General Fund Appropriations/Transfers		
HB 5 - 2025 Biennium		
Dept	Project Title	Cost
Department of Corrections		
	Increase provider rates to allow for construction of facility	\$ 7,169,257
Department of Commerce		
	Homeless Shelter Facility Infrastructure Grants	5,000,000
Department of Transportation		
	U.S. Highway 2 Sidewalk Project	1,000,000
LFD/LSD		
	Select committee on corrections capacity & system development	30,000
Department of Revenue		
	Mineral County state line survey (BLM)	76,000
Department of Environmental Quality		
	Lead in school drinking water remediation	3,700,000
Total		\$ 16,975,257

LONG-RANGE BUILDING PROGRAM

PROJECT DESCRIPTIONS

LRBP appropriations and authorizations amounting to \$904.8 million for capital projects are approved in HB 5, \$180.9 million in HB 817, \$116.2 million in HB 856, and \$75.0 million in HB 872 from numerous different capital project, state special revenue, and federal special revenue accounts, and include project funding from non-state resources made up of proprietary funds, higher education funds, and donations (Authority).

LONG-RANGE BUILDING PROGRAM APPROPRIATIONS

The following descriptions are for projects appropriated in HB 5 unless otherwise noted. The numeric listing below is not a rank.

Major Repair Projects

The following projects are appropriated to the A&E division. For each project, the appropriation for the indicated project will fund:

Department of Administration

1. Parking Garage Repairs – 5 Last Chance Gulch – address structural issues, including concrete repairs, protective waterproofing systems, and structural steel restoration
2. Original Governor’s Mansion Repairs – make exterior repairs to the Original Governor’s Mansion and carriage house, including repairing and repainting the upper balustrade, main level deck, and porch
3. Facilities Condition Assessment (FCA) Baseline Assessments – conduct baseline assessments on all LRBP-eligible buildings; periodic facility assessments are required for every Long-Range Building Program-eligible building with a current replacement value greater than \$150,000 which provides an itemized list of the building’s deficiencies and compares the building’s current deficiency ratio (FCI) to its deficiency ratio in the previous biennium
4. Boiler & Chiller Replacement – Walt Sullivan Building – upgrade the heating system, converting the boiler to a high efficiency hot water boiler in the original building and upgrading the chiller in the 1975 addition to the Walt Sullivan Building
5. Elevator Modifications – Cogswell Building – make major repairs, modifications, and upgrades to the elevators in the Cogswell Building
6. Elevator Modifications – Walt Sullivan Building – make major repairs, modifications, and upgrades to the elevators in the Walt Sullivan Building
7. Roof & Mechanical – DPHHS 111 N. Sanders – replace the existing roof and upgrade the mechanical systems at 111 North Sanders in Helena
8. Roof Replacement – FWP Headquarters – replace the existing 9,000 square foot roof at the FWP Headquarters
9. DOA State of Montana Data Center Roof Replacement – replace the roof at the State of Montana data center

The Department of Administration A&E Division was appropriated \$2.0 million of major repair funding for the purposes of contracted services or modified positions, and associated operating expenses, to expeditiously implement the expanded building program.

LONG-RANGE BUILDING PROGRAM

Department of Corrections

10. Supplemental Door Control Systems – an inflationary adjustment for door control system projects previously authorized at the Xanthopoulos Building, Montana Women’s Prison, and Pine Hills Youth Correctional Facility
11. Pine Hills Roof Replacement - replace the original Hypalon membrane roof on two buildings: Pod V Housing and Main Housing & Admin
12. Eastmont Heating, Ventilation, and Air Conditioning (HVAC) System Repairs/Replacement - repair and/or replace various components of the HVAC System in Cottage III at the Eastmont facility
13. Montana Women’s Prison Cooling System Upgrade - upgrade the cooling system in the original building built in 1975. The project will include replacing the 63-ton air-cooled chiller and chiller water pumps and other cooling equipment in the original building
14. DOC Develop Facility Specific Program & Master Plan – this analysis will look specifically at site organization, siting options for housing development and how to best phase the construction to maintain ongoing operations
15. Montana Women’s Prison (MWP) Heating System Upgrade – upgrade the heating system by replacing two boilers and making other heating improvements at the Montana Women’s Prison with high-efficiency boilers and replace the diesel underground holding tank with a propane tank or natural gas tank
16. MWP Perimeter Fence/Dog Yard – replacement of fence sections and associated security upgrades are necessary to maintain the security and safety of the hardened perimeter; in addition to the facility’s perimeter fence, the dog yard fencing is also compromised and in need of repair or replacement
17. Pine Hills Unit F Sewer Line Replacement – repair a partially collapsed sewer line at the Pine Hills Correctional Facility housing unit, restoring sewer service to the affected housing section
18. Montana State Prison (MSP) Site Infrastructure Study – authorizes the evaluation of all existing site infrastructure systems currently serving facilities located on the 140-acre main Montana State Prison compound. The evaluation/study will assess the existing condition, life expectancy and expansion capability of all infrastructure elements to ensure the infrastructure adequately supplies services to existing and future MSP facilities and buildings well into the future
19. Montana Correctional Enterprises (MCE) Food Factory Emergency Generator – install an emergency generator in the new addition to the food factory
20. MCE Industries Repairs - remedy ventilation issues, install a dust collection system, a fire suppression system, and improve the overall life safety of the building and its occupants
21. HB 817 – MSP Red Light/Emergency Notification System - install a new Emergency Notification System at Montana State Prison
22. HB 817 – MSP Perimeter Fence Enhancement - repair, upgrade, enhance and repair the existing perimeter fence at Montana State Prison improving safety and security within the facility

Department of Natural Resources

23. Supplemental Swan Unit Office Siding & Weather Barrier – an inflationary adjustment for a project to replace siding, to add weather-resistant barriers, and to add exterior rigid foam insulation. The project includes the replacement of broken windows, soffit and fascia, and some metal roof panels
24. Stillwater Unit Shop Replacement – construct a new 2,500 square foot shop to replace the existing shop which is beyond repair

LONG-RANGE BUILDING PROGRAM

Department of Public Health and Human Services

25. Supplemental Montana State Hospital (MSH) Wastewater Treatment – an inflationary adjustment for a project for upgrades to the wastewater system include a new wastewater treatment facility capable of complying with current and anticipated regulatory requirements
26. Supplemental MSH Hospital Roof - an inflationary adjustment for a project to reroof the main building in phases, beginning with the most critical areas initially
27. Supplemental Montana Mental Health Nursing Care Center (MMHNCC) Roof Replacement – an inflationary adjustment and scope increase to replace the roof of the MMHNCC
28. Supplemental Montana Veterans Home (MVH) Roof Replacement – an inflationary adjustment for a project to extend the life of the roof on the Montana Veterans’ Home in Columbia Falls (MVH) by repairing and resealing the existing roof membrane
29. Supplemental MVH Courtyard Improvements – an inflationary adjustment and scope increase for improvements, including the reduction of courtyard size and elimination of a blind curve, construction of a four-foot retaining wall, the addition of a gazebo at the special care unit of the Montana Veterans’ Home courtyard, and re-routing of the emergency exit
30. Supplemental MVH Building Major Maintenance (Flooring Project) – an inflationary adjustment and scope increase for the replacement of flooring in the Montana Veterans’ Home
31. Supplemental MVH American Rescue Plan Act (ARPA) HVAC – an inflationary adjustment for a new ventilation, duct work and controls, as well as structural and electrical upgrades
32. MMHNCC Key Card Entry System – implements a facility-wide door access control system providing a higher level of safety and security for patients

Montana School for the Deaf and Blind

33. Supplemental Mustang Center Fire Sprinkler System – an inflationary adjustment for the installation of a sprinkler system in the Mustang athletic building and the adjacent dining room on the Montana School for the Deaf and Blind (MSDB) campus
34. Campus Security Camera Install – installation of a new security camera system for more complete monitoring of the entire MSDB campus
35. Create Bus Loop and Update Parking Lot - reconfigure the parking lot to create a bus lane and visitor parking and repave the entire parking lot

Montana University System

36. Supplemental University of Montana (UM) Flathead Lake Biological Station (FLBS) Sewer Treatment Plant – an inflationary adjustment for the replacement of the existing sewer treatment facility at the Flathead Lake Biological Station
37. Supplemental UM Mansfield Library Roof Repair – an inflationary adjustment for the replacement of the roof membrane on the Mansfield Library at the University of Montana campus. The membrane will be ballasted to enable the future installation of solar panels
38. Supplemental Montana State University (MSU)-Northern Vande Bogart Library Roof Replacement – an inflationary adjustment for the replacement of the roof membrane and insulation components of the Vande Bogart Library on the Montana State University, Northern campus
39. Supplemental MSU Reid Hall Fire System Upgrades – an inflationary adjustment for the construction of a fire suppression and alarm system in Reid Hall on the Montana State University campus

LONG-RANGE BUILDING PROGRAM

40. Supplemental MSU-Northern Brockmann Center HVAC Upgrade – an inflationary adjustment for upgrades of the mechanical equipment and envelope in the Brockmann Center at the Montana State University, Northern campus
41. Supplemental UM Clapp Building Elevator – an inflationary adjustment for the upgrade and modernization of the main elevator in the Clapp Building on the University of Montana campus
42. Supplemental UM Stone Hall Roof Replacement – an inflationary adjustment for the replacement of the existing sloped roofing and attic insulation for Stone Hall on the University of Montana campus
43. MUS UM-Helena College Supplemental Donaldson Building HVAC – an inflationary adjustment for the replacement of HVAC and building control systems in the Donaldson Building at the Helena College
44. MUS MSU Supplemental Montana Hall Fire System Upgrades – an inflationary adjustment for the construction of a fire suppression system in Montana Hall on the Montana State University campus
45. Great Falls College Fire Suppression System Upgrades - update fire suppression system to address code-related deficiencies that were discovered during the construction of the Dental Clinic Addition
46. MSU Barnard Hall Failed Chiller Replacement - replacement of the chiller along with related cooling system components such as pumps, remote cooling tower sump and storage
47. UM Priority 1 Roof Replacements – replacement of five roofs, including the Math Building, Alexander Blewett III School of Law, Music Building, Fine Arts Building, and Biology Research Building
48. MSU-Billings Physical Education (P.E.) Building Roof Replacement - replace the roof on the P.E. Building at MSU-Billings
49. UM-Western Repair/Replace Sewer Mains - excavate, remove, and replace sections of the clay sewer main lines
50. UM-Western Upgrade/Replace Elevators - modernize elevators in the Library and Main Hall and replace two wheelchair lifts in Main Hall
51. UM FLBS Roof Replacements - replace roofs on three buildings at the Flathead Lake Biological Station: Elrod, Zoology, and Lakeside Buildings
52. MT Tech Electrical Distribution – Multiple Buildings - upgrade electrical systems including electrical panels and wiring in the Museum Building, Engineering Hall, and the Science & Engineering Building to meet increased technology loads for classrooms
53. MSU-Billings Campus Water Plumbing System Repairs - repair and replace campus wide water plumbing system to upgrade the system from the original failing pipes
54. MSU Lewis Hall ADA Upgrades - construct necessary upgrades, including an elevator, to improve the overall ADA compliant access throughout Lewis Hall
55. UM Replace Fire Alarms – Clapp Building - replace outdated fire alarm control panels in multiple buildings on campus, with the Clapp Science Complex as the most immediate need; a \$37.0 million capital development project for Clapp Building renovations was also authorized in HB 5. The Clapp Building portion will be included in the scope for that project, and funding for this project will be reallocated by the Department of Administration to other major repair projects
56. MSU Tietz Hall Roof Replacement - replace Tietz Hall’s roof which is original to the facility, beyond its expected useful life, and showing signs of failure
57. MSU Cobleigh Hall Parapet Structural Repair - repair deficient brick veneer and parapets, add more control joints, and repair/replace failing window eyebrows
58. MT Tech Restroom Renovations in Five Buildings - renovate restrooms in Main Hall, Museum Building, Engineering Building, and Science & Engineering Building

LONG-RANGE BUILDING PROGRAM

59. MSU Campus Heating Plant Boiler Controls Upgrade - replace and upgrade major components of the campus Heating Plant infrastructure, including boiler controls systems, which are well beyond their expected useful life and at risk of failure
60. MSU Emergency Water System & Fixture Upgrades - upgrade the existing emergency fixtures and associated water system in Barnard, Gaines, and Leon Johnson Halls
61. MT Tech Masonry Repairs – Plaster, Tuckpointing, Flat - repair plaster and tuckpointing mortar on Engineering Hall, Main Hall, the Science and Engineering Building, the Mining & Geology Building, the Chemistry & Biology Building, and the Museum Building
62. UM Elevator Repair/Replacement - upgrade and modernize the elevators and equipment in four buildings: Mansfield Library, Health Sciences Building, Fine Arts Building, and the Alexander Blewett III School of Law
63. Western Ag Research Center (WARC) Shop Renovation & Safety Upgrades - renovate the WARC machine shop to address life-safety concerns and improve the overall utility of space as a machine shop
64. MSU-Northern Campus Emergency Management System (EMS) Building Controls Upgrade Project - upgrade and modernize campus existing front end Energy Management System (EMS) control packages
65. UM Campus Building Envelope Repairs - repairs and upgrades to Main Hall, Engineer’s House, Business & Technology Building and Roe House
66. UM Replace Electrical Equipment - replace a 200-amp elbow at the Anderson Hall electrical transformer with the campus standard 600-amp elbow
67. MSU-Northern Electronics Technology HVAC & Lighting Upgrade - upgrade and recommission the heating terminal units and controls, address new energy efficient lighting and controls, and provide a DX cooling system for the Electronics Technology Building
68. Montana Ag Experiment Station (MAES) Lambing Barn Renovation & Safety Upgrades - renovate Red Bluff’s Lambing Barn and address life-safety deficiencies in both the Lambing Barn and Mixing Barn
69. MSU Hamilton Hall Life – Safety System Improvements - address code and egress requirements for the upper levels of Hamilton Hall
70. MSU-Northern Pershing Hall Renovation - repair/replace selected mechanical and electrical systems, renovate interior instructional and building support spaces, and add an elevator
71. MSU-Northern Metals Technology Building Roof Project - replace the roof membrane, which is beyond its useful lifespan, improve roof structure with new support components, and provide new insulation for energy savings
72. Bozeman Ag Research and Teaching Farm (BART) Demolition Project - demolish the BART Feed Mill and Hay Sheds which are currently not in use due to physical conditions that present life-safety concerns
73. Helena College Renovate Area for New Cosmetology Program - planning, design, and construction to convert the Fire Bay (DON 105) at the Donaldson Campus to a cosmetology salon and classroom area

Department of Labor & Industry

74. Billings Unemployment Insurance (UI) Call Center Repairs - renovate and upgrade the existing Department of Labor and Industries Unemployment Insurance Division building in Billings, MT to provide accessible state-owned office space

LONG-RANGE BUILDING PROGRAM

Department of Justice

75. Boiler Replacement – Montana Law Enforcement Academy (MLEA) Admin Building - replace the existing steam heating system with new hot water, high efficiency boilers and new hot water piping and terminal units in the Administration Building at the Montana Law Enforcement Academy
76. Roof Replacement & Upgrades – MT Highway Patrol (MHP) Boulder Campus - replace roofs on ten buildings on the MHP Boulder campus, preventing possible damage to the interior of the buildings
77. Missoula Crime Lab Expansion Feasibility Study - study to evaluate not only lab efficiency improvements, facility layout, and function, but also land acquisition adjacent to the existing building, the condition and capacities of existing utilities, HVAC, infrastructure, and expanded parking availability
78. MHP Boulder Dorm Renovations - replace windows and doors and convert former nurses' stations into bedrooms or common areas in six dormitory buildings, which will be used to house Montana Highway Patrol cadets

Department of Military Affairs

79. Gallatin Readiness Center (RC) Roof Replacement - replace EPDM and PVC membrane sections of roof with either a single-ply membrane or metal on the Gallatin Readiness Center
80. Gallatin RC & Field Maintenance Shop (FMS) Retro-Commissioning Repairs - upgrade, recalibrate, or replace HVAC systems in the Gallatin Readiness Center and the Belgrade Field Maintenance Shop
81. Helena Armed Forces Reserve Center (HAFRC) Lighting & Control Modifications - replace outdated lighting at Fort Harrison's HAFRC with energy-efficient LED fixtures and upgrade, recalibrate or replace HVAC systems to increase indoor air quality and comfort and promote efficient operation
82. State of Montana Armory Revitalization Target (SMART) Program - program designed to use state funds to leverage and maximize federal funding to revitalize Montana's armories and address deferred maintenance of Montana national guard facilities

Department of Transportation & Fish, Wildlife, and Parks

83. MDT/FWP Clearwater Junction RV Dump Station System Repair & Renovation – Repair and renovation of a dump station owned and operated by Fish, Wildlife, and Parks that is located on Department of Transportation property

Agency Major Repair Projects

The following projects are appropriated to the indicated agencies. For each project, the appropriation for the indicated project will fund:

Department of Military Affairs

84. Fort Harrison (FTH) Aviation Support Facility Energy Improvements – upgrade or replace HVAC components in the Helena Army Aviation Support Facility to reduce building energy demand and to improve and maintain indoor air quality and thermal comfort
85. FTH Building 1005 Expansion & Compound Upgrades – increase hard surface and covered space for staging explosives and ammunition at FTH Harrison Building 1005 prior to training exercises
86. FTH Building 530 Compound Improvements – increase hard-surface area of the Fort Harrison Post Engineer's compound, resulting in increased utilization of compound area, eliminating pooling water and muddy conditions, and eliminating gravel and mud inside shop, vehicle, and office buildings and consequential damage

LONG-RANGE BUILDING PROGRAM

87. FTH Crew Proficiency Course Tower Improvements – electrify, improve, and relocate a tower from its current location on the Fort Harrison secure firing range to better support Crew Proficiency Course training scoring
88. Energy Improvements and Generator Backup – improve work area visibility in the Belgrade Facility Maintenance Shop (FMS) by replacing outdated lighting with energy-efficient LED fixtures and ensure facility resiliency through installation of a backup generator
89. FTH Maintenance Shop Retro-Commissioning Repairs – upgrade, recalibrate, or replace HVAC systems in the Fort Harrison Combined Support Maintenance Shop to increase indoor air quality and provide more efficient HVAC operations

Capital Development Projects

The following capital development projects are appropriated to the A&E Division in HB 5, HB 856, HB 817, and HB 872. For each project, the appropriation for the indicated project will fund:

Department of Administration

90. Supplemental: Mazurek Building Renovation – an inflationary adjustment for the renovation of Mazurek building on the capital complex
91. Old Board of Health Renovation (Legislative Staff) – extensively renovate the Old Board of Health building on the Capitol campus for the purposes of accommodating legislative staff needs
92. DOA Statewide Federal Spending Authority – federal spending authorization is needed by the DOA to address pressing issues and funding that becomes available from multiple departments of the federal government between legislative sessions
93. HB 856 – Renovation of Capitol Complex Offices Remote Office Workspace Study (ROWS) – brings together findings from the MT ROWS (Remote & Office Workspace Study) project appropriated by the 67th Legislature and gathers insights from departments to provide a high-impact return on investment aligned to the MT ROWS workspace/workforce transitions and space utilization values
94. HB 856 – State Capitol Building Improvements – complete Priority 1 (Roof) which address long-term deferred maintenance and past piecemeal repair methods
95. HB 856 – Legislative Audit Division Move & Capital Complex ROWS Implementation – project to move the Legislative Audit Division to a new space; remaining funds can be used for ROWS implementation
96. HB 856 – ROWS Capital Complex Improvements – continue renovation, replacement, or construction of facilities based on findings from the 2022 Montana remote and office workspace study

Department of Corrections

97. MSP Entry/Staff Services Addition to Wallace Building – build an addition to the Wallace Building at Montana State Prison (MSP). The addition will provide much needed space for staff training, physical conditioning, and sleeping accommodations
98. MSP Replace Roofs - replace roofs on the restricted housing units, infirmary unit, low-side visiting, high-side gym, high-side kitchen, Wallace Building, and Unit F
99. Xanthopoulos Building Repairs - miscellaneous facility maintenance and repairs, particularly replacement of the existing roof, to prevent further damage to the building
100. MSP New Multi-Purpose Programs Building - construct two new multi-purpose buildings in the high-security section of the Montana State Prison. These facilities would enhance educational and treatment programming opportunities for high-security inmates
101. Montana Women’s Prison (MWP) Roof Replacement - replace all roofs at the Montana Women’s Prison

LONG-RANGE BUILDING PROGRAM

102. MSP Check Point Building/Wallace Entry Security - enhance security and safety to the two main entry points at Montana State Prison, the check point at the main entrance to the prison campus and the Wallace Building. Security enhancements to the Wallace entry may be completed in association with the project titled "Entry/Staff Services to the Wallace Building"
103. Department of Corrections Flathead County Prerelease Center – acquire/renovate a location for a new prerelease center in Flathead County; HB 5 requires the department to receive all necessary authorizations for the facility prior to expenditure of funding and also allows for a purchase option agreement with the owner of the facility
104. MCE Motor Vehicle Ventilation & Paint/Sandblasting Booths – construction of a paint booth with proper mechanical ventilation, heating, and filtrations systems to provide a safe environment for inmates and correctional staff when working with hazardous automotive body and paint materials
105. HB 817 – MSP Replace Low-Side Housing - replace the low-side housing units A, B, C, and D, and the associated campus infrastructure upgrades at Montana State Prison (MSP) in Deer Lodge
106. HB 817 – MSP Unit F Water Supply Upgrade - upgrade the power distribution system and install a new a water well as backup to the existing water system for Unit F
107. MSP Water Line Replacement - upgrade the water supply system at the Montana State Prison to meet current and future water requirements in all buildings while meeting current water standards and fire flow requirements
108. HB 817 – MSP Unit D Renovations – renovate the MSP’s Unit D low-side housing unit

Department of Agriculture

109. Supplemental Ag Analytical (Combined Labs) – an inflationary adjustment for the construction of a new ag analytical lab in association with the veterinary diagnostic lab

Department of Labor and Industry

110. Job Service Great Falls Building Renovation – address multiple issues including asbestos abatement, structural deficiencies, HVAC, water infiltration, roofing, and aesthetic upgrades

Department of Livestock

111. Supplemental Vet Diagnostic Lab (Combined Labs) – an inflationary adjustment for a construction of a modern Montana Veterinarian Diagnostic Laboratory (MVDL) adjacent to the old Marsh Laboratory Complex on the MSU Bozeman’s campus

Department of Public Health and Human Services

112. Supplemental State Health Lab Renovation – an inflationary adjustment for renovation of the current laboratory space to provide additional capacity
113. Supplemental Southwest Montana Veterans Home (SW MVH) Cottage Connectors – an inflationary adjustment for the installation of covered/enclosed walkways that will connect all existing buildings on the Southwest Montana Veterans’ Home campus in Butte
114. Montana State Hospital (MSH) Compliance Upgrades for Recertification & Deferred Maintenance - remediation of deficiencies at the Montana State Hospital (MSH) to bring the facility back into compliance with Centers for Medicare & Medicaid (CMS) Services conditions and regulations. In accordance with HB 5, up to \$10.0 million of funding for the project must be used for rebuilding a water line constructed by the state serving the Montana State Hospital

LONG-RANGE BUILDING PROGRAM

115. MMHNCC Heated Storage Unit - construct a 2,400 square foot heated storage unit to accommodate emergency preparedness supplies currently housed in vehicle garages
116. HB 872 – Behavioral Health System for Future Generations – construction or acquisition/renovation of regional care facilities for a behavioral health system. Funding is contingent on the adoption of administrative rules and submission of the summary report to the governor from the behavioral health system for future generations commission

Department of Revenue

117. Supplemental Liquor Warehouse Expansion – an inflationary adjustment for expansion of the state liquor warehouse by 35,000 feet

Department of Natural Resources and Conservation

118. Supplemental Eastern Land Office (ELO) Facilities & Shop – an inflationary adjustment for construction of a new facility in Miles City for the Eastern Land Office to include a new 6,000 square foot office building and a 2,500 square foot shop facility
119. Seedling Nursery Capital Investment - upgrade the headhouse, pave access roads, upgrade coolers and freezers, and construct a deer exclusion fence
120. Clearwater Replacement Bunkhouse - construct a bunkhouse to replace the existing 1910-era cabin and 14-foot by 66-foot mobile home connected by a framed-in breezeway
121. Anaconda Bunkhouse - construct a new bunkhouse for seasonal firefighters to replace the existing old, converted railcar which lacks bathrooms, running water and training space
122. Northeastern Land Office (NELO) Fire Ready Room - replace a 1960's 14' X 66' trailer with a constructed or modular building with bathrooms, a kitchen, and a large ready room
123. Central Land Office (CLO) Dispatch Center Expansion - construct an addition to the Helena Interagency Dispatch Center (HIDC) and demolish the existing 1900's-era building currently used for expanded dispatch operations during fire season

Montana University System

124. MSU Supplemental Wool Lab (Combined Labs) – an inflationary adjustment for construction of a new comprehensive wool research laboratory that will continue to provide outreach and education for Montana's wool growers
125. Supplemental MT Tech Heating Systems Upgrade – an inflationary adjustment for upgrades to the existing steam tunnels and replace failed direct buried piping with new tunnel sections at the Montana Technological University campus
126. Supplemental UM-Western Block Hall Renovation – an inflationary adjustment for upgrades and renovations including updating gas valves and plumbing fixtures in the laboratory, modernizing classrooms, and abating asbestos throughout the Block Hall building on the University of Montana, Western campus
127. Supplemental MAES Research Labs – an inflationary adjustment for the construction of five chemistry and instrumentation research laboratories at CARC, NARC, NWARC, SARC and WTARC, one horticulture research and teaching building at WARC, and one multidisciplinary wool laboratory to support the Montana Agricultural Experiment Stations
128. Supplemental MSU Haynes Hall Ventilation Upgrades – an inflationary adjustment for upgrading the mechanical ventilation system in Haynes Hall for occupant safety and code compliance. This project specifically addresses needed HVAC upgrades in the painting, ceramic, welding, and sculpture areas

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129. UM Flathead Lake Biological Station Water & Sewer Systems – install a new water supply and purification system and replace lift pumps and sewer piping to and from the waste treatment plant
130. Helena College Acquire & Renovate Airport Hangar – purchase an existing 10,000 square foot hangar and renovate it for Helena College’s aviation program
131. UM Clapp Building Renovation – extensively renovate the Clapp Building including mechanical, electrical, and plumbing upgrades, asbestos abatement, chiller replacement, elevator upgrade, interior upgrades, and envelope upgrades
132. MT Tech Engineering Hall Full Interior Renovations – renovate, modernize, and make all spaces code compliant, address major life-safety issues, and improve the overall functionality and utilization of the entire building
133. MT Tech Main Hall Remodel & Renovation – renovate and modernize Main Hall, making all spaces code compliant, address major life-safety issues, and improve the overall functionality and utilization of the building
134. MAES Bozeman Ag Research & Teaching Farm (BART) Life-Safety & Programmatic Improvements – construct a new seed, plant, and soil processing facility. This project also addresses both immediate life-safety and programmatic improvements by demolishing and repairing unsafe structures, addressing sanitary and sewer deficiencies, and constructing a public restroom at BART’s Horticulture Farm
135. UM Campus Storage/Warehouse Building – construction of a 7,200 square foot storage/warehouse building to centrally locate all of the campus storage needs
136. MSU-Northern Health & Recreation Complex – construction of a new health and recreation facility at MSU-Northern
137. Gallatin College – Construction of a new facility for Gallatin College; the appropriation for the project is contingent on both fundraising and approval by the budget director of a plan for the development of the college
138. Supplemental MSU Facilities Yard Relocation – Authority Only (AO) – an inflationary adjustment for replacing and relocating existing Facilities Services functions into one facility on the eastern edge of campus
139. Supplemental UM Mansfield Library Remodel – AO – an inflationary adjustment for remodeling of the existing facility which would address the necessary renovations to repurpose the existing stack space for journals into instructional space. In addition, the project will address life safety, deferred maintenance work and modernization to meet current use, building codes and ADA standards
140. Supplemental Visual Communications Building PBS Addition – AO – an inflationary adjustment for expansion of Montana Public Broadcasting Services’ current facility
141. Mark and Robyn Jones MSU College of Nursing – AO - construct new or upgraded facilities at each of the MSU College of Nursing’s five campuses in Bozeman, Billings, Great Falls, Kalispell, and Missoula
142. Gianforte Hall MSU Computing Building – AO - construct a new computing building to house the MSU Gianforte School of Computing. The building will house programming for computer science and computing-related fields such as cybersecurity, optics and photonics, electrical engineering, and creative industries
143. UM Adams Center – Student Athlete Locker Rooms – AO - a master plan of student athlete locker rooms and support spaces has been complete, and the first phases of work already implemented. Authority is required to continue work on the phases of remodel work for student athlete locker rooms

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144. UM Campus-Wide Classroom Upgrades – AO - continuing phases of remodel work at UM classrooms across campus
145. UM Liberal Arts Building/Eck Hall – AO - continuing phases of remodel work at Eck Hall. To date, six phases of work have occurred over the past several years leading to about 80.0% of Eck Hall now being fully remodeled
146. MSU Indoor Practice Facility – AO - construction of the Bobcat Indoor Performance Center. The facility will accommodate competition and training space for Bobcat Athletics, including year-round training for all outdoor sports
147. MT Tech Highlands College Indoor Pole Barn – AO – construction of an indoor pole barn for the pre-apprentice line program. The proposed pole barn will be 23,000 square feet - 200' L X 100' W X 40' H with additional 30' on the side which will serve as storage for equipment and tools
148. UM McGill Hall Expansion – AO – Expansion of UM's McGill Hall, a building which includes a media arts lab and a preschool and childcare facility

Department of Military Affairs

149. Supplemental Butte-Silverbow Readiness Center – an inflationary adjustment for an increase in project costs for the construction of a new readiness center in Butte
150. Supplemental Billings Armed Forces Reserve Center (AFRC) Unheated Storage – an inflationary adjustment for an addition to the existing unheated equipment storage building at the Billings AFRC
151. Supplemental Havre Unheated Building – an inflationary adjustment for the construction of an unheated equipment storage building at the Havre Readiness Center
152. Billings Readiness & Innovation Campus - acquire land and complete 35.0% project design for the Billings Readiness and Innovation Center (BRIC). The BRIC will consist of an interagency coordination center, cyber center, readiness center, Limited Army Aviation Support Facility (LAASF), field maintenance site, barracks, dining facility, training center, and classrooms
153. Helena Readiness HVAC & Temp Control Upgrade - replace the air distribution systems, pumps, chillers, exhaust fans, and heating and cooling units in the Helena Armed Forces Readiness Center (HAFRC)
154. State Emergency Coordination Center Expansion - complete a second story build out of the State Emergency Coordination Center located at Fort Harrison
155. State Disaster Warehouse – construct a 12,000-square-foot warehouse at Fort Harrison for personal protective equipment (PPE) and critical medical supplies to improve the state's capability to responsibly stockpile supplies, expand operations when needed, and support response agencies when the supply chain is compromised

Department of Transportation

156. Supplemental Yellowstone Airport Terminal – an inflationary adjustment for the construction of a new 30,000 square foot terminal building at the West Yellowstone Airport
157. Supplemental Lincoln Airport Snow Removal Equipment (SRE) Building – an inflationary adjustment for construction of a building on the airfield to store snow removal equipment at the Lincoln Airport
158. Combination Facility Great Falls - construct a new 24,000 square foot building located on a new site and renovate existing shop space to create office space for approximately 40 MDT construction personnel
159. Combination Facility Kalispell - construct a new 19,000 square foot building located on a new site and renovate existing shop space to create office space for approximately 40 MDT construction personnel

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160. Combination Facility Missoula - construct a new 19,000 square foot building located on a new site and renovate existing shop space to create office space for approximately 42 MDT construction personnel

Department of Fish, Wildlife, and Parks

161. Supplemental Havre Area Office – an inflationary adjustment for the construction of an office, workspace, and equipment and vehicle storage to replace the current rental space in Havre
162. Supplemental Glasgow Headquarters – an inflationary adjustment for providing a public meeting room, parking, and new shop at the Fish Wildlife and Parks, Glasgow headquarters
163. Supplemental Lewistown Area Office – an inflationary and scope adjustment for constructing an office and workspace as well as equipment and vehicle storage in the Lewistown area where only short-term rental space currently exists
164. Supplemental MT Wild Avian Rehab Building – an inflationary adjustment for the development of a housing and rehabilitation building for wild birds, primarily raptors, at the Fish, Wildlife, and Parks Rehabilitation Center in Helena
165. Makoshika Campground Improvement & Addition – construction of additional camping spaces and associated amenities to increase camping opportunities at Makoshika State Park
166. Beartooth Wildlife Management Area (WMA) Facilities Upgrade – development of a remote meeting space to include conference space with current communication technology, cooking facilities for large groups and dormitory style housing; the department of administrator must demonstrate that the first \$4.0 million of funding is under contract before being able to utilize the remaining \$4.0 million of the appropriation
167. Agency Staff Housing – development of housing for seasonal staff and staff in transition, on properties owned or managed by FWP statewide. Projects could include new construction and adaptive re-use of existing buildings, including new framed structures, new manufactured structures on foundations, remodel or addition to existing structures, full site utility connections for recreation vehicles and relocatable buildings, and related infrastructure
168. Central Services Site Upgrades - replace existing buildings at the Custer Avenue Facility and Helena Area Resource Office with new, more efficient buildings that will consolidate office, public information and retail, maintenance shop and warehouse facilities
169. Miles City Train Depot – purchase and renovation of the Miles City Train Depot for a park facility

Department of Justice

170. DOJ Montana Law Enforcement Academy (MLEA) Supplemental Scenario Building – an inflationary adjustment for the MLEA scenario building

Agency Capital Development Projects

The following capital development projects are appropriated to the indicated agencies. For each project, the appropriation for the indicated project will fund:

Montana University System

171. General Spending Authority – AO – major maintenance, new construction, renovations, ADA, and code compliance upgrades or other project elements necessary to complete the projects on university campuses across the state. The project is authority only, does not require appropriation, and is funded with university funds including federal funds, donations, grants, or higher education funds. The Office

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of the Commissioner of Higher Education will distribute the authority in accordance with Board of Regents approval and priorities

Department of Military Affairs

172. FTH Aviation Facility HVAC & Temperature Control Upgrade – upgrade, recalibrate, or replace heating, ventilation, and air conditioning (HVAC) systems in the Helena Army Aviation Support Facility to increase indoor air quality and promote efficient operation
173. FTH Ready Building Addition – construct an additional 6,169 square feet of ready building space at Fort Harrison to support individual and collective training, administrative, automation and communications, and logistical requirements for the Montana Army National Guard Civil Support Team (CST)
174. FTH Training Site HVAC & Controls Upgrade – upgrade, recalibrate, or replace HVAC systems to increase indoor air quality and provide more efficient HVAC operations in the Fort Harrison Training Site Support Facility
175. Federal Spending Authority – repairs, maintenance, and improvements in the Department of Military Affairs facilities statewide.

Department of Transportation

176. Facilities Repair and Maintenance – routine preventative maintenance and small construction projects at Department of Transportation facilities statewide

Legislative Branch

177. HB 856 - Capital Development Plan Development & Implementation – development of a long-range legislative branch capital development plan for legislative space, and based on the recommendations of the plan, funding can be used to plan, renovate, replace, and construct capital improvements for the use of the legislative branch

Department of Public Health & Human Services

178. HB 872 – Behavioral Health Settings & Intermediate Care Facilities – acquisition of new or remodeling of existing infrastructure or property to support the establishment of behavioral health settings and intermediate care facilities for individuals with intellectual disabilities

Department of Environmental Quality

179. Energy Improvements –the State Building Energy Conservation Program (SBECP) - improvements to state facilities that will reduce water/energy costs, financed by the SBECP revolving fund which uses the water/energy cost savings to repay the appropriation over time (for more information, refer to the SBECP program on page F-43)

Department of Fish, Wildlife, and Parks Capital Program

The following capital improvement projects are appropriated to the Department of Fish, Wildlife, and Parks in HB 5:

1. Statewide Admin Facilities Major Maintenance –ongoing maintenance and repairs at administrative FWP facilities state-wide; funding for this program was increased by \$60,000 of state special revenue to provide funding for a warming hut to be constructed at Bannack State Park

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2. Signage & Wayfinding Updates – statewide signage and wayfinding system upgrade to provide visual and informational continuity for all FWP sites and facilities
3. Erosion Control – address the ongoing maintenance concerns with stream bank erosion taking place at recreation sites throughout the state
4. Community Ponds - construction or improvement of public fishing ponds, with emphasis on urban fisheries for youth/family angling, education, and ADA accessibility
5. Forest Management – the management of forestry projects on wildlife management areas in accordance with statutory requirements
6. Site Maintenance Upgrades & Improvements - maintenance, site improvements and upgrades, and construction projects at state parks, wildlife management areas, and fishing access sites
7. Shooting Range Development - development of public shooting ranges statewide
8. Wildlife Habitat Improvement Program Renewal – noxious weed management for priority wildlife habitats
9. Wildlife Habitat Management & Maintenance - the maintenance of wildlife management areas and lands in accordance with state requirements and the good neighbor policy
10. Upland Game Bird Enhancement Program – the provision of grants to landowners to restore/establish habitat for upland game birds and requires a level of public hunting access on project areas. It also provides funding for the pheasant release program
11. Migratory Bird Wetland Program - the protection, conservation, and enhancement of wetland habitat across the state
12. Future Fisheries – statewide fish habitat restoration projects
13. Hatcheries Maintenance - address the major maintenance, replacement, and repair of infrastructure as needed or that are scheduled for the ten state fish hatcheries across the state
14. Public Outdoor Recreation (POR) Grant Programs - three grant programs available to local entities and communities: the Off-Highway Vehicle grants, the Recreational Trails Program grants, and the land and water conservation fund grants
15. Fish Connectivity – the construction of fish passages, barriers, screens, ladders, or fish habitat projects statewide
16. Public Access Land Agreement (PALA) Access Program - program to open or improve free public access to isolated parcels of state or federal land for hunting or fishing

Department of Fish, Wildlife, and Parks Land Acquisition

17. Habitat Montana – the acquisition of wildlife habitats through conservation easement, fee title acquisition, or long-term lease. The appropriation is funded with a portion of the revenue from the deer and elk auction licenses as well as earmarked license fees

Other Capital Projects

HB 5 includes general fund appropriations and transfers to agencies for the following grants or specific projects for non-LRBP-eligible or non-state-owned facility:

Department of Corrections

1. Special Services Facility – construction of a non-state-owned special services unit to be funded with general fund for provider rate increases

LONG-RANGE BUILDING PROGRAM

Department of Commerce

2. Homeless Shelter Facility Infrastructure Grants – grant funding for emergency shelter, property acquisition, construction, shelter space acquisition, or general capital improvement projects. A \$5.0 million general fund transfer to a new state special revenue account was authorized to fund this new one-time-only program that will be administered by the Department of Commerce

Department of Transportation

3. U.S. Highway 2 Sidewalk Project – construction of new public sidewalks along U.S. highway 2 from the intersection of Meadowlark Drive to the intersection of Terry Road and from the intersection of East Evergreen Drive to the intersection of Poplar Road in Flathead County

Legislative Fiscal Division/Legislative Services Division

4. Select Committee on Corrections Capacity & System Development – a nine-member legislative committee to focus on establishing an overall framework and implementation plan for long-term facility needs and immediate improvements for Department of Corrections facilities

Department of Revenue

5. Mineral County State Line Survey – a project for the Department of Revenue to contract with the U.S. Bureau of Land Management to conduct a state line survey in Mineral County to determine Montana versus Idaho state lines in the county for property tax purposes

Department of Environmental Quality

6. Lead in School Drinking Water Remediation – grant funding for schools with exceedances of the lead standard to remediate school plumbing fixtures

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FUTURE OPERATIONS AND MAINTENANCE COSTS

When approving the construction of new buildings or additions to existing space within buildings, the legislature must appropriate funds for the future costs of operations and maintenance (O&M) in accordance with 17-7-210, MCA. The O&M funding is appropriated in the long-range planning bills, and then in the following biennium, will become part of the agency's base budget and be appropriated in HB 2. The agency cannot utilize the appropriation until the new building/space is constructed; until that time, the appropriation will be reverted. Figure 9 shows the future cost projections for new space projects appropriated and authorized by the 68th Legislature. Most of the O&M appropriations are included in HB 5, but there is O&M included in HB 817 for the Department of Corrections low-side housing project and in HB 872 for the DPHHS behavioral health system for future generations.

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Figure 9

LRBP - HB 5, HB 817, & HB 872 Operations & Maintenance Appropriations <i>17-7-210, MCA Required for Future Biennia</i>						
Agency	Project	General Fund	State Special	Federal Special	Prop.	Total
DOC	BSB Re-Entry Services, Acadia Facility	\$563,536				\$563,536
DOC	MSP Entry/Staff Services Addition to Wallace Building	184,000				184,000
DOC	MSP New Multi-Purpose Programs Building	100,340				100,340
DOC	Flathead County Prerelease Center	3,388,560				3,388,560
DOC	Motor Vehicle Ventilation & Paint/Sanding Booths				40,000	40,000
DOC	HB 817 - MSP Replace Low-Side Housing	176,560				176,560
FWP	Beartooth WMA Facilities Upgrade		80,000			80,000
FWP	Agency Staff Housing		225,000			225,000
FWP	Central Services Site Upgrades		128,762			128,762
DMA	Billings LAASF			200,000		200,000
DMA	DES State Emergency Coordination Center Expansion	54,012				54,012
DMA	FTH Ready Building Addition			26,472		26,472
DNRC	Clearwater Replacement Bunkhouse	27,650				27,650
DNRC	Anaconda Bunkhouse	33,180				33,180
DNRC	NELO Fire Ready Room	17,696				17,696
DNRC	CLO Dispatch Center Expansion	10,700				10,700
DPHHS	HB 872 - Behavioral Health System for Future Generations		1,661,426			1,661,426
DPHHS	MMHNCC Heated Storage Unit	21,312				21,312
DPHHS	DMA DES State Emergency Coordination Center Expansion	62,000				62,000
FWP	Miles City Train Depot		73,000			73,000
MDT	Combination Facility Great Falls		53,900			53,900
MDT	Combination Facility Kalispell		42,400			42,400
MDT	Combination Facility Missoula		41,800			41,800
MUS	MSU Supplemental Wool Lab	520,695				520,695
MUS	HC Acquire & Renovate Airport Hangar	188,133				188,133
MUS	UMW Campus Storage/Warehouse Building	63,975				63,975
MUS	MSU Mark & Robyn Jones College of Nursing (5 Buildings)	4,000,154				4,000,154
MUS	MSU Gianforte Hall, School of Computing	1,730,858				1,730,858
MUS	MSU Indoor Practice Facility - Athletics/Auxiliaries funds only					
MUS	MT Tech Highlands College Indoor Pole Barn	42,671				42,671
MUS	UM McGill Hall Expansion	62,256				62,256
MUS	MSU-N Health and Recreation Complex	585,240				585,240
MUS	Gallatin College	1,540,000				1,540,000
MSU	MAES Research Laboratories ¹					
Total Future O&M Agency Appropriations		\$13,373,528	\$2,306,288	\$226,472	\$40,000	\$15,946,288

¹ Project reduced to research lab only; O&M reduced from \$389,402 to \$305,298

The state's ongoing cost for the O&M of new space created by projects approved by the 2023 Legislature will add approximately \$15.9 million to agency base budgets in the 2027 biennium. These costs will be payable from all fund types including general fund, state and federal special revenues, and proprietary funds.

LONG-RANGE BUILDING PROGRAM

FUNDING

Funding for the Long-Range Building Program comes from various sources: the LRBP capital projects accounts, state special revenue accounts, federal special revenue accounts, and other non-state funds (such as university funds, private funds, and capitol land grant funds).

Long-Range Building Program Major Repairs Account:

While not the largest source of funding for capital projects, the LRBP major repairs account is the primary source of funding for the major maintenance of general fund supported buildings in the state building program. The dedicated revenues of the LRBP major repairs account include:

- 2.6% distribution of cigarette tax revenue
- 12.0% distribution of coal severance tax revenue
- HB 2 appropriated general fund transfer (transfers to bring annual major repairs spending to the level of 0.6% of the current replacement value of all LRBP eligible buildings)

Figure 10 provides the projected fund balance for the 2025 biennium. The account is projected to begin the 2025 biennium with a fund balance of \$5.6 million. The 68th Legislature modified prior 2021 Session law to reduce the scope and appropriation for the MSU Billings Art Annex project by \$700,000, which increased the beginning fund balance for the 2025 biennium.

Total revenues of the LRBP major repairs account, including short-term interest earnings, supervisory fees charged by A&E, and SBCEP energy savings transfers, is projected to be \$40.3 million in the 2025 biennium. HB 5 also includes a transfer from the capital development fund to the major repairs fund of \$41.4 million, which is included in the revenue section of the fund balance table in Figure 10.

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Figure 10

LRBP Major Repairs Account Fund Balance Analysis - 2025 Biennium					
Account 05007					
	FY 2022 Actual	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected	2025 Bien. Projected
Calculated Beginning Fund Balance	\$12,395,792	\$21,235,806	\$5,570,974	(\$6,983,910)	\$5,570,974
Project Reversions	0	0	0	0	0
Proposed Project Deletion	0	0	0	0	0
Adjustments to Fund Balance	<u>0</u>	<u>32,539</u>	<u>0</u>	<u>0</u>	<u>0</u>
Beginning Fund Balance	12,395,792	21,268,345	5,570,974	(6,983,910)	5,570,974
Revenues ¹					
Cigarette Tax	1,613,814	1,586,325	1,550,159	1,502,871	3,053,030
Coal Severance Tax	7,987,649	10,612,369	9,136,678	7,602,169	16,738,847
Interest Earnings	43,645	36,594	1,036,596	1,036,596	2,073,192
Supervisory Fees	117,422	465,974	225,000	225,000	450,000
Energy Savings Transfer		0	119,514	119,514	239,028
HB 2 Major Repairs Transfers ²	8,589,879	8,941,581	8,495,149	9,254,790	17,749,939
HB 5 OTO Transfer from CD Fund ³	<u>0</u>	<u>0</u>	<u>41,420,091</u>	<u>0</u>	<u>41,420,091</u>
Total Revenues	18,352,409	21,642,843	61,983,187	19,740,940	81,724,127
Expenditures					
Operating Costs-A & E Division ⁴	2,172,339	2,420,107	2,704,971	2,668,787	5,373,758
Prior Biennia Projects ⁵	4,077,333	11,280,118	0	0	0
ARPA-Ineligible Projects ⁶	778,210	5,838,790	0	0	0
2025 Biennium Projects - HB 5	2,484,513	18,501,200	69,333,100	0	69,333,100
2021 Session Law - Scope Reduction ⁷		(700,000)			
2025 Biennium Projects - HB 817	<u>0</u>	<u>0</u>	<u>2,500,000</u>	<u>0</u>	<u>2,500,000</u>
Total Expenditures/Appropriations	9,512,395	37,340,214	74,538,071	2,668,787	77,206,858
Estimated Ending Fund Balance	\$21,235,806	\$5,570,974	(\$6,983,910)	\$10,088,243	\$10,088,243

¹HJ2 Projections

²Beginning in the 2023 Biennium - HB 2 Appropriated Transfer

³\$41.4 million transfer from the capital development fund included in HB 5

⁴HB 2

⁵Assumes all appropriation authority is expended in FY 2023

⁶There were 7 projects not eligible for ARPA funds; HB 632, section 34(1) re-establishes appropriation in the MR fund for that is how it was funded in the introduced version of HB5.

⁷ HB 5 (2023) reduced the appropriation and project scope for a project authorized during the 2021 session - the MSU Billings Art Annex; scope was changed from an upgrades project authorized to a demolition project and the appropriation was reduced from \$1.2 million to \$500,000.

For the 2025 biennium, the LRBP major repairs account supports \$5.4 million of administrative costs for the A&E Division. Funding for these costs is transferred from the capital projects account to an A&E state special revenue account and are appropriated in HB 2. The administrative costs shown in Figure 10 do not include the increased costs associated with the HB 13 pay plan. The legislature appropriated \$69.3 million for LRBP projects from the major repairs account in HB 5 and \$2.5 million from the major repairs account in HB 817. As a result, the balance at the end of the 2025 biennium is projected to be \$10.1 million. The account balance will be retained in the LRBP major repairs account and will be available for future appropriation.

Capital Land Grant Capital Projects Account:

Capitol land grant (CLG) revenues, derived from trust lands designated in the Enabling Act for the state capitol complex, are used as a source of LRBP funding for capital projects. Funding from this source may only be used for projects on the Montana Capitol Complex (10-mile radius from the Capitol building) per the requirements of the Enabling Act. As shown in Figure 11, the account is projected to begin the 2023 biennium with a negative balance of \$1.3 million. The negative balance results from lower than anticipated revenues in the 2023

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biennium. The account will never actually go negative, but instead the negative balance indicates an imbalance between the projected revenues and total appropriation authority in the account. Revenue to the CLG account is projected to be \$2.9 million in the 2025 biennium. HB 5 includes a \$2.0 million transfer from the capital development fund to the capital land grant account, which is shown in the revenue section in Figure 11.

Figure 11

Capitol Land Grant Account Fund Balance Analysis - 2025 Biennium					
Account 05008					
	FY 2022 Actual	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected	2025 Bien. Projected
Beginning Fund Balance	\$5,777,027	\$4,941,698	(\$1,265,688)	(\$1,758,245)	(\$1,265,688)
Revenues ¹					
Land Grant Interest & Earnings	1,341,034	1,595,732	1,428,464	1,435,250	2,863,714
Transfer from the CD Fund	<u>0</u>	<u>0</u>	<u>2,000,000</u>	<u>0</u>	<u>2,000,000</u>
Total Revenues	1,341,034	1,595,732	3,428,464	1,435,250	4,863,714
Expenditures					
Prior Biennia Projects ²	539,101	6,132,455	0	0	0
Fund Balance Adjustment	(7,576)				
2025 Biennium HB 5 Projects	<u>1,644,838</u>	<u>1,670,663</u>	<u>3,921,021</u>	<u>0</u>	<u>3,921,021</u>
Total Expenditures/Appropriations	2,176,363	7,803,118	3,921,021	0	3,921,021
Estimated Ending Fund Balance	\$4,941,698	(\$1,265,688)	(\$1,758,245)	(\$322,995)	(\$322,995)

¹HJ 2
²Assumes all appropriation authority is expended in FY 2023

CLG account funds are appropriated for six specific major repair projects in HB 5. Total appropriations are \$3.9 million, which provides a projected negative balance of \$323,000 at the end of the biennium. The negative balance shows that appropriations exceed anticipated revenues, however the program will manage spending from the account and not allow spending to exceed available revenues.

Capital Development Account:

The capital development account (CD), established in HB 553 in the 2019 Session, was developed to provide a base level of cash funding for state and Montana University System capital projects. The account, per 17-7-208, MCA receives funds from several sources including:

1. Appropriated general fund transfers from HB 2
 - a. 1.0% of the amount of the state general fund revenue, as determined or before August 15 of the year preceding a legislative session less the:
 - i. general fund general obligation bond debt service, and
 - ii. projected general fund debt service for general fund general obligation bonds proposed in the executive budget.
 - b. Recommendations for the appropriated transfers may be increased or decreased by the executive or the legislature.
2. Overflow funding from the budget stabilization reserve fund (BSR) as provided in 17-7-130 (6), MCA
 - a. If the balance of the BSR exceeds an amount equal to 16.0% of all general fund appropriations in the second year of the biennium, then any funds in excess of that amount must be transferred to the capital development account until the amount in the capital development account in excess of the amount needed for appropriations from the capital developments account is equal to 12.0% of all general fund appropriations in the second year of the biennium.

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3. Other deposits/transfers made by the legislature

Figure 12 provides the fund balance projection for the CD account. For the 2023 biennium, the HB 2 general fund transfer did not occur for the 2023 biennium; this was due to the 67th Legislature approving a one-time-only removal of it in HB 2 (2021). The fund did receive \$374.8 million of transfer from the budget stabilization reserve fund.

The account is projected to begin the 2025 biennium with a balance of \$530.1 million. Resulting from the significant fund balance and higher interest rates, interest earnings revenue for the 2025 biennium is projected to total \$54.1 million. In addition, the legislature approved the general fund transfer in HB 2 for the 2025 biennium, which totals \$47.3 million. A transfer of \$75.0 million of general fund to the capital development fund was included in HB 872 to provide funding for the DPHHS behavioral health system for future generations. There was also a \$6.0 million transfer of general fund to the capital development fund included in HB 5. Capital development fund revenues, including transfers, are projected to total \$182.4 million for the 2025 biennium.

Figure 12

Capital Development Account Fund Balance Analysis - 2025 Biennium					
Account 05031					
	FY 2022 Actual	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected	2025 Bien. Projected
Beginning Fund Balance	\$ 228,302,398	\$ 342,636,956	\$ 530,137,433	\$ (13,653,268)	\$ 530,073,522
Fund Balance Adjustment			(63,911)		
			530,073,522		
Revenues					
BOI Investment Earnings	973,473	15,491,885	30,863,218	23,230,929	54,094,147
Transfers from BSR (Actuals for both 22 & 23)	115,084,337	259,689,133	0	0	0
General Fund Transfer (HB 5)			6,000,000	0	6,000,000
General Fund - DPHHS BHI - HB 872	0	0	75,000,000	0	75,000,000
Present law transfer of general fund - HB 2	<u>0</u>	<u>0</u>	<u>23,137,457</u>	<u>24,187,099</u>	<u>47,324,556</u>
Total Revenues	116,057,810	275,181,018	135,000,675	47,418,028	182,418,703
Expenditures					
Transfer to MR Fund	0	0	41,420,091	0	41,420,091
Transfer to Capitol Land Grants fund			2,000,000		2,000,000
Prior Biennia Projects	0	0	0	0	0
Non-Qualifying ARPA 604 Projects	31,968	11,268,032	0	0	0
HB 817 Projects			178,440,831	0	178,440,831
HB 856 LRBP Projects			78,695,418	0	78,695,418
HB 872 - DPHHS Behavioral Health Initiative			75,000,000	0	75,000,000
2025 Biennium Projects - HB 5	<u>1,691,284</u>	<u>76,412,509</u>	<u>303,171,125</u>	<u>0</u>	<u>303,171,125</u>
Total Expenditures/Appropriations	1,723,252	87,680,541	678,727,465	0	678,727,465
Estimated Ending Fund Balance	\$342,636,956	\$ 530,137,433	(13,653,268)	\$ 33,764,760	\$ 33,764,760

The transfer to the major repair fund of \$41.4 million and the transfer to the capitol land grant fund of \$2.0 million are both accounted for in the expenditures from the CD account. Appropriations from the CD account included in HB 5, HB 817, HB 856, and HB 872 to support major construction projects in the LRBP total \$635.3 million. Both transfers and appropriations from the fund in the 2025 biennium total \$678.7 million. As a result, the fund is expected to finish the 2025 biennium with a balance of \$33.8 million. This balance may be available to fund future capital development projects or to act as a rainy-day fund if funding is needed to help with shortfalls, pending legislative authorization.

EXECUTIVE BUDGET COMPARISON

Figure 13 provides the legislative changes from the executive budget proposal.

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Figure 13

Program Comparison - Long-Range Building Program				
Budget Item	Budget 2023 Bien.	Budget 2025 Bien.	Biennium Change	Biennium % Change
	Appropriated / Authorized	Appropriated/ Authorized		
LRBP Project Costs				
<i>Major Repairs</i>	36,905,742	84,484,803	47,579,061	128.9%
<i>Capital Development</i>	257,369,876	1,035,449,482	778,079,606	302.3%
LRBP Project Costs	\$294,275,618	\$1,119,934,285	\$825,658,667	280.6%
Agency Project Appropriations ¹	40,970,335	74,435,578	33,465,243	81.7%
FWP Capital Program Appropriations ¹	71,136,150	61,931,380	-9,204,770	-12.9%
SBECP Project Costs	3,700,000	3,700,000	-	0.0%
Other Capital Projects	-	16,975,257	16,975,257	0.0%
17-7-210 O&M	4,202,061	15,946,288	11,744,227	0.0%
Total Costs	414,284,164	1,292,922,788	878,638,624	212.1%
General Fund				
Capital Projects	1,937,741	30,348,785	28,411,044	1466.2%
State Special	144,012,005	707,140,474	563,128,469	391.0%
Federal Special	67,030,868	181,426,432	114,395,564	170.7%
Proprietary ²	117,020,293	108,048,863	-8,971,430	-7.7%
Authorization ²	2,074,027	730,000	-1,344,027	-64.8%
Authorization ²	82,209,230	265,228,234	183,019,004	222.6%
Total Funds	414,284,164	1,292,922,788	878,638,624	212.1%
¹ Includes major repairs and capital development appropriations made directly to various agencies				
² Does not require appropriation but requires approval of the legislature				

The changes from the executive budget request net to an increase of \$161.4 million or 14.3%. The legislature passed HB 5, HB 817, HB 856, and HB 872 with funding totaling \$1,316.0 million. The executive line-item vetoed some of the projects and funding included in HB 5, with changes reducing funding by \$23.1 million.

Major Repair Project Changes

For major repair projects, the following changes were made:

- Four projects were added to HB 5 with costs totaling \$2.8 million from the major repair fund and \$700,000 from the capitol land grant fund. Projects added to the program include the DOA State of Montana Data Center Roof Replacement, MUS UM-Helena College Supplemental Donaldson HVAC, the MUS MSU Supplemental Montana Hall fire systems upgrade, and the MDT/FWP Clearwater Junction RV dump station system repair & renovation
- The legislature removed three major repair projects from HB 5, which totaled \$1.7 million of major repair funds and \$2.5 million of authority only, including DPHHS Montana Mental Health Nursing Care Center (MMHNCC) site improvements & increase parking, DPHHS MMHNCC back-up water well, and the MUS Helena College rehab rental property for art instruction
- In HB 5, the fund type for one project, the Montana Correctional Enterprises Industries Repairs for \$700,000, was switched from authority only to capital project funds
- In HB 5, appropriations were reduced for the following three projects: UM-Western repair/replace sewer mains, MAES lambing barn renovation & safety upgrades, and MAES BART demolition project. Funding was reduced by a total of approximately \$2.2 million of major repair funds

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- The legislature modified prior session law from 2021 to reduce the scope of the MSU Billings Art Annex project, from safety and system upgrades to demolition, and reduced the appropriation from \$1.2 million of major repair funds to \$500,000, a net decrease of \$700,000
- In HB 817, the legislature changed the DOC MSP Unit F water supply upgrade project from a major repairs project to a capital development project, which reduced the expenditure from the major repairs fund by \$600,000 and increased the expenditure from the capital development fund by the same amount

Capital Development Project Changes

The following changes were made to LRBP capital development projects:

- The legislature added seven capital development projects to the program under HB 5 and HB 817, resulting in increased appropriations totaling \$69.9 million of capital development funds, \$2.0 million of state special revenue, and \$25.5 million of authority only. Projects added include:
 - DOC Flathead County Prerelease Center, \$7.0 million of capital development funds
 - DOC Montana State Prison Unit D Renovations – added to HB 817, \$18.8 million of capital development funds
 - MUS MSU-Northern Health and Recreation Complex, \$25.0 million of capital development funds
 - MUS Gallatin College – \$23.5 million of capital development funds and \$22.5 million of authority only; this project was added with contingencies, including the requirement that the proposed plan for the development of Gallatin College is subject to review and approval by the budget director prior to commencement of project design and construction
 - MUS UM McGill Hall Expansion - \$3.0 million of authority only
 - Miles City Train Depot - \$2.0 million of state special revenue
 - DOJ Montana Law Enforcement Academy Supplemental Scenario Building - \$2.6 million of capital development funds
- As required under 17-7-210, MCA, appropriations for operation and maintenance were added for the projects listed above that were for new or expanded facilities. Added operations and maintenance funding totals approximately \$5.6 million of general fund and \$73,000 of state special revenue for the following new or expanded facilities:
 - DOC Flathead County Prerelease Center - \$3.4 million of general fund was added; in accordance with HB 5, this appropriation starts in FY 2025, rather than at the beginning of the biennium
 - MUS Gallatin College - \$1.5 million of general fund
 - MUS MSU-Northern Health and Recreation Complex - \$585,000 of general fund
 - MUS UM McGill Hall Expansion - \$62,000 of general fund
 - FWP Miles City Train Depot - \$73,000 of state special revenue
- The legislature removed two projects from HB 5, including the five Last Chance Gulch Atrium Renovation project, which totaled \$15.6 million of capital development funds, and the MSU Lewis Hall Code & Instructional Renovations project to be funded with a combination of \$23.5 million of capital development funds and \$8.0 million of authority only. The MSU Lewis Hall project was removed, and the \$23.5 million of capital development funds for the project were re-allocated to the MSU Gallatin College project
- The legislature increased funding for six projects, with increases totaling \$41.0 million of capital development funds, \$1.2 million of state special revenue, and \$52.0 million of federal special revenue. Specific projects with increased funding include:

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- DOC Montana State Prison Low-Side Housing – In HB 817, funding was increased from \$135.0 million to \$156.0 million of capital development funds, a net increase of \$21.0 million
- DOA State Capitol Building Improvements – This project was initially included in HB 5 for \$26.3 million of capital development funds. The legislature increased the funding to \$28.7 million of capital development funds and moved the project to be included in HB 856. The net increase totaled \$2.4 million
- DMA Billings Readiness and Innovation Campus – In HB 5, funding was increased from \$12.8 million of capital development funds to \$26.8 million of capital development funds. In addition, \$52.0 million of federal special revenue was added, for a net increase of \$14.0 million of capital development funds and \$52.0 million of federal special revenue
- MUS Supplemental MAES Research Labs – Funding was increased from \$1.6 million to \$4.4 million of capital development funds, a net increase of \$2.8 million
- DNRC Supplemental Eastern Land Office – Funding was increased from \$2.2 million to \$3.0 million of capital development funds, a net increase of \$0.8 million
- DOR Supplemental Liquor Warehouse Expansion – Funding was increased from \$14.3 million to \$15.5 million of state special revenue, a net increase of \$1.2 million
- The legislature reduced funding for the following two projects:
 - FWP Central Services Site Upgrades – Funding was reduced from \$17.2 million to \$10.3 million of state special revenue, a net decrease of \$6.9 million
 - DPHHS MMHNCC Heated Storage Unit – Funding was reduced from \$720,000 to \$360,000 of capital development funds, a net decrease of \$360,000

- In HB 5, the executive proposal included the DPHHS Behavioral Health Initiative project for regionally based care facilities. The project cost totaled \$113.0 million of capital development funds in the proposal; HB 5 also included appropriations of \$2.5 million of general fund for operations and maintenance of the new care facilities. To fund the project cost, there was a transfer of general fund to the capital development fund of \$113.0 million.

The legislature removed the project and the operations and maintenance funding from HB 5 and instead, under HB 872, appropriated to the Department of Administration \$55.0 million of capital development funds for regional health care facilities, appropriated \$20.0 million of capital development funds to DPHHS for the acquisition of new or remodeling of existing infrastructure or property to support the establishment of behavioral health settings and intermediate care facilities, and appropriated \$1.7 million from a new state special revenue fund for operations and maintenance for the facilities. HB 872 includes a transfer of \$75.0 million of general fund to the capital development fund for these projects.

In comparison to the original proposal, the appropriations in HB 872 for the behavioral health initiative are \$38.0 million less for construction or renovation of the facilities and \$800,000 less for operations and maintenance

- The executive proposal included the Department of Administration's remote office workspace study (ROWS) renovation of capitol complex offices, totaling \$50.0 million of capital development funds, and a project for the state capitol building improvements for \$26.3 million of capital development funds. The legislature removed these two projects from HB 5 and included them in HB 856; the state building capital improvements project funding was increased to \$28.7 million. HB 856 also includes the following projects added by the legislature:
 - DOA Legislative Audit Division Move & Capitol Complex ROWS implementation - \$19.0 million of state special revenue funds from a new fund created in the bill

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- DOA ROWS Study Capital Improvements – \$6.0 million of state special revenue funds
- Legislative Branch Capital Development Plan Development & Implementation - \$12.5 million of state special revenue
- The legislature moved five projects from the executive proposal for the DOC Montana State Prison (MSP) from HB 5 to HB 817 and added an additional project, the MSP Unit D Renovation for \$18.8 million of capital development funds. The DOC MSP Unit F Water Supply Upgrade project was included in the executive proposal as a major repair project, funded with \$600,000 of major repair funds. It was moved to HB 817 as a capital development project, funded with \$600,000 of capital development funds

FWP Capital Program Project Changes

For FWP's capital program projects, the executive proposal included \$27.0 million of state special revenue, \$17.7 million of federal special revenue, and \$6.3 million of authority for various grants and projects. It also included \$9.7 million of state special revenue and \$2.4 million of federal special revenue for land acquisition for Habitat Montana. The legislature adopted the following changes to the proposal:

- The Signage and Wayfinding Updates project was reduced from \$2.5 million to \$1.3 million of state special revenue
- Statewide Admin Facilities Major Maintenance was increased by \$60,000 of state special revenue with direction that up to that amount is to be used for construction of a warming hut at Bannack State Park

Other Capital Project Changes

In HB 5, the legislature added other capital projects to provide one-time-only general fund primarily for non-state-owned facilities and projects, which were not included in the executive proposal. Funding totals \$17.0 million of general fund, and the projects include:

- Department of Corrections Special Services Facility Construction - \$7.2 million of general fund was appropriated to increase provider rates to allow for the construction of a special services facility
- Department of Commerce Emergency Shelter Facility Grants - \$5.0 million of general fund was appropriated for grants for emergency homeless shelter facility infrastructure. The funds will be administered by the Department of Commerce, which was granted rulemaking authority and authorized to expend up to 3.0% of the funds for administrative costs. Grant awards can be used for property acquisition, construction, shelter space acquisition, or general capital improvements, and awards are capped at \$750,000 per entity within any individual county
- Department of Environmental Quality Lead Remediation in School Drinking Water Grants - \$3.7 million of general fund was appropriated for the DEQ to provide grants that reduce exposure to lead in drinking water at school facilities
- Department of Transportation U.S Highway 2 Sidewalk Project - \$1.0 million of general fund was appropriated to the Department of Transportation for construction of new public sidewalks along U.S. Highway 2, from the intersection of Meadowlark Drive to the intersection of Terry Road and from the intersection of East Evergreen Drive to the intersection of Poplar Road in Flathead County
- Department of Revenue Mineral County State Line Survey - \$76,000 of general fund was appropriated to the Department of Revenue to contract with the U.S. Bureau of Land Management (BLM) for the BLM to conduct a survey in Mineral County to determine the state line between the State of Montana and the State of Idaho

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- Legislative Fiscal Division/Legislative Services Division Select Committee on Corrections Facility Capacity and System Development - \$30,000 of general fund was appropriated for a select committee consisting of nine legislators that will focus on establishing an overall framework for long-term facility needs and immediate improvements for department of corrections facilities

Executive Line-Item Veto Changes

Figure 13 excludes approximately \$23.1 million of HB 5 projects passed by the legislature but line-item vetoed by the executive. Those line-item vetoes removed the following projects from HB 5:

- Two major repair projects and one capital development project and its associated operations and maintenance funding for the Department of Military Affairs (DMA). These projects were included in the executive proposal but were line-item vetoed due to DMA deciding not to proceed with the projects. All were funded with federal special revenue and include:
 - DMA Fort Harrison Facility LED Lighting Retrofit - \$239,000
 - DMA Fort Harrison Lighting Upgrades - \$564,000
 - DMA Fort Harrison Collective Training Housing Facility - \$3.0 million
 - DMA Fort Harrison Collective Training Housing Facility Operations and Maintenance - \$34,000
- DPHHS Southwest Montana Veterans Home – 6th Cottage Construction - \$6.0 million of capital development funds. This capital development project was previously authorized in the 2021 Legislative Session, funded with \$4.0 million of authority only for construction and \$1.2 million of state special revenue funds for operations and maintenance. As a result of the executive’s line-item veto of this 2023 Session appropriation, the spending authority for the 6th Cottage Construction reverts back to the 2021 Legislative Session authority
- Six capital projects for non-state-owned facilities at different locations throughout the state. The legislature appropriated one-time-only general funds to various agencies for other capital projects for non-state-owned facilities that were line-item vetoed by the executive, including:
 - DNRC Yellowstone Conservation Area - \$8.0 million
 - Department of Commerce Local Park Facility Improvement Grants - \$2.0 million
 - Department of Commerce City of Columbus Water and Sewer System Upgrades and Repairs - \$1.0 million
 - Department of Commerce Chippewa Cree Cultural Ceremony Building Repair - \$1.0 million
 - Department of Commerce Chippewa Cree Language Immersion School - \$1.0 million
 - Department of Commerce City of Missoula Riverfront Trail Public Plaza - \$250,000

OTHER LEGISLATION

- HB 151 – This legislation changes the threshold for construction activities required to obtain legislative consent from \$150,000 to \$300,000, as well as other thresholds in statute. It adds the requirement for the Department of Administration to provide the long-range planning interim budget committee with a report on all buildings constructed without legislative consent that were under the \$300,000 threshold but over the former \$150,000 threshold by August 1 of each year. Finally, it changes the public notice requirements to allow for electronic notice, rather than solely newspaper announcements
- HB 817 – This legislation includes appropriations for six LRBP projects for the Montana State Prison, totaling \$180.9 million of capital funds. It requires the Department of Administration to prioritize these projects and to move at all deliberate speed to have each project under contract by September 30, 2023. In order to expedite the projects, authorization is provided to the Department of Administration to

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purchase plans for prison housing constructed in another state, provided that the plans comply with the professional services requirements in statute. HB 817 also provides funding for workforce housing totaling \$25.0 million of general fund, as well as \$3.9 million of general fund per fiscal year in the 2025 biennium to the Department of Corrections to contract for 120 prison beds

- HB 424 – Subsection 3 of this legislation makes changes to the transfers of the budget stabilization reserve fund to the capital development fund and provides a cap for the transfer amount to the fund. Subsection 5 clarifies usage of the fund to retire general obligation bonds paid by the general fund
- HB 856 – This legislation pertains to administration of the capitol complex, legislative space, and the delineation of executive and legislative space. Two capital development projects were removed from HB 5 and moved into HB 856, the Department of Administration’s Remote Office Workspace Study (ROWS) Implementation/Capitol Complex Offices Renovation for \$50.0 million of capital development funds and the Department of Administration State Capitol Building Improvements project for \$28.7 million of capital development funds.

HB 856 establishes two new state special revenue funds, a capitol complex executive branch fund and a capitol complex legislative branch fund. Each will receive a \$25.0 million general fund transfer. From the legislative branch fund, \$12.5 million is appropriated to the legislative branch, of which half can be used for capital improvements to legislative space and for development of a legislative branch long-range capital development plan. The remaining balance can be used to plan, renovate, replace, and construct capital improvements based upon the legislative branch long-range capital development plan for the exclusive use of the legislative branch. From the capitol complex executive branch fund, \$19.0 million is appropriated to the Department of Administration for relocating the Legislative Audit Division (LAD) and for additional executive branch space improvements based upon the ROWS study. The balance of the \$19.0 million remaining after the relocation of LAD, along with an additional \$6.0 million from the fund are then authorized to be used to continue renovation, replacement, or construction of complex facilities based on findings from the 2022 Montana remote and office workspace study

- HB 872- This legislation concerns behavioral health systems. It establishes a commission consisting of legislators and executive appointees to provide recommendations concerning initiatives that address behavioral health, initiatives that assist those with developmental disabilities, outcome measures, output measures, performance measures, and the amount of funding required for the initiatives. It also creates a new state special revenue fund, the behavioral health systems for future generations fund, with various eligible uses, including acquisition of new or remodeling of existing infrastructure or property to support the establishment of behavioral health settings and intermediate care facilities for individuals with intellectual disabilities. A total transfer of \$225.0 million of general fund is authorized to the new state special revenue account. Additionally, a \$75.0 million transfer of general fund to the capital development fund is authorized.

Of the \$75.0 million to the capital development fund, \$20.0 million is appropriated to DPHHS for the acquisition or remodeling of existing infrastructure for intermediate care facilities. The remaining \$55.0 million is appropriated to the Department of Administration for the behavioral health system for future generations; additionally, \$1.7 million of state special revenue is appropriated to the DPHHS for operations and maintenance funding. The \$55.0 million appropriation is in effect only after the DPHHS adopts administrative rules outlined in HB 872 along with the commission transmitting its final recommendations to the governor’s office

STATE BUILDING ENERGY CONSERVATION PROGRAM

PROGRAM BUDGET COMPARISON

Figure 14 compares the 2023 biennium appropriated budget to the 2025 biennium appropriated budget by type of expenditure and source of funding.

Figure 14

Program Comparison - State Building Energy Conservation Program				
Budget Item	Budget 2023 Biennium	Budget 2025 Biennium	Biennium Change	Biennium % Change
	<u>Appropriated</u>	<u>Proposed</u>		
Projects Costs	3,700,000	3,700,000	0	0.0%
Total Costs	\$3,700,000	\$3,700,000	\$0	0.0%
Capital Project Funds	3,700,000	3,700,000	0	0.0%
Total Funds	\$3,700,000	\$3,700,000	\$0	0.0%

PROGRAM DISCUSSION

The State Building Energy Conservation Program (SBECP), administered by the Department of Environmental Quality (DEQ), was established by the 1989 Legislature to reduce operating costs of state facilities by identifying and funding cost-effective energy/water efficiency improvement projects. Statutory authority is found in Title 90, Chapter 4, part 6, MCA.

Projects with the potential for energy/water savings are funded through the SBECP and are often components of projects jointly funded with Long-Range Building Program funds.

SUMMARY OF LEGISLATIVE ACTION

The 68th Legislature provided \$3.7 million of appropriations for the SBECP in the 2025 biennium. Figure 15 shows the projects planned for the appropriation in HB 5, project investment, the anticipated annual energy savings associated with the projects, and the total years to repay project costs.

STATE BUILDING ENERGY CONSERVATION PROGRAM

Figure 15

State Building Energy Conservation Program				
Long-Range Planning Recommendations: HB 5 - 2025 Biennium				
Dept.	Project Title	Project Investment	Est. Annual Savings	Simple Payback/Yrs
<u>Fish, Wildlife, and Parks</u>				
	Pictograph Cave State Park - Lighting Upgrade	\$10,000	800	13
	First Peoples - Lighting Upgrade	7,500	850	9
	Makoshika SP - Visitor Center Basement Lighting Upgrade	2,000	100	20
	Makoshika Park - Solar PV	26,000	2,600	10
	Giant Springs Hatchery - Lighting Upgrade	25,000	2,500	10
<u>Department of Natural Resources & Conservation</u>				
	Missoula Campus Lighting Upgrade (Spurgin Road)	108,440	7,000	20
<u>Labor and Industry</u>				
	Polson Job Service - Lighting Upgrade	9,500	1,200	8
<u>MT University System</u>				
	MT Tech Bureau of Mines & Geology - Billings Office Lighting Upgrade	16,000	1,300	12
	MT Tech Bureau of Mines & Geology - Billings Office Server Room Chiller	6,200	1,200	5
	Miles City Comm College - Main Campus Lighting Upgrade w/Boiler Replacement	75,000	22,500	13
	UM Western Campus - Expanded Lighting Upgrade	30,000	42,250	10
<u>Additional Projects TBD</u>				
	COR/DOJ/DPPHS/MUS Lighting Upgrades & Energy Improvements	3,384,360	22,624	
Total Funding / Savings		\$3,700,000	\$104,924	

The legislature adopted the proposed budget for the SBECP at the same funding level as the 2023 biennium. The budget will fund eleven specific projects and provide additional projects to be determined.

FUNDING

The SBECP is a revolving loan program. Agencies borrow from the program for the costs of the project, and then reimburse the program for those costs with the savings realized through the projects. In addition to the project costs, agencies also pay an interest rate equal to 3.0% on the unpaid balances of loans, which funds the administrative costs of the program.

EXECUTIVE BUDGET COMPARISON

The 67th Legislature made no changes from the executive request for the SBECP.

LONG-RANGE INFORMATION TECHNOLOGY PROGRAM

PROGRAM BUDGET COMPARISON

Figure 16 compares the 2023 biennium appropriated budget to the 2025 biennium appropriated budget by type of expenditure and source of funding.

Figure 16

Program Comparison - Long-Range Information Technology Program				
Budget Item	Budget 2023 Biennium	Budget 2025 Biennium	Biennium Change	Biennium % Change
	<u>Appropriated</u>	<u>Appropriated</u>		
Projects Cost	53,500,000	237,971,616	184,471,616	344.8%
Total Costs	\$53,500,000	\$237,971,616	\$184,471,616	344.8%
Capital Project Fund ¹	500,000	145,230,218	144,730,218	28946.0%
State Special	3,000,000	11,945,193	8,945,193	298.2%
Federal Special	50,000,000	80,796,205	30,796,205	61.6%
Total Funds	\$53,500,000	\$237,971,616	\$184,471,616	344.8%
¹ The capital project fund consists of transfers from the general fund				

PROGRAM DISCUSSION

The Long-Range Information Technology Program (LRITP) provides a comprehensive method for funding large information technology (IT) investments under a single program. The LRITP consolidates all major IT projects in one appropriation bill and defines major IT investments as capital projects. All the executive branch projects included in the LRITP program will be administered by the Department of Administration, State Information Technology Support Division (SITSD).

SUMMARY OF LEGISLATIVE ACTION

The 68th Legislature provided \$238.0 million of appropriations for the LRITP for the 2025 biennium. Figure 17 shows the LRITP projects by agency, project name, and fund type.

LONG-RANGE INFORMATION TECHNOLOGY PROGRAM

Figure 17

Long-Range Information Technology Program (LRITP) HB 10 - 2025 Biennium				
Agency / Project	LRITP Capital Projects Funds	State Special	Federal Special	Total
Department of Administration				
1 MT Cybersecurity Enhancement Project (SITSD)	\$19,362,397			\$19,362,397
2 E-Discovery/Public Information Request Software (SITSD)	1,800,000			1,800,000
Department of Agriculture				
3 Commodity Assessment System	350,000	20,000		370,000
4 SAFHER Federal System		166,667	33,333	200,000
5 Grant Management System		40,000	20,000	60,000
Department of Livestock				
6 Animal Health System		450,000		450,000
7 Snowflake Integration		125,000		125,000
8 Google AI		425,000		425,000
Public Service Commission				
9 Software Modernization (REDDI)		1,496,436		1,496,436
Department of Natural Resources and Conservation				
10 Financial Management System	607,800	596,200		1,204,000
11 Fire Finance Processing System	500,000			500,000
12 Flathead Reservation Information Technology System	656,667			656,667
13 Trust Land Management System Customer Portal	2,000,000			2,000,000
Department of Corrections				
14 Offender Management System	17,750,000			17,750,000
Department of Public Health and Human Services				
15 Comprehensive Child Welfare Information System	12,537,881		12,537,881	25,075,762
16 MT Child Support Enhancement Automated System	4,412,940	6,304,200	20,803,860	31,521,000
17 Electronic Health Records & Billing - State Facilities	25,000,000	2,321,690	285,614	27,607,304
18 MT Healthcare Programs Modularity Project	4,940,613		44,465,517	49,406,130
19 SNAP Employment & Training Enterprise Solution	1,400,000		1,400,000	2,800,000
20 Electronic Benefits Transfer System Replacement	1,250,000		1,250,000	2,500,000
Subtotal - SITSD Appropriations	\$92,568,298	\$11,945,193	\$80,796,205	\$185,309,696
Judicial Branch/Supreme Court				
21 Courtroom Remote Appearance Video System	782,500			782,500
22 Courthouse Security Initiative	500,000			500,000
Department of Justice Proposed Appropriations				
23 MERLIN System Replacement	45,215,100			45,215,100
MUS University of Montana				
24 MUS UM CyberMontana Cybersecurity Initiative	6,164,320			6,164,320
Subtotal - Judicial Branch/DOJ & MUS UM	52,661,920	0	0	52,661,920
Total Long-Range Information Technology Program	\$145,230,218	\$11,945,193	\$80,796,205	\$237,971,616

LONG-RANGE INFORMATION TECHNOLOGY PROGRAM

PROJECT DESCRIPTIONS

LRITP appropriations amounting to \$238.0 million for capital projects are approved in HB 10 from capital project, state special revenue, and federal special revenue accounts. A brief description of the LRITP projects included in Figure 17 is provided below.

For each project, the appropriation for the indicated project will fund:

Department of Administration

1. MT Cybersecurity Enhancement Project (SITSD) – assesses the state's cybersecurity program maturity based on 128 criteria; provides expert analysis and zero trust roadmap recommendations; performs cyber hygiene assessments of applications, data, and users according to access policies; automates intelligent risk-based access based on data classification and device health; and reduces the cyberattack surface by implementing zero trust endpoint segmentation between workstations on the network
2. E-Discovery/Public Information Request Software (SITSD) – enhances the capabilities for the State of Montana to retain and access data, ensure compliance with state regulations, and respond to data requests in a timely manner

Department of Agriculture

3. Commodity Assessment System – an online application that will allow Department of Agriculture producers to electronically submit their commodity data and make their assessment payments
4. System for Agriculture, Food, Health, E-inspections, and Registration (SAFHER) Federal System – replacement of the current system, MT Plants, with a federal industry-developed system for agriculture, food, health, e-inspections, and registration
5. Grant Management System - an automated grant management system with the capacity to interface with the statewide financial system (SABHRS) for grants that are administered by the Department of Agriculture for research, development, and marketing of Montana's agriculture industry. The funding will add functionality to the Department of Commerce's Service Now grants management system to adapt to the Department of Agriculture's grant needs

Department of Livestock

6. Animal Health System – A replacement or upgrade of the outdated and unsupported legacy applications currently in use with a commercial off-the-shelf (COTS) replacement preferably with a cloud smart approach. The system to be replaced serves as a key repository for animal identification records, import and animal movement records, and disease testing records to ensure traceability in the event of a foreign animal disease outbreak, and compliance with state law. The system also provides the capability for Montana veterinarians to utilize electronic methods for issuing health certificates prior to export of Montana livestock out of state. This will be a form, fit, function replacement for existing operability with improvements to areas where Animal Health deems the cost appropriate
7. Snowflake Integration - integrate the data from the Department of Livestock systems, new and old, by replicating production databases and moving data from retiring legacy systems onto the cloud data platform for data integration and robust query tools. The Department of Livestock systems including the Brands Division, Animal Health Division, and Central Services Division will have replicated databases from any existing, upgraded, or legacy systems loaded to the data cloud for inclusion in a robust query and reporting tool. The objectives of the project are to allow for robust reporting, provide long-term digital backup of both current and legacy systems, and allow for data integrations with state and federal

LONG-RANGE INFORMATION TECHNOLOGY PROGRAM

partners for improved communication and data sharing. Additionally, the integration of the data from this system will assist in developing real-time audit procedures, violation tracking, paper storage reduction, and reduce the time required to fulfill FOIA requests

8. Google Artificial Intelligence (AI) - Google AI for Livestock is a Doc AI project combined with a vision AI integration that serves to recognize data and hand drawn images from Livestock inspection forms for entry into the Livestock inspection system. The purpose of the Google AI project is to digitize and automate the inflow of the Livestock inspections forms used to perform inspections when technology fails or is not in use

Public Service Commission (PSC)

9. Software Modernization – Replacement of Electronic Database and Docketing System (REDDI) - implements the REDDI Project utilizing the professional services of Stratosphere on the Pega Platform Case Management. PSC will utilize the Pega platform through a licensing subscription

Department of Natural Resources and Conservation (DNRC)

10. Financial Management System - A comprehensive, enterprise financial system for the Department that provides efficiency in expenditure tracking, improves internal controls, provides for electronic records management and interfaces with the Statewide Accounting, Budgeting and Human Resource System (SABHRS). The new system proposed will be built on standard COTS financial software platforms with modern accounting and audit support functions
11. Fire Finance Processing System - Software application to summarize fire costs and that will meet business needs associated with contracting, tracking, billing, and paying for resources used to fight wildland fire. The DNRC Fire Finance and Incident Business processes are extremely complex involving collaboration among local, state, and federal agencies as well as numerous business entities. DNRC is looking to implement robust financial tracking, cost-sharing, and incident reporting features to be able to provide near real-time data about these resources to different stakeholders (internal fire operations personnel, internal leadership, external partners, contractors, public, etc.)
12. Flathead Reservation Information Technology System – Funding is to engage technology development that will allow the Board to administer their water rights in the existing and newly replaced Water Rights Information System. The DNRC is actively and currently engaged in a formalized discovery engagement with its contractor. This discovery will result in a level of effort, schedule, and cost associated in hiring a contractor to execute the development, project management, and business analysis necessary to deliver enhanced and changed features and business functionality within the WRIS that will allow the Board to conduct statutorily mandated business operations
13. Trust Land Management System Customer Portal - An externally facing portal for the new Trust Lands Management System to allow customers to manage their leases, payments, and relationship with the Trust Lands Division

Department of Corrections

14. Offender Management System - This project is to replace the current, internally built system with a commercial off-the-shelf (COTS), Cloud Smart system that is vendor supported. This project will involve issuing an RFP to procure and implement a COTS Offender Management System. Additionally, the Department would engage with a contractor to provide assistance in the form of vendor management, independent verification and validation, and project management

LONG-RANGE INFORMATION TECHNOLOGY PROGRAM

Department of Public Health and Human Services

15. Comprehensive Child Welfare Information System - DPHHS will replace their legacy system with a modularized child welfare information system. The modernized system will support the child welfare services provided by Child Family Services Division (CFSD) and achieve compliance with the Comprehensive Child Welfare Information System (CCWIS) requirements. The new system modules will operate concurrently with the current system until all functionality has been completed, and the current system is retired
16. Montana Child Support Enhancement Automated System - This project is for a full system replacement based on modern technology meeting the federal requirements for system certification. Once funding is secured, a full request for proposal will be issued to identify requirements for a full-scale system replacement. The objective of the project is for a fully functional, certified state automated state child support system
17. Electronic Health Records & Billing – State Facilities - This project is for the procurement, design, and enablement of an Electronic Health Records (EHR) system with billing functionality at DPHHS' seven state-run healthcare facilities and includes deployment of a comprehensive EHR system that allows the electronic entry, storage, and maintenance of digital medical data
18. Montana Healthcare Program Modularity Project – This project is to meet the requirements of federal/state initiatives for multiple systems under the Montana Healthcare Programs Modularity Project (MPATH) program. Funding is to replace the legacy Pharmacy Claims Processing System, procure and implement an Electronic Visit Verification (EVV) system, and invest in technology to support the Interoperability and Patient Access Final Rule
19. Supplemental Nutrition Assistance Program (SNAP) Employment & Training Enterprise Solution - The objective of the project is to strengthen the way DPHHS serves SNAP recipients through employment and training. This project will automate manual processes, create program efficiencies, and deliver against the state's digital transformation imperatives
20. Electronic Benefits Transfer (EBT) System Replacement - The Department's EBT contract expires in September 2025, and the current vendor will discontinue services at that time. This project is to procure, design, develop, and implement a new EBT system to continue providing SNAP, Temporary Assistance for Needy Families (TANF), and Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) benefits

Judicial Branch

21. Courtroom Remote Appearance Video Technology Project - Addition and expansion of video equipment in Montana's 75 courtrooms statewide. The Judicial Courtroom Remote Appearance Video Technology Project is an equipment deployment project that will require equipment purchasing, taking into consideration information technology procurement request (ITPR) processes and rules, equipment receiving and asset logging, implementation planning, installation scheduling, technical installations, and new equipment training. 35 courtrooms (75.0% of all caseloads) will be equipped with 3-camera video systems and 85" television setups. 18 courtrooms will be equipped with multi-camera capable video equipment and television setups
22. Courthouse Security Initiative – Includes an in-depth statewide security and safety review of courthouses and the purchase of equipment or building/parking lot modifications as outlined by the professional security review

LONG-RANGE INFORMATION TECHNOLOGY PROGRAM

Department of Justice

23. Montana Enhanced Registration and Licensing Information Network (MERLIN) System Replacement - The Motor Vehicle Division (MVD) has contracted with Fast Enterprises to replace MERLIN with CARS (Credentialing and Registration System). On October 11, 2022, a scheduling and appointment module was deployed across MVD stations and as an option for counties. This module saw the opportunity to introduce modern abilities to confirm and cancel appointments via text message and in-office queueing features. The second phase of the CARS project will replace Driver License functionality in MERLIN and is in progress, with a go-live date of November 13, 2023

Montana University System

24. University of Montana CyberMontana Cybersecurity Initiative - CyberMontana is a statewide initiative that provides cybersecurity education, training, and workforce development for businesses and residents of Montana. CyberMontana provides cybersecurity education to learners of all ages, both technical and non-technical. Young learners can start with the STEM Summer Camps and progress to dual enrollment offerings for high school students. Individuals looking to train for a career in cybersecurity can explore certificate and degree programs, while those already in the field can build their current skill set through professional development and upskilling. CyberMontana also enters into industry partnerships with local and regional businesses to provide security awareness training and educate employees on best practices in computer and network security

FUNDING

Funding for LRITP capital projects is made through the LRITP capital projects fund. The LRITP fund does not have a dedicated revenue source, but instead relies on fund transfers and agency funds to pay the costs of major IT projects. The program includes projects for agencies that rely on state special and federal special revenues to support their administrative costs, and their projects are funded with their program funds. In the 2025 biennium, the LRITP will receive a transfer from the general fund of \$145.2 million to fund projects not funded with state special or federal special sources.

LONG-RANGE INFORMATION TECHNOLOGY PROGRAM

EXECUTIVE BUDGET COMPARISON

Figure 18 provides the legislative changes from the executive budget proposal.

Figure 18

Executive Budget Comparison - Long-Range Information Technology Program				
Budget Item	Budget	Budget	Change	% Change
	2025 Biennium	2025 Biennium		
	<u>Proposed</u>	<u>Appropriated</u>		
Projects Cost	\$240,316,406	\$237,971,616	(\$2,344,790)	-1.0%
Total Costs	\$240,316,406	\$237,971,616	(\$2,344,790)	-1.0%
Capital Project Fund ¹	147,575,008	145,230,218	(2,344,790)	-1.6%
State Special	11,945,193	11,945,193	0	0.0%
Federal Special	80,796,205	80,796,205	0	0.0%
Total Funds	\$240,316,406	\$237,971,616	(\$2,344,790)	-1.0%
¹ The capital project fund consists of transfers from the general fund				

The 68th Legislature reduced funding for seven projects from the executive proposal; the reduction totaled \$8.2 million of LRITP capital project funds. One project, the University of Montana’s CyberMontana cybersecurity initiative, was added, funded with \$6.2 million of LRITP capital project funds. The net difference, in comparison to the executive proposal, is a reduction of \$2.3 million of LRITP capital project funds.

The legislature removed the proposed repayment to the general fund for the Department of Justice’s MERLIN system replacement project. Reporting requirements to the public safety and long-range planning interim budget committees were added for the project.

MONTANA COAL ENDOWMENT PROGRAM

PROGRAM BUDGET COMPARISON

Figure 19 compares the 2023 biennium appropriated budget to the 2025 biennium appropriated budget by type of expenditure and source of funding.

Figure 19

Program Comparison - Montana Coal Endowment Program				
Budget Item	Budget 2023 Biennium	Budget 2025 Biennium	Biennium Change	Biennium % Change
Budget Item	<u>Appropriated</u>	<u>Appropriated</u>	<u>Change</u>	<u>% Change</u>
Number of Grants Funded (infrastructure)	41	40	(1)	-2.4%
Number of Grants Funded (bridge)	7	12	5	71.4%
Infrastructure Grants Cost	\$23,577,698	\$23,843,500	\$265,802	1.1%
Bridge Grants Cost	3,169,451	6,366,213	3,196,762	100.9%
Other Grants Cost	1,000,000	1,000,000	0	0.0%
Total Costs	\$27,747,149	\$31,209,713	\$3,462,564	12.5%
State Special	3,169,451	31,209,713	28,040,262	884.7%
Bond Proceeds	0	0	0	0.0%
ARPA 9901-602 (HB 632)	24,577,698	0	(24,577,698)	0.0%
Total Funds	\$27,747,149	\$31,209,713	\$3,462,564	12.5%

PROGRAM DISCUSSION

The Montana Coal Endowment Program (MCEP) is a local government infrastructure-financing program approved by Montana voters with the passage of Legislative Referendum 110 in June 1992. Grant funding for the program is derived from investment earnings on coal severance tax funds. According to 90-6-702, MCA, the purpose of MCEP is to assist local governments in funding infrastructure projects. Eligible applicants include cities, towns, counties, and tribal governments, county or multi-county water, sewer, or solid waste districts. The MCEP is administered by the Department of Commerce (DOC). The MCEP administrators recommend, and the legislature authorizes, grants through a process that ranks the projects according to seven statutory priorities and relative financial need. Projects are generally funded in priority order, given the amount of interest earnings anticipated in the biennium.

SUMMARY OF LEGISLATIVE ACTION

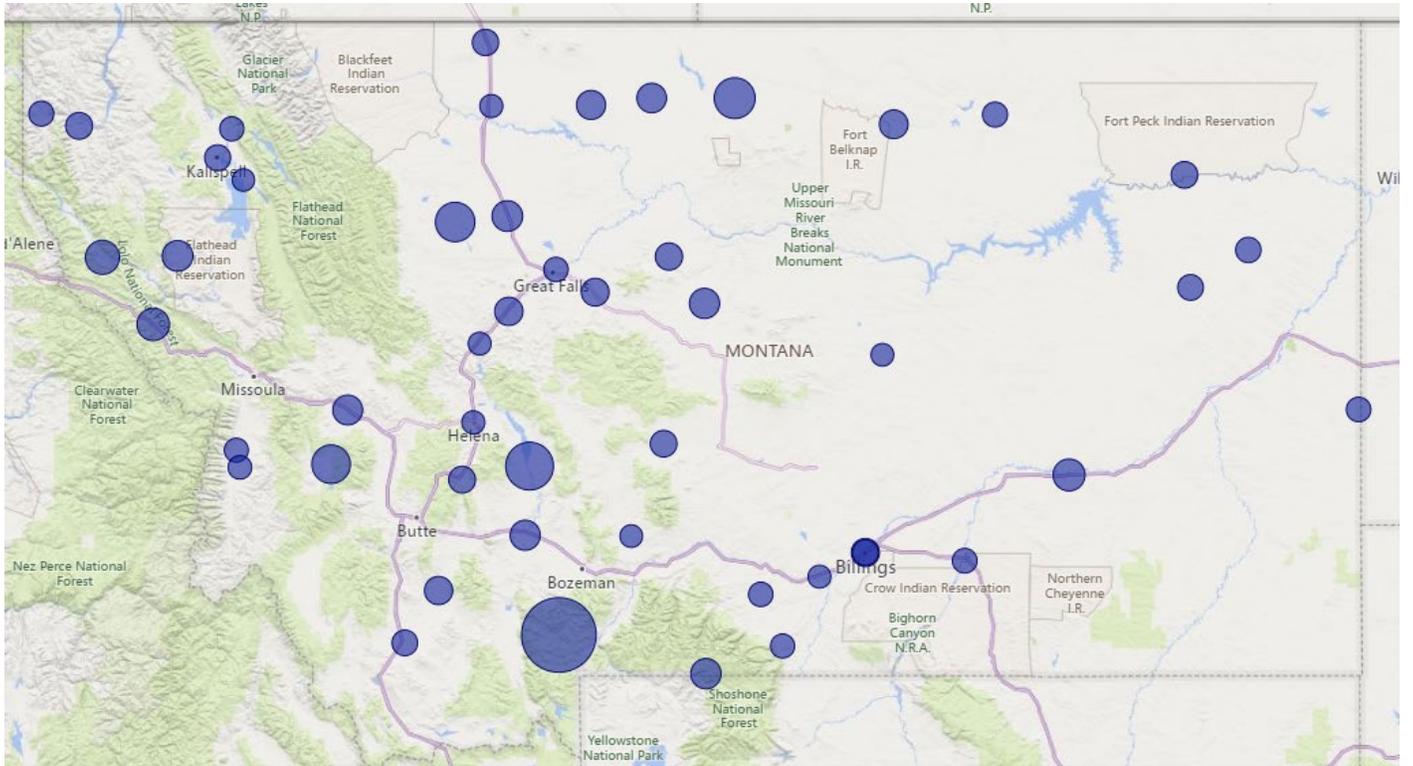
The 68th Legislature appropriated \$31.2 million for MCEP in HB 11 for the 2025 biennium. The MCEP budget is \$3.5 million, or 12.5% greater than the levels of appropriation in the 2023 biennium. The 2023 biennium infrastructure projects were funded with federal American Rescue Plan Act funding; projects authorized in the 2025 biennium are funded with state special revenue. The fund type switch is shown in the bottom portion of Figure 19. From the total appropriations, \$6.4 million funds 12 bridge grants, and \$23.8 million funds 40 water/wastewater grants. Other appropriations in the bill total \$1.0 million and consist of \$100,000 for emergency grants and \$900,000 for project planning grants.

Figure 20 shows a map of the projects authorized in HB 11; the funding, denoted by the size of the marker in the map, reflects total cost of each project and includes both state and matching funds. A complete list of the MCEP projects authorized by the 68th Legislature is seen in Figure 21. Note that funding for the MCEP Regional Water

MONTANA COAL ENDOWMENT PROGRAM

program, which is also included in HB 11, is not included in the map. Projects will be identified during the biennium, and the regional water authorities will work with the DNRC for approval and funding of those projects.

Figure 20



MONTANA COAL ENDOWMENT PROGRAM

Figure 21

Montana Coal Endowment Program (MCEP)						
HB 11 - 2025 Biennium						
Rank	Applicant	County	Type of Project	Total Project Cost	Grant Requested	Cumulative Total
<u>HB 11 - Bridge Program</u>						
1	Beaverhead County	Beaverhead	Bridge	\$1,834,038	\$750,000	\$750,000
2	Yellowstone County	Yellowstone	Bridge	1,864,767	750,000	1,500,000
3	Lewis & Clark County	Lewis & Clark	Bridge	759,860	379,930	1,879,930
4	Big Horn County	Big Horn	Bridge	1,439,081	500,000	2,379,930
5	Park County	Park	Bridge	599,244	299,622	2,679,552
6	Gallatin County	Gallatin	Bridge	1,889,294	750,000	3,429,552
7	Broadwater County	Broadwater	Bridge	1,814,491	750,000	4,179,552
8	Petroleum County	Petroleum	Bridge	620,420	465,300	4,644,852
9	Wibaux County	Wibaux	Bridge	1,383,700	691,350	5,336,202
10	Madison County	Madison	Bridge	998,922	499,461	5,835,663
11	Stillwater County	Stillwater	Bridge	684,100	340,550	6,176,213
12	Town of Drummond	Granite	Bridge		190,000	190,000
Total HB 11 Bridge Projects				\$13,887,917	\$6,366,213	
<u>HB 11 - Infrastructure Program</u>						
1	Cascade, Town of	Cascade	Wastewater	3,091,000	625,000	625,000
2	Havre, City of	Hill	Water	8,355,390	500,000	1,125,000
3	Dodson, Town of	Phillips	Water	3,250,300	500,000	1,625,000
4	Thompson Falls, City of	Sanders	Water	5,523,000	750,000	2,375,000
5	Twin Bridges, Town of	Madison	Water	2,040,000	750,000	3,125,000
6	Dutton, Town of	Teton	Water	4,079,000	625,000	3,750,000
7	Geraldine, Town of	Choteau	Water	2,643,000	500,000	4,250,000
8	Wolf Point, City of	Roosevelt	Wastewater	2,400,000	625,000	4,875,000
9	Forsyth, City of	Rosebud	Water	4,630,258	500,000	5,375,000
10	Saco, Town of	Phillips	Wastewater	1,695,000	500,000	5,875,000
11	Troy, City of	Lincoln	Water	1,555,000	750,000	6,625,000
12	Choteau, City of	Teton	Water	7,767,856	625,000	7,250,000
13	Craig County Water & Sewer District	Lewis & Clark	Wastewater	800,000	400,000	7,650,000
14	Red Lodge, City of	Carbon	Wastewater	1,325,000	500,000	8,150,000
15	Superior, Town of	Mineral	Wastewater	4,824,295	750,000	8,900,000
16	Libby, City of	Lincoln	Wastewater	2,363,000	460,000	9,360,000
17	Corvallis Sewer District	Ravalli	Wastewater	1,123,210	500,000	9,860,000
18	Shelby, City of	Toole	Wastewater	889,000	444,500	10,304,500
19	Hot Springs, Town of	Sanders	Wastewater	4,111,000	750,000	11,054,500
20	Hideaway Community County Water & Sewer District	Flathead	Wastewater	1,373,378	750,000	11,804,500
21	Belt, Town of	Cascade	Water	2,855,000	500,000	12,304,500
22	Bigfork Water & Sewer District	Flathead	Wastewater	4,115,000	500,000	12,804,500
23	Martinsdale Water & Sewer District	Meagher	Water	1,998,000	750,000	13,554,500
24	Victor WSD	Ravalli	Wastewater	1,283,000	500,000	14,054,500
25	Cooke Pass/Cooke City/Silvergate Co Sewer District	Park	Wastewater	3,933,186	750,000	14,804,500
26	Absarokee Water & Sewer District	Stillwater	Water	1,446,000	500,000	15,304,500
27	Boulder, City of	Jefferson	Water	2,458,000	500,000	15,804,500
28	Richey, Town of	Dawson	Water	1,850,000	500,000	16,304,500
29	Circle, Town of	McCone	Water	2,000,000	625,000	16,929,500
30	Kalispell, City of	Flathead	Water/Wastewater	2,104,695	750,000	17,679,500
31	Lockwood Water & Sewer District	Yellowstone	Water	3,010,000	750,000	18,429,500
32	Phillipsburg, Town of	Granite	Water	7,255,955	625,000	19,054,500
33	Chester, Town of	Liberty	Wastewater	3,416,975	500,000	19,554,500
34	Hingham, Town of	Hill	Wastewater	3,610,455	750,000	20,304,500
35	Black Eagle-Cascade County W/S District	Cascade	Wastewater	1,329,620	414,000	20,718,500
36	Denton, Town of	Fergus	Wastewater	3,890,100	500,000	21,218,500
37	Drummond, Town of	Granite	Wastewater	3,548,470	500,000	21,718,500
38	Gallatin Canyon County Water & Sewer District	Gallatin	Wastewater	22,500,000	750,000	22,468,500
39	Townsend, City of	Broadwater	Water	11,131,098	750,000	23,218,500
40	Sunburst, Town of	Toole	Wastewater	2,245,000	625,000	23,843,500
Total Infrastructure Projects				149,819,241	23,843,500	
Total MCEP Projects				\$163,707,158	\$30,209,713	

MONTANA COAL ENDOWMENT PROGRAM

FUNDING

The MCEP administrative costs and grant appropriations are funded with the interest earnings from a coal severance tax endowment trust. The MCEP trust is a “sub-trust” of the permanent coal severance tax trust. The corpus of the sub-trust is fixed at \$268.0 million. The interest earned from the trust is transferred into the state special revenue fund authorized in 90-6-701, MCA.

Figure 22 shows the projected ending fund balance of the MCEP state special revenue account for the 2025 biennium. The MCEP account is projected to begin the 2025 biennium with a fund balance of \$15.8 million, and MCEP interest earnings are expected to be \$24.0 million for the 2025 biennium.

Figure 22

MCEP Fund Balance Analysis - 2025 Biennium Accounts 09044 and 02270					
	FY 2022 Actuals	FY 2023 Projected ³	FY 2024 Projected	FY 2025 Projected	2025 Bien.
Beginning Fund Balances	\$15,061,556	\$17,830,303	\$15,762,223	(\$4,549,892)	\$15,762,223
Fund Balance Adjustment		\$15,156			
Coal SubTrust Earnings ¹	9,076,714	10,795,013	11,722,290	12,306,782	24,029,072
Expenditures					
HB 2 MCEP Administration ²	697,526	820,240	824,692	852,343	1,677,035
Emergency Grants			100,000	0	100,000
Project Planning Grants		431	900,000	0	900,000
Prior Biennia Grants	5,548,188	8,950,380	0	0	0
2025 Biennium Grants	<u>62,253</u>	<u>3,107,198</u>	<u>30,209,713</u>	<u>0</u>	<u>30,209,713</u>
Total Expenditures/Appropriations	6,307,967	12,878,249	32,034,405	852,343	32,886,748
Projected Ending Fund Balance	\$17,830,303	\$15,762,223	(\$4,549,892)	\$6,904,547	\$6,904,547
¹ HJ 2 Projections					
² HB 2					

Appropriations for the 2025 biennium total \$32.8 million; this includes both grants and administrative costs, which are appropriated in HB 2. The administrative costs include the HB 13 (2023) pay plan adjustments. The 2025 biennium ending fund balance is projected to be approximately \$7.0 million.

MONTANA COAL ENDOWMENT PROGRAM

EXECUTIVE BUDGET COMPARISON

Figure 23 provides the legislative changes from the executive budget proposal.

Figure 23

Executive Budget Comparison - Montana Coal Endowment Program				
Budget Item	Budget 2025 Biennium	Budget 2025 Biennium	Biennium Change	Biennium % Change
Budget Item	<u>Executive Proposal</u>	<u>Appropriated</u>	<u>Change</u>	<u>% Change</u>
Number of Grants Funded (infrastructure)	40	40	0	0.0%
Number of Grants Funded (bridge)	11	12	1	9.1%
Infrastructure Grants Cost	\$23,843,500	\$23,843,500	\$0	0.0%
Bridge Grants Cost	6,176,213	6,366,213	190,000	3.1%
Other Grants Cost	1,000,000	1,000,000	0	0.0%
Total Costs	\$31,019,713	\$31,209,713	\$190,000	0.6%
State Special	31,019,713	31,209,713	190,000	0.6%
Bond Proceeds	0	0	0	0.0%
ARPA 9901-602 (HB 632)	0	0	0	0.0%
Total Funds	\$31,019,713	\$31,209,713	\$190,000	0.6%

As seen in Figure 23, the appropriated budget is \$190,000 higher than the executive proposal for the MCEP program; this difference is for the addition of the Town of Drummond bridge grant.

OTHER LEGISLATION

The 68th Legislature enacted HB 795, which provides exemption for the Department of Commerce from review for infrastructure projects or planning under the Montana Environmental Policy Act (MEPA). As part of the application process, grant recipients have been required to conduct an environmental review; this legislation will change that requirement for the application process.

MONTANA COAL ENDOWMENT REGIONAL WATER PROGRAM

PROGRAM BUDGET COMPARISON

Figure 24 compares the 2023 biennium appropriated budget to the 2025 biennium appropriated budget by type of expenditure and source of funding.

Figure 24

Program Comparison - Montana Coal Endowment Regional Water Program				
Budget Item	Budget 2023 Biennium	Budget 2025 Biennium	Biennium Change	Biennium % Change
	<u>Appropriated</u>	<u>Appropriated</u>	<u>Change</u>	<u>% Change</u>
Projects Funding	5,000,000	10,000,000	5,000,000	100.0%
Total Costs	\$5,000,000	\$10,000,000	\$5,000,000	100.0%
State Special	0	10,000,000	10,000,000	0.0%
ARPA 9901-602 (HB 632)	5,000,000	0	(5,000,000)	-100.0%
Total Funds	\$5,000,000	\$10,000,000	\$5,000,000	100.0%

PROGRAM DISCUSSION

The 1999 Legislature created the Montana coal endowment regional water system fund as a sub-trust within the coal tax permanent trust. The Montana Coal Endowment Program Regional Water System (MCEPRW), established in 90-6-715, MCA, was created to provide a state match for the receipt of federal and local funds for the four large regional water projects in the state. The program is administered by the Department of Natural Resources and Conservation (DNRC). Interest from the trust can be distributed as a match to federal and local funds to the regional water authorities that have met certain conditions including:

- An executed agreement with DNRC
- A DNRC approved management plan
- A financial accounting system that conforms to GAAP principles
- A detailed preliminary engineering report

The interest from the trust is also used to pay administrative costs to the DNRC and the four regional water authorities:

- Dry Prairie Regional Water Authority
- North Central Montana Regional Water Authority
- Dry-Redwater Regional Water Authority
- Musselshell-Judith (Central) Regional Water Authority

SUMMARY OF LEGISLATIVE ACTION

The legislature provided appropriations of \$10.0 million for the MCEPRW program for the 2025 biennium in HB 11. This funding provides the state's share of the regional water system projects. Figure 25 shows the locations of the four regional water systems.

MONTANA COAL ENDOWMENT REGIONAL WATER PROGRAM

Figure 25

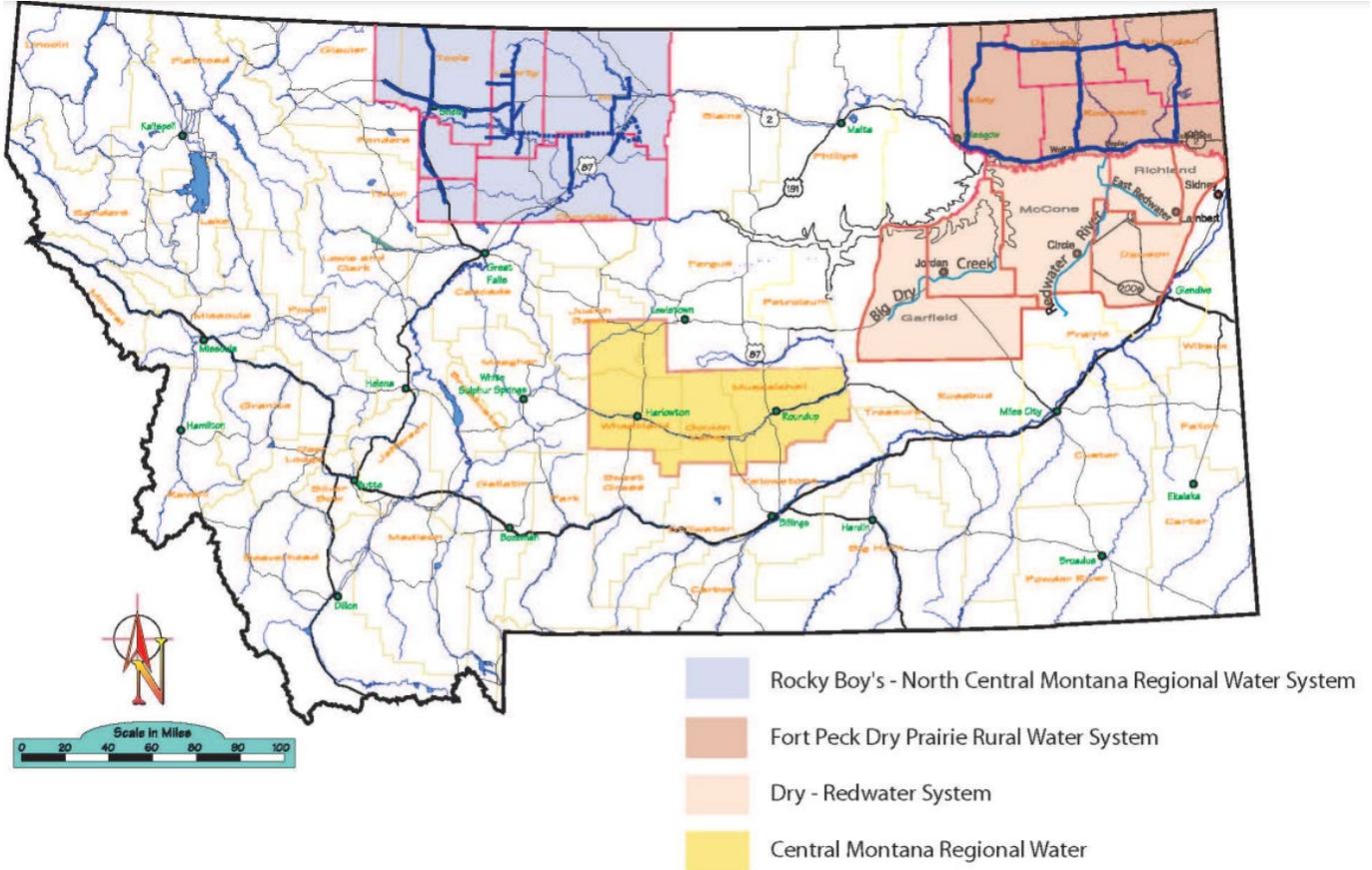


Image from the Department of Natural Resources & Conservation, Nov. 2022

FUNDING

The MCEPRW trust is a “sub-trust” of the permanent coal severance tax trust. The corpus of the sub-trust is fixed at \$98.1 million. The interest earned from the trust is transferred into the state special revenue fund authorized in Title 90, Section 6, part 7, MCA, to provide a match for the development of large “regional” water systems.

Figure 26 shows the estimate for the MCEPRW fund balance. The MCEPRW account is expected to begin the 2025 biennium with a balance of \$5.0 million. Interest and earnings in the 2025 biennium are projected to be \$7.5 million.

MONTANA COAL ENDOWMENT REGIONAL WATER PROGRAM

Figure 26

MCEP Regional Water System Fund Balance Analysis - 2025 Biennium					
Accounts 09047 and 02015					
	FY 2022 Actual	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected	2025 Biennium
Estimated Beginning Fund Balance	\$5,267,833	\$4,342,695	\$4,988,088	(\$2,629,270)	\$4,988,088
Fund Balance Adjustment		(338,868)			
Total		4,003,827			
Revenue Projections ¹					
Coal Subtrust Earnings	3,131,093	3,338,433	3,617,000	3,868,000	7,485,000
Expenditures					
Administration - DNRC ² & Regional Water Authority	112,738	157,000	342,435	346,806	689,241
Regional Water Authority Admin. Grants ²	746,000	939,391	891,923	891,923	1,783,846
Prior Biennia Authority	3,197,493	1,257,781	0	0	0
2025 Biennium Grants	0	0	10,000,000	0	10,000,000
Total Expenditures/Appropriations	4,056,231	2,354,172	11,234,358	1,238,729	12,473,087
Estimated Ending Fund Balance	\$4,342,695	\$4,988,088	(\$2,629,270)	\$1	\$1

¹HJ 2
²HB 2

The legislature appropriated total DNRC administrative costs of \$689,000 from the MCEPRW account in HB 2. HB 2 also includes \$1.8 million for administrative grants that fund the activities of the four regional water authorities. Appropriations in HB 2 and HB 11 for regional water systems totals \$12.5 million for the 2025 biennium. Funding is projected to be fully expended in the account for the 2025 biennium.

EXECUTIVE BUDGET COMPARISON

Figure 27 provides the legislative changes from the executive budget proposal.

Figure 27

Executive Budget Comparison - Montana Coal Endowment Regional Water Program				
Budget Item	Budget 2025 Biennium	Budget 2025 Biennium	Biennium Change	Biennium % Change
	<u>Proposed</u>	<u>Appropriated</u>	<u>Change</u>	<u>% Change</u>
Projects Funding	7,000,000	10,000,000	3,000,000	42.9%
Total Costs	\$7,000,000	\$10,000,000	\$3,000,000	42.9%
State Special	7,000,000	10,000,000	3,000,000	42.9%
Total Funds	\$7,000,000	\$10,000,000	\$3,000,000	42.9%

The legislature adopted a budget for the MCEPRW program with an increase of \$3.0 million or 42.9% greater than the executive proposal. The executive proposal had left a projected ending fund balance of approximately \$3.3 million in the account; the legislature adopted a budget that utilized that fund balance for projects.

RENEWABLE RESOURCE GRANT & LOAN PROGRAM

PROGRAM BUDGET COMPARISON

Figure 28 compares the 2023 biennium appropriated budget to the 2025 biennium appropriated budget by type of expenditure and source of funding.

Figure 28

Program Comparison - Renewable Resource Grant and Loan Program				
Budget Item	Budget 2023 Biennium	Budget 2025 Biennium	Biennium Change	Biennium % Change
Number of Grants Funded	76	72	(4)	-5.6%
Number of Loans Funded	9	12	3	25.0%
	<u>Appropriated</u>	<u>Appropriated</u>		
Grants Cost	\$9,220,788	\$8,910,000	(310,788)	-3.5%
Other Grants	2,050,000	7,400,000	5,350,000	72.3%
Milk River Repair & Maintenance Loan(s)	0	26,000,000	26,000,000	100.0%
Loan Program	101,695,000	129,415,000	27,720,000	21.4%
Total Costs	\$112,965,788	\$171,725,000	\$58,759,212	34.2%
State Special	0	16,310,000	16,310,000	0.0%
Milk River Loan Funding	0	26,000,000	26,000,000	0.0%
CST Bond Proceeds	101,695,000	129,415,000	27,720,000	21.4%
GO Bond Proceeds	0	0	0	0.0%
ARPA 9901-602 (HB 632)	11,270,788	0	(11,270,788)	0.0%
Total Funds	\$112,965,788	\$171,725,000	\$58,759,212	34.2%

PROGRAM DISCUSSION – (RRGL GRANTS)

The Renewable Resource Grant and Loan (RRGL) program was created by the 1993 Legislature. This program combines the former Renewable Resource Development Program, established in 1975, and the Water Development Program, established in 1981. As outlined under Title 85, Chapter 1, part 6, MCA, the purpose of the RRGL is to fund projects that “enhance Montana’s renewable resources through projects that measurably conserve, develop, manage, or preserve resources.” The Department of Natural Resources and Conservation (DNRC) administers the RRGL program. The RRGL program is normally appropriated in two bills, HB 6 (grants) and HB 8 (loans), which are presented separately in this report.

SUMMARY OF LEGISLATIVE ACTION

HB 6 (Grants)

As shown in Figure 28, the 68th Legislature provided \$16.3 million of state special revenue appropriations for grants in HB 6. This includes \$8.9 million for project grants and \$7.4 million for other grants, as outlined in Figure 29.

HB 6 also provides for a \$26.0 million general fund transfer; the funding will be held in escrow for a loan for

Figure 29

HB 6 - RRGL Other Grants Appropriations	
Emergency Grants	300,000
Project Planning Grants	3,500,000
Irrigation Grants	500,000
Watershed Mgt. Grants	500,000
Private Grants	100,000
Non-Point Source Pollution Reduction	2,500,000
Total	\$7,400,000

RENEWABLE RESOURCE GRANT & LOAN PROGRAM

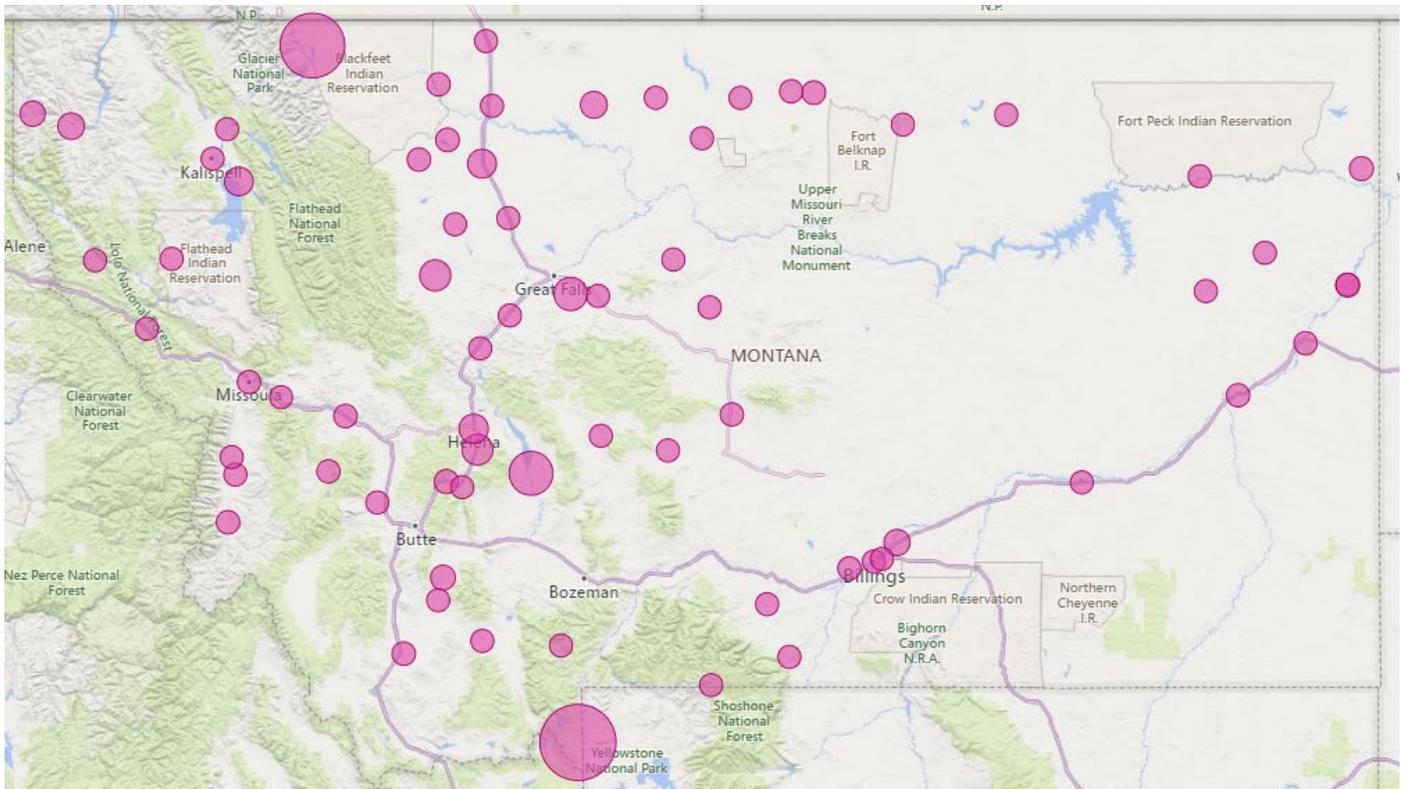
the Milk River project, dependent on the meeting of certain requirements. Loan contingencies include:

- The receipt of federal cost share that addresses the financial capability of the Milk River project contracting entities as cited in the Milk River project ability-to-pay study or the budget director adopting a repair plan from the Milk River Joint Board of Control
- The Milk River Joint Board of Control demonstrating to the satisfaction of the DNRC its technical, managerial, and financial capability to pay the annual costs of the loan repayment over the term of the loan

Repayment of interest for the loan will be held in a newly created state special revenue account, the Milk River repair and maintenance fund, to be used for long-term operations and maintenance of the Milk River project, as well as loans for the project.

Figure 30 shows a map of the HB 6 projects that were authorized, including the loan for the Milk River Project; the funding, denoted by the size of the marker in the map, includes both state and matching funds for some projects. Many of the water and wastewater projects included in HB 6 are also funded in HB 11; for those projects, the matching funds are included in Figure 20, the map of HB 11 projects. A complete list of the RRGL project grants authorized by the 68th Legislature is provided in Figure 31.

Figure 30



RENEWABLE RESOURCE GRANT & LOAN PROGRAM

Figure 31

Renewable Resource Grants (RRGL)					
HB 6 - 2025 Biennium					
Rank	Applicant / Project Title	Project Type	Total Project Cost	Grant Requested	Cumulative Total
HB 6 Projects					
1	Cooke City Cooke City Wastewater Treatment & Collection System	Wastewater	3,933,186	125,000	125,000
2	West Yellowstone, Town of West Yellowstone Wastewater Treatment Plant Project	Wastewater	33,114,700	125,000	250,000
3	Red Lodge, City of Red Lodge Wastewater System Improvements	Wastewater	1,325,000	125,000	375,000
4	Superior, Town of Superior Wastewater System Improvements Project	Wastewater	4,824,295	125,000	500,000
5	Choteau, City of Choteau Water System Improvements	Water	7,767,856	125,000	625,000
6	Cascade, Town of Cascade Wastewater System Improvements	Wastewater	3,091,000	125,000	750,000
7	Sand Coulee, Town of Sand Coulee Wastewater Improvements	Wastewater	6,534,776	125,000	875,000
8	Kalispell, City of Morning Star Court Water & Wastewater Improvement Project	Water/Wastewater	2,104,695	125,000	1,000,000
9	Saco, Town of Saco Water System Improvements	Wastewater	1,695,000	125,000	1,125,000
10	Drummond, Town of Wastewater Treatment Facility Upgrade	Wastewater	3,548,470	125,000	1,250,000
11	Craig County WSD Craig Wastewater System Improvements	Wastewater	800,000	125,000	1,375,000
12	Gallatin Canyon County Water Sewer District Gallatin Canyon Sewer Project Phase 1.2	Wastewater	22,500,000	125,000	1,500,000
13	Thompson Falls, City of Thompson Falls Water System Improvements Project	Water	5,523,000	125,000	1,625,000
14	Corvallis County Sewer District Corvallis Wastewater Collection System Improvements	Wastewater	1,123,210	125,000	1,750,000
15	Helena, City of Red Mountain Flume Repairs Project #22-05	Water	2,368,052	125,000	1,875,000
16	Havre, City of City of Havre Water System Improvements Project	Water	8,355,390	125,000	2,000,000
17	Bigfork County Water and Sewer District West Trunk Sewer Replacement & Collection Basin Rehabilitation Project	Wastewater	4,115,000	125,000	2,125,000
18	Belt, Town of Town of Belt Water System Improvements	Water	2,855,000	125,000	2,250,000
19	Lincoln County Libby Creek Community Water & Waste Water Improvements	Water/Wastewater	2,363,000	125,000	2,375,000
20	Richey, Town of Richey Water Main Replacement Phase 2	Water	1,850,000	125,000	2,500,000
21	Geraldine, Town of Geraldine Water System Improvements	Water	2,643,000	125,000	2,625,000
22	Victor Water & Sewer District Victor Wastewater Collection and Treatment Improvements Project	Wastewater	1,283,000	125,000	2,750,000
23	Forsyth, City of City of Forsyth Water System Improvements	Water	4,630,258	125,000	2,875,000
24	Townsend, Town of Townsend Water System Improvements Project	Water	13,046,015	125,000	3,000,000
25	Martinsdale Water and Sewer District Water System Improvements	Water	1,998,000	125,000	3,125,000
26	Twin Bridges, Town of Twin Bridges Water System Improvements	Water	2,040,000	125,000	3,250,000
27	Dodson, Town of	Water	3,250,300	125,000	3,375,000

RENEWABLE RESOURCE GRANT & LOAN PROGRAM

Figure 31 - Continued

Dodson Water System Improvements					
28	Sunburst, Town of Sunburst Wastewater Distribution & Treatment Project	Wastewater	2,245,000	125,000	3,500,000
29	Philipsburg, Town of Water Main Replacement Alley between Broadway and Stockton (Duffy-Sansome)		241,995	125,000	3,625,000
30	Missoula, City of City of Missoula Comprehensive Stormwater Plan	Stormwater/Planning	252,200	125,000	3,750,000
31	Denton, Town of Denton Wastewater System Upgrades Phase 1	Wastewater	3,890,100	125,000	3,875,000
32	Dutton, Town of Dutton Water System Improvements	Water	4,079,000	125,000	4,000,000
33	Circle, Town of Circle Waterline Replacement Project Phase 4	Water	2,000,000	125,000	4,125,000
34	Clancy Water and Sewer District Clancy Water System Improvements	Water	5,048,600	125,000	4,250,000
35	Basin County Water and/or Sewer District Basin Water System Improvements Project	Water	736,334	125,000	4,375,000
36	Wolf Point, City of Wolf Point Wastewater Project Phase 1	Wastewater	2,400,000	125,000	4,500,000
37	Hideaway Community County Water & Sewer District Hideaway Court Community Sewer Project (HCCWSD)	Wastewater	1,373,378	125,000	4,625,000
38	Chester, Town of Chester Wastewater Improvements Project	Wastewater	3,416,975	125,000	4,750,000
39	Troy, City of Troy Water System Improvements Project	Water	1,540,000	125,000	4,875,000
40	Lockwood Water and Sewer District Lockwood Water and Sewer District Mid Zone Reservoir		3,010,000	125,000	5,000,000
41	Hot Springs, Town of Hot Springs Sewer Lagoon Rehabilitation Project	Wastewater	4,111,000	125,000	5,125,000
42	Hingham, Town of Hingham Wastewater System Improvements Project	Wastewater	3,610,455	125,000	5,250,000
43	Chester, Town of Chester Water System Improvements Project	Water	2,375,800	125,000	5,375,000
44	Shelby, City of Shelby Wastewater Improvements Project	Wastewater	889,000	125,000	5,500,000
45	Conrad, City of Conrad Storm Water Project	Stormwater	3,778,313	125,000	5,625,000
46	Absarokee Water and Sewer District Absarokee Water and Sewer District Water System Improvements		\$1,446,000	\$125,000	\$5,750,000
47	North Cut Bank Glacier County Water & Sewer District Wastewater Lift Station Improvements	Wastewater	314,704	125,000	5,875,000
48	Yellowstone Boys & Girls Ranch County W/S District Wastewater System Improvements	Wastewater	238,130	125,000	6,000,000
49	Judith Gap, Town of Judith Gap Wastewater Collection System Improvements	Wastewater	250,000	125,000	6,125,000
50	Boulder, City of City of Boulder Drinking Water System Improvements	Water	2,458,000	125,000	6,250,000
51	Anaconda-Deer Lodge County Water & Sewer Planning Project	Planning		100,000	6,350,000
1	Greenfields Irrigation District Pishkun Inlet Hydroelectric Project	Irrigation	5,167,071	125,000	6,475,000
2	Lower Yellowstone Irrigation District #1 Thomas Point Pumping Plant Rehabilitation	Irrigation	465,360	125,000	6,600,000
3	Lower Yellowstone Irrigation Project Critical Structures Rehabilitation Project	Irrigation	718,551	125,000	6,725,000
4	Helena Valley Irrigation District Regulating Reservoir Preservation & Bypass Project	Irrigation	1,595,025	125,000	6,850,000
5	Buffalo Rapids Irrigation Project 2 Shirley Main Canal Rehabilitation Phase 2	Irrigation	247,183	125,000	6,975,000
6	Pondera County Conservation District	Irrigation	385,400	125,000	7,100,000

RENEWABLE RESOURCE GRANT & LOAN PROGRAM

Figure 31 - Continued

Birch Creek Diversion Automation Project					
7	Madison County	Other	130,700	125,000	7,225,000
Big Hole River Restoration Design & Permitting					
8	Ruby Valley Conservation District	Irrigation	1,252,825	125,000	7,350,000
Ruby Valley CD Upper Jefferson Channel Restoration Project					
9	Newlan Creek Water District	Irrigation	137,191	125,000	7,475,000
Newlan Creek Dam Safety Improvements					
10	Savage Irrigation District	Irrigation	511,000	125,000	7,600,000
Savage Irrigation District Pump Station Rehabilitation					
11	Pondera County Conservation District	Irrigation	493,867	125,000	7,725,000
PCCRC C-Canal Headworks Automation					
12	East Bench Irrigation District	Irrigation	376,593	125,000	7,850,000
Carter Creek Lining & Headgate Automation					
13	Buffalo Rapids Irrigation Project 1	Irrigation	269,985	125,000	7,975,000
Eiker Reach Canal Rehabilitation Project					
14	Hill County	Irrigation	147,000	125,000	8,100,000
Beaver Creek Dam Tailwater Channel Restoration					
15	Granite Conservation District	Irrigation	250,000	125,000	8,225,000
Allendale Ditch Rehabilitation					
16	Blaine County	Irrigation	277,502	125,000	8,350,000
Blaine County NCIA North Chinook Reservoir Dam Outlet Rehabilitation Project					
17	Paradise Valley Irrigation District	Irrigation	491,817	125,000	8,475,000
Hillside Ditch Pipeline Conversion Phase 2					
18	Huntley Project Irrigation District	Irrigation	1,990,428	125,000	8,600,000
Highline Discharge Pipeline Rehabilitation					
19	Tin Cup Water & Sewer District	Irrigation	350,000	125,000	8,725,000
Tin Cup and Mill Ditch Improvements					
20	Billings, City of	Study/PER	138,000	125,000	8,850,000
Rim Tunnel Rehabilitation Project					
21	Clinton Irrigation District	Irrigation		60,000	8,910,000
Schoolhouse Lateral Pipeline Conversion					
Total RRGL HB 6 Project Grants			\$213,782,683	\$8,910,000	
Milk River Joint Control Board - Milk River Project Loan			Irrigation	372,700,000	26,000,000
Total RRGL Grants/Milk River Loans			\$213,782,683	\$34,910,000	

FUNDING - GRANTS

The RRGL program appropriations in HB 6, as well as the RDGP grants program appropriated in HB 7, are funded from the “natural resource projects” state special revenue fund. The 68th Legislature also authorized a transfer of \$26.0 million of general fund to the natural resource projects account, this was authorized for the Milk River project loan. The fund balance projection is provided on page F-73 of this report.

Program Discussion – (RRGL loans)

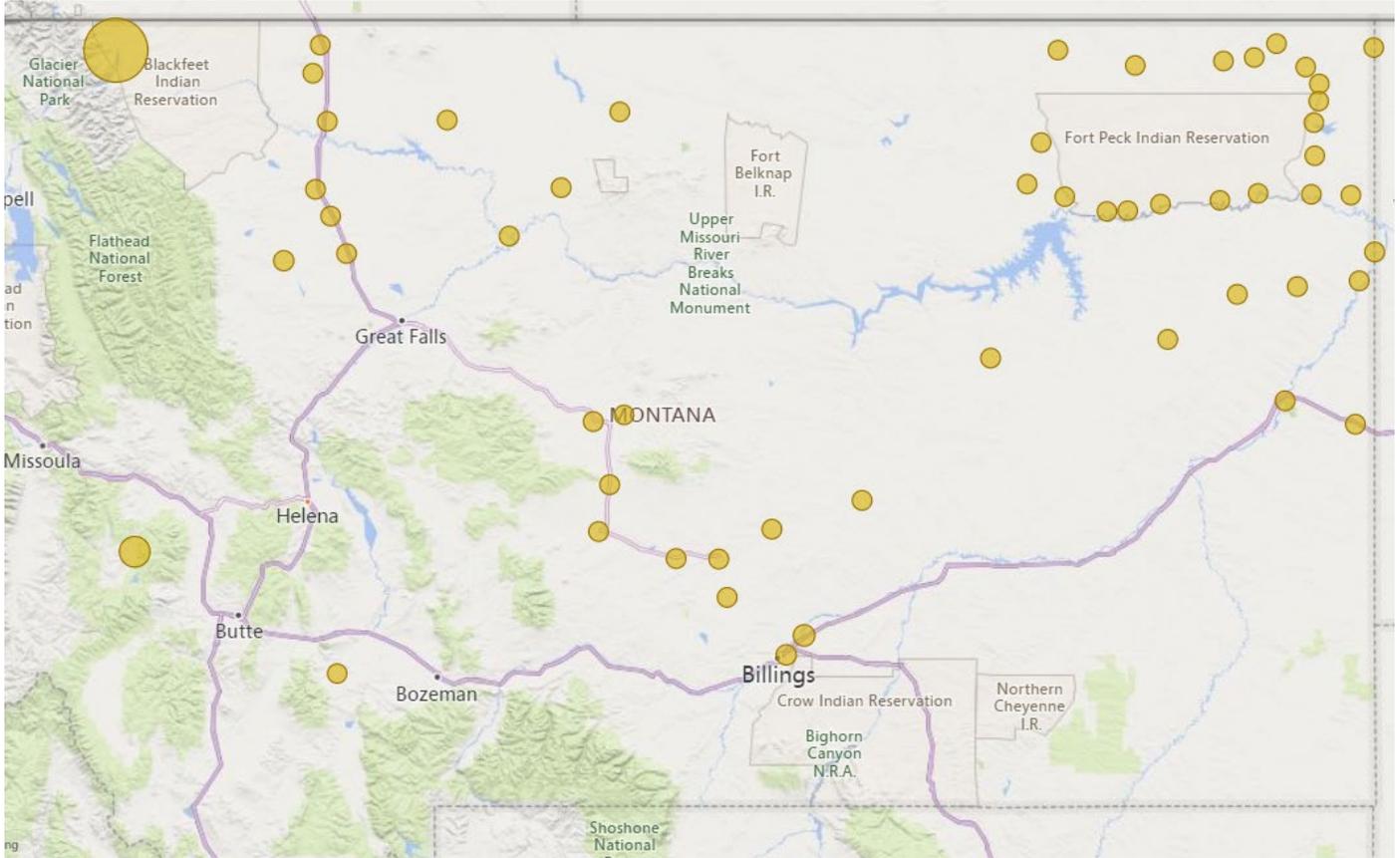
The RRGL loan program provides loans for renewable resource projects with the proceeds from the issuance of coal severance tax bonds. Loan repayments are used to pay the debt service on the loans. In some cases, interest rates charged to loans are less than the interest rate of the bond issued. In such cases, a distribution from the coal severance tax subsidizes the difference in the interest cost. The coal severance tax permanent trust is pledged for debt service payments on the bonds. The RRGL loan program is administered by the Department of Natural Resources and Conservation (DNRC).

RENEWABLE RESOURCE GRANT & LOAN PROGRAM

SUMMARY OF LEGISLATIVE ACTION

The 68th Legislature provided \$129.4 million of appropriations for the RRGL loan program for the 2025 biennium. Figure 32 shows a map of the projects for which loans were authorized; the size of the marker denotes the funding for the loans. Note that the loan for refinancing water and sewer facility existing debt and the loan reserve are not included in the map as the locations for the refinancing of debt have not yet been identified. Figure 33 lists the RRGL loan program projects by loan sponsor/applicant and project.

Figure 32



RENEWABLE RESOURCE GRANT & LOAN PROGRAM

Figure 33

Renewable Resource Loans HB 8 - 2025 Biennium		
HB 8 Section/Sponsor/Project	Proposal	Cumulative Total
<u>Sec. 1(2) Loans with interest rates of 3.0% or state bond rate, whichever is lower-30 years</u>		
Greenfields Irrigation District		
Hydro Development	1,500,000	1,500,000
East Fork		
Dam Rehabilitation	16,900,000	18,400,000
St. Mary's Water Users Association		
St. Mary's Siphon Replacements Projects	26,000,000	44,400,000
<u>Sec. 2(2) Loan Reauthorization with interest rates of 3.0% or state bond rate, whichever is lower-20 years</u>		
DNRC-Conservation and Resource Development Division (CARDD)		
Refinance Existing Debt or Rehabilitation of Water and Sewer Facilities	\$8,000,000	\$52,400,000
<u>Sec. 2(3) Loan Reauthorization with interest rates of 3.0% or state bond rate, whichever is lower-30 years</u>		
Central Montana Regional Water Authority		
Local Match	5,000,000	57,400,000
Dry-Redwater Regional Water Authority		
Local Match	5,000,000	62,400,000
Dry Prairie Regional Water Authority		
Local Match	5,000,000	67,400,000
North Central Regional Water Authority		
Local Match	5,000,000	72,400,000
Lower Willow Creek Irrigation District		
Right Subdrain Repair Project	200,000	72,600,000
Huntley Irrigation District		
Tunnel 2 and Canal System	3,500,000	76,100,000
Lockwood Irrigation District		
Box Elder Siphon, Pump Station, and Pump 3	1,550,000	77,650,000
<u>Sec. 2(4) Loan Reauthorization with interest rates of 3.0% or state bond rate, whichever is lower-30 years</u>		
St Mary's Water Users Association		
St. Mary's Diversion Project Local Share ¹	40,000,000	117,650,000
Total Loan Authorizations:	\$117,650,000	
Loan Reserve:	<u>11,765,000</u>	
Total Bond Request	<u>\$129,415,000</u>	

Note that there is a strong likelihood that several of the loans will not be issued, and other loans may be finalized at a lower amount than shown in Figure 33. For example, the \$8.0 million loan to DNRC to re-finance debt and rehabilitate water and sewer facilities will be used only as requested by local governments. Additionally, the four loans to regional water authorities for the local share of the projects require the authorities to accept the loan offer. Two of the regional water project loans have been included in HB 8 since the 2015 biennia, and the authorities have not yet borrowed from the program.

RENEWABLE RESOURCE GRANT & LOAN PROGRAM

FUNDING - LOANS

RRGL program bond authority is provided in 85-1-624, MCA. Money in the coal severance tax bond fund is pledged for the payment of the principal and interest of the bond issue requested in HB 8, as directed in Title 17, Chapter 5, part 7, MCA. The loan payments are used to pay the debt service on the loans.

EXECUTIVE BUDGET COMPARISON

Figure 34 provides the legislative changes from the executive budget proposal.

Figure 34

Executive Budget Comparison - Renewable Resource Grants & Loans				
Budget Item	Budget 2025 Biennium	Budget 2025 Biennium	Change	% Change
Number of Grants Funded	70	72	2	2.9%
Number of Loans Funded	12	12	0	0.0%
	<u>Proposed</u>	<u>Appropriated</u>		
Grants Cost	\$8,750,000	\$8,910,000	160,000	1.8%
Other Grants	7,400,000	7,400,000	0	0.0%
Milk River Project Funding	0	26,000,000	26,000,000	0.0%
Loan Program	98,945,000	129,415,000	30,470,000	30.8%
Total Costs	\$115,095,000	\$171,725,000	\$56,630,000	49.2%
Milk River Project -				
General fund transfer for loans	0	26,000,000	26,000,000	0.0%
State Special	16,150,000	16,310,000	160,000	1.0%
CST Bond Proceeds	98,945,000	129,415,000	30,470,000	30.8%
Total Funds	\$115,095,000	\$171,725,000	\$56,630,000	49.2%

As shown in Figure 34, the legislature appropriated the RRGL budget that was \$56.6 million, or 49.2% greater than the executive proposal. The legislature made the following changes to the executive proposal:

- HB 6 – A general fund transfer of \$26.0 million for loans for the Milk River project was added
- HB 6 – Two project grants were added, including \$100,000 for the Anaconda-Deer Lodge County water and sewer planning project and \$60,000 for the Clinton Irrigation District schoolhouse lateral pipeline conversion project
- HB 8 - One loan, \$6.0 million for the Painted Rocks Dam rehabilitation project, was removed
- HB 8 – The amounts for two loans were increased, including a \$6.9 million increase for the East Fork Dam rehabilitation project and an \$800,000 increase to the loan amount for the Lockwood Irrigation District’s Box Elder siphon, pump station, and pump three project
- HB 8 – A new loan for \$26.0 million was added for St. Mary’s siphon replacement projects local share, as well as contingencies for the new loan that must be met by the Milk River Joint Board of Control
- With the increases in loan amounts and the addition of the new loan in HB 8, the loan reserve was increased from \$9.0 million to \$11.8 million

RENEWABLE RESOURCE GRANT & LOAN PROGRAM

OTHER LEGISLATION

The 68th Legislature enacted HB 775, which amends Title 85, Chapter 1 of the MCA, concerning grants, loans, and bonds for state, local, or tribal government assistance. Specifically, this legislation provides authorization for the DNRC to request that the board of examiners issue renewable resource bonds so that the department may make loans for public projects.

RECLAMATION AND DEVELOPMENT GRANTS PROGRAM

PROGRAM BUDGET COMPARISON

Figure 35 compares the 2023 biennium appropriated budget to the 2025 biennium appropriated budget by type of expenditure and source of funding.

Figure 35

Program Comparison - Reclamation and Development Grant Program				
Budget Item	Budget 2023 Biennium	Budget 2025 Biennium	Biennium Change	Biennium % Change
Number of Grants	16	10	(6)	-37.5%
	<u>Appropriated</u>	<u>Appropriated</u>		
Grants Cost	\$5,802,155	\$3,653,347	-\$2,148,808	-37.0%
Other Grants Cost	800,000	2,000,000	1,200,000	150.0%
Total Costs	\$6,602,155	\$5,653,347	-\$948,808	-14.4%
State Special	\$6,173,155	\$5,653,347	-\$519,808	-8.4%
GO Bond Proceeds	0	0	0	0.0%
ARPA 9901-602 (HB 632)	429,000	0	-429,000	-100.0%
Total Funds	\$6,602,155	\$5,653,347	(\$948,808)	-14.4%

PROGRAM DISCUSSION

The Reclamation and Development Grants Program (RDGP) is designed to fund projects that, "...indemnify the people of the state for the effects of mineral development on public resources and that meet other crucial state needs serving the public interest and the total environment of the citizens of Montana (90-2-1102, MCA)." The program is administered by the Department of Natural Resources and Conservation (DNRC).

LEGISLATIVE ACTION

As shown in Figure 35, the 68th Legislature provided \$5.7 million of appropriations for the RDGP grants program in HB 7. This is an overall program reduction of \$949,000, or 14.4% from the appropriation level of the 2023 biennium. The following list shows the appropriations for the RDGP program.

- \$2.0 million for project planning grants in HB 7, which is a \$1.2 million increase from planning grant appropriations for the 2023 biennium
- \$3.7 million to fund ten RDGP project grants in HB 7

Figure 36 shows a map of the HB 7 projects that were authorized; the funding, denoted by the size of the marker in the map, includes both state and matching funds. Figure 37 provides a complete list of the RDGP grants authorized by the 68th Legislature.

RECLAMATION AND DEVELOPMENT GRANTS PROGRAM

Figure 36

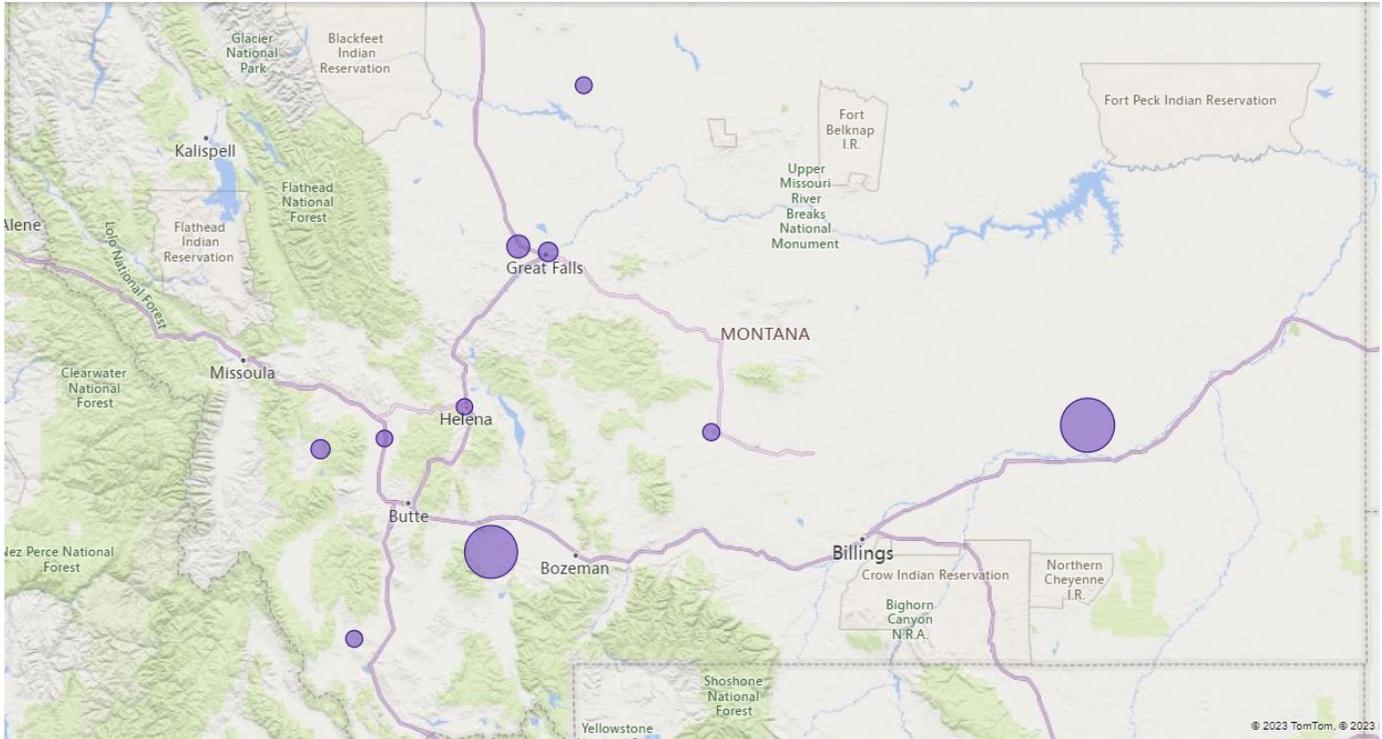


Figure 37

Reclamation and Development Grants (RDGP)					
HB 7 - 2025 Biennium					
Rank	Applicant / Project Description	Project Type	Total Project Cost	Grant Proposed	Cumulative Total
<u>Grants Funded in HB 7</u>					
1	Beaverhead Conservation District Grasshopper Creek Mine Tailings Stream Bank Stabilization	Mining	429,180	419,180	419,180
2	DNRC - State Water Projects Bureau Willow Creek Dam Rehabilitation Project	Crucial State Need	12,802,500	500,000	919,180
3	DNRC - State Water Projects Bureau East Fork of Rock Creek Dam Rehabilitation	Crucial State Need	13,194,365	500,000	1,419,180
4	Chester, Town of Chester Motors Petroleum Cleanup	Hazardous Waste	423,561	300,000	1,719,180
5	Black Eagle Sewer Black Eagle Sewer System Improvements 2023	Mining	1,329,620	125,000	1,844,180
6	Harlowton, City of Asbestos Removal, Cleanup, and Restoration of Contaminated Soils at The Harlowton Roundhouse in Harlowton, MT	Hazardous Waste	532,923	500,000	2,344,180
7	Deer Lodge, City of Milwaukee Roundhouse CECRA Site Passenger Refueling Area VCRA Program Remediation	Hazardous Waste	326,636	342,500	2,686,680
8	Philipsburg, Town of Philipsburg Wastewater Project	Mining	1,225,000	316,667	3,003,347
9	Cascade Conservation District Muddy Creek Restoration and Resilience Project	Crucial State Need	2,488,591	500,000	3,503,347
10	DNRC - Water Management Bureau Expansion of Water Resources Division Hydrology Data Portal	Crucial State Need	247,970	150,000	3,653,347
Total HB 7 Projects			\$33,000,346	\$3,653,347	

RECLAMATION AND DEVELOPMENT GRANTS PROGRAM

FUNDING

The RDGP program appropriations in HB 7, as well as the RRGL grants program appropriated in HB 6, are funded from the “natural resource projects” state special revenue fund. The fund balance projection is provided on page F-73 of this report.

EXECUTIVE BUDGET COMPARISON

Figure 38 provides the legislative changes from the executive budget proposal.

Figure 38

Executive Budget Comparison - Reclamation and Development Grant Program				
Budget Item	Budget 2025 Biennium	Budget 2025 Biennium	Biennium Change	Biennium % Change
Number of Grants	10	10	0	0.0%
	<u>Proposed</u>	<u>Appropriated</u>		
Grants Cost	\$3,653,347	\$3,653,347	\$0	0.0%
Other Grants Cost	2,000,000	2,000,000	0	0.0%
Total Costs	\$5,653,347	\$5,653,347	\$0	0.0%
State Special	\$5,653,347	\$5,653,347	\$0	0.0%
Total Funds	\$5,653,347	\$5,653,347	\$0	0.0%

The 68th Legislature approved the RDGP budget with no changes to the executive’s proposed budget.

NATURAL RESOURCE PROJECTS ACCOUNT

NATURAL RESOURCE PROJECT ACCOUNT

Figure 39 shows the projected fund balance for the natural resource project account for the 2025 biennium. The natural resource projects account provides funding for the RRGL and RDGP programs, along with the funding for other natural resource projects and programs.

The funding for the natural resource projects account is established in law and received from the following sources:

1. Interest income of the resource indemnity trust fund as provided in and subject to the conditions of 15-38-202, MCA
2. Resource indemnity and ground water assessment tax under provisions of 15-38-106, MCA
3. Oil and gas production tax as provided in 15-36-331, MCA (2.16% of oil and natural gas production taxes remaining after the distributions pursuant to subsections (2) and (3))
4. Excess coal severance tax proceeds allocated by 85-1-603, MCA to the renewable resource loan debt service fund (above debt service requirements as provided in and subject to the conditions of 85-1-619, MCA)
5. Fees or charges collected by the department for the servicing of loans, including arrangements for obtaining security interests

NATURAL RESOURCE PROJECTS ACCOUNT

Figure 39

Natural Resource Project Account Fund Balance Analysis - 2025 Biennium Account 02577					
	FY 2022 Actuals	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected	2025 Biennium Total
Available Balance	\$9,710,996	\$14,359,730	\$8,868,903	\$19,406,060	\$8,868,903
Fund Balance Adjustment	<u>0</u>	<u>150</u>	<u>0</u>	<u>0</u>	<u>0</u>
	\$9,710,996	\$14,359,880	\$8,868,903	\$19,406,060	\$8,868,903
Revenue Projections ¹					
RIT Interest Earnings	2,220,602	2,953,396	2,361,663	3,200,000	5,561,663
Resource Indemnity & Groundwater	904,754	1,643,634	2,320,183	1,756,882	4,077,065
Oil and Gas Tax	1,689,528	1,884,706	1,698,657	1,670,443	3,369,100
Other Revenues	19,850	0	20,000	1,000	21,000
General Transfers-In	163,347		100,000	100,000	200,000
HB 6 General Fund Transfer	<u>2,099,322</u>	<u>0</u>	<u>26,000,000</u>	<u>0</u>	<u>26,000,000</u>
Total Revenues	7,097,403	6,481,736	32,500,504	6,728,325	39,228,829
RRGL Appropriations - HB 6					
Other Grants	0	0	7,400,000	0	7,400,000
Prior Biennia	926,634	4,377,479		0	0
2025 Biennium Grants	<u>75,000</u>	<u>576,530</u>	<u>8,910,000</u>	<u>0</u>	<u>8,910,000</u>
Total RRGL Expenditures/Appropriations	1,001,634	4,954,009	16,310,000	0	16,310,000
RRGL Appropriations - HB 6					
Milk River Project Loan Funding	<u>0</u>	<u>0</u>	<u>26,000,000</u>	<u>0</u>	<u>26,000,000</u>
Total Milk River Project Loan Funding	0	0	26,000,000	0	26,000,000
RDGP Appropriations - HB 7					
Other Grants	0	800,000	2,000,000	0	2,000,000
Prior Biennia	1,425,770	866,495	0	0	0
2025 Biennium Grants	<u>21,116</u>	<u>5,352,059</u>	<u>3,653,347</u>	<u>0</u>	<u>3,653,347</u>
Total RDGP Expenditures/Appropriations	1,446,886	7,018,554	5,653,347	0	5,653,347
Total Expenditures/Appropriations	2,448,520	11,972,563	21,963,347	0	47,963,347
Estimated Ending Fund Balance	\$14,359,879	\$8,868,903	\$19,406,060	\$26,134,385	\$134,385

¹HJ 2 projections

As shown in Figure 39, the natural resources state special revenue account is expected to begin the 2025 biennium with a fund balance of approximately \$8.9 million. Projected revenues to the account amount to \$39.2 million. This includes approximately \$13.2 million in revenue plus the \$26.0 million transfer of general fund to the account for the Milk River Project loan.

In the 2025 biennium, appropriations for the RRGL grant program total \$16.3 million; this funding is for project grants authorized in HB 6 and other types of grants such as planning, emergency, private, and non-point source pollution reduction. As described previously, \$26.0 million of funding will be held in escrow for loans for the Milk River Project, provided the conditions in HB 6 are met. Remaining appropriations from the natural resource projects account include \$2.0 million of appropriation for RDGP planning grants and appropriations amounting to \$3.7 million in HB 7 for RDGP projects. The resulting ending fund balance is estimated to be \$134,000 at the end of the 2025 biennium.

CULTURAL AND AESTHETIC GRANT PROGRAM

PROGRAM BUDGET COMPARISON

Figure 40 compares the 2023 biennium appropriated budget to the 2025 biennium appropriated budget by type of expenditure and source of funding.

Figure 40

Program Comparison - Cultural and Aesthetic Trust				
Budget Item	Budget 2023 Biennium	Budget 2025 Biennium	Biennium Change	Biennium % Change
Number of Grants	74	65	(9)	-12.2%
	<u>Appropriated</u>	<u>Appropriated</u>		
Grants Cost	\$314,381	\$558,876	244,495	77.8%
Capitol Complex Works of Art	30,000	30,000	0	0.0%
Total Costs	\$344,381	\$588,876	\$244,495	71.0%
State Special	344,381	588,876	244,495	71.0%
Total Funds	\$344,381	\$588,876	\$244,495	71.0%

PROGRAM DISCUSSION

The Cultural and Aesthetic Grant Program (C&A), administered by the Montana Arts Council (MAC), provides grants for cultural and aesthetic programs across the state. The program is funded with the investment earnings from a statutory trust. The trust receives distributions of coal severance tax. By statute, the interest from the cultural trust is appropriated for protection of works of art in the state capitol and for other cultural and aesthetic projects (15-35-108, MCA). Grant applications for cultural and aesthetic projects are submitted to the MAC on a biennial basis. Eligible applicants include, but are not limited to, the state of Montana and regional, county, city, town, or Indian tribal governments and arts, history, and other culture-based non-profit organizations.

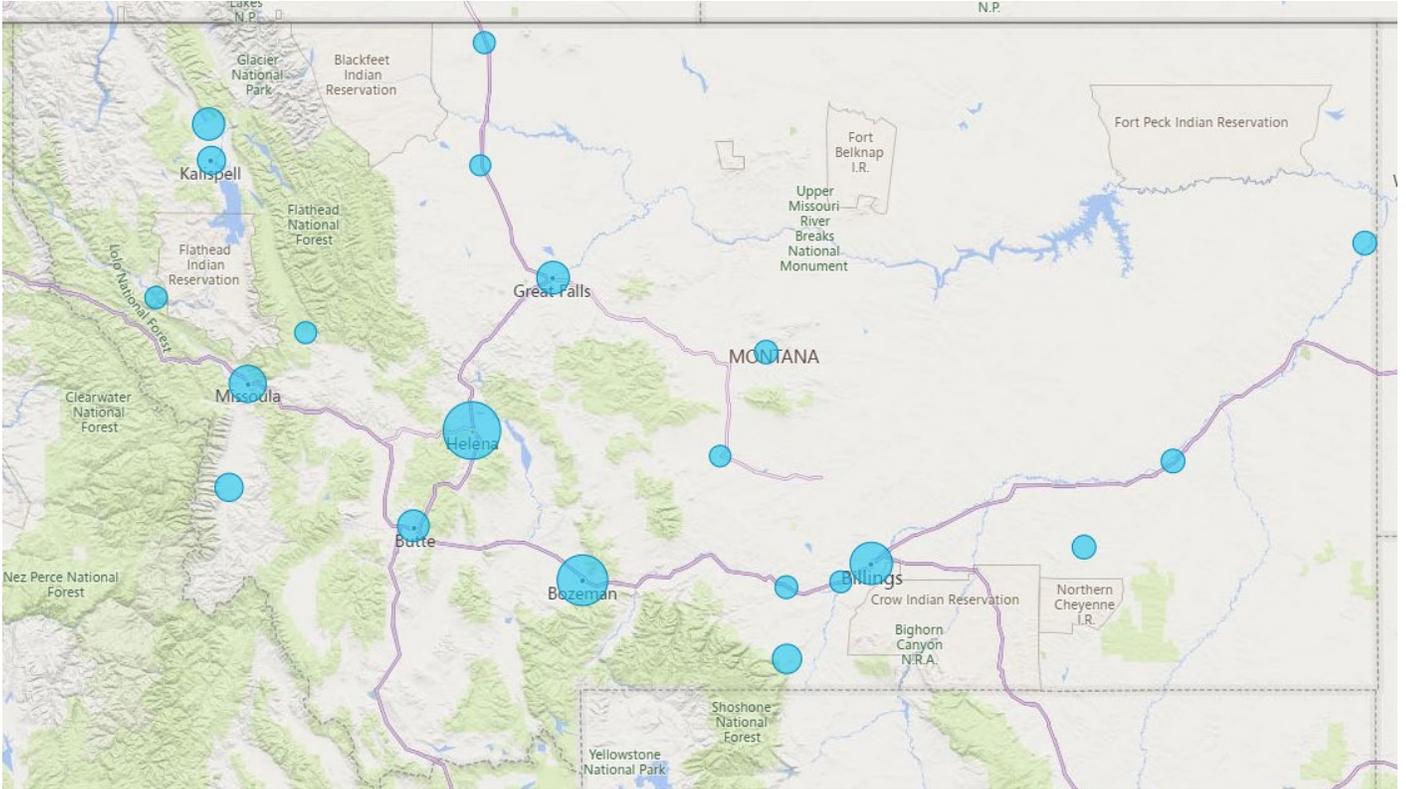
SUMMARY OF LEGISLATIVE ACTION

The 68th Legislature passed HB 9, which appropriates \$589,000 for cultural and aesthetic grants. The budget for the 2025 biennium is an increase of \$244,000, or 71.0%, from the level of appropriations of the 2023 biennium. The legislature authorized 65 C&A grant awards totaling \$559,000. Additionally, HB 9 includes an appropriation of \$30,000 for the care and conservation of capitol complex artwork.

Figure 41 shows a map of the HB 9 projects that were authorized; only state funding is included. The larger markers on the map indicate that multiple projects were funded in that area. Figure 42 provides a complete listing of the grants authorized by the 68th Legislature. Projects are divided into three primary categories: special projects, operational support, and capital expenditure.

CULTURAL AND AESTHETIC GRANT PROGRAM

Figure 41



CULTURAL AND AESTHETIC GRANT PROGRAM

Figure 42

Cultural and Aesthetic Grants (C&A)							
HB 9 - 2025 Biennium							
Bill No.	Applicant / Project	Grants Awarded	Cummulative Total	Bill No.	Applicant / Project	Grants Awarded	Cummulative Total
Special Projects				Operational Support (continued)			
2407	Preserve Montana (Formerly Montana Preservation Alliance)	10,000	10,000	2450	Pondera Arts Council	4,000	284,199
2406	Montana Historical Society	9,000	19,000	2433	MAGDA	8,000	292,199
2402	Butte-Silver Bow Public Archives	6,500	25,500	2443	Montana Performing Arts Consortium	10,000	302,199
2401	Billings Preservation Society	7,000	32,500	2457	Verge Theater	10,000	312,199
2405	Lewistown Art Center	9,450	41,950	2449	Paris Gibson Square Museum of Art	10,000	322,199
2404	Emerson Center for the Arts & Culture	10,000	51,950	2444	Montana Repertory Theatre, University of Montana	10,000	332,199
2409	Upper Swan Valley Historical Society, Inc.	4,000	55,950	2421	Carbon County Arts Guild & Depot Gallery	10,000	342,199
2408	Support Local Artists and Musicians (S.L.A.M.)	10,000	65,950	2432	Intermountain Opera Association	10,000	352,199
2403	City County Preservation Committee	5,000	70,950	2456	The Roxy Theater (Formerly International Wildlife Film Festival)	4,000	356,199
Total Special Projects		70,950		2418	Butte Citizens for Preservation and Revitalization	4,500	360,699
Operational Support				2437	Missoula Symphony Association	10,000	370,699
2445	Montana Shakespeare in the Parks	10,000	80,950	2441	Montana Ballet Company	10,000	380,699
2431	Humanities Montana	10,000	90,950	2417	Bozeman Symphony Society	10,000	390,699
2436	MCT, Inc.	10,000	100,950	2455	The Paradise Center	7,000	397,699
2430	Holter Museum of Art	10,000	110,950	2425	Grandstreet Broadwater Productions, Inc.	10,000	407,699
2435	MAPS Media Institute (Formerly Irwin & Florence Rosten Fr)	10,000	120,950	2461	Whitefish Theatre Co	10,000	417,699
2423	Cohesion Dance Project	5,000	125,950	2427	Hamilton Players, Inc	10,000	427,699
2459	Western Heritage Center	10,000	135,950	2440	Montana Association of Symphony Orchestras	10,000	437,699
2434	Mai Wah Society Museum	6,749	142,699	2422	Carbon County Historical Society	7,500	445,199
2429	Hockaday Museum of Art	10,000	152,699	2416	Bozeman Art Museum	10,000	455,199
2411	Alpine Artisans, Inc.	6,000	158,699	2428	Helena Symphony	10,000	465,199
2453	Sunburst Arts and Education	6,000	164,699	2462	Zootown Arts Community Center	10,000	475,199
2439	MonDak Heritage Center	10,000	174,699	2420	C.M. Russell Museum	10,000	485,199
2413	Art Mobile of Montana	10,000	184,699	2419	Butte Symphony Association	10,000	495,199
2454	The Myrna Loy	10,000	194,699	2448	North Valley Music School	9,000	504,199
2415	Billings Symphony Society	10,000	204,699	2447	Museums Association of Montana	10,000	514,199
2451	Schoolhouse History & Art Center	10,000	214,699	2426	Great Falls Symphony	10,000	524,199
2458	WaterWorks Art Museum	10,000	224,699	2446	Montana State Firefighters Memorial	6,000	530,199
2438	Missoula Writing Collaborative	8,000	232,699	2460	Whitefish Review, Inc.	10,000	540,199
2442	Montana Dance Arts Association	5,000	237,699	Total Operational Support		469,249	
2412	Archie Bray Foundation	10,000	247,699	Capital Expenditure			
2414	Billings Cultural Partners	4,500	252,199	2463	Friends of the Historical Museum at Fort Missoula	3,677	543,876
2452	Stillwater Historical Society	8,000	260,199	2464	Red Lodge Area Community Foundation	5,000	548,876
2424	Glacier Symphony and Chorale	10,000	270,199	2465	Yellowstone Art Museum	10,000	558,876
2410	Alberta Bair Theater	10,000	280,199	Total Capital Expenditure		18,677	
Subtotal Operational Support		209,249		Total C&A Grant Funding			
						\$558,876	

CULTURAL AND AESTHETIC GRANT PROGRAM

FUNDING

Figure 43 shows the projected fund balance for the C&A state special revenue account for the 2025 biennium. The C&A grant program is funded through the interest earnings of a statutory trust, which was created with deposits of coal severance tax distributions. The balance at the beginning of the 2025 biennium in the state special revenue account is estimated to be \$222,000. Interest income from the coal tax-funded Cultural Trust is projected to be \$1.2 million in the 2025 biennium.

Figure 43

Cultural & Aesthetic Grant Fund Balance Analysis - 2025 Biennium					
Account - 02009					
	FY 2022	FY 2023	FY 2024	FY 2025	2025 Bien.
	Actual	Projected	Projected	Projected	Projected
Estimated Beginning Fund Balance	\$37,705	\$124,251	\$221,549	\$7,059	\$221,549
Interest Earnings - 09037	(25,672)	0	0	0	0
Interest Earnings Transferred-02009 ¹	<u>493,977</u>	<u>539,414</u>	<u>595,773</u>	<u>641,590</u>	<u>1,237,364</u>
Total Revenues	468,305	539,414	595,773	641,590	1,237,364
Expenditures					
MAC Administration ²	232,703	235,243	221,387	227,760	449,147
Capitol Cmplx Works of Art	0	30,000	30,000	0	30,000
Prior Biennium	11,400	0	0	0	0
Fund Balance Adjustment	(194)	(77)	0	0	0
2025 Biennium Grants	<u>137,850</u>	<u>176,950</u>	<u>558,876</u>	<u>0</u>	<u>558,876</u>
Total Expenditures/Appropriations	381,759	442,116	810,263	227,760	1,038,023
Ending Fund Balance	\$124,251	\$221,549	\$7,059	\$420,889	\$420,889
¹ HJ 2 ² HB 2					

The appropriation for administration costs is approximately \$433,000 for the 2025 biennium; administrative costs entail both the C&A project grant administration as well as administration of other grants and awards. The administrative costs include increased costs from the HB 13 pay plan. Appropriations in HB 9 include \$30,000 for capitol complex artwork and \$559,000 for the authorized grants. All grants included in HB 9 were funded. Total appropriations from the C&A state special revenue account in the 2025 biennium total \$1.0 million, providing an estimated fund balance of \$421,000 by the end of the 2025 biennium.

CULTURAL AND AESTHETIC GRANT PROGRAM

EXECUTIVE BUDGET COMPARISON

Figure 44 provides the legislative changes from the executive budget proposal.

Figure 44

Executive Budget Comparison - Cultural and Aesthetic Grant Program				
Budget Item	Budget 2025 Biennium	Budget 2025 Biennium	Change	% Change
Number of Grants	65	65	0	0.0%
	<u>Proposed</u>	<u>Appropriated</u>		
Grants Cost	\$558,876	\$558,876	\$0	0.0%
Capitol Complex Works of Art	30,000	30,000	0	0.0%
Total Costs	\$588,876	\$588,876	\$0	0.0%
State Special	588,876	588,876	0	0.0%
Total Funds	\$588,876	\$588,876	\$0	0.0%

As shown in Figure 44, the 68th Legislature appropriated funding as proposed by the executive for the C&A grant program.

MONTANA HISTORIC PRESERVATION GRANT PROGRAM

PROGRAM BUDGET COMPARISON

Figure 45 compares the 2023 biennium appropriated budget to the 2025 biennium appropriated budget by type of expenditure and source of funding.

Figure 45

Program Comparison -Montana Historic Preservation Grant Program				
Budget Item	Budget 2023 Biennium	Budget 2025 Biennium	Biennium Change	Biennium % Change
Number of Grants	26	44	18	69.2%
Grants Cost	<u>Appropriated</u> 5,490,121	<u>Appropriated</u> 11,368,044	5,877,923	107.1%
Total Costs	\$5,490,121	\$11,368,044	\$5,877,923	107.1%
State Special	5,490,121	11,368,044	5,877,923	107.1%
Total Funds	\$5,490,121	\$11,368,044	\$5,877,923	107.1%

PROGRAM DISCUSSION

The Montana Historic Preservation Grant (MHPG) Program, administered by the Department of Commerce (DOC) and codified in Section 22-3-1305, MCA, provides competitive grants to historical societies, history museums, and other public or private entities for the preservation of Montana’s history and historic sites. MHPG project grants are available on a competitive basis and are submitted to the DOC on a biennial basis. Eligible applicants include, but are not limited to a person, association, or representative of a governing unit.

SUMMARY OF LEGISLATIVE ACTION

The 68th Legislature passed HB 12, increasing the appropriation and the number of grants that would be funded. As introduced, the appropriation in HB 12 funded 29 out of the 48 projects included. The legislature made several changes, allowing the resulting full list of projects in HB 12 to be funded. Changes included:

- Eliminating six grant recommendations
 - One grant in Glendive
 - One grant in Virginia City
 - One grant in Lewistown
 - One grant in Red Lodge
 - One grant in Townsend
 - One grant in Thompson Falls
- Reducing 13 grant awards
- Adding two new projects: a grant for the Blackfoot Spiritual & Heritage Center and a grant for the Walkerville Community Market

The legislature added the following clarifications to the requirements of the program:

- Projects funded must provide a significant portion of the facility that must be open to public access and use. Projects that confer only a private benefit are not eligible

MONTANA HISTORIC PRESERVATION GRANT PROGRAM

- Additional grant criteria to be considered include the degree of local contribution to the project and the anticipated public benefit such as the extent the site or building will be open to the public and the degree of immediate facility use after project completion
- Grant recipients must enter into a definitive, binding contract with a qualified contractor to construct the project prior to September 30 of the even-numbered year proceeding the next regularly scheduled legislative session. If the grant recipient does not meet this deadline, funding will be reverted to the historical grant program account and available for appropriation for the next biennium's grants
- A grant recipient can request one 2-year extension if they fail to meet the September 30 deadline, but only under one of the following conditions:
 - The project was damaged in a fire or by another form of casualty
 - The grant recipient failed to find a qualified contractor to construct the project and diligently pursued all reasonable avenues to find a qualified contractor
- Any cost overruns for projects are the responsibility of the grant recipient; no supplemental grant funding will be provided

There were three projects authorized during the 2021 Legislative Session that, for various reasons, were unable to meet start-up requirements to receive grant funding. The 68th Legislature amended the 2021 Session law to remove those projects and make that funding available for additional grants in HB 12. It's possible that the grant recipients may re-apply for grant funding in the future when they're able to meet the start-up requirements.

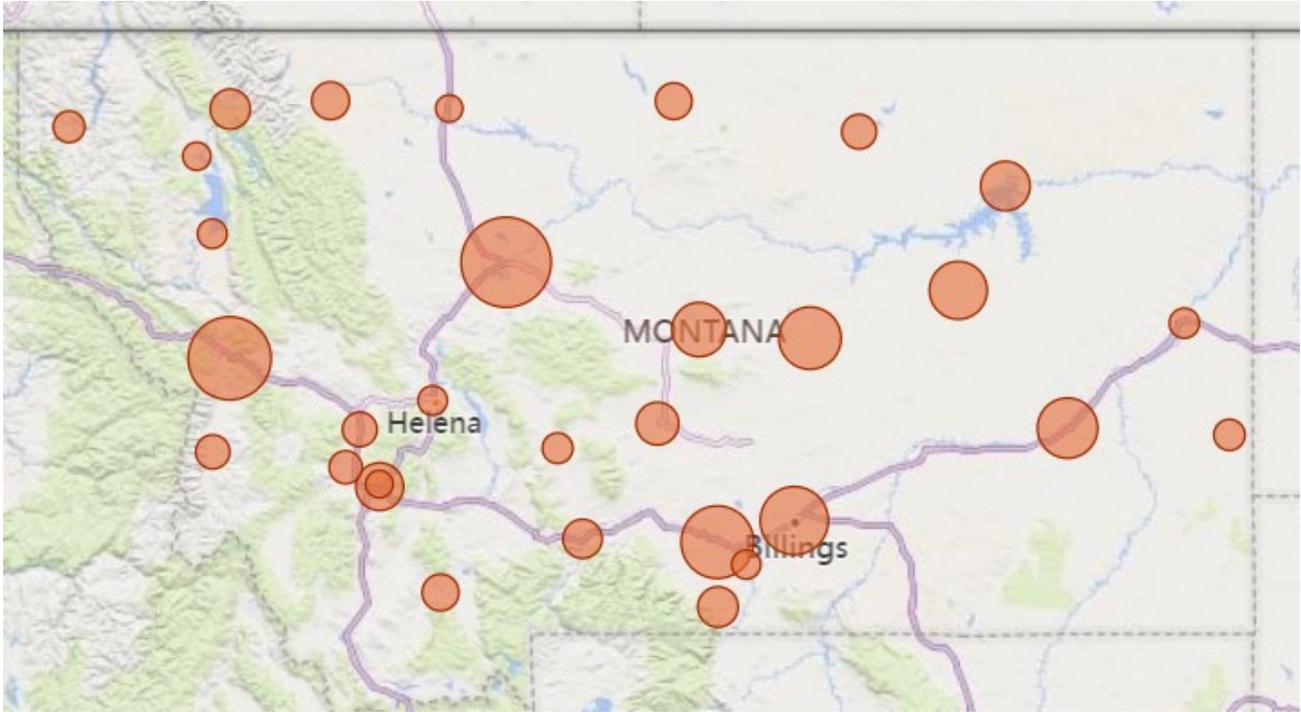
The projects and grant funding removed were:

- The People's Center in Pablo, Confederated Salish and Kootenai Tribes - \$50,600
- O'Fallon Historical Museum in Baker, Fallon County - \$298,657
- Blaine County Museum in Chinook, Blaine County Museum - \$60,240

Figure 46 shows a map of the HB 7 projects that were authorized; the funding, denoted by the size of the marker in the map, includes both state and matching funds. Figure 47 on the following pages provides a complete listing of the grants authorized by the 68th Legislature.

MONTANA HISTORIC PRESERVATION GRANT PROGRAM

Figure 46



MONTANA HISTORIC PRESERVATION GRANT PROGRAM

Figure 47

Montana Historic Preservation Grant Program (MHPG) HB 12 - 2025 Biennium					
Rank	Project/Project Description	Project Type	Total Project Cost	Grants Authorized	Cumulative Total
1	Harlowton Roundhouse Repair the exterior walls, windows, and doors to insulate the historic Milwaukee Road's Harlowton Roundhouse	Historic Site	865,000	375,000	375,000
2	Fort Peck Theatre Updated heating, cooling, and ventilation to be able to keep the 1934 Fort Peck Theatre open year round rather than just seasonally	Historic Site	1,047,945	500,000	875,000
3	Baker State Bank Building Replacing the roof on the Baker State Bank Building	Historic Site	195,000	160,000	1,035,000
4	Petroleum County Courthouse Rehabilitation and adaptive reuse of the Petroleum County Courthouse to create four apartments and five office spaces on the underutilized second floor of the courthouse	Historic Site	1,650,000	498,720	1,533,720
5	Milligan Building Restoration of the windows, doors, ceiling, floors, and façade, and rebuilding of the storefront in a historically accurate manner for the Milligan Building in Miles City	Historic Site	13,200,000	500,000	2,033,720
6	Ringling Church Installing a new roof and listing on the National Register of Historic Places for the Ringling Church in Ringling	Historic Site	170,128	141,773	2,175,493
7	National Museum of Forest Service History Installation of security and fire suppression systems, climate control, and storage in the repository for the 50,000 items in the collections at the Conservation Legacy Center	History Museum	12,600,000	300,000	2,475,493
8	Historic Teslow Grain Elevator Completing structural reinforcement to the foundation and wooden walls, installing exterior insulation, adding 2 additional floors and code complaint stairs as part of a larger commercial reuse of the historic grain elevator	Historic Site	665,102	392,277	2,867,770
8	A.D. Whitcomb Garage Upgrade of the electrical system for code compliance, plaster wall repair and painting, window and exterior door replacement	History Museum, Historic Site	170,458	136,366	3,004,136
10	Have Beneath the Streets Removing and replacing the sidewalk, interior wall, lighting, security system, and handicap stairlift in the vaulted sidewalk to reopen a portion of Have Beneath the Streets	History Museum	447,172	359,672	3,363,808
11	Hockaday Museum of Art Replacing the heating and duct system in a 1904 former Carnegie library operating in downtown Kalispell as an art museum that offers youth and adult educational programming, classes, and tour	Historic Site	50,000	31,000	3,394,808
11	Historical Museum at Fort Missoula Updating the security system, installing climate control system, constructing access for collections movement and processing, and exterior restoration to transform Building T 203 at Fort Missoula into an appropriate space for museum collections storage	History Museum	340,684	175,200	3,570,008
13	Shelby Town Hall Installation of historically accurate windows on the old Shelby Town Hall	Historic Site	7,000	5,600	3,575,608
14	Coggswell-Taylor House Stabilizing and repairing the foundation, floors, walls, and roof along with rehabilitating and installing basic utilities within the Coggswell Taylor House in Virginia City	Historic Site	261,562	141,250	3,716,858
15	Rocky Mountain Building Restoration of the façade, including replacing windows, on the Rocky Mountain Building in Great Falls	Historic Site	1,162,487	400,000	4,116,858
15	The History Museum Installation of HVAC and exterior wall insulation, electrical upgrades, flooring reinforcement, and a "visible vault" with additional storage for the collections at the History Museum in Great Falls	History Museum	425,000	340,000	4,456,858
15	Copper Village Museum and Arts Center Expansion of the fire suppression and alarm system into the first, second and attic floors of the old Anaconda City Hall owned and operated by Copper Village Museum and Arts Center	History Museum, Historic Site	282,000	235,000	4,691,858
18	Historic Hotel Libby Reroof of the Historic Hotel Libby to allow all additional renovation projects to move forward with the ultimate goal of opening as a fully functional hotel for the community of Libby	Historic Site	217,074	173,659	4,865,517
18	Old Roosevelt School Window repair and replacement at the Old Roosevelt School in Red Lodge	Historic Site	459,473	367,578	5,233,095
20	Kelly Block Building Replacing the roof framing, reroofing the roof, rehabilitating the original penthouse, and installing two fire stairs for code compliance in the Kelly Block in Uptown Butte	Historic Site	8,500,000	500,000	5,733,095

MONTANA HISTORIC PRESERVATION GRANT PROGRAM

Figure 47 Continued

Rank	Project/Project Description	Project Type	Total Project Cost	Grants Authorized	Cummulative Total
20	Montana Club HVAC system upgrades and ADA compliant restrooms	Historic Site	112,766	90,040	5,823,135
20	Charles Krug House Replace the windows in the 1907 Charles Krug House, which currently operates as a 25 room Airbnb, business and office space location in Glendive	Historic Site	175,000	116,000	5,939,135
23	Edwards & McLellan Block Restoration of the historic cornice, installation of energy efficient and code compliant storefront windows, foundation stabilization	Historic Site	359,390	221,590	6,160,725
25	Hickman House Structural stabilization and preservation of the long vacant and deteriorated residential structure	Historic Site	234,073	161,201	6,321,926
25	Paris Gibson Square Museum of Art Bat exclusion, clean up, and exterior window repainting of the Paris Gibson Square Museum of Art housed in the former Central High building in Great Falls built in 1896	Historic Site	368,129	300,979	6,622,905
25	Billings Depot Refinishing of exterior doors, repairs to sidewalks, roof, and floors, restoration of the Historic Post Building at the Billings Depot	Historic Site	518,000	414,400	7,037,305
28	Babcock Theatre Rehabilitation of the historic marquee, replacement of the sidewalk/basement vault and exterior doors, and installation of historically accurate non slip tiles in the outer entry floor of the Babcock Theater in Billings	Historic Site	301,000	236,000	7,273,305
29	Wheeler Cabin Repairing the roof, upgrading plumbing and electrical, installing bathrooms, parking, and accessible paths, regrading the sides of the structure, repairing the foundation, sill logs, doors, windows, balcony, and exterior of the Wheeler Property in Glacier National Park	Historic Site	610,305	493,200	7,766,505
29	Blackfeet Tribe Blackfoot Spiritual & Heritage Center	History Museum/ Historic Site		500,000	8,266,505
30	Stillwater County Installation of an exterior addition to the Stillwater County Courthouse that will include ADA compliant access and restrooms to all four floors	Historic Site	2,125,200	500,000	8,766,505
30	Waite House Complete renovation at the 1909 Waite House in Lewistown	Historic Site	1,030,000	270,000	9,036,505
33	Billings Preservation Society - Moss Mansion Heating System Replacement for the Moss Mansion to prevent irreparable damage to the building envelope of the visible tourist attraction for Billings	History Museum/ Historic Site	700,000	500,000	9,536,505
34	Homeward, Inc. - Oulette Place Repainting and repairing exterior brick, repairing and replacing windows, refinishing original wood doors, and installing security cameras in the Ouellette Place in Lewistown	Historic Site	359,200	100,000	9,636,505
34	Homeward, Inc. - Acme Historic Hotel Roof and chimney caps replacement, the exterior brick surfaces repointing, chillers replacement, entry way flooring replacement, and the addition of security cameras for safety	Historic Site	401,600	100,000	9,736,505
36	Great Falls Civic Center Replacement of ceiling tiles and restoration of the ceiling; upgraded theater seating to meet current best practice and improve ADA accessibility	Historic Site	1,086,567	250,000	9,986,505
37	Miles City Convent Keepers Community Center Replacement of the structurally failing elements of the elevated porch on the north entrance of the Miles City Convent Keepers Community Center	Historic Site	150,313	119,688	10,106,193
38	Homeward, Inc. - Lenox Flats Building Chiller replacement, roof replacement, masonry repointing, repainting wooden trim and architectural elements, window repair, interior common area flooring and fire panel replacement, and security camera installation	Historic Site	370,630	100,000	10,206,193
38	Miles City Elks Lodge #537 Replace windowpanes and preserve historic leaded transom windows, replace the unusable furnace on the 3rd floor with two high efficiency furnaces, replace damaged plumbing, and replace fuse boxes with electrical code complaint breaker	Historic Site	250,000	200,000	10,406,193

MONTANA HISTORIC PRESERVATION GRANT PROGRAM

Figure 47 Continued

Rank	Project/Project Description	Project Type	Total Project Cost	Grants Authorized	Cummulative Total
40	Daly Mansion Repairs to plaster walls, replacement of wallpaper, and bringing the rooms back to their original condition of the 1910 structure	Historic Site	333,000	100,000	10,506,193
40	Garfield County Museum Construction of a new museum facility for the Garfield County Museum that will accommodate year round operation	History Museum	1,440,000	400,000	10,906,193
43	Deer Lodge City Hall Restoration of the building columns, clock tower, mantel, and lintels; brick repointing; repair and replacement of cracked and nonfunctioning windows; completion of a Preliminary Architectural Report	Historic Site	355,500	283,500	11,189,693
45	Joliet Town Hall and Courthouse Replacement of the ceiling, electrical, plumbing, insulation, interior walls, windows, flooring, and an ADA compliant restroom in the Joliet Town Hall	Historic Site	100,000	83,000	11,272,693
47	Miracle of America Museum Reconstruct historic 1930s barn damaged by fire.	History Museum	116,204	70,351	11,343,044
49	Walkerville Community Market	Historic Site		25,000	11,368,044
Total MHPG Grants			\$54,212,962	\$11,368,044	

FUNDING

The historic preservation grants account funds appropriations for MHPG projects authorized by the legislature. The account receives revenues as established in 15-68-820, MCA, the accommodations sales tax. The account will receive the following:

- Until December 30, 2024, 5.0% in the account established in 22-3-1307, MCA for historic preservation grants
- Starting January 1, 2025, 6.0% in the account established in 22-3-1307, MCA for historic preservation grants

The allowable uses of the historic preservation account, as provided in 22-3-1307, MCA, “may be used only for historic preservation grants to be administered by the department of commerce.” Unlike many of the other grant programs of the LRP budget, administrative costs are not funded through the grants account. Figure 48 shows the projected balance of the historic preservation grants state special fund for the 2025 biennium. The fund is expected to begin the 2025 biennium with a fund balance of \$3.0 million. This includes the reversion of funding for the three projects that were struck from 2021 Session law due to not meeting start-up conditions. Total revenue deposited into the account in the 2025 biennium is projected to be \$8.4 million. This includes the 1.0% increase beginning January 1, 2025.

Figure 48

MONTANA HISTORIC PRESERVATION GRANT PROGRAM

Montana Historic Preservation Grants - 2025 Biennium					
Account - 02217					
	FY 2022 Actual	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected	2025 Bien. Projected
Estimated Beginning Fund Balance	\$1,784,169	\$4,126,100	\$2,608,108	(\$4,518,675)	\$3,017,605
2021 Session Projects Removed			<u>409,497</u>		
			3,017,605		
Revenue Projections ¹					
Accommodation Sales Tax	3,263,645	3,408,265	3,831,765	4,531,381	8,363,146
Expenditures					
Prior Biennium	355,602	2,202	0	0	0
2025 Biennium Grants	566,066	4,924,055	11,368,044	0	11,368,044
Fund Balance Adjustment	<u>46</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures/Appropriations	921,714	4,926,258	11,368,044	0	11,368,044
Ending Fund Balance	\$4,126,100	\$2,608,108	(\$4,518,675)	\$12,706	\$12,706
HJ 2					

Total appropriations from the account for projects authorized are \$11.4 million. The resulting balance at the end of the 2025 biennium is projected to be approximately \$13,000.

EXECUTIVE BUDGET COMPARISON

Figure 49 provides the legislative changes from the executive budget proposal.

Figure 49

Executive Budget Comparison - Montana Historic Preservation Grant Program				
Budget Item	Budget	Budget	Change	% Change
	2025 Biennium	2025 Biennium		
Number of Grants	29	44	15	51.7%
Grants Cost	<u>Proposed</u> \$8,501,314	<u>Appropriated</u> \$11,368,044	\$2,866,730	33.7%
Total Costs	\$8,501,314	\$11,368,044	\$2,866,730	33.7%
State Special	8,501,314	11,368,044	2,866,730	33.7%
Total Funds	\$8,501,314	\$11,368,044	\$2,866,730	33.7%

As shown in Figure 49, the legislature appropriated an MHPG budget that was \$2.9 million, or 33.7%, higher than the executive proposal, and the number of MHPG grant awards was increased by 15. The executive proposal was for an appropriation amount of \$8.5 million to fund 29 projects out of the 48 projects that were included for authorization in HB 12. The legislature made several changes including removing 6 projects, reducing funding authorized for 13 projects, and adding 2 projects. The appropriation amount was increased to \$11.4 million, which fully funded the list of projects authorized.

OTHER LEGISLATION

The 68th Legislature enacted the following legislation that impacts the MHPG:

- Coordination language was included in HB 5 that reduced the grant funding authorized for one of the MHPG projects, the Harlowton Roundhouse, by \$25,000 and also added authorization for a new project,

MONTANA HISTORIC PRESERVATION GRANT PROGRAM

the Walkerville Community Market, for \$25,000. This change provided authorization for the projects but did not impact the appropriation amount in HB 12 since the reduction equaled the amount for the new project

- HB 795 provided exemption for the Department of Commerce from review for infrastructure projects or planning under the Montana Environmental Policy Act (MEPA). As part of the application process, grant recipients have been required to conduct an environmental review; this legislation will change that requirement for the application process