

DEPARTMENT OF LABOR & INDUSTRY

Section A

JOINT SUBCOMMITTEE OF HOUSE APPROPRIATIONS AND SENATE FINANCE AND CLAIMS COMMITTEES

-----Agencies-----

Commissioner of Political Practice
Dept. of Administration
Dept. of Commerce
Dept. of Labor & Industry
Dept. of Military Affairs
Dept. of Revenue

Governor's Office
Legislative Branch
Montana Consumer Counsel
Secretary of State
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Senate

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-----Fiscal Division Staff-----

Molly DelCurto
Ethan Bergen
Katie Guenther

Agency Base Budget Comparison

The following table compares the base budget with the requested expenditures for the upcoming biennium by type of expenditure and source of funding.

Agency Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
PB	628.48	628.48	628.48	0.00	0.0%
General Fund	2,644,467	833,044	838,473	(3,617,417)	(68.4%)
State/Other Special Rev. Funds	57,879,887	63,020,938	62,540,160	9,801,324	8.5%
Federal Spec. Rev. Funds	34,700,239	35,712,392	35,784,954	2,096,868	3.0%
Total Funds	95,224,593	99,566,374	99,163,587	8,280,775	4.3%
Personal Services	54,016,386	55,110,506	55,246,976	2,324,710	2.2%
Operating Expenses	29,412,193	32,309,854	31,770,597	5,256,065	8.9%
Equipment & Intangible Assets	483,849	833,849	833,849	700,000	72.3%
Grants	9,415,792	9,415,792	9,415,792		0.0%
Benefits & Claims	100,389	100,389	100,389		0.0%
Transfers	447,333	447,333	447,333		0.0%
Debt Service	1,348,651	1,348,651	1,348,651		0.0%
Total Expenditures	95,224,593	99,566,374	99,163,587	8,280,775	4.3%
Total Ongoing	95,224,593	99,466,374	99,163,587	8,180,775	4.3%
Total One-Time-Only	57,551	100,000		(15,102)	(13.1%)

Agency Highlights

**Department of Labor and Industry
Major Budget Highlights**

- The Department of Labor and Industry’s 2027 biennium requested appropriations are approximately \$8.3 million or 4.3% higher than the FY 2025 base budget. Significant requested changes include:
 - A funding switch of \$3.7 million from general fund to state special revenue for the Human Rights Bureau
 - An increase of personal services authority across all divisions of \$2.1 million for the statewide present law adjustment
 - An increase of \$1.4 million for anticipated federal funding awards in the Workforce Services Division
 - An additional \$700,000 in authority in the Employment Standards Division for equipment in the Weights and Measures Program
 - An increase of \$1.2 million in the Unemployment Insurance Division for software maintenance contracts related to the Montana Unemployment System Environment (MUSE)
 - \$1.7 million of increases across various divisions within the agency for legal services provided internally
 - An increase of \$630,000 in operating expenses for job service kiosks located throughout the state

Executive Request

The following table shows the total executive request with the base budget and the statewide present law adjustments, present law adjustments, and new proposals by source of funding.

Department of Labor and Industry 2027 Biennium Base Budget and Requested Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget Request	General Fund	State Special	Federal Special	Total Funds	% of Budget Request
Base Budget	2,644,467	57,879,887	34,700,239	95,224,593	95.6%	2,644,467	57,879,887	34,700,239	95,224,593	96.0%
Statewide PL										
Personal Services	18,807	574,082	376,785	969,674	1.0%	24,640	634,636	445,118	1,104,394	1.1%
Fixed Costs	17,585	(12,641)	(297,125)	(292,181)	(0.3%)	17,181	(13,498)	(295,976)	(292,293)	(0.3%)
Inflation Deflation	0	(29,384)	(9,507)	(38,891)	(0.0%)	0	(19,859)	(6,427)	(26,286)	(0.0%)
Total Statewide PL	36,392	532,057	70,153	638,602	0.6%	41,821	601,279	142,715	785,815	0.8%
Present Law (PL)	0	984,000	942,000	1,926,000	1.9%	0	984,000	942,000	1,926,000	1.9%
New Proposals	(1,847,815)	3,624,994	0	1,777,179	1.8%	(1,847,815)	3,074,994	0	1,227,179	1.2%
Total HB 2 Adjustments	(1,811,423)	5,141,051	1,012,153	4,341,781	4.4%	(1,805,994)	4,660,273	1,084,715	3,938,994	4.0%
Total Requested Budget	833,044	63,020,938	35,712,392	99,566,374		838,473	62,540,160	35,784,954	99,163,587	

Statewide Present Law Adjustment for Personal Services

In order to explain the factors influencing personal services changes, the proposed statewide personal services present law adjustment (DP1) has been broken down into three categories, as follows:

- Legislative changes - This category includes adjustments explicitly approved by the legislature, such as, changes to benefit rates, longevity adjustments required by statute, and changes in rates for workers' compensation and unemployment insurance
- Management changes - This category includes agency management decisions that adjust personal services related to changes in pay. This includes changes such as hiring positions budgeted (PB) at a lower rate to replace senior staff and broadband pay adjustments for recruitment and retention
- Budget modifications - This category includes other modifications to the FY 2025 personal services base budget such as management decisions to transfer personal services funding between programs within an agency or movement of personal services funding to or from another expenditure category (e.g. moving funding from operating expenses to personal services)

The figure below shows the analysis of the executive budget for personal services for each program.

Department of Labor and Industry				
FY 2026 Statewide Present Law Adjustment for Personal Services (DP1)				
Program	Legislative Changes	Management Changes	Budget Modifications	Total DP1
01 Workforce Services Division	\$ 726,046	\$ (223,331)	\$ 214,747	\$ 717,462
02 Unemployment Insurance Division	161,319	(91,473)	-	69,846
03 Commissioners Office & CSD	24,857	62,413	-	87,270
05 Employment Standards Division	334,173	(192,017)	-	142,156
07 Office of Community Services	2,667	(3,450)	-	(783)
09 Workers Compensation Court	18,886	(27,145)	(38,018)	(46,277)
Agency Total	\$ 1,267,948	\$ (475,003)	\$ 176,729	\$ 969,674

The executive requests an increase in personal services funding for the Department of Labor and Industry (DOLI) in the statewide present law adjustment for personal services. A more detailed breakdown of each division's change in personal services funding is provided at the program level.

New Proposals

The Department of Labor and Industry has one new proposal for legal services that is present in multiple divisions throughout the agency. The executive requests an increase in general fund and state special revenue authority to account for an anticipated increase in usage of legal services in the agency. The total requested increase across all divisions is \$842,000 each fiscal year.

Funding

The following table shows proposed agency funding for all sources of authority.

Total Department of Labor and Industry Funding by Source of Authority 2027 Biennium Budget Request						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	1,671,517				1,671,517	0.3%
02258 Employment Security Account	54,114,829	100,000			54,214,829	10.3%
02448 Building Codes State Spec Rev	12,929,002				12,929,002	2.5%
02455 Workers' Comp Regulation	12,246,207				12,246,207	2.3%
02347 Safety Administration Fund	5,019,319				5,019,319	1.0%
02805 Weights & Measures Bureau	4,421,971				4,421,971	0.8%
Other State Special Revenue	36,729,770			1,407,247	38,137,017	7.3%
State Special Revenue Total	125,461,098	100,000	-	1,407,247	126,968,345	24.2%
03954 UI Administrative Grants	21,893,398				21,893,398	4.2%
03124 Employment Trng Grants	15,650,553				15,650,553	3.0%
03682 Wagner Peyser	12,305,441				12,305,441	2.3%
03322 MT Community Service FSR	8,091,201				8,091,201	1.5%
03982 RESEA	2,133,719				2,133,719	0.4%
Other Federal Special Revenue	11,423,034				11,423,034	2.2%
Federal Special Revenue Total	71,497,346	-	-	-	71,497,346	13.6%
06069 UI Tax Benefit Fund			280,619,927		280,619,927	53.4%
06578 Technical Services Direct			14,633,532		14,633,532	2.8%
06546 Commissioner's Office/CSD			10,338,593		10,338,593	2.0%
06552 Legal Admin Services			7,882,590		7,882,590	1.5%
06568 Technical Services			7,761,942		7,761,942	1.5%
Other Proprietary Fund			3,060,252	614,578	3,674,830	0.7%
Proprietary Fund Total	-	-	324,296,836	614,578	324,911,414	61.9%
Total of All Funds	198,629,961	100,000	324,296,836	2,021,825	525,048,622	
Percent of All Sources of Authority	37.8%	0.0%	61.8%	0.4%		

HB 2 Appropriations

General Fund

General fund is a smaller portion of HB 2 appropriation authority, when comparing this to state special revenue and federal special revenue. The DOLI utilizes these appropriations to support activities throughout the Workforce Services Division, Commissioner's Office and Centralized Services Division, Employment Standards Division, and Office of Community Services Division.

State Special Revenue

Appropriations from state special revenue accounts for the majority of HB 2 appropriations in the upcoming biennium. These appropriations come from a variety of accounts, with a large number of these being professional boards and licensing funds. Examples of these accounts are the building codes account and the workers' compensation regulation fund; both of these funds are described in more detail within the Employment Standards Division funding breakdown.

The fund that contributes the largest amount to state special revenue HB 2 appropriations is the employment security account. This account provides funding to several different divisions across the agency. Appropriations out of this account can be used towards the following:

- Unemployment insurance benefits
- Principal, interest, and redemption premiums from employment security revenue bonds
- Expenses related to:
 - Administration of the Unemployment Insurance Program
 - Collecting money deposited into the account
 - Employment offices, including providing services to business communities
 - Apprenticeship and training programs
 - Displaced homemaker programs
 - Department research and analysis for employment, wage, and economic data
 - Department functions related to collective bargaining, prevailing wage, and wage and hour laws

Revenues into the employment security account are generated through an administrative tax placed on Montana employer payrolls. The administrative tax is statutorily set upon all taxable wages paid by the employer, with the percentage of the tax varying based upon the classification of the employer.

The below table depicts the actual revenues and expenditures in FY 2022 through FY 2024, as well as the budgeted revenues and expenditures for FY 2025. Also within this table is the proposed expenditures for FY 2026 and FY 2027, as requested by the executive, with the estimated revenues for this period as well. It is estimated that the ending fund balance as of the end of FY 2027 will be \$29.0 million.

Department of Labor and Industry						
Employment Security Account (02258)						
	Actual FY 2022	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Proposed FY 2026	Proposed FY 2027
Beginning Fund Balance	6,481,890	9,936,925	13,790,489	21,335,077	21,335,077	21,335,077
Revenue	24,452,840	28,094,116	29,978,077	31,666,859	33,085,094	34,503,526
Expenditures						
Personal Services	12,010,758	11,249,269	10,636,705	11,879,598	13,708,389	13,438,516
Operating Expenses	7,941,025	9,420,027	8,378,215	9,020,697	10,409,377	10,204,452
Equipment & Intangible Assets	-	2,385,161	2,418,476	1,600,485	1,846,870	1,810,512
Grants	1,046,504	912,446	710,781	935,646	1,079,683	1,058,427
Transfers	-	30,284	-	10,613	12,247	12,006
Debt Service	264,563	241,161	286,351	277,594	320,328	314,022
Total Expenditures	21,262,850	24,238,348	22,430,528	23,724,633	27,376,894	26,837,935
Ending Fund Balance	9,671,880	13,792,693	21,338,038	29,277,303	27,043,277	29,000,668

During the 2025 Interim, the agency contracted with an actuary to study this account. Detailed findings of this study were presented to the Section A Interim Budget Committee during the September 2024 committee meeting. The actuary conducting the study found the agency may be able to create rate schedules for the percentages charged to employers based upon their payrolls. The addition of two new schedules in rates would reduce the percentages charged to all employers based upon both the balance of the fund and the total payrolls for the state. However, the percentage charged to employers will still depend on the classification of the employer.

LFD COMMENT	The agency currently has proposed legislation, LC 463, to make changes to the rate schedules and revenue structure of this fund.
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Federal Special Revenue

Federal special revenue makes up a portion of the agency’s HB 2 appropriation authority. The uses and requirements of this funding varies depending on the specific fund and the granting federal agency for this fund. Specific information on the various federal special revenue funds can be found at the division funding level of this report.

Non-Budgeted Proprietary Funds

The majority of funding within this agency is non-budgeted proprietary funding, with the unemployment insurance tax benefit fund being the largest. More detail on the description, revenues, and expenditures of these funds can be found in the Proprietary Funds Report for the Department of Labor and Industry.

Statutory Appropriations

The department also has a small number of statutory appropriations for the upcoming biennium. A more detailed description of each appropriation can be found at the division level.

Agency Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the expenditures requested for FY 2026 and FY 2027 by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Request Fiscal 2026	Request Fiscal 2027
PB	0.00	628.48	628.48	628.48	628.48
Personal Services	47,943,995	49,869,402	54,063,620	55,110,506	55,246,976
Operating Expenses	28,661,367	31,510,442	29,422,510	32,309,854	31,770,597
Equipment & Intangible Assets	84,204	2,573,919	483,849	833,849	833,849
Grants	6,147,722	8,245,792	9,415,792	9,415,792	9,415,792
Benefits & Claims	16,800	100,389	100,389	100,389	100,389
Transfers	656,731	1,009,586	447,333	447,333	447,333
Debt Service	1,213,323	1,463,152	1,348,651	1,348,651	1,348,651
Total Expenditures	\$84,724,142	\$94,772,682	\$95,282,144	\$99,566,374	\$99,163,587
General Fund	2,546,999	2,646,116	2,702,018	833,044	838,473
State/Other Special Rev. Funds	53,449,858	57,963,280	57,879,887	63,020,938	62,540,160
Federal Spec. Rev. Funds	28,727,285	34,163,286	34,700,239	35,712,392	35,784,954
Total Funds	\$84,724,142	\$94,772,682	\$95,282,144	\$99,566,374	\$99,163,587
Total Ongoing	\$84,568,823	\$92,370,034	\$95,224,593	\$99,466,374	\$99,163,587
Total OTO	\$155,319	\$2,402,648	\$57,551	\$100,000	\$0

Agency Description

The Department of Labor and Industry serves a number of functions. In part, the department:

- Fosters a robust Montana workforce by connecting job seekers with employment opportunities and upskilling programs, assisting individuals in preparing for and finding jobs while assisting employers in finding workers
- Oversees federal and state training and apprenticeship programs
- Conducts economic research and collects economic data
- Administers the Unemployment Insurance (UI) Program, disburses unemployment benefits and facilitates employer UI contributions
- Enforces state and federal labor standards, anti-discrimination laws, and state and federal safety-occupational health laws
- Provides adjudicative services in labor-management disputes
- Licenses, inspects, tests, and certifies all weighing or measuring devices used in making commercial transactions in the State of Montana
- Provides administrative and clerical services to the professional boards of licensure and occupational licensing programs authorized by state statutes
- Establishes and enforces minimum building codes
- Administers the federal AmeriCorps, Campus Corps, and Volunteer Montana programs through the Office of Community Service
- Oversees and regulates the Montana workers' compensation system

Organizationally, the department is divided into five divisions: 1) Workforce Services; 2) Unemployment Insurance; 3) Commissioner's Office/Centralized Services; 4) Employment Standards; and 5) Technology Services Division. The Office of Community Service, Workers' Compensation Court, Board of Personnel Appeals, and Board of Labor Appeals are administratively attached. Under statute the Human Rights Commission is allocated to the Department of Labor and Industry for administrative purposes.

Please refer to the agency profile [here](#) for additional information about the agency's organization structure, historical expenditures, goals and objectives, and recent studies and audits.

FY 2024 Appropriations Compared to FY 2024 Expenditures

The Department of Labor and Industry is primarily funded through state special revenue and federal special revenue, with a small portion of general fund. Within the agency, 61.2%, or \$58.0 million, of the authority is from state special revenue, with \$34.2 million being from federal special revenue. Of the entire \$94.8 million HB 2 budget for FY 2024, \$2.6 million of that is general fund. In FY 2024, the Department of Labor and Industry expended 89.4% of its HB 2 modified budget, which closely mirrors its five-year Olympic average percent expended of 91.3%.

FY 2024 Appropriations Compared to FY 2025 Appropriations

The Department of Labor and Industry's appropriations for FY 2025 are 0.5 % higher than in FY 2024. Within the FY 2025 appropriations, minor differences to the FY 2024 appropriations are due to various budget modification made by the department during the interim. These changes will be discussed in more detail in their respective program.

Comparison of FY 2025 Legislative Budget to FY 2025 Base

The figure below illustrates the beginning FY 2025 budget as adopted by the 2023 Legislature compared to the FY 2025 base budget, which includes modifications as approved by the approving authority (as authorized in statute) during the interim. The FY 2025 base budget was agreed upon by the Office of Budget and Program Planning and the Fiscal Division to be the point from which any changes would be recorded for the 2027 biennium budgeting process.

Department of Labor and Industry				
Comparison of the FY 2025 Legislative Budget to the FY 2025 Base Budget				
	Legislative Budget	Executive Modifications	Base Budget	% Change
01 WORKFORCE SERVICES DIVISION				
61000 Personal Services	16,620,866	1,121,914	17,742,780	6.8%
62000 Operating Expenses	7,377,519	(105,705)	7,271,814	-1.4%
63000 Equipment & Intangible Assets	12,908		12,908	0.0%
66000 Grants	6,316,070		6,316,070	0.0%
68000 Transfers	101,814		101,814	0.0%
69000 Debt Service	124,387	236,613	361,000	190.2%
Total	30,553,564	1,252,822	31,806,386	4.1%
02 UNEMPLOYMENT INSURANCE DIV				
61000 Personal Services	11,867,451	(733,227)	11,134,224	-6.2%
62000 Operating Expenses	7,768,392	(118,520)	7,649,872	-1.5%
69000 Debt Service	36,505		36,505	0.0%
Total	19,672,348	(851,747)	18,820,601	-4.3%
03 COMMISSIONERS OFFICE & CSD				
61000 Personal Services	973,452	-	973,452	0.0%
62000 Operating Expenses	662,927	(30,000)	632,927	-4.5%
68000 Transfers	20,000	30,000	50,000	150.0%
69000 Debt Service	3,359		3,359	0.0%
Total	1,659,738	-	1,659,738	0.0%
05 EMPLOYMENT STANDARDS DIVISION				
61000 Personal Services	23,392,331	(277,634)	23,114,697	-1.2%
62000 Operating Expenses	14,142,819	(821,914)	13,320,905	-5.8%
63000 Equipment & Intangible Assets	470,941		470,941	0.0%
66000 Grants	5,000		5,000	0.0%
67000 Benefits & Claims	100,389		100,389	0.0%
68000 Transfers	44,869	-	44,869	0.0%
69000 Debt Service	72,786	821,914	894,700	1129.2%
Total	38,229,135	(277,634)	37,951,501	-0.7%
07 OFFICE OF COMMUNITY SERVICES				
61000 Personal Services	456,678		456,678	0.0%
62000 Operating Expenses	413,939	(12,388)	401,551	-3.0%
66000 Grants	3,094,722		3,094,722	0.0%
68000 Transfers	250,650		250,650	0.0%
69000 Debt Service	1,172		1,172	0.0%
Total	4,217,161	(12,388)	4,204,773	-0.3%
09 WORKERS COMPENSATION COURT				
61000 Personal Services	705,608	(111,053)	594,555	-15.7%
62000 Operating Expenses	184,074	(48,950)	135,124	-26.6%
69000 Debt Service	2,965	48,950	51,915	1650.9%
Total	892,647	(111,053)	781,594	-12.4%
Agency Total	95,224,593	-	95,224,593	0.0%

In comparing the legislative budget to the base budget for FY 2025, there were executive modifications made that are worth noting. The two notable modifications involve the movement of personal services funding within DOLI to reallocate the eliminated PB from DP 102 of the 2023 Legislative Session. This decision package reduced the number of PB by 40.00 in the Workforce Services Division. In an effort to spread out this decrease, positions were transferred into this division from the Unemployment Insurance Division, Employment Standards Division, and the Workers Compensation Court.

Program Base Budget Comparison

The following table compares the base budget with the requested expenditures for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
PB	222.00	222.00	222.00	0.00	0.0%
General Fund	271,895	277,897	278,175	12,282	2.3%
State/Other Special Rev. Funds	14,292,551	15,309,683	14,877,456	1,602,037	5.6%
Federal Spec. Rev. Funds	17,241,940	18,199,962	18,223,661	1,939,743	5.6%
Total Funds	31,806,386	33,787,542	33,379,292	3,554,062	5.6%
Personal Services	17,742,780	18,460,242	18,497,803	1,472,485	4.1%
Operating Expenses	7,271,814	8,535,508	8,089,697	2,081,577	14.3%
Equipment & Intangible Assets	12,908	12,908	12,908		0.0%
Grants	6,316,070	6,316,070	6,316,070		0.0%
Transfers	101,814	101,814	101,814		0.0%
Debt Service	361,000	361,000	361,000		0.0%
Total Expenditures	31,806,386	33,787,542	33,379,292	3,554,062	5.6%
Total Ongoing	31,806,386	33,787,542	33,379,292	3,554,062	5.6%
Total One-Time-Only					0.0%

Program Highlights

Workforce Services Division Major Budget Highlights
<ul style="list-style-type: none"> • The Workforce Services Division’s 2027 biennium requested appropriations are approximately \$3.6 million or 5.6% higher than the FY 2025 base budget • Operating expenses are requested to increase by 14.3%, or \$2.1 million, in the upcoming biennium partially due to: <ul style="list-style-type: none"> ◦ Increases of \$1.4 million for anticipated federal funding awards ◦ Increases of \$630,000 for job service kiosks located throughout the state

Executive Request

The following table shows the total executive request with the base budget and the statewide present law adjustments, present law adjustments, and new proposals by source of funding.

Workforce Services Division 2027 Biennium HB 2 Base Budget and Requested Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget Request	General Fund	State Special	Federal Special	Total Funds	% of Budget Request
Base Budget	271,895	14,292,551	17,241,940	31,806,386	94.1%	271,895	14,292,551	17,241,940	31,806,386	95.3%
Statewide PL										
Personal Services	5,746	373,016	338,700	717,462	2.1%	6,011	388,496	360,516	755,023	2.3%
Fixed Costs	256	(40,799)	(72,435)	(112,978)	(0.3%)	269	(41,391)	(73,223)	(114,345)	(0.3%)
Inflation Deflation	0	(8,898)	(8,243)	(17,141)	(0.1%)	0	(6,013)	(5,572)	(11,585)	(0.0%)
Total Statewide PL	6,002	323,319	258,022	587,343	1.7%	6,280	341,092	281,721	629,093	1.9%
Present Law (PL)	0	0	700,000	700,000	2.1%	0	0	700,000	700,000	2.1%
New Proposals	0	693,813	0	693,813	2.1%	0	243,813	0	243,813	0.7%
Total HB 2 Adjustments	6,002	1,017,132	958,022	1,981,156	5.9%	6,280	584,905	981,721	1,572,906	4.7%
Total Requested Budget	277,897	15,309,683	18,199,962	33,787,542		278,175	14,877,456	18,223,661	33,379,292	

Funding

The following table shows proposed program funding for all sources of authority.

Department of Labor and Industry, 01-Workforce Services Division Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	556,072	0	0	0	556,072	0.8%	
02067 Montana HELP Act	1,350,000	0	0	0	1,350,000	4.5%	
02258 Employment Security Account	28,837,139	0	0	0	28,837,139	95.5%	
State Special Total	\$30,187,139	\$0	\$0	\$0	\$30,187,139	44.9%	
03124 Employment Trng Grants	15,650,553	0	0	0	15,650,553	43.0%	
03128 L & I Federal Funding	685,498	0	0	0	685,498	1.9%	
03194 Research & Analysis BLS	1,537,411	0	0	0	1,537,411	4.2%	
03297 Labor and Industry Veteran Gra	1,597,549	0	0	0	1,597,549	4.4%	
03660 SAA	246,555	0	0	0	246,555	0.7%	
03682 Wagner Peyser	12,305,441	0	0	0	12,305,441	33.8%	
03692 Alien Labor Certification(ALC)	981,071	0	0	0	981,071	2.7%	
03693 Wrk Opportunities Tx Crdt/WOTC	189,051	0	0	0	189,051	0.5%	
03694 Trade Adjustment Assist/NAFTA	1,049,473	0	0	0	1,049,473	2.9%	
03954 UI Administrative Grants	47,302	0	0	0	47,302	0.1%	
03982 RESEA	2,133,719	0	0	0	2,133,719	5.9%	
Federal Special Total	\$36,423,623	\$0	\$0	\$0	\$36,423,623	54.2%	
06051 Montana Career Info System	0	0	3,500	0	3,500	100.0%	
Proprietary Total	\$0	\$0	\$3,500	\$0	\$3,500	0.0%	
Total All Funds	\$67,166,834	\$0	\$3,500	\$0	\$67,170,334		

HB 2 Appropriations

General Fund

During the 2021 Legislative Session, HB 629 was passed and created an income tax credit to incentivize Montana job growth. The general fund appropriations for this division support the administration of this incentive program.

State Special Revenue

For the upcoming biennium, state special revenue funds are slightly less than half of the total appropriations for the Workforce Services Division. Of this funding, the vast majority of this is within the employment security account with revenue into this fund coming from administrative assessments on payrolls of Montana employers. Further details on this fund are found in the agency funding section of this report. The other source of state special revenue appropriations in this division is the Montana Health and Economic Livelihood Partnership (HELP) Act account. Alongside the Department of Public Health and Human Services, the division (and agency as a whole) is responsible for assisting qualifying participants in Medicare and Medicaid with workforce resources and opportunities.

Federal Special Revenue

Within HB 2 appropriations, over half are from federal special revenue funds. The primary source of these funds come from the Wagner-Peyser Act and the Workforce Innovation and Opportunity Act (WIOA) employment training grants. The Wagner-Peyser Act was established in 1933 to provide a one-stop-shop for employment services by providing a national employment system with the cooperation of state governments. The WIOA provides funding for administration of employment services to adults, youth, and dislocated workers.

Non-Budgeted Proprietary Funds

Proprietary funding within this division stems from the Montana Career Information Systems. Funding for this will be discussed further in the report on non-budgeted proprietary funds within this agency.

Program Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the expenditures requested for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Request Fiscal 2026	Request Fiscal 2027
PB	0.00	222.00	222.00	222.00	222.00
Personal Services	15,323,090	15,568,093	17,742,780	18,460,242	18,497,803
Operating Expenses	8,310,782	9,003,289	7,271,814	8,535,508	8,089,697
Equipment & Intangible Assets	0	8	12,908	12,908	12,908
Grants	4,238,498	5,716,070	6,316,070	6,316,070	6,316,070
Transfers	0	96,914	101,814	101,814	101,814
Debt Service	206,014	401,050	361,000	361,000	361,000
Total Expenditures	\$28,078,384	\$30,785,424	\$31,806,386	\$33,787,542	\$33,379,292
General Fund	172,847	271,895	271,895	277,897	278,175
State/Other Special Rev. Funds	12,918,933	13,775,583	14,292,551	15,309,683	14,877,456
Federal Spec. Rev. Funds	14,986,604	16,737,946	17,241,940	18,199,962	18,223,661
Total Funds	\$28,078,384	\$30,785,424	\$31,806,386	\$33,787,542	\$33,379,292
Total Ongoing	\$28,078,384	\$30,785,424	\$31,806,386	\$33,787,542	\$33,379,292
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Description

The Workforce Services Division (WSD) serves Montana workers and employers by fostering a highly skilled, trained, employment-ready workforce and connecting workers with employment and job training opportunities. The division engages with employers and industries to understand and address future workforce needs. WSD operates 18 Job Service Offices (JSOs) across Montana tasked with working with individual job seekers to identify and pursue good-paying, sustainable careers, and connect them with resources to change careers, upskill, or otherwise prepare them for the workforce. The division administers Montana’s Registered Apprenticeship Program, which provides paid, on-the-job training in a wide range of fields, and provides economic and labor market information to Montana policymakers, employers, and other stakeholders. WSD is structured in three bureaus: Job Service, Data & Operations, and Business & Education Engagement.

FY 2024 Appropriations Compared to FY 2024 Expenditures

The Workforce Services Division within the Department of Labor and Industry is primarily funded through both federal special revenue and state special revenue funds, with a small portion of general fund. Appropriations within FY 2024 were 91.2% expended through the end of the fiscal year; this closely aligns with the anticipated level of expenditure through the fiscal year end.

FY 2024 Appropriations Compared to FY 2025

Within the Workforce Services Division, the FY 2025 appropriations are 3.3% higher than the FY 2024 appropriations. In FY 2025, operating expenses are 19.2% lower than in FY 2024. The primary reason for this is due to a budget modification executed by the agency that increased the operating expense appropriation budget by \$2.0 million in FY 2024. Also, personal services in FY 2025 are 14.0% higher than in FY 2024 due to budget modifications that transferred appropriation authority from multiple other divisions within the agency to WSD. Divisions that these modifications affected were the Unemployment Insurance Division, Employment Standards Division, and the Workers Compensation Court. In the previous session, the legislature passed a decision package which reduced positions budgeted (PB) by 40.00. The budget modification made by the division were done to spread this decrease across the agency by transferring appropriations and PB into the Workforce Services Division from other divisions within the agency.

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	5,746	373,016	338,700	717,462	0.00	6,011	388,496	360,516	755,023
DP 2 - Fixed Costs	0.00	256	(40,799)	(72,435)	(112,978)	0.00	269	(41,391)	(73,223)	(114,345)
DP 3 - Inflation Deflation	0.00	0	(8,898)	(8,243)	(17,141)	0.00	0	(6,013)	(5,572)	(11,585)
DP 101 - WSD Increase Federal Long-term Authority	0.00	0	0	700,000	700,000	0.00	0	0	700,000	700,000
Grand Total All Present Law Adjustments	0.00	\$6,002	\$323,319	\$958,022	\$1,287,343	0.00	\$6,280	\$341,092	\$981,721	\$1,329,093

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2025 biennium

Department of Labor and Industry Workforce Services Division FY 2026 Statewide Present Law Adjustment for Personal Services (DP1)	
Legislative Changes	\$ 155,125
Management Changes	347,590
Total Budget Modifications	214,747
Total	\$ 717,462

The executive requests an increase in personal services funding for the upcoming biennium. This increase is within legislative, and management changes, with a portion also in budget modifications. The legislative change is driven by an increase in benefits costs for the division while the management change is due to various pay rate changes made by the agency during the interim. The increase through budget modifications is due to the transfer of PB into the division to reallocate a reduction in PB that occurred during the 2023 Legislative Session. The transfer of funding associated with these PB was not equal to the funding associated with these positions, so a further increase is occurring in the statewide present law adjustment for personal services.

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: audit fees, Capitol complex rent, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include in-state state motor pool and motor pool leased vehicles.

DP 101 - WSD Increase Federal Long-term Authority -

The executive requests an increase in federal authority for the upcoming biennium. This request is due to an increase in annual federal grants that the division has experienced.

New Proposals

The "New Proposals" table shows new proposals for spending.

New Proposals	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 102 - Job Service Kiosks	0.00	0	540,000	0	540,000	0.00	0	90,000	0	90,000
DP 302 - Legal Adjustment	0.00	0	153,813	0	153,813	0.00	0	153,813	0	153,813
Total	0.00	\$0	\$693,813	\$0	\$693,813	0.00	\$0	\$243,813	\$0	\$243,813

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 102 - Job Service Kiosks -

The executive requests an increase in state special revenue funds in the upcoming biennium to place job service kiosks at various locations throughout the state. These kiosks would provide public information on employment and training opportunities. With this request, the agency would partner with the Department of Administration to place these kiosks in Job Service Offices, Office of Public Assistance centers, county courthouses, and tribal headquarters across Montana.

DP 302 - Legal Adjustment -

The executive requests an increase in state special revenue authority to account for the anticipated increase in usage of legal services in the agency.

Program Base Budget Comparison

The following table compares the base budget with the requested expenditures for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
PB	137.61	137.61	137.61	0.00	0.0%
State/Other Special Rev. Funds	7,327,377	7,920,118	7,909,755	1,175,119	8.0%
Federal Spec. Rev. Funds	11,493,224	11,374,013	11,418,006	(194,429)	(0.8%)
Total Funds	18,820,601	19,294,131	19,327,761	980,690	2.6%
Personal Services	11,134,224	11,204,070	11,232,901	168,523	0.8%
Operating Expenses	7,649,872	8,053,556	8,058,355	812,167	5.3%
Debt Service	36,505	36,505	36,505		0.0%
Total Expenditures	18,820,601	19,294,131	19,327,761	980,690	2.6%
Total Ongoing	18,820,601	19,294,131	19,327,761	980,690	2.6%
Total One-Time-Only					0.0%

Program Highlights

Unemployment Insurance Division Major Budget Highlights
<ul style="list-style-type: none"> • The Unemployment Insurance Division’s 2027 biennium requested appropriations are approximately \$981,000 or 2.6% higher than the FY 2025 base budget. Requested changes include: <ul style="list-style-type: none"> ◦ A decrease of \$968,000 over the upcoming biennium of fixed costs with this mainly due to decreases in information technology costs ◦ State special revenue funds increase by 8.0% or \$1.2 million. Significant proposed increases include: <ul style="list-style-type: none"> ▪ An increase of \$1.2 million for software maintenance contracts associated with the Montana Unemployment Service Environment System (MUSE) ▪ An increase of \$404,000 in legal services provided by the agency

Executive Request

The following table shows the total executive request with the base budget and the statewide present law adjustments, present law adjustments, and new proposals by source of funding.

Unemployment Insurance Division 2027 Biennium HB 2 Base Budget and Requested Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget Request	General Fund	State Special	Federal Special	Total Funds	% of Budget Request
Base Budget	0	7,327,377	11,493,224	18,820,601	97.5%	0	7,327,377	11,493,224	18,820,601	97.4%
Statewide PL										
Personal Services	0	42,607	27,239	69,846	0.4%	0	30,051	68,626	98,677	0.5%
Fixed Costs	0	(258,928)	(227,382)	(486,310)	(2.5%)	0	(256,735)	(225,122)	(481,857)	(2.5%)
Inflation Deflation	0	0	(1,068)	(1,068)	(0.0%)	0	0	(722)	(722)	(0.0%)
Total Statewide PL	0	(216,321)	(201,211)	(417,532)	(2.2%)	0	(226,684)	(157,218)	(383,902)	(2.0%)
Present Law (PL)	0	607,000	82,000	689,000	3.6%	0	607,000	82,000	689,000	3.6%
New Proposals	0	202,062	0	202,062	1.0%	0	202,062	0	202,062	1.0%
Total HB 2 Adjustments	0	592,741	(119,211)	473,530	2.5%	0	582,378	(75,218)	507,160	2.6%
Total Requested Budget	0	7,920,118	11,374,013	19,294,131		0	7,909,755	11,418,006	19,327,761	

Funding

The following table shows proposed program funding for all sources of authority.

Department of Labor and Industry, 02-Unemployment Insurance Division Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	0	0	0	0	0	0.0%	
02067 Montana HELP Act	652,763	0	0	0	652,763	4.1%	
02258 Employment Security Account	15,177,110	0	0	0	15,177,110	95.9%	
State Special Total	\$15,829,873	\$0	\$0	\$0	\$15,829,873	5.0%	
03278 UI Penalty & Interest	2,088,695	0	0	0	2,088,695	9.2%	
03954 UI Administrative Grants	20,703,324	0	0	0	20,703,324	90.8%	
Federal Special Total	\$22,792,019	\$0	\$0	\$0	\$22,792,019	7.1%	
06069 UI Tax Benefit Fund	0	0	280,619,927	0	280,619,927	100.0%	
Proprietary Total	\$0	\$0	\$280,619,927	\$0	\$280,619,927	87.9%	
Total All Funds	\$38,621,892	\$0	\$280,619,927	\$0	\$319,241,819		

HB 2 Appropriations

State Special Revenue

Appropriations within state special revenue funds are derived primarily from the employment security account. This fund receives revenues through an administrative assessment charged to employers for a percentage of their payroll within the state. Further detail on this fund can be found in the agency funding section of this report. Also, as part of state special revenue appropriations, is funding associated with the Montana HELP Act. This funding is used towards personal services and general operating cost for the Unemployment Insurance fraud team.

Non-Budgeted Proprietary Funds

Within the Unemployment Insurance Division, there is one non-budgeted proprietary fund. Details regarding the unemployment insurance (UI) tax benefit fund can be found in the report on the non-proprietary funds.

Program Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the expenditures requested for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Request Fiscal 2026	Request Fiscal 2027
PB	0.00	137.61	137.61	137.61	137.61
Personal Services	9,355,748	10,492,432	11,134,224	11,204,070	11,232,901
Operating Expenses	7,178,314	8,331,362	7,649,872	8,053,556	8,058,355
Debt Service	68,161	78,495	36,505	36,505	36,505
Total Expenditures	\$16,602,223	\$18,902,289	\$18,820,601	\$19,294,131	\$19,327,761
State/Other Special Rev. Funds	7,342,186	7,403,974	7,327,377	7,920,118	7,909,755
Federal Spec. Rev. Funds	9,260,037	11,498,315	11,493,224	11,374,013	11,418,006
Total Funds	\$16,602,223	\$18,902,289	\$18,820,601	\$19,294,131	\$19,327,761
Total Ongoing	\$16,602,223	\$18,902,289	\$18,820,601	\$19,294,131	\$19,327,761
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Description

Montana’s Unemployment Insurance Division (UID) administers the state’s Unemployment Insurance Program, which provides temporary, partial wage replacement benefits for unemployed workers. The UID operates in three bureaus:

- The Claims Processing Bureau conducts the intake, adjudication, and payment of UI benefit claims. The bureau assists unemployed Montanans with claims filings and appeals and operates claims processing centers in Helena and Billings
- The Contributions Bureau facilitates the payment of employer UI payroll taxes, collects taxes and wage reports, and conducts employer audits to ensure compliance
- The Program Support Bureau is responsible for reporting, compliance, program integrity and operational support, including support for the Unemployment Insurance Appeals Board. The division also houses a fraud prevention team that seeks to identify and prevent fraudulent UI claims, and reclaim funds paid on fraudulent claims

FY 2024 Appropriations Compared to FY 2024 Expenditures

The UID expended 87.8% of its FY 2024 HB 2 modified budget. This level of expenditure aligns closely to the historical averages for this division. The UID is 60.8% funded through federal special revenue funds, or \$11.5 million of its \$18.9 million HB 2 modified budget for FY 2024. The remaining funding is concentrated within state special revenue funds for FY 2024.

FY 2024 Appropriations Compared to FY 2025

The UID appropriations for FY 2025 are 0.4% lower than the appropriations for FY 2024. This decrease is mainly due to the reorganization and transfer of 8.50 PB from this division to the Workforce Services Division within the Department of Labor and Industry. Additionally, operating expenses were transferred to the Workforce Services Division to aid in expenditures related to the career coaches’ program. Between the reorganization and program transfer, \$852,000 was moved out of the Unemployment Insurance Division.

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	42,607	27,239	69,846	0.00	0	30,051	68,626	98,677
DP 2 - Fixed Costs	0.00	0	(258,928)	(227,382)	(486,310)	0.00	0	(256,735)	(225,122)	(481,857)
DP 3 - Inflation Deflation	0.00	0	0	(1,068)	(1,068)	0.00	0	0	(722)	(722)
DP 201 - UID Software Maintenance Contract Operations	0.00	0	607,000	0	607,000	0.00	0	607,000	0	607,000
DP 303 - Postage & Mailing Inflation	0.00	0	0	82,000	82,000	0.00	0	0	82,000	82,000
Grand Total All Present Law Adjustments	0.00	\$0	\$390,679	(\$119,211)	\$271,468	0.00	\$0	\$380,316	(\$75,218)	\$305,098

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2025 biennium

Department of Labor and Industry Unemployment Insurance Division FY 2026 Statewide Present Law Adjustment for Personal Services (DP1)	
Legislative Changes	\$ 161,319
Management Changes	(91,473)
Total Budget Modifications	-
Total	\$ 69,846

The executive requests an increase in personal services authority for the upcoming biennium. This increase is primarily within legislative changes and due to increases in benefits. This increase is slightly offset with the decrease in management changes because of vacancy savings.

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: audit fees, Capitol complex rent, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include in-state state motor pool and motor pool leased vehicles.

DP 201 - UID Software Maintenance Contract Operations -

The executive requests an increase in state special revenue funding in each year of the upcoming biennium. This funding will be used towards ongoing contracted costs regarding software maintenance of the Montana Unemployment Services Environment system (MUSE).

DP 303 - Postage & Mailing Inflation -

The executive requests an increase in federal special revenue authority for the upcoming biennium. This request is an inflationary adjustment to be utilized within postage and mailing costs in the division.

New Proposals

The "New Proposals" table shows new proposals for spending.

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 302 - Legal Adjustment	0.00	0	202,062	0	202,062	0.00	0	202,062	0	202,062
Total	0.00	\$0	\$202,062	\$0	\$202,062	0.00	\$0	\$202,062	\$0	\$202,062

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 302 - Legal Adjustment -

The executive requests an increase in state special revenue authority to account for the anticipated increase in usage of legal services in the agency.

Program Base Budget Comparison

The following table compares the base budget with the requested expenditures for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison						
Budget Item	Base Budget		Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent	
PB	10.00	10.00	10.00	0.00	0.0%	
General Fund	344,698	344,885	346,126	1,615	0.2%	
State/Other Special Rev. Funds	705,620	883,287	784,051	256,098	18.1%	
Federal Spec. Rev. Funds	609,420	602,216	603,844	(12,780)	(1.0%)	
Total Funds	1,659,738	1,830,388	1,734,021	244,933	7.4%	
Personal Services	973,452	1,060,722	1,064,541	178,359	9.2%	
Operating Expenses	632,927	716,307	616,121	66,574	5.3%	
Transfers	50,000	50,000	50,000		0.0%	
Debt Service	3,359	3,359	3,359		0.0%	
Total Expenditures	1,659,738	1,830,388	1,734,021	244,933	7.4%	
Total Ongoing	1,659,738	1,730,388	1,734,021	144,933	4.4%	
Total One-Time-Only		100,000		100,000	0.0%	

Program Highlights

<p>Commissioners Office and Centralized Services Division (CSD) Major Budget Highlights</p>
<ul style="list-style-type: none"> • The Commissioners Office and CSD's 2027 biennium requested appropriations are approximately \$245,000 or 7.4% higher than the FY 2025 base budget. Significant changes include: <ul style="list-style-type: none"> ◦ An increase, primarily in state special revenue, of \$178,000 for personal services expenditures, this increase is primarily due to management changes made by the division ◦ An increase in state special revenue of \$100,000 in operating expenses to perform operation assessments in other division within the agency

Executive Request

The following table shows the total executive request with the base budget and the statewide present law adjustments, present law adjustments, and new proposals by source of funding.

Commissioner's Office & C.s.d. 2027 Biennium HB 2 Base Budget and Requested Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget Request	General Fund	State Special	Federal Special	Total Funds	% of Budget Request
Base Budget	344,698	705,620	609,420	1,659,738	90.7%	344,698	705,620	609,420	1,659,738	95.7%
Statewide PL										
Personal Services	4,126	77,684	5,460	87,270	4.8%	5,424	78,486	7,179	91,089	5.3%
Fixed Costs	(5,943)	(3,822)	(12,582)	(22,347)	(1.2%)	(6,000)	(3,860)	(12,699)	(22,559)	(1.3%)
Inflation Deflation	0	0	(82)	(82)	(0.0%)	0	0	(56)	(56)	(0.0%)
Total Statewide PL	(1,817)	73,862	(7,204)	64,841	3.5%	(576)	74,626	(5,576)	68,474	3.9%
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	2,004	103,805	0	105,809	5.8%	2,004	3,805	0	5,809	0.3%
Total HB 2 Adjustments	187	177,667	(7,204)	170,650	9.3%	1,428	78,431	(5,576)	74,283	4.3%
Total Requested Budget	344,885	883,287	602,216	1,830,388		346,126	784,051	603,844	1,734,021	

Funding

The following table shows proposed program funding for all sources of authority.

Department of Labor and Industry, 03-Commissioner's Office & C.s.d. Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	691,011	0	0	0	691,011	3.2%	
02233 BSD Hearings	151,223	0	0	0	151,223	9.1%	
02258 Employment Security Account	1,395,405	100,000	0	0	1,495,405	89.7%	
02315 DLI Info Exchange/Rental	2,142	0	0	0	2,142	0.1%	
02941 Uninsured Employer Fund	18,568	0	0	0	18,568	1.1%	
State Special Total	\$1,567,338	\$100,000	\$0	\$0	\$1,667,338	7.7%	
03122 EEOC	63,288	0	0	0	63,288	5.2%	
03954 UI Administrative Grants	1,142,772	0	0	0	1,142,772	94.8%	
Federal Special Total	\$1,206,060	\$0	\$0	\$0	\$1,206,060	5.5%	
06546 Commissioner's Office/CSD	0	0	10,338,593	0	10,338,593	56.7%	
06552 Legal Admin Services	0	0	7,882,590	0	7,882,590	43.3%	
Proprietary Total	\$0	\$0	\$18,221,183	\$0	\$18,221,183	83.6%	
Total All Funds	\$3,464,409	\$100,000	\$18,221,183	\$0	\$21,785,592		

HB 2 Appropriations

General Fund

Appropriation authority from the general fund is approximately 20.0% of the total HB 2 appropriations. These appropriations are utilized towards the Office of Administrative Hearing's Program for human rights cases.

State Special Revenue

State special revenue accounts for a portion of appropriations from HB 2 within this division. The largest contributing fund within this is the employment security account. Revenues into this account are from administrative assessments placed upon payrolls of Montana employers. More detail of this fund can be found in the agency funding section of this report. The Business Standards Division (BSD) Hearings fund makes up the majority of the remaining state special revenue authority. This fund is used by the Office of Administrative Hearings when hearing cases are from the Employment Standards Division (formerly Business Standards Division).

Federal Special Revenue

The Commissioner’s Office and Centralized Services Division (CSD) receive a portion of its HB 2 appropriations from federal special revenue funds. This federal funding comes from UI administrative grants with the other portion coming from the Equal Employment Opportunity Commission (EEOC).

Non-Budgeted Proprietary Funds

Within the Commissioner’s Office and CSD, there are two non-budgeted proprietary funds that provide funding. In-depth descriptions, revenues, and expenditures of these funds can be found in the report on non-budgeted proprietary funds.

Program Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the expenditures requested for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Request Fiscal 2026	Request Fiscal 2027
PB	0.00	10.00	10.00	10.00	10.00
Personal Services	797,638	898,960	973,452	1,060,722	1,064,541
Operating Expenses	285,924	401,587	632,927	716,307	616,121
Transfers	0	5,000	50,000	50,000	50,000
Debt Service	648	2,698	3,359	3,359	3,359
Total Expenditures	\$1,084,210	\$1,308,245	\$1,659,738	\$1,830,388	\$1,734,021
General Fund	324,768	324,818	344,698	344,885	346,126
State/Other Special Rev. Funds	307,134	408,286	705,620	883,287	784,051
Federal Spec. Rev. Funds	452,308	575,141	609,420	602,216	603,844
Total Funds	\$1,084,210	\$1,308,245	\$1,659,738	\$1,830,388	\$1,734,021
Total Ongoing	\$1,084,210	\$1,308,245	\$1,659,738	\$1,730,388	\$1,734,021
Total OTO	\$0	\$0	\$0	\$100,000	\$0

Program Description

The Commissioner's Office and the CSD provide agency and program direction, legal, administration, and support services to the department's programs and administratively attached entities. Additionally, the Office of Administrative Hearings provides impartial administrative hearings and dispute resolution services.

FY 2024 Appropriations Compared to FY 2024 Expenditures

The Commissioner’s Office and CSD expended 82.9% of its HB 2 appropriations in FY 2024. Appropriations within this division are fairly evenly spread amongst general fund (24.8%), state special revenue (31.2%), and federal special revenue (44.0%). Of the \$1.3 million in appropriations, personal services accounts for 68.7%, or \$899,000, of the total budget. Personal services were 88.7% expended in FY 2024. These lower personal services expenditures are due to 2.00 vacant PB for a large portion of FY 2024. Also, within this division, the operating expense budget of \$402,000 was 71.2% expended in FY 2024. This lower percent expended was primarily within the Office of Administrative Hearings and technology operating expenses. The Office of Administrative Hearings operating expenses were underspent due a lower caseload in the Unemployment Insurance Division.

FY 2024 Appropriations Compared to FY 2025 Appropriations

Appropriations within the Commissioner’s Office and CSD for FY 2025 are 26.9% higher, as compared to FY 2024 appropriations. Although the FY 2025 appropriations are higher than FY 2024, this difference is mainly due to one budget modification in FY 2024. This budget change transferred funding to the UID for a shortfall in personal services and an accrual needed for information technology (IT) modernization. Due to this program transfer, personal services and operating expenses are 8.3% and 57.6% higher in FY 2025 as compared to FY 2024, respectively. Another reasoning for the increase in personal services is the HB 13 funding for the statewide pay plan being greater in FY 2025.

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	4,126	77,684	5,460	87,270	0.00	5,424	78,486	7,179	91,089
DP 2 - Fixed Costs	0.00	(5,943)	(3,822)	(12,582)	(22,347)	0.00	(6,000)	(3,860)	(12,699)	(22,559)
DP 3 - Inflation Deflation	0.00	0	0	(82)	(82)	0.00	0	0	(56)	(56)
Grand Total All Present Law Adjustments	0.00	(\$1,817)	\$73,862	(\$7,204)	\$64,841	0.00	(\$576)	\$74,626	(\$5,576)	\$68,474

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2025 biennium

Department of Labor and Industry Commissioners Office and CSD FY 2026 Statewide Present Law Adjustment for Personal Services (DP1)	
Legislative Changes	\$ 24,857
Management Changes	62,413
Total Budget Modifications	-
Total	\$ 87,270

The executive requests an increase in personal services funding with this increase mainly coming from management changes. The primary reasoning behind this increase is due to an increase in the median market rate for vacant positions.

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: audit fees, Capitol complex rent, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include in-state state motor pool and motor pool leased vehicles.

New Proposals

The "New Proposals" table shows new proposals for spending.

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 301 - Operations Resources (BIEN, OTO)	0.00	0	100,000	0	100,000	0.00	0	0	0	0
DP 302 - Legal Adjustment	0.00	2,004	3,805	0	5,809	0.00	2,004	3,805	0	5,809
Total	0.00	\$2,004	\$103,805	\$0	\$105,809	0.00	\$2,004	\$3,805	\$0	\$5,809

**Total Funds* amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 301 - Operations Resources (BIEN, OTO) -

The executive requests an increase in one-time-only biennial state special revenue authority. This request is for the Commissioner's Office to conduct operational assessments on the Workforce Services and Unemployment Insurance Divisions. This request would provide funding for a consultant to evaluate the divisions processes for efficiency.

DP 302 - Legal Adjustment -

The executive requests an increase in state special revenue authority to account for the anticipated increase in usage of legal services in the agency.

Program Base Budget Comparison

The following table compares the base budget with the requested expenditures for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
PB	248.87	248.87	248.87	0.00	0.0%
General Fund	1,860,556	38,317	41,978	(3,640,817)	(97.8%)
State/Other Special Rev. Funds	34,772,745	37,886,290	37,946,581	6,287,381	9.0%
Federal Spec. Rev. Funds	1,318,200	1,490,977	1,493,466	348,043	13.2%
Total Funds	37,951,501	39,415,584	39,482,025	2,994,607	3.9%
Personal Services	23,114,697	23,256,853	23,319,531	346,990	0.8%
Operating Expenses	13,320,905	14,292,832	14,296,595	1,947,617	7.3%
Equipment & Intangible Assets	470,941	820,941	820,941	700,000	74.3%
Grants	5,000	5,000	5,000		0.0%
Benefits & Claims	100,389	100,389	100,389		0.0%
Transfers	44,869	44,869	44,869		0.0%
Debt Service	894,700	894,700	894,700		0.0%
Total Expenditures	37,951,501	39,415,584	39,482,025	2,994,607	3.9%
Total Ongoing	37,951,501	39,415,584	39,482,025	2,994,607	3.9%
Total One-Time-Only					0.0%

Program Highlights

Employment Standards Division Major Budget Highlights
<ul style="list-style-type: none"> • The Employment Standards Division's 2027 biennium requested appropriations are approximately \$3.0 million or 3.9% higher than the FY 2025 base budget. Significant requested changes include: <ul style="list-style-type: none"> ◦ A funding switch of \$3.7 million from general fund to state special revenue for the Human Rights Bureau ◦ An increase of \$647,000 in fixed costs in the biennium, mainly due to an increase in information technology costs ◦ An increase of \$960,000 for legal services provided by the agency ◦ An increase of \$700,000 for equipment in the Weights and Measures Program

Executive Request

The following table shows the total executive request with the base budget and the statewide present law adjustments, present law adjustments, and new proposals by source of funding.

Employment Standards Division 2027 Biennium HB 2 Base Budget and Requested Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget Request	General Fund	State Special	Federal Special	Total Funds	% of Budget Request
Base Budget	1,860,556	34,772,745	1,318,200	37,951,501	96.3%	1,860,556	34,772,745	1,318,200	37,951,501	96.1%
Statewide PL										
Personal Services	9,123	127,052	5,981	142,156	0.4%	13,149	183,066	8,619	204,834	0.5%
Fixed Costs	18,457	299,893	6,796	325,146	0.8%	18,092	297,585	6,647	322,324	0.8%
Inflation Deflation	0	(20,316)	0	(20,316)	(0.1%)	0	(13,731)	0	(13,731)	(0.0%)
Total Statewide PL	27,580	406,629	12,777	446,986	1.1%	31,241	466,920	15,266	513,427	1.3%
Present Law (PL)	0	377,000	160,000	537,000	1.4%	0	377,000	160,000	537,000	1.4%
New Proposals	(1,849,819)	2,329,916	0	480,097	1.2%	(1,849,819)	2,329,916	0	480,097	1.2%
Total HB 2 Adjustments	(1,822,239)	3,113,545	172,777	1,464,083	3.7%	(1,818,578)	3,173,836	175,266	1,530,524	3.9%
Total Requested Budget	38,317	37,886,290	1,490,977	39,415,584		41,978	37,946,581	1,493,466	39,482,025	

Funding

The following table shows proposed program funding for all sources of authority.

Department of Labor and Industry, 05-Employment Standards Division						
Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	80,295	0	0	0	80,295	0.1%
02024 Blasters	29,974	0	0	0	29,974	0.0%
02078 Occupational Therapists	162,135	0	0	0	162,135	0.2%
02079 Fire Prevention	124,976	0	0	0	124,976	0.2%
02080 Prescription Drug Registry	686,852	0	0	0	686,852	0.9%
02109 Outfitters	938,657	0	0	0	938,657	1.2%
02155 Boilers	1,545,782	0	0	0	1,545,782	2.0%
02207 Cranes Operators	427,021	0	0	0	427,021	0.6%
02258 Employment Security Account	8,115,175	0	0	0	8,115,175	10.5%
02263 Subsequent Injury Admin	152,845	0	0	0	152,845	0.2%
02315 DLI Info Exchange/Rental	12,178	0	0	0	12,178	0.0%
02346 Contractor Registration	4,275,300	0	0	0	4,275,300	5.5%
02347 Safety Administration Fund	5,019,319	0	0	0	5,019,319	6.5%
02446 Psychologists	227,204	0	0	0	227,204	0.3%
02448 Building Codes State Spec Rev	12,929,002	0	0	0	12,929,002	16.7%
02455 Workers' Comp Regulation	10,792,330	0	0	0	10,792,330	14.0%
02460 Underground Facility Protect	0	0	0	256,879	256,879	0.3%
02580 Athletic Trainers	59,852	0	0	0	59,852	0.1%
02679 Massage Therapists	357,436	0	0	0	357,436	0.5%
02767 Elevators	1,603,693	0	0	0	1,603,693	2.1%
02805 Weights & Measures Bureau	4,421,971	0	0	0	4,421,971	5.7%
02809 Speech Pathologists	228,110	0	0	0	228,110	0.3%
02810 Radiologic Technologists	405,686	0	0	0	405,686	0.5%
02811 Clinical Laboratory Practition	196,658	0	0	0	196,658	0.3%
02812 Physical Therapists	394,211	0	0	0	394,211	0.5%
02813 Nursing Home Admin	123,370	0	0	0	123,370	0.2%
02814 Hearing Aid Dispensers	77,886	0	0	0	77,886	0.1%
02816 Sanitarians	72,489	0	0	0	72,489	0.1%
02818 Electrical	1,004,846	0	0	0	1,004,846	1.3%
02819 Realty Regulations	1,275,822	0	0	0	1,275,822	1.7%
02820 Architects/Landscape Architect	373,018	0	0	0	373,018	0.5%
02821 Funeral Service	396,230	0	0	0	396,230	0.5%
02822 Chiropractors	203,229	0	0	0	203,229	0.3%
02823 Professional Engineers	602,097	0	0	0	602,097	0.8%
02824 Medical Examiners	2,967,259	0	0	0	2,967,259	3.8%
02826 Barbers & Cosmetologists	2,613,115	0	0	0	2,613,115	3.4%
02828 Plumbers	667,350	0	0	0	667,350	0.9%
02829 Private Investigator	533,187	0	0	0	533,187	0.7%
02830 Dentistry	748,238	0	0	0	748,238	1.0%
02831 Optometrists	94,683	0	0	0	94,683	0.1%
02832 Pharmacy	1,855,032	0	0	0	1,855,032	2.4%
02833 Nursing	4,005,280	0	0	0	4,005,280	5.2%
02834 Veterinarians	380,328	0	0	0	380,328	0.5%
02840 Behavioral Health	1,825,350	0	0	0	1,825,350	2.4%
02852 Alternative Health Care	130,168	0	0	0	130,168	0.2%
02854 Real Estate Appraisers	444,572	0	0	200,000	644,572	0.8%
02855 Respiratory Care	212,980	0	0	0	212,980	0.3%
02859 Genetic Counselors	71,723	0	0	0	71,723	0.1%
02870 Property Manager Licensing	259,083	0	0	0	259,083	0.3%
02941 Uninsured Employer Fund	1,789,169	0	0	950,368	2,739,537	3.5%
State Special Total	\$75,832,871	\$0	\$0	\$1,407,247	\$77,240,118	92.0%
03122 EEOC	506,173	0	0	0	506,173	17.0%
03130 Coal Mine Safety	450,500	0	0	0	450,500	15.1%
03131 OSHA Stat Prgm Fed.St Sdy	280,717	0	0	0	280,717	9.4%
03195 On-Site Consultation	1,392,751	0	0	0	1,392,751	46.7%
03293 Country of Origin Labeling	41,344	0	0	0	41,344	1.4%
03985 Data Management Unit Grant	312,958	0	0	0	312,958	10.5%
Federal Special Total	\$2,984,443	\$0	\$0	\$0	\$2,984,443	3.6%
06040 Subsequent Injury-Trust Fund	0	0	3,056,752	0	3,056,752	83.3%
06086 Public Accountants	0	0	0	614,578	614,578	16.7%
Proprietary Total	\$0	\$0	\$3,056,752	\$614,578	\$3,671,330	4.4%
Total All Funds	\$78,897,609	\$0	\$3,056,752	\$2,021,825	\$83,976,186	

HB 2 Appropriations

General Fund

Appropriations from the general fund account for a relatively small portion of total HB 2 appropriations for this division. This funding supports the personal services and general operating expenses of the Human Rights Bureau, as well as a small portion of the administration of the Employment Standards Division (ESD) as a whole.

State Special Revenue

Of the total HB 2 appropriations for this division, state special revenue funds are the largest portion of this for the upcoming biennium.

Different state special revenue funds within this division include:

- License and professional boards
 - Charges and fees paid by licensees are deposited into the accounts and administrative and operational expenses for the division are charged directly to these funds
 - The largest license and professional board fund is the building codes account, which helps to fund the building codes program in the division through license and permit fees
- The workers' compensation regulation fund is also a large portion of HB 2 appropriations. Revenues into this fund are generated by an annual administrative assessment of up to 4.0% on all compensation and medical benefits paid during the calendar year. This excludes costs above \$200,000 per claim
- The safety administration fund generates revenue through an annual administrative assessment of up to 2.0% on all compensation and medical benefits, excluding costs above \$200,000 per claim. Penalties assessed on inspection violations, recovery costs for onsite safety and industrial health consultation services to mines, and any grants or funds from private entities or the federal government for use by the department in defraying occupational safety and health costs may also be deposited into this fund
- Employment security account was described in detail at the agency level. This fund helps support the Workers' Compensation Regulations Bureau and a portion of the divisions administration
- Contractor registration fund receives revenues from registration fees for independent contractor exemptions and construction contractor application fees. This fund helps support the Workers' Compensation Regulations Bureau and a portion of the divisions administration
- The uninsured employer fund is used to provide benefits to employees injured on the job while working for an employer that does not carry workers' compensation insurance as required by law

Federal Special Revenue

Federal special revenue makes up a small portion of the division's total appropriation authority for the 2027 biennium. The largest federal fund is the on-site consultation account, which provides funding for on-site safety and health checks of workplaces and job sites.

Non-Budgeted Proprietary

The ESD oversees one non-budgeted proprietary fund, the subsequent injury fund. This fund assists disabled persons in becoming employed by offering a financial incentive to employers who hire them. A more detailed description of the fund, revenues into the fund, and expenditures can be found in the proprietary fund report for the Department of Labor and Industry.

Statutory Appropriations

This division has four statutory appropriations under its purview, three of these being state special revenue funds and one proprietary enterprise fund. In looking at the proprietary enterprise fund, the Board of Public Accountants has an enterprise fund that receives licensing fees, money collected by the department on behalf of the board, and interest or earnings on the money deposited. This fund was originally a state special revenue account, but it was established as a proprietary fund by the 2015 Legislature.

When looking at the statutorily appropriated state special revenue funds, details on these are as follows:

- The Board of Real Estate Appraisers was established due to the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, which requires every state to establish an agency for the licensure, certification, and regulation of real estate appraisers
- The uninsured employer fund is a state special revenue fund that ensures employees who are injured on the job while working for an uninsured employer receive full benefits. This fund receives revenues from the department’s collection of penalties from uninsured employers as well as collecting reimbursement of paid benefits
- The Underground Facility Protection Program was created in 2017 when HB 365 became law. The statute requires the Department of Labor and Industry to have a program that monitors, maintains records, and issues civil penalties for incidents where underground facilities are damaged during excavations

Program Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the expenditures requested for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Request Fiscal 2026	Request Fiscal 2027
PB	0.00	248.87	248.87	248.87	248.87
Personal Services	21,444,298	21,831,733	23,114,697	23,256,853	23,319,531
Operating Expenses	12,572,481	13,217,660	13,320,905	14,292,832	14,296,595
Equipment & Intangible Assets	84,204	2,573,911	470,941	820,941	820,941
Grants	0	5,000	5,000	5,000	5,000
Benefits & Claims	16,800	100,389	100,389	100,389	100,389
Transfers	79,312	87,022	44,869	44,869	44,869
Debt Service	886,667	928,934	894,700	894,700	894,700
Total Expenditures	\$35,083,762	\$38,744,649	\$37,951,501	\$39,415,584	\$39,482,025
General Fund	1,785,595	1,785,607	1,860,556	38,317	41,978
State/Other Special Rev. Funds	32,173,438	35,626,826	34,772,745	37,886,290	37,946,581
Federal Spec. Rev. Funds	1,124,729	1,332,216	1,318,200	1,490,977	1,493,466
Total Funds	\$35,083,762	\$38,744,649	\$37,951,501	\$39,415,584	\$39,482,025
Total Ongoing	\$35,031,087	\$36,444,649	\$37,951,501	\$39,415,584	\$39,482,025
Total OTO	\$52,675	\$2,300,000	\$0	\$0	\$0

Program Description

The Employment Standards Division (ESD) is responsible for a wide range of services that seek to protect Montana workers and consumers. The division operates in the following bureaus:

- The Professional and Occupational Licensing Bureau provides operational and administrative support for Montana’s professional licensing boards and programs and operates the state’s prescription drug registry
- The Building Codes and Weights and Measurements Bureau sets and enforces minimum standards for building, electrical, plumbing, elevator and similar codes, as well as licenses, tests, and certifies all weighting and measurement devices used in commercial transactions
- The Investigation and Mediation Bureau enforces the Montana Human Rights Act, Wage Payment Act, and investigates claims of violations related to all division programs
- The Compliance Bureau administers federal and state industrial safety laws for the public sector while providing no-cost consultation services for all employers. The bureau also oversees the workers’ compensation section that assists claimants, employers, and insurers in navigating the state’s workers’ compensation system. It also provides compliance oversight and inspection services for all division programs
- The Operations Bureau provides administrative support to the division while operating data management and customer services programs

FY 2024 Appropriations Compared to FY 2024 Expenditures

The ESD utilized 90.6% of its FY 2024 HB 2 appropriations. Appropriations are concentrated within state special revenues fund, with \$35.6 million of its \$38.7 million HB 2 appropriation being in this fund type. The remaining appropriations are in both general fund and federal special revenues, these being \$1.8 million and \$1.3 million, respectively. The main portion of its appropriation, which was not expended in FY 2024, is a biennial, one-time-only appropriation for weights and measures equipment. According to the agency, they are currently ordering this equipment and intend to utilize all of this appropriation by the end of FY 2025.

FY 2024 Appropriations Compared to FY 2025 Appropriations

The FY 2025 appropriations are 2.1% less than that of FY 2024. This decrease is mainly due to a \$2.3 million biennial, one-time-only appropriation in FY 2024 for a weights and measures equipment replacement. Although this appropriation appears in FY 2024, as it is biennial, it can be used in FY 2025 as well. In considering the change in FY 2024 appropriations to FY 2025 without the effect of this one-time-only appropriation, FY 2025 appropriations are 3.8% higher than that of FY 2024. The main reasoning behind the increase in appropriations with the removal of the one-time-only authority is due to personal services authority in HB 13 being greater in FY 2025.

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	9,123	127,052	5,981	142,156	0.00	13,149	183,066	8,619	204,834
DP 2 - Fixed Costs	0.00	18,457	299,893	6,796	325,146	0.00	18,092	297,585	6,647	322,324
DP 3 - Inflation Deflation	0.00	0	(20,316)	0	(20,316)	0.00	0	(13,731)	0	(13,731)
DP 303 - Postage & Mailing Inflation	0.00	0	27,000	0	27,000	0.00	0	27,000	0	27,000
DP 501 - Equipment for Weights & Measures	0.00	0	350,000	0	350,000	0.00	0	350,000	0	350,000
DP 502 - ESD Increase Federal Authority	0.00	0	0	160,000	160,000	0.00	0	0	160,000	160,000
Grand Total All Present Law Adjustments	0.00	\$27,580	\$783,629	\$172,777	\$983,986	0.00	\$31,241	\$843,920	\$175,266	\$1,050,427

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2025 biennium

Department of Labor and Industry Employment Standards Division FY 2026 Statewide Present Law Adjustment for Personal Services (DP1)	
Legislative Changes	\$ 334,173
Management Changes	(192,017)
Total Budget Modifications	-
Total	\$ 142,156

The executive requests an increase in personal services funding for the upcoming biennium with this increase being primarily within legislative changes. The largest legislative change within this division is due to the increase in cost of benefits. The decrease in management changes is primarily due to vacancy savings

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: audit fees, Capitol complex rent, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include in-state state motor pool and motor pool leased vehicles.

DP 303 - Postage & Mailing Inflation -

The executive requests an increase in federal special revenue authority for the upcoming biennium. This request is an inflationary adjustment to be utilized within postage and mailing costs in the division.

DP 501 - Equipment for Weights & Measures -

The executive requests an increase in state special revenue authority to support equipment replacements in the Weights and Measures Program within ESD. This increase is to be used towards purchasing equipment on a replacement schedule to be used towards weight and measuring calibration, as well as other associated equipment in the program. This request would provide consistent maintenance for equipment to reduce the risk of a large maintenance backlog within the Weights and Measures Program of the division.

DP 502 - ESD Increase Federal Authority -

The executive requests an increase in federal special revenue authority in each year of the upcoming biennium. As the ESD has experienced an increase in annual federal grants, this request attempts to adjust the level of appropriations to the corresponding awards.

New Proposals

The "New Proposals" table shows new proposals for spending.

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 302 - Legal Adjustment	0.00	9,602	470,495	0	480,097	0.00	9,602	470,495	0	480,097
DP 503 - Human Rights Bureau Funding Switch	0.00	(1,859,421)	1,859,421	0	0	0.00	(1,859,421)	1,859,421	0	0
Total	0.00	(\$1,849,819)	\$2,329,916	\$0	\$480,097	0.00	(\$1,849,819)	\$2,329,916	\$0	\$480,097

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 302 - Legal Adjustment -

The executive requests an increase in state special revenue authority to account for the anticipated increase in usage of legal services in the agency.

DP 503 - Human Rights Bureau Funding Switch -

The executive requests a switch of funding sources for the Human Rights Bureau from general fund to state special revenue. This request switches the funding source to the employment security account.

Program Base Budget Comparison

The following table compares the base budget with the requested expenditures for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison						
Budget Item	Base Budget	Requested Budget		Biennium Change from Base		
	FY 2025	FY 2026	FY 2027	Amount	Percent	
PB	5.00	5.00	5.00	0.00	0.0%	
General Fund	167,318	171,945	172,194	9,503	2.8%	
State/Other Special Rev. Funds		295,000	295,000	590,000	0.0%	
Federal Spec. Rev. Funds	4,037,455	4,045,224	4,045,977	16,291	0.2%	
Total Funds	4,204,773	4,512,169	4,513,171	615,794	7.3%	
Personal Services	456,678	580,341	583,108	250,093	27.4%	
Operating Expenses	401,551	585,284	583,519	365,701	45.5%	
Grants	3,094,722	3,094,722	3,094,722		0.0%	
Transfers	250,650	250,650	250,650		0.0%	
Debt Service	1,172	1,172	1,172		0.0%	
Total Expenditures	4,204,773	4,512,169	4,513,171	615,794	7.3%	
Total Ongoing	4,204,773	4,512,169	4,513,171	615,794	7.3%	
Total One-Time-Only	57,551			(115,102)	(100.0%)	

Program Highlights

Office of Community Services Major Budget Highlights
<ul style="list-style-type: none"> • The Office of Community Service's 2027 biennium requested appropriations are approximately \$616,000 or 7.3% higher than the FY 2025 base budget. Significant changes to appropriations in the division are: <ul style="list-style-type: none"> ◦ The establishment of state special revenue authority of \$590,000 within the division for the purpose of a federal funding match, which is contingent on legislation

Executive Request

The following table shows the total executive request with the base budget and the statewide present law adjustments, present law adjustments, and new proposals by source of funding.

Office of Community Services 2027 Biennium HB 2 Base Budget and Requested Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget Request	General Fund	State Special	Federal Special	Total Funds	% of Budget Request
Base Budget	167,318	0	4,037,455	4,204,773	93.2%	167,318	0	4,037,455	4,204,773	93.2%
Statewide PL										
Personal Services	(188)	0	(595)	(783)	(0.0%)	56	0	178	234	0.0%
Fixed Costs	4,815	0	8,478	13,293	0.3%	4,820	0	8,421	13,241	0.3%
Inflation Deflation	0	0	(114)	(114)	(0.0%)	0	0	(77)	(77)	(0.0%)
Total Statewide PL	4,627	0	7,769	12,396	0.3%	4,876	0	8,522	13,398	0.3%
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	0	295,000	0	295,000	6.5%	0	295,000	0	295,000	6.5%
Total HB 2 Adjustments	4,627	295,000	7,769	307,396	6.8%	4,876	295,000	8,522	308,398	6.8%
Total Requested Budget	171,945	295,000	4,045,224	4,512,169		172,194	295,000	4,045,977	4,513,171	

Funding

The following table shows proposed program funding for all sources of authority.

Department of Labor and Industry, 07-Office of Community Services Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	344,139	0	0	0	344,139	3.8%	
02258 Employment Security Account	590,000	0	0	0	590,000	100.0%	
State Special Total	\$590,000	\$0	\$0	\$0	\$590,000	6.5%	
03322 MT Community Service FSR	8,091,201	0	0	0	8,091,201	100.0%	
Federal Special Total	\$8,091,201	\$0	\$0	\$0	\$8,091,201	89.6%	
Proprietary Total	\$0	\$0	\$0	\$0	\$0	0.0%	
Total All Funds	\$9,025,340	\$0	\$0	\$0	\$9,025,340		

HB 2 Appropriations

General Fund

The Office of Community Services Division (OCS) has a relatively small portion of general fund within its HB 2 appropriations. This is utilized as a state match portion for federal grants with this funding primarily being used towards the division’s administrative expenses.

State Special Revenue

Appropriations from state special revenue in this division are all in the employment security account. This state special revenue funding will be used towards a funding match for federal special revenue received through AmeriCorp grants.

Federal Special Revenue

The largest share of HB 2 appropriation authority is from federal special revenue funds from AmeriCorp grants. Federal funds provide funding for administrative expenses as well as funding for grant and special projects administered by the program.

Program Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the expenditures requested for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Request Fiscal 2026	Request Fiscal 2027
PB	0.00	5.00	5.00	5.00	5.00
Personal Services	482,248	516,029	503,912	580,341	583,108
Operating Expenses	197,496	421,053	411,868	585,284	583,519
Grants	1,909,224	2,524,722	3,094,722	3,094,722	3,094,722
Transfers	577,419	820,650	250,650	250,650	250,650
Debt Service	1,009	1,010	1,172	1,172	1,172
Total Expenditures	\$3,167,396	\$4,283,464	\$4,262,324	\$4,512,169	\$4,513,171
General Fund	263,789	263,796	224,869	171,945	172,194
State/Other Special Rev. Funds	0	0	0	295,000	295,000
Federal Spec. Rev. Funds	2,903,607	4,019,668	4,037,455	4,045,224	4,045,977
Total Funds	\$3,167,396	\$4,283,464	\$4,262,324	\$4,512,169	\$4,513,171
Total Ongoing	\$3,064,752	\$4,180,816	\$4,204,773	\$4,512,169	\$4,513,171
Total OTO	\$102,644	\$102,648	\$57,551	\$0	\$0

Program Description

The OCS and the Governor-appointed Montana Commission on Community Service promotes service and community volunteer opportunities in Montana. OCS administers federal funding to AmeriCorps state programs in Montana. The federal funding is provided by the Corporation for National and Community Service, an independent federal agency. OCS provides a comprehensive array of technical assistance and supports national service programs and service organizations throughout Montana.

FY 2024 Appropriations Compared to FY 2024 Expenditures

Appropriations within the OCS are primarily within federal special revenue funds, with this fund type incorporating 93.8% of the total appropriation authority. The remaining portion of its \$4.3 million appropriation is located within general fund. Through FY 2024, appropriations were 73.9% expended with personal services being 93.5% expended. Within the Office of Community Services, operating expenses were only 46.9% expended and grants were 75.6% expended in FY 2024.

FY 2024 Appropriations Compared to FY 2024 Appropriations

Appropriations within the OCS are approximately \$21,000 less in FY 2025, as compared to FY 2024. This 0.5% decrease in authority is due to a one-time-only general fund match regarding American Rescue Plan Act (ARPA) funds from the federal government. This match had larger appropriations in FY 2024, as compared to FY 2025, leading to this difference. In FY 2025, grants are \$570,000 greater and transfers \$570,000 lower than FY 2024 appropriations. This difference is due to a modification that transferred appropriation authority from grants into transfers in FY 2024 to transfer funds to the Montana State Parks Division of the Montana Department of Fish, Wildlife, and Parks for the awarding of an AmeriCorps grant.

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(188)	0	(595)	(783)	0.00	56	0	178	234
DP 2 - Fixed Costs	0.00	4,815	0	8,478	13,293	0.00	4,820	0	8,421	13,241
DP 3 - Inflation Deflation	0.00	0	0	(114)	(114)	0.00	0	0	(77)	(77)
Grand Total All Present Law Adjustments	0.00	\$4,627	\$0	\$7,769	\$12,396	0.00	\$4,876	\$0	\$8,522	\$13,398

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2025 biennium

Department of Labor and Industry Office of Community Services FY 2026 Statewide Present Law Adjustment for Personal Services (DP1)	
Legislative Changes	\$ 2,667
Management Changes	(3,450)
Total Budget Modifications	-
Total	\$ (783)

The executive requests a decrease in personal services authority for the upcoming biennium. This decrease is within management changes and due to vacancy savings. The increase shown in legislative changes is due to the increase in benefits.

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: audit fees, Capitol complex rent, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include in-state state motor pool and motor pool leased vehicles.

New Proposals

The "New Proposals" table shows new proposals for spending.

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 701 - OCS State Special Revenue Fund Match	0.00	0	295,000	0	295,000	0.00	0	295,000	0	295,000
Total	0.00	\$0	\$295,000	\$0	\$295,000	0.00	\$0	\$295,000	\$0	\$295,000

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 701 - OCS State Special Revenue Fund Match -

The executive requests to establish state special revenue authority in the 2027 Biennium. This would be used as the agency portion of the federal AmeriCorps funding match to support grants administered by the program. This authority would support personal services and operating expenses. This request is contingent on LC 463.

LFD COMMENT The 2023 Legislature approved a general fund match for this division as one-time-only. This request is to have this match now be a part of state special revenue ongoing appropriations.

LFD COMMENT The requested increase in state special revenue funding is contingent on LC 463. The Legislative Finance Committee generally recommends that subcommittees not pass contingent DPs until the corresponding bill has passed. If the subcommittee wishes to approve this funding, the committee might consider language in HB 2 that this funding is contingent on approval of related legislation.

Program Base Budget Comparison

The following table compares the base budget with the requested expenditures for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison						
Budget Item	Base Budget	Requested Budget		Biennium Change from Base		
	FY 2025	FY 2026	FY 2027	Amount	Percent	
PB	5.00	5.00	5.00	0.00	0.0%	
State/Other Special Rev. Funds	781,594	726,560	727,317	(109,311)	(7.0%)	
Total Funds	781,594	726,560	727,317	(109,311)	(7.0%)	
Personal Services	594,555	548,278	549,092	(91,740)	(7.7%)	
Operating Expenses	135,124	126,367	126,310	(17,571)	(6.5%)	
Debt Service	51,915	51,915	51,915	0.00	0.0%	
Total Expenditures	781,594	726,560	727,317	(109,311)	(7.0%)	
Total Ongoing	781,594	726,560	727,317	(109,311)	(7.0%)	
Total One-Time-Only					0.0%	

Program Highlights

Workers Compensation Court Major Budget Highlights
<ul style="list-style-type: none"> • The Workers Compensation Court's 2027 biennium requested appropriations are approximately \$109,000 or 7.0% lower than the FY 2025 base budget. Significant changes include: <ul style="list-style-type: none"> ◦ A decrease in personal services of \$92,000 during the biennium, primarily due to management changes and budget modifications made by the agency ◦ A decrease in fixed costs of \$18,000, mainly due to a decrease in information technology costs

Executive Request

The following table shows the total executive request with the base budget and the statewide present law adjustments, present law adjustments, and new proposals by source of funding.

Workers' Compensation Court 2027 Biennium HB 2 Base Budget and Requested Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget Request	General Fund	State Special	Federal Special	Total Funds	% of Budget Request
Base Budget	0	781,594	0	781,594	107.6%	0	781,594	0	781,594	107.5%
Statewide PL										
Personal Services	0	(46,277)	0	(46,277)	(6.4%)	0	(45,463)	0	(45,463)	(6.3%)
Fixed Costs	0	(8,985)	0	(8,985)	(1.2%)	0	(9,097)	0	(9,097)	(1.3%)
Inflation Deflation	0	(170)	0	(170)	(0.0%)	0	(115)	0	(115)	(0.0%)
Total Statewide PL	0	(55,432)	0	(55,432)	(7.6%)	0	(54,675)	0	(54,675)	(7.5%)
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	0	398	0	398	0.1%	0	398	0	398	0.1%
Total HB 2 Adjustments	0	(55,034)	0	(55,034)	(7.6%)	0	(54,277)	0	(54,277)	(7.5%)
Total Requested Budget	0	726,560	0	726,560		0	727,317	0	727,317	

Funding

The following table shows proposed program funding for all sources of authority.

Department of Labor and Industry, 09-Workers' Compensation Court Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	0	0	0	0	0	0.0%	
02455 Workers' Comp Regulation	1,453,877	0	0	0	1,453,877	100.0%	
State Special Total	\$1,453,877	\$0	\$0	\$0	\$1,453,877	100.0%	
Federal Special Total	\$0	\$0	\$0	\$0	\$0	0.0%	
Proprietary Total	\$0	\$0	\$0	\$0	\$0	0.0%	
Total All Funds	\$1,453,877	\$0	\$0	\$0	\$1,453,877		

HB 2 Appropriations

State Special Revenue

The Workers Compensation Court is entirely funded with state special revenue derived from an assessment charged to the workers' compensation carriers in Montana. The fee is passed on to Montana businesses when their workers' compensation premiums are determined by the carriers.

Program Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the expenditures requested for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Request Fiscal 2026	Request Fiscal 2027
PB	0.00	5.00	5.00	5.00	5.00
Personal Services	540,973	562,155	594,555	548,278	549,092
Operating Expenses	116,370	135,491	135,124	126,367	126,310
Debt Service	50,824	50,965	51,915	51,915	51,915
Total Expenditures	\$708,167	\$748,611	\$781,594	\$726,560	\$727,317
State/Other Special Rev. Funds	708,167	748,611	781,594	726,560	727,317
Total Funds	\$708,167	\$748,611	\$781,594	\$726,560	\$727,317
Total Ongoing	\$708,167	\$748,611	\$781,594	\$726,560	\$727,317
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Description

The Workers' Compensation Court (WCC) provides a forum for Montana employees, employers, and insurers to resolve disputes arising from work-related injuries and occupational diseases. The court is attached to the department for administrative purposes only.

FY 2024 Appropriations Compared to FY 2024 Expenditures

HB 2 appropriations within the Workers Compensation Court in FY 2024 were 94.6% expended with all of the FY 2024 appropriations in state special revenue authority. Personal services account for 75.1% FY 2024 appropriation authority of which, 96.2% were expended.

FY 2024 Appropriations Compared to FY 2025 Appropriations

The Workers Compensation Court's appropriations in FY 2025 are 4.4% greater than that of FY 2024. This increase is mainly within personal services and is due to the HB 13 pay plan funding being greater in FY 2025.

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	(46,277)	0	(46,277)	0.00	0	(45,463)	0	(45,463)
DP 2 - Fixed Costs	0.00	0	(8,985)	0	(8,985)	0.00	0	(9,097)	0	(9,097)
DP 3 - Inflation Deflation	0.00	0	(170)	0	(170)	0.00	0	(115)	0	(115)
Grand Total All Present Law Adjustments	0.00	\$0	(\$55,432)	\$0	(\$55,432)	0.00	\$0	(\$54,675)	\$0	(\$54,675)

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2025 biennium

Department of Labor and Industry Workers Compensation Court FY 2026 Statewide Present Law Adjustment for Personal Services (DP1)	
Legislative Changes	\$ 18,886
Management Changes	(27,145)
Total Budget Modifications	(38,018)
Total	\$(46,277)

The executive requests a decrease in personal services funding within this division for the upcoming biennium. This decrease is due to both management changes and budget modifications. The decrease in management decisions is partially due to vacancy savings and partially due to the Workers Compensation Court not using all of the pay plan allocated to the program. The decrease in budget modifications was due to the transfer of personal services funding for 2.00 PB out of the WCC to the Workforce Services Division to reallocate a reduction to PB that occurred during the 2023 Legislative Session. The transfer of funding associated with these PB was not equal to the funding associated with these PB, so a further reduction is occurring in the statewide present law adjustment for personal services.

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: audit fees, Capitol complex rent, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include in-state state motor pool and motor pool leased vehicles.

New Proposals

The "New Proposals" table shows new proposals for spending.

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 302 - Legal Adjustment	0.00	0	398	0	398	0.00	0	398	0	398
Total	0.00	\$0	\$398	\$0	\$398	0.00	\$0	\$398	\$0	\$398

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 302 - Legal Adjustment -

The executive requests an increase in state special revenue authority to account for the anticipated increase in usage of legal services in the agency.