

LONG-RANGE PLANNING OVERVIEW

Section F

JOINT SUBCOMMITTEE OF HOUSE APPROPRIATIONS AND SENATE FINANCE AND CLAIMS COMMITTEES

-----Agencies-----

Long-Range Building Program
State Building Energy Conservation Program
Long-Range Information Technology Program
Montana Coal Endowment Program
Montana Coal Regional Water Program

Renewable Resource Grant & Loan Program
Reclamation & Development Grants Program
Cultural & Aesthetic Grant Program
Montana Historic Preservation Grant Program

-----Committee Members-----

House

Representative John Fitzpatrick (Chair)
Representative Scott Rosenzweig
Representative Paul Tuss
Representative Mike Vinton

Senate

Senator John Esp (Vice Chair)
Senator Ellie Boldman

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

Erica Thomas

LONG-RANGE PLANNING OVERVIEW

Executive Summary

This budget analysis has been updated for the December 16, 2024 amendments to the Governor's Office. Appendix A17 at the end of this document summarizes the changes.

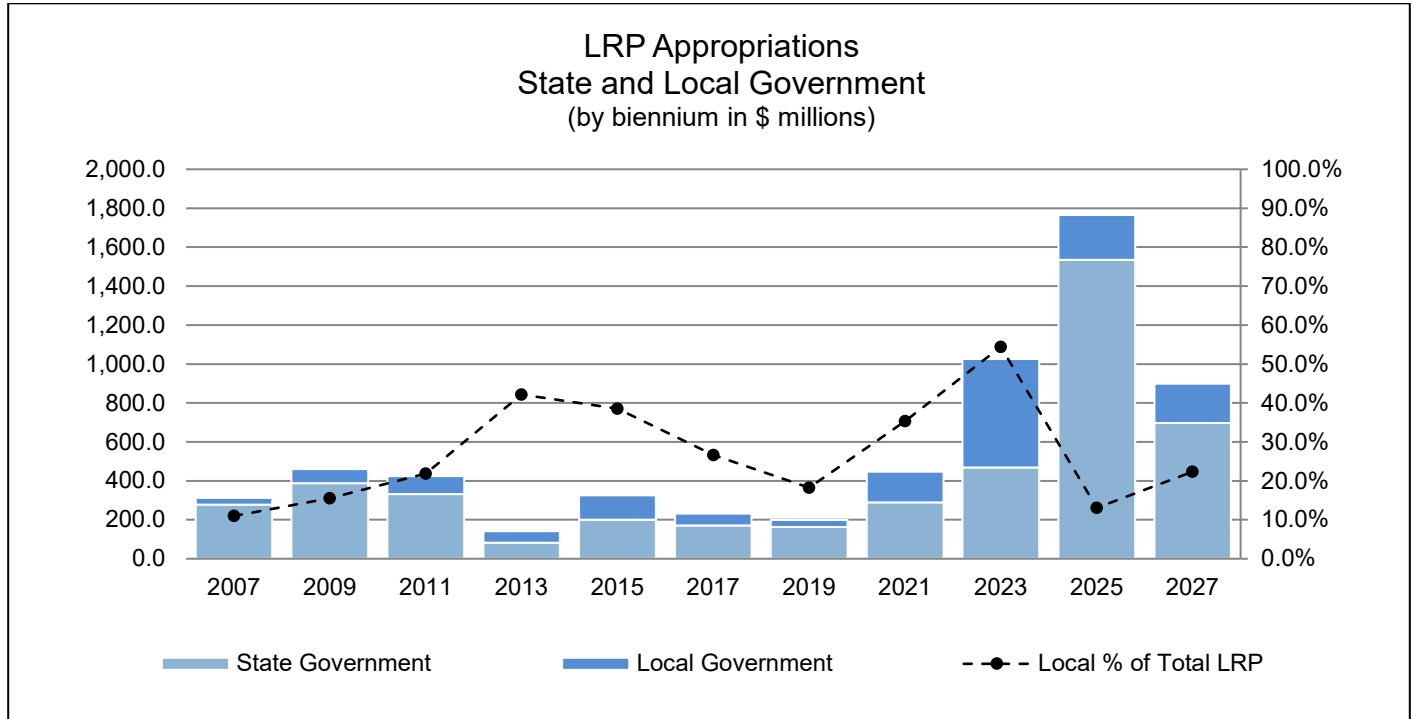
The executive proposal for Long-Range Planning (LRP) programs would provide a mix of cash and general obligation bond funding for state and local government infrastructure projects. Total LRP appropriations proposed by the executive are \$976.2 million. Of this, \$94.8 million is federal funding. Additionally, the executive proposal includes \$76.3 million of non-state dollars (authority/ donations). The LRP subcommittee will review the proposed budgets of nine programs.

State and Local Infrastructure Projects

Long-Range Planning (LRP) programs are devoted to the creation and upkeep of major infrastructure. However, this excludes the state roads and highway construction and maintenance programs, which are appropriated in HB 2.

LRP budgets may be broadly classified as either state government or local government capital (infrastructure projects) programs. Figure 1 shows the level of biennial appropriations provided by category over time. Between the 2007 and the 2023 biennia, appropriations to the local government grant programs increased as a proportion of total LRP appropriations. But this amount dropped in the 2025 biennium, and under the executive proposal will increase to approximately 20.6%.

Figure 1



In the 2009, 2011, and 2015 biennia, the legislature increased local government grant awards by increasing program funding with general fund transfers. In the 2021 biennium, the legislature increased state and local infrastructure funding with the proceeds of general obligation bonds. In the interim years, LRP budgets ticked

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down, and no additional funding was provided. Changes made by the 2019 Legislature to the state building program, principally related to the major maintenance of state buildings, increased the proportion of state infrastructure spending, lowering the percent of local government grants as a portion of the total budget.

The 2021 legislature authorized federal American Rescue Plan Act (ARPA) funding for state and local water and sewer infrastructure, totaling \$462.7 million under HB 632 that included significant investment in local water and wastewater infrastructure. Utilization of federal funding in the 2023 biennium, rather than state special revenue, for traditional local infrastructure funding programs such as the Montana Coal Endowment Program and the Renewable Resource Grants and Loans program allowed those programs to have more funding available for grants in the 2025 biennium proposal.

In the 2027 biennium proposal, increases in the total current replacement value of all state-owned general fund supported facilities has increased the statutory funding for the Major Repairs account resulting in more funding to address deferred maintenance of existing state buildings. The 2027 biennium proposal also includes a change in funding for the State Building Energy Conservation Program, which will no longer be bond funded but instead will shift to a self-sustaining revolving loan fund, and no appropriation was requested for the 2027 biennium for this program. And instead of funding individual projects, the LRITP program has proposed a total funding level by agency, which will provide more flexibility when soliciting bids for the projects.

Long-Range Planning Description

In the 2027 biennium, the LRP budget analysis will focus on nine programs, which include:

- Long-Range Building Program (LRBP) – acquisition, construction, and major maintenance of state-owned lands and buildings, administered by the Department of Administration – HB 5
- State Building Energy Conservation Program (SBECP) – energy efficiency improvements to state-owned buildings, administered by the Department of Environmental Quality – HB 5
- Long-Range Information Technology Program (LRITP) – major state information technology builds and upgrades, administered by the Department of Administration – HB 10
- Montana Coal Endowment Program (MCEP) – water, wastewater, and bridge infrastructure grants to local governments, administered by the Department of Commerce – HB 11
- Montana Coal Endowment Regional Water Program (MCEPRW) – matching funds for major regional water projects, administered by the Department of Natural Resources and Conservation – HB 11
- Renewable Resource Grant and Loan Program (RRGL) – water conservation grants and loans to local governments, administered by the Department of Natural Resources and Conservation – HB 6, HB 8
- Reclamation and Development Grant Program (RDGP) – grants for the reclamation of lands degraded by mineral exploration and mining activities, administered by the Department of Natural Resources and Conservation – HB 7
- Cultural and Aesthetic Grant Program (C&A) – arts and cultural grants, administered by the Montana Arts Council – HB 9
- Montana Historic Preservation Grant Program (MHPG) – historic preservation grants, administered by the Department of Commerce – HB 12

Long-Range Planning Comparison

Figure 2 compares the proposed 2027 biennium executive budget to the levels of appropriation provided by the 2025 biennium budget by program and source of funding. The executive proposes total LRP budgets of \$976.2

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million. This is \$566.5 million, or 36.7%, less than the LRP budget appropriations in the 2025 biennium. Significant aspects of this proposed budget include:

- Increased capital development appropriations for investment in state-owned and Montana university system buildings, for new construction and larger repair and replacement projects, and new funding for deferred maintenance of the capitol complex
- Major repairs (maintenance) funding in the LRBP totaling \$49.9 million and capital development funding in the LRBP totaling \$671.0 million
- Long-Range Information Technology Program (LRITP) funding totaling \$54.2 million for 34 projects within 10 state agencies
- No general fund bonds have been proposed to help pay for the state infrastructure proposals; apart from the coal severance tax bonds for local government infrastructure, the proposal is funded with cash

Figure 2

Long-Range Planning Budget Comparison (\$ millions)					
Budget Item / Funding Source	Appropriations FY 24-25	Proposed Budget FY 26-27	Biennium Change	Biennium % Change	
HB 5 Long-Range Building Program (LRBP)	\$ 1,131.6	\$ 720.9	\$ (410.7)	-36.3%	
<i>State Building Energy Conservation Program (SBECP)</i>	\$ 3.7	\$ -	\$ (3.7)	-100.0%	
<i>Operations & Maintenance Funding₁</i>	\$ 11.2	\$ 5.8	\$ (5.4)	0.0%	
HB 10 Long-Range Information Technology Program (LRITP)	\$ 240.3	\$ 54.2	\$ (186.1)	-77.4%	
HB 11 Montana Coal Endowment Program (MCEP)	\$ 31.0	\$ 23.8	\$ (7.2)	-23.2%	
HB 11 Montana Coal Endowment Regional Water Program (MCEPRW)	\$ 10.0	\$ 10.0	\$ -	0.0%	
HB 6 & 8 Renewable Resource Grant and Loan Program (RRGL)	\$ 115.1	\$ 146.2	\$ 31.1	27.0%	
HB 7 Reclamation and Development Grant Program (RDGP)	\$ 5.7	\$ 13.9	\$ 8.2	143.9%	
HB 9 Cultural and Aesthetic Grant Program (C&A)	\$ 0.6	\$ 1.0	\$ 0.4	69.8%	
HB 12 Montana Historic Grant Program (MHPG)	\$ 8.5	\$ 6.2	\$ (2.3)	-27.1%	
Total Costs	\$ 1,542.8	\$ 976.2	\$ (566.6)	-36.7%	
General Fund (GF)	\$ 10.3	\$ 83.0	\$ 72.7	705.8%	
Capital Projects Fund (Capital)	\$ 813.5	\$ 397.3	\$ (416.2)	-51.2%	
State Special (SS)	\$ 230.2	\$ 191.5	\$ (38.7)	-16.8%	
Federal Special (FS)	\$ 140.7	\$ 94.8	\$ (45.9)	-32.6%	
Total Bonds (Bonds)	\$ 98.9	\$ 133.3	\$ 34.4	34.8%	
<i>General Obligation Bonds Subtotal</i>	\$ -	\$ -	\$ -	0.0%	
<i>Coal Severance Tax Bonds Subtotal</i>	\$ 98.9	\$ 133.3	\$ 34.4	34.8%	
Proprietary Fund (Prop)	\$ 1.4	\$ -	\$ (1.4)	-100.0%	
Subtotal State Funds	\$ 1,295.0	\$ 899.9	\$ (395.1)	-30.5%	
<i>Authorization (Author)</i>	\$ 247.7	\$ 76.3	\$ (171.4)	-69.2%	
Total Funds	\$ 1,542.7	\$ 976.2	\$ (566.5)	-36.7%	

LRP Description

LRP projects are administered by various state agencies, but the provision of services has historically been similar in each of the programs:

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- Project requests are received by the program either from state agencies, the Montana university system, local governments, or private entities
- Project requests are reviewed by the receiving agency, board, or council and ranked, or prioritized, based on program specifications
- The Governor reviews the list of requests, determines the level of funding available for projects, and presents a list of funded project recommendations to the legislature in the form of separate funding bills
- If the legislature agrees to appropriate funds and authorize the various projects, money is distributed through the recipient to private contractors, generally through a competitive bid process

The legislature's work with the LRP budget differs in several ways from the work of other joint subcommittees, which include:

1. LRP programs do not have a "base" budget. In LRP budget negotiations, the legislature does not consider matters of fixed costs, positions budgeted and pay plan issues, or changes from the base. LRP budgets are functionally viewed and appropriated as zero-based budgets
2. LRP projects are principally continuing appropriations, and the budget authority does not end in two years, like with HB 2 appropriations. Instead, the budgets are continued until project completion either through statutory re-appropriation language or by the accounting accrual process
3. LRP programs might be thought of as one-time-only appropriations. When funding is requested for any specific project, the capital funding needs do not continue once completed. For projects resulting in new construction or additions to state space, there may be need for additional operations and maintenance dollars in the future, but the capital funding for the project itself is finished
4. The LRP budget is presented to the subcommittee as a set of project recommendations. While the HB 2 budget subcommittees work with agency base budgets and decision packages (DP's) for legislative consideration, the LRP budget does not have DP's. In fact, one might consider the entire budget as a set of DP's for one-time-only project spending as provided in individual bills

Funding

Historically, LRP programs are fully financed with statutorily dedicated allocations of funds. Generally, the program/project budget is strictly based on the amount of revenue estimated to be available for the program. The revenues come from a variety of sources including various tax allocations and, in several cases, interest earnings from dedicated trusts.

Figure 3 below shows the funding of the LRP budget for the 2027 biennium. Total biennial funding proposed for the LRP budgets is \$976.2 million including the authority only funding. For the majority of LRP programs, the total of LRP budgets is funded primarily from state special revenue (SSR) funds, and for the 2027 biennium the executive proposal includes \$191.5 million of SSR, or 19.6% of the LRP budgets. However, capital project funds, used almost exclusively in Long-Range programs, are \$397.3 million (40.7% of the executive proposal) and makes up the largest funding source in the 2027 biennium.

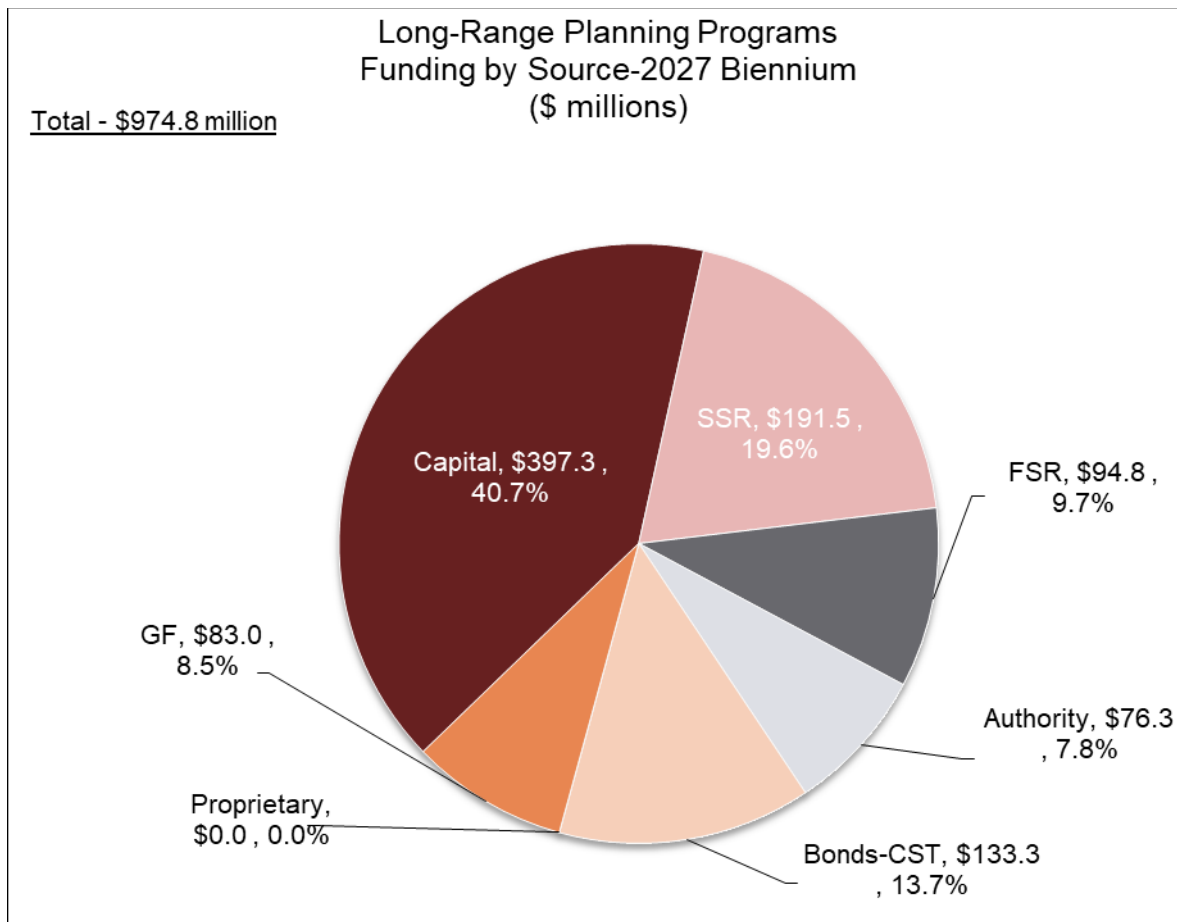
Coal severance tax bonds, for which debt service is repaid by the local governments for their renewable resource projects, total \$133.3 million (13.7% of the executive proposal).

Federal special revenue funds requested total \$94.8 million (9.7% of the executive proposal). This funding is for long-range building program projects, particularly DMA and FWP projects, and long-range information technology projects, primarily for the Department of Health and Human Services (DPHHS).

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Authorizations of \$76.3 million consist of non-state funding that does not require appropriation and are made up of university funds, donations, and other forms of non-state resources. Authorizations exist in the LRBP because, with only a few exceptions such as Montana University System (MUS) auxiliary facilities, legislative approval is required for any state or MUS building projects that cost more than \$300,000 (18-2-102, MCA). More detail on the funding and appropriations of the LRP programs is found in the program sections of this report.

Figure 3



LFD

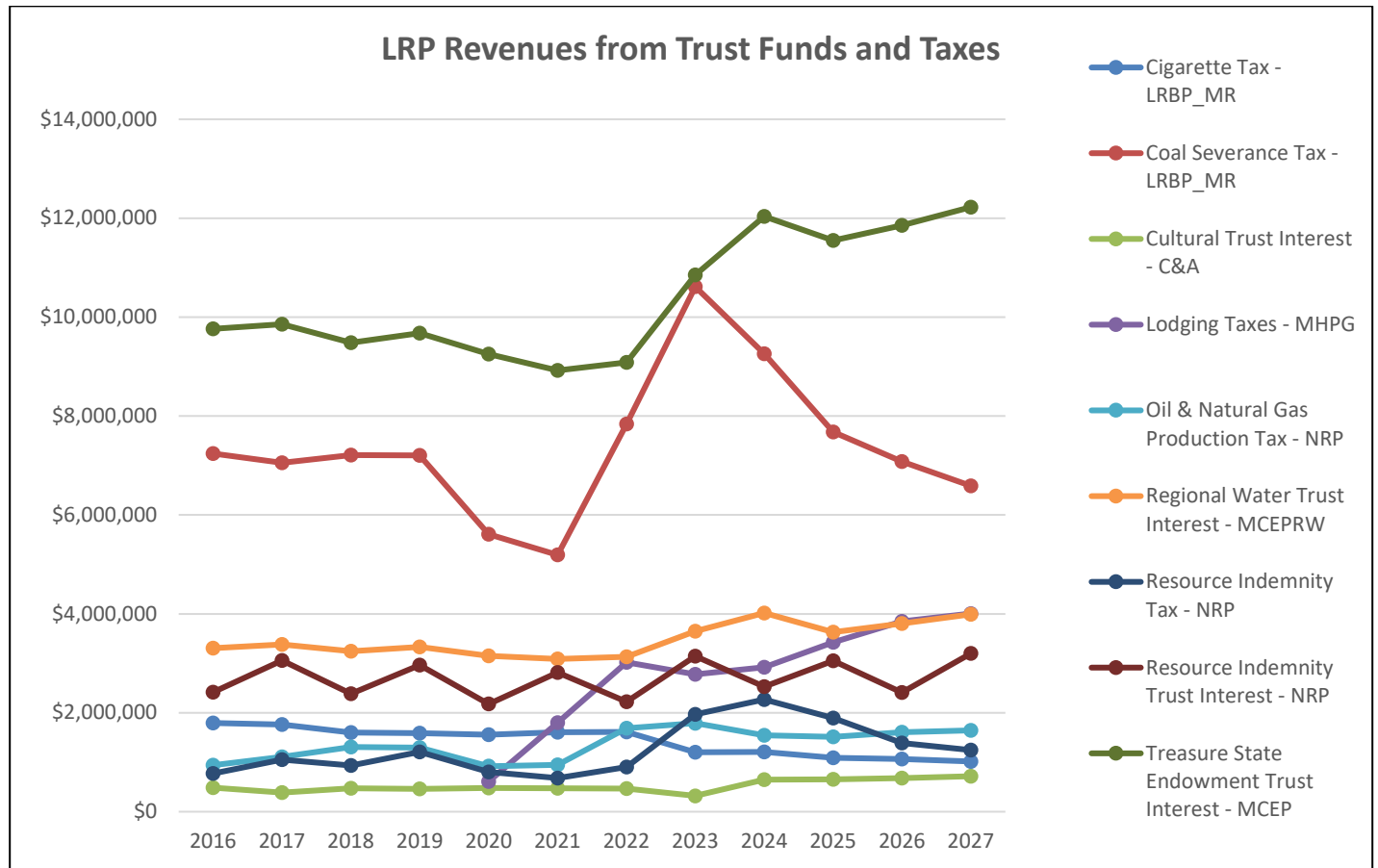
COMMENT

The dedicated funding of five of the LRP programs is either substantially or totally reliant on the investment earnings from trust balances. Over the past decade, interest rates have been reduced causing reduced program funding. In the early 2000's, long term interest rates returned approximately 7.0% on investments. But in FY 2020, the return was just 3.4%. Interest rates increased in the 2025 biennium to 4.8% in FY 2024 and 4.99% in FY 2025, causing cash project funding increases in some of the LRP programs when compared to the 2023 biennium. However, the Board of Investments is projecting these interest rates to decrease to 3.79% in FY 2026, 3.08% in Fiscal Year 2027, and just 2.88% in Fiscal Year 2028. This will mean less funds available from investment earnings for the LRP programs that depend on the interest earnings.

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Figure 4 shows the revenue received from various interest earnings and taxes in each program over the last decade.

Figure 4



Capital Development Funding

The 2019 Legislature created a new funding source for capital development projects that has been referred to as a “working rainy-day fund”. As seen in 17-7-208, MCA, the executive will propose annual transfers of general fund into the capital developments account, and the legislature may appropriate the transfer in the HB 2 budget of the Department of Administration, which houses the Architecture and Engineering (A&E) Division. The transfers are equal to the following:

- 1.0% of the amount of the certified unaudited state general fund revenue, including transfers, less:
 - General fund general obligation bonds debt service for existing bond issues
 - Projected general fund general obligation bonds debt service for authorized but unissued plus newly proposed bonds
- Per 17-7-130, MCA, the capital development fund may receive overflow transfers from the budget stabilization account, under specific economic circumstances

Transfers to the account will not occur if the executive has accessed the budget stabilization reserve fund in the immediately preceding 11 months or has made spending reductions pursuant to 17-7-140, MCA. The executive and the legislature may reduce the amount of the transfer proposed for HB 2.

The state treasurer may temporarily borrow, without interest, from the account to address cash balance deficiencies in the general fund so long as a loan would not impair the account from meeting any legal obligations. These provisions make the account a “working rainy-day fund”.

The funds in the account can be used for capital development projects, defined as:

- a) renovation, construction, alteration, site, or utility project with a total cost of \$2.5 million or more
- b) new facility with a construction cost of \$250,000 or more
- c) purchase of real property for which an appropriation is required to fund the purchase

Additionally, the terms of use of the account allows the legislature to transfer unencumbered funds from the account only to supplement the funding of local infrastructure.

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Infrastructure in Montana Proposal

The executive has featured most of the LRP budgets in what is titled the “Infrastructure in Montana” proposal of \$976.2 million. The executive’s proposal incorporates all the LRP programs except the C&A program. Please note that no appropriation request was made for the SBECF program.

New Provisions

- **6 year Capital Development Facilities Strategic Plan & Planning Studies**

HB 5 includes a new requirement in future budget submissions for each state agency and institution to submit a six-year capital development facilities strategic plan to DOA A&E Division. Excluding major repair projects greater than \$2,500,000, any project must be in the capital development facilities strategic plan to be included in the department’s capital development project request.

Additionally, DOA is appropriated \$2.0 million for the purpose of capital development project planning studies for agencies, including the university system, on capital projects that are anticipated to be greater than a total project cost of \$10.0 million. Prior to DOA usage of the funds, the agencies are required to submit individual capital project applications along with their six-year facilities strategic plans and make recommendations to OBPP. The planning study must contain the full narrative and explanation of the needs, project scope and programmatic information, design and construction schedule, itemized total capital project cost, any future staffing costs and any future O&M costs.

- **Market, Supply Chain & Inflationary Impacts**

DOA is also appropriated \$10.0 million for a reserve fund for Market, Supply Chain & Inflationary Impacts. Prior to using the funds, DOA must submit a recommendation with sufficient justification for approval to OBPP. Funding may not be used to expand beyond the scope of a project authorized by the legislature.

- **Reporting Requirements**

For any capital project funded with a contingency of the receipt of other funding sources, there is a new requirement for the agency or institution develop a financing plan/agreement and to submit a report to the Joint Appropriations Subcommittee for Long Range Planning each Session indicating the status of the other sources of funding, how much funding has been received, projections of when the funding is projected to be received, or if the project should be cancelled.

Details for projects for each program can be found on the executive budget proposal webpage:

<https://budget.mt.gov/Budgets/> Volumes 3-10 provide additional project information for each program.

The executive’s proposal will be contained in the “normal LRP bills”, including HB 5, HB 6, HB 7, HB 8, HB 10, HB 11, and HB 12. The Infrastructure in Montana proposal totals \$976.2 million and makes up over 99.9% of the total LRP program proposed appropriations as provided in this report.

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LONG-RANGE BUILDING PROGRAM

Program Description

In 1963, the legislature enacted the Long-Range Building Program (LRBP) to provide funding for construction, alteration, repair, and maintenance of state-owned buildings and grounds. The program, as established in Title 17, Chapter 7, part 2, MCA, was developed to present a single, comprehensive, and prioritized plan for allocating state resources for the purpose of capital construction and repair of state-owned facilities. The program is administered by the A&E Division of the Department of Administration (DOA). Historically, the LRBP has been funded with a combination of cash accounts and bonding. The various types of cash accounts include state and federal special revenue funds, other funds (such as university and private funds), and LRBP capital project funds. The executive recommendation for LRBP projects is included in HB 5.

The LRBP appropriations are “continuing”, and unspent funds do not revert at the end of the biennium as experienced with most HB 2 appropriation. As provided in 17-7-212, MCA: “The remaining balances on capital projects previously approved by the legislature are re-appropriated for the purposes of the original appropriation until the projects are completed.” This condition allows the legislature to appropriate the full project cost in a single budget year.

Program Budget Comparison

Figure 5 provides a comparison of the overall program by biennium. LRBP project costs are appropriated to the A&E Division, and Major Repairs and Capital Development in Figure 5 refer to the project categorization in HB 5.

Figure 5

Program Comparison - Long-Range Building Program				
Budget Item / Funding Source	Appropriations FY 24-25	Proposed Budget FY 26-27	Biennium Change	Biennium % Change
LRBP Project Costs				
<i>Major Repairs</i>	\$ 84,377,303	\$ 50,975,000	\$ (33,402,303)	-39.6%
<i>Capital Development</i>	\$ 923,457,452	\$ 671,000,000	\$ (252,457,452)	-27.3%
LRBP Project Costs	\$ 1,007,834,755	\$ 721,975,000	\$ (285,859,755)	-28.4%
Agency Project Appropriations	\$ 45,738,644	\$ 85,565,000	\$ 39,826,356	87.1%
FWP Capital Program Appropriations	\$ 63,121,380	\$ 107,070,000	\$ 43,948,620	69.6%
SBECP Project Costs	\$ 3,700,000	\$ -	\$ (3,700,000)	-100.0%
17-7-210 O&M	\$ 11,173,086	\$ 5,747,273	\$ (5,425,813)	-48.6%
Total Costs	\$ 1,131,567,865	\$ 920,357,273	\$ (211,210,592)	-18.7%
General Fund	\$ 10,300,752	\$ 43,315,000	\$ 33,014,248	320.5%
Capital Projects	\$ 665,915,944	\$ 397,315,000	\$ (268,600,944)	-40.3%
State Special	\$ 146,307,006	\$ 115,292,500	\$ (31,014,506)	-21.2%
Federal	\$ 59,885,929	\$ 88,752,500	\$ 28,866,571	48.2%
Proprietary	\$ 1,430,000	\$ -	\$ (1,430,000)	-100.0%
Authorization	\$ 247,728,234	\$ 76,250,000	\$ (171,478,234)	-69.2%
Total Funds	\$ 1,131,567,865	\$ 720,925,000	\$ (410,642,865)	-36.3%

Executive Proposal

As seen in Figure 5, the executive proposes a total LRBP budget of \$720.9 million for the 2027 biennium. This is a reduction of \$410.6 million or 36.3% less than the LRBP budget in the 2025 biennium. The executive proposal

LONG-RANGE BUILDING PROGRAM

for the LRBP program will be appropriated in HB 5. HB 5 typically includes an appropriation for the State Building Energy Conservation Program (SBECP), which is described beginning on page F-16.

The HB 5 proposal includes \$107.1 million of funding appropriated directly to Fish, Wildlife, and Parks (FWP), \$69.0 million for 4 DMA projects, and \$18.5 million for 6 MDT projects. Funding for these projects is not funded by general fund.

The LRBP also includes \$76.3 million of projects funded with non-state resource spending authority. The use of “authority” in the LRBP section is a reference to funds for major construction projects that do not require appropriation, but due to the sizable cost of the project and the potential of future costs to the state, must be authorized by the legislature. The request for authorizations would be a \$171.5 million or 69.2% decrease when compared to the authorizations provided in the 2025 biennium.

HB 5 Project Highlights

Some LRBP project highlights included in HB 5 include:

- Major repairs to state buildings across the state of \$51.0 million in all funds and \$671.0 million for capital development projects
- Funding of \$10.0 million requested for a reserve fund within Capital Development Fund for Market, Supply Chain and Inflationary Impacts
- Governor’s office to address Deferred Maintenance at the capitol complex with a request of \$50.0 million from the Capital Development Fund. DOA also requesting additional \$11.8 million for capital complex renovations and \$2.0 million for capital projects planning studies
- A proposed \$150.0 million for Department of Correction (DOC) for the Montana State Prison Low-Side Housing Expansion in the Capital Development Fund, and \$29.8 million for other DOC facility upgrades which includes \$21.0 million for utilities to support the new low-side housing complex that was approved in the 2025 biennium
- Department of Natural Resources Conservation (DNRC)requesting \$10.0 million for firefighter bunkhouses and \$3.0 million for a new Forestry & Trust Lands office in Missoula
- Department of Military Affairs (DMA) requesting \$23.1 million for an Army Aviation Support Facility in Billings, \$1.8 for a new training drop zone for the Air National Guard, a new Internment processing center at the MT State Veteran’s Cemetery for \$1.9 million, and additional deferred maintenance at \$1.5 million in Capital Development Funding combined with \$4.5 million in federal funding
- Department of Justice (DOJ) is requesting a new indoor Firearms range for the Law Enforcement Academy for \$10.0 million.
- Department of Public Health and Human Services (DPHHS) is requesting \$15.2 million in upgrades, and MSDB has an additional \$5.1 million for upgrades.
- The Montana University System is requesting \$50.0 million for various upgrades and modernization projects, including an additional \$16.3 million in authority only funding
- Fish and Wildlife & Parks (FWP) is requesting \$96.2 million in state special funding for various facility projects, with additional \$10.9 million in federal funding
- Other appropriations made directly to Montana Department of Transportation (MDT) for \$18.5 in state special revenue funding and \$68.9 million to DMA in federal funding is requested in capital development funding

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A full list of the projects contained in the executive LRBP proposal, including appropriations by fund type and the list of major repairs projects, is found in appendix A-1 of this report. Detailed project descriptions are provided in Vol. 3 of the Governor's Budget.

Major Maintenance & Repairs of Existing Facilities Before Authorizing Capital Development Projects

The actions of the 2019 Legislature created substantial changes to the LRBP. As a result of those actions, in statute, there are two types of projects to consider in the budget: major repairs and capital development. The project types are defined as follows in 17-7-201(7) and (8), MCA, respectively:

1. Major repair projects are defined as:
 - a. a renovation, alteration, replacement, or repair project with a total cost of less than \$2.5 million
 - b. a site or utility improvement with a total cost of less than \$2.5 million
 - c. a new facility with a total construction cost of less than \$250,000

Not eligible for funding as a major repair project are operational costs and regular, ongoing, and routine repairs and maintenance funded in an agency operating budget that would not extend the capacity, function, or lifespan of a facility (normal maintenance).

2. A new facility is defined as follows:
 - a. an addition to an existing building
 - b. the enclosure of space that was not previously fully enclosed

The term does not include the replacement of state-owned space that was demolished or that is otherwise removed from state use if the total construction cost of the replacement space is less than \$2.5 million.

Operations and Maintenance Costs Related to New Construction

Operations and maintenance costs are included in HB 5 appropriations for new facilities, and then following that, are included in the future base budget for agencies, corresponding to the fund types that fund the agencies' budgets. Agencies cannot use the funding until the new facility is complete. In the HB 5 proposal, there are 83 projects, and 32 projects for which operations and maintenance funding, totaling \$5.8 million, is included. Of this proposal, \$1.8 million general fund is included for DOC Low-Side Housing Expansion, DOA Last Chance Gulch Building Renovation, , DMA Internment Processing Center, and MSU elevator & upgrades. There is also \$883,987 of state special revenue for MDT and FSW projects. For federal special revenue, \$587,600 is appropriated for Billings Army Aviation Support Facility and for DMA projects. Finally, there is \$359,086 in authority only for MSU.

According to 17-7-222(2), MCA, new facilities or "capital development" projects may not be authorized unless the legislature has provided the minimum amount of major repairs funding. For more information see page F-11 of this report.

According to 17-7-210(1), MCA, the legislature may not authorize the construction of a new facility if the new facility requires an immediate or future increase in state funding unless it also appropriates funds for the increase in state funding for program expansion and operations and maintenance.

A new proposal in HB 5 will also extend the O&M requirement for acquisition of a new facility.

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Funding

Long-Range Building Program Major Repairs Account (LRBP-MR)

As shown in Figure 6 below, the LRBP-MR account will start the 2027 biennium with a projected fund balance of \$12.2 million. Revenues deposited into the account include a 2.6% distribution of cigarette tax revenue, \$2.1 million, and a 12.0% distribution of coal severance tax revenue, \$13.7 million. The LRBP-MR fund received an appropriated transfer totaling \$17.5 million in the 2025 biennium, and the proposed 2027 biennium transfer totals \$33.4 million. The transfers are provided as base funding for the A&E Division in HB 2 and must be approved by the Section A subcommittee. Other income received in the LRBP-MR includes interest earnings on LRBP fund balances, supervisory fees paid to the A&E Division, and transfers of excess energy savings funds from the State Building Energy Conservation Program (SBECP).

Major Repairs Transfer

17-7-222, MCA, requires that major repairs to state buildings are funded yearly at a rate of 0.6% of the replacement value of existing LRBP eligible buildings. LRBP eligible buildings are defined as:

- Buildings owned by a state agency for which all or a portion of the operation and maintenance are funded with state general fund.
- Buildings that support the academic missions of the university system when the operation and maintenance are funded with current unrestricted university funds.

To ensure that the required minimum amount of funding is available, there is an appropriated transfer to the MR account from the general fund, which is included as a present-law base appropriation in HB 2. For the 2027 biennium, the current replacement value of LRBP eligible buildings is \$3.5 billion.

The minimum major repairs funding requirement equals \$42.3 million for the 2027 biennium.

LONG-RANGE BUILDING PROGRAM

Figure 6

LRBP Major Repairs Account Fund Balance Analysis - 2027 Biennium Fund 05007					
	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	2027 Biennium Projected
Beginning Fund Balance	31,703,271	74,811,247	12,177,504	10,535,690	12,177,504
Revenues¹					
Cigarette Tax	\$ 1,205,910	\$ 1,087,149	\$ 1,066,320	\$ 1,015,538	\$ 2,081,858
Coal Severance Tax	\$ 8,571,648	\$ 7,677,221	\$ 7,081,985	\$ 6,590,008	\$ 13,671,993
Interest Earnings	\$ 2,511,880	\$ 3,198,830	\$ 1,466,261	\$ 1,466,261	\$ 2,932,522
Supervisory Fees	\$ 143,536	\$ 150,000	\$ 150,000	\$ 150,000	\$ 300,000
Energy Savings Transfer	\$ -	\$ 300,000	\$ 50,000	\$ 11,882	\$ 61,882
HB 2 Major Repairs Transfers ²	\$ 8,495,149	\$ 9,254,790	\$ 16,559,784	\$ 16,927,963	\$ 33,487,747
HB 5 OTO Transfer from CD Fund ³	\$ 41,420,091	\$ -		\$ -	\$ -
Total Revenues	\$ 62,348,214	\$ 21,667,990	\$ 26,374,350	\$ 26,161,652	\$ 52,536,002
Expenditures					
Operating Costs-A & E Division ³	\$ 3,100,000	\$ 2,694,829	\$ 3,053,664	\$ 3,059,568	\$ 6,113,232
HB 5 (2023) Project Management & Supervision		\$ 2,000,000			\$ -
Prior Biennia Projects	\$ 10,966,876	\$ 9,950,357			\$ -
ARPA-Ineligible Projects ⁴	\$ 2,112,000	\$ 2,856,853			\$ -
Current Biennium Projects - HB 5	\$ 3,007,800	\$ 64,352,300	\$ 24,962,500	\$ 24,962,500	\$ 49,925,000
2025 Biennium Projects - HB 817	\$ 52,605	\$ 2,447,395			
Total Expenditures/Appropriations	\$ 19,240,238	\$ 84,301,734	\$ 28,016,164	\$ 28,022,068	\$ 56,038,232
Estimated Ending Fund Balance	\$ 74,811,247	\$ 12,177,504	\$ 10,535,690	\$ 8,675,274	\$ 8,675,274
¹ HJ2 Projections					
² Beginning in the 2023 Biennium - HB 2 Appropriated Transfer					
³ HB 2					
⁴ There were 7 projects not eligible for ARPA funds; HB 632, section 34(1) re-establishes appropriation in the MR fund as this was the original					

The fund balance analysis takes into consideration the HB 2 administrative costs for the A&E Division of \$6.1 million, which is paid from the LRBP-MR account but appropriated in HB 2. The total executive proposal for the LRBP capital projects funding is \$49.9 million for the 2027 biennium. The estimated ending fund balance for the major repairs fund is projected to be \$8.7 million at the end of the 2027 biennium.

LONG-RANGE BUILDING PROGRAM

Capitol Land Grant Capital Projects Account

Capitol land grant (CLG) revenues, derived from trust lands designated in the Enabling Act for the state capitol complex, are a source of LRBP funding for capital projects. Funding from this source must only be used for projects within the Montana capitol complex (defined in 2-17-811, MCA, as including all state-owned facilities located within a 10-mile radius from the capitol building). As shown in Figure 7, the account is projected to start the 2027 biennium with a negative fund balance of \$144,371. The balance calculation considers that all authority provided in prior biennia would be expended.

Figure 7

Capitol Land Grant Account Fund Balance Analysis - 2027 Biennium					
Fund 05008					
	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	2027 Biennium Projected
Beginning Fund Balance	\$2,896,330	\$6,363,305	(\$144,371)	(\$1,512,118)	(\$144,371)
Revenues					
Land Grant Interest & Earnings	\$ 2,342,697	\$ 2,066,353	\$ 1,432,253	\$ 1,487,792	\$ 2,920,045
Transfer from the CD Fund	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 4,342,697	\$ 2,066,353	\$ 1,432,253	\$ 1,487,792	\$ 2,920,045
Expenditures					
Prior Biennia Projects	\$ 403,898	\$ 5,124,832	\$ -	\$ -	\$ -
Fund Balance Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -
Current Biennium HB 5 Projects	\$ 471,825	\$ 3,449,197	\$ 2,800,000	\$ -	\$ 2,800,000
Total Expenditures/Appropriations	\$ 875,723	\$ 8,574,029	\$ 2,800,000	\$ -	\$ 2,800,000
Estimated Ending Fund Balance	\$ 6,363,305	\$ (144,371)	\$ (1,512,118)	\$ (24,326)	\$ (24,326)

For several biennia, the capitol land grant account has become the only source of funding for major repairs in the capitol complex. In the 2027 biennium, trust land earnings are projected to be \$2.9 million, and the executive is requesting \$2.8 million in spending authority in 2027 biennium. At the end of the 2027 biennium, the ending fund balance for the capital land grant account is projected to be negative by \$24,326.

LONG-RANGE BUILDING PROGRAM

Capital Development (CD) Account

The capital development fund was created for construction of new facilities with a total project cost exceeding \$250,000, major repair or replacement projects with a total project cost of \$2.5 million or more, or for the purchase of real property for which an appropriation is required to fund the purchase.

There is a statutory annual general fund transfer to the capital development fund required under 17-7-208, MCA. However, under 17-7-208(6), MCA, the Department of Administration may not make the annual transfer if the executive has authorized transfers from the budget stabilization reserve fund (BSRF) established in 17-7-130, MCA, in the immediately preceding 11 months.

In addition to the annual general fund transfer described above, when the BSRF is statutorily full, a portion of excess general fund revenues flow to the CD fund where it is available for appropriation for major repairs and improvements to state-owned infrastructure.

Figure 8

Capital Development Account Fund Balance Analysis - 2027 Biennium					
Fund 05031					
	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	2027 Biennium Projected
Beginning Fund Balance	\$ 697,781,259	\$ 682,480,221	\$ 139,429,473	\$ (47,616,394)	\$ 139,429,473
Revenues					
BOI Investment Earnings ¹	\$ 37,424,163	\$ 35,058,358	\$ 22,469,133	\$ 13,460,738	\$ 35,929,871
Transfers from BSR	\$ 4,556,937	\$ 70,421,354	\$ -	\$ -	\$ -
OTO Transfer Request 69th Session	\$ -	\$ -	\$ 150,000,000	\$ -	\$ 150,000,000
HB856 Sec.10 #5 - Capitol Complex Legis. Branch	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -
Accommodations & Campgrounds Tax ¹	\$ -	\$ 1,870,000	\$ 4,550,000	\$ 4,810,000	\$ 9,360,000
Present law transfer of general fund - HB 2	\$ 23,137,457	\$ 24,187,099	\$ 33,250,000	\$ 33,250,000	\$ 66,500,000
Total Revenues	\$ 70,118,557	\$ 131,536,811	\$ 210,269,133	\$ 51,520,738	\$ 261,789,871
Expenditures					
Transfer to MR Fund	\$ 41,420,091	\$ -	\$ -	\$ -	\$ -
Transfer to Capitol Land Grants fund	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -
Prior Biennia Projects	\$ 12,186,031	\$ 57,917,876	\$ -	\$ -	\$ -
Non-Qualifying ARPA 604 Projects	\$ 548,039	\$ 36,101,795	\$ -	\$ -	\$ -
HB 817 DOC Projects	\$ 3,033,284	\$ 175,407,547	\$ -	\$ -	\$ -
HB 856 LRBP Projects	\$ 1,651,653	\$ 82,043,765	\$ -	\$ -	\$ -
HB 872 - DPHHS Behavioral Health Initiative	\$ -	\$ 75,000,000	\$ -	\$ -	\$ -
Current Biennium Projects - HB 5	\$ 24,580,497	\$ 248,116,576	\$ 397,315,000	\$ -	\$ 397,315,000
Total Expenditures/Appropriations	\$ 85,419,595	\$ 674,587,559	\$ 397,315,000	\$ -	\$ 397,315,000
Estimated Ending Fund Balance	\$ 682,480,221	\$ 139,429,473	\$ (47,616,394)	\$ 3,904,344	\$ 3,904,344

¹ HJ2 for FY 26-27, executive estimate for FY25

The total executive proposal for the LRBP capital projects funding is \$397.3 million for the 2027 biennium. The estimated ending fund balance for the capital development fund is projected to be \$3.9 million at the end of the 2027 biennium.

LONG-RANGE BUILDING PROGRAM

LFD

COMMENT

There is a proposed one-time-only transfer from the capital development fund in HB 5 totaling approximately \$150.0 million for the 2027 biennium.

STATE BUILDING ENERGY CONSERVATION PROGRAM

Section F

JOINT SUBCOMMITTEE OF HOUSE APPROPRIATIONS AND SENATE FINANCE AND CLAIMS COMMITTEES

-----Agencies-----

Long-Range Building Program
State Building Energy Conservation Program
Long-Range Information Technology Program
Montana Coal Endowment Program
Montana Coal Regional Water Program

Renewable Resource Grant & Loan Program
Reclamation & Development Grants Program
Cultural & Aesthetic Grant Program
Montana Historic Preservation Grant Program

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Senate

Senator John Esp (Vice Chair)
Senator Ellie Boldman

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STATE BUILDING ENERGY PROGRAM

Program Description

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

- * Replacing old, inefficient boilers
- * Insulating buildings
- * Upgrading inefficient lighting
- * Providing more effective temperature control
- * Increasing ventilation system efficiency
- * Upgrading water conservation systems

SBECP projects are designed so that the estimated savings of energy costs are used to reimburse the project costs and finance DEQ operational costs. In prior years, the SBECP was funded through the issuance of general obligation (GO) bonds, but since FY 2009, energy conservation projects with appropriations of general fund and federal special revenue funds (American Recovery and Reinvestment Act funds) resulted in the program becoming a revolving loan program. Project reimbursements, plus 3.0% interest on the outstanding loan balance of the project, are expected to support future projects and administrative costs. Program recommendations encourage conservation projects that have a service life of at least 15 years. However, the energy savings are expected to continue throughout the life of the improvement.

Projects come to the SBECP either directly from agency requests related to the energy saving benefits or in conjunction with projects planned under the Long-Range Building Program. DEQ offers state agencies assistance in evaluating energy use and identifying energy conservation projects. Program engineers evaluate all projects proposed for the LRBP to assess the energy savings potential on proposed remodeling and renovation projects. Projects with the potential for energy savings are funded through the SBECP and are often jointly funded with the LRBP deferred maintenance funds.

Program Budget Comparison

Figure 9 summarizes the proposed executive budget for the program by biennium, type of expenditure, and source of funding. DEQ is not requesting any new SBECP budget authority for the 2027 biennium and plans to use existing appropriation balances rolled forward pursuant to 90-4-618, MCA, to operate the program in the 2027 Biennium.

Figure 9

Program Comparison - State Building Energy Conservation Program				
Budget Item	Budget 2025 Biennium	Budget 2027 Biennium	Biennium Change	Biennium % Change
	<u>Appropriated</u>	<u>Proposed</u>		
Projects Costs	3,700,000	0	(3,700,000)	-100.0%
Total Costs	\$3,700,000	\$0	(\$3,700,000)	-100.0%
Capital Project Funds	3,700,000	0	(3,700,000)	-100.0%
Total Funds	\$3,700,000	\$0	(\$3,700,000)	-100.0%

STATE BUILDING ENERGY PROGRAM

Executive Proposal

The executive budget proposes no appropriations for the SBECF program in the 2027 biennium. However, outstanding projects from the prior biennia will continue into the 2027 biennium until completed.

Funding

The SBECF is a revolving loan program. Agencies borrow from the program for the costs of the projects. The agencies pay these costs with the savings realized through the projects. In addition to the project costs, agencies also pay an interest rate equal to 3.0% on the unpaid balance of the loan, which funds the administrative costs of the program.

LONG-RANGE INFORMATION TECHNOLOGY PROGRAM

Section F

JOINT SUBCOMMITTEE OF HOUSE APPROPRIATIONS AND SENATE FINANCE AND CLAIMS COMMITTEES

-----Agencies-----

Long-Range Building Program
State Building Energy Conservation Program
Long-Range Information Technology Program
Montana Coal Endowment Program
Montana Coal Regional Water Program

Renewable Resource Grant & Loan Program
Reclamation & Development Grants Program
Cultural & Aesthetic Grant Program
Montana Historic Preservation Grant Program

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LONG-RANGE INFORMATION TECHNOLOGY PROGRAM

Program Description

The Long-Range Information Technology Program (LRITP) is a program developed to fund large information technology (IT) projects in compliance with 17-7-123, MCA. The LRITP consolidates large IT investments in one appropriation bill and defines the creation, replacement, or upgrade to major IT enterprises as capital projects. All projects included in the LRITP bill are overseen by the state chief information officer (CIO) within the Department of Administration (DOA). The executive recommendation for LRITP projects is contained in HB 10.

The consolidation of major IT projects is intended to achieve several goals. First, IT projects are complex and require significant and time intensive planning, design, and management efforts, and by designating the projects as “capital projects”, the appropriation continues until completion of the project, as statutorily authorized in 2-17-560, MCA. Second, centralized project oversight is intended to enhance project management and foster stronger partnerships between agencies and the state CIO. Finally, having all the major projects in one piece of legislation facilitates a broad vision of the state IT program and related investments.

Program Budget Comparison

Figure 10 summarizes the proposed executive budget for the program by biennium, type of expenditure, and source of funding.

Figure 10

Executive Budget Comparison - Long-Range Information Technology Program					
Budget Item	Budget		Change	% Change	
	2025 Biennium	2027 Biennium			
	<u>Appropriated</u>	<u>Proposed</u>			
Projects Cost	\$240,316,406	\$54,215,501	(\$186,100,905)	-77.4%	
Total Costs	\$240,316,406	\$54,215,501	(\$186,100,905)	-77.4%	
Capital Project Fund ¹	\$ 147,575,008	\$ 39,702,846	\$ (107,872,162)	\$ (1)	
State Special	\$ 11,945,193	\$ 8,447,500	\$ (3,497,693)	\$ (0)	
Federal Special	\$ 80,796,205	\$ 6,065,155	\$ (74,731,050)	\$ (1)	
Total Funds	\$240,316,406	\$54,215,501	(\$186,100,905)	-77.4%	
¹ The capital project fund consists of transfers from the general fund					

Executive Proposal

As seen in Figure 10, the executive proposes \$54.2 million in appropriations for the 2027 biennium in the LRITP. The proposal will be presented in HB 10 and is a 77.4% decrease from the 2025 biennium. The proposal includes a transfer of \$39.7 million from the general fund to the LRITP fund to support major IT projects. Full detail of the projects included in the executive budget will be available during the legislative hearings for Section F.

Project Highlights

Funding

HB 10 will look different in the 2027 biennium as the appropriation is made as a total amount for all projects falling under a state agency instead of separate appropriations by project. The intent is to allow the Department

LONG-RANGE INFORMATION TECHNOLOGY PROGRAM

of Administration and each individual agency to better evaluate bids for the projects without preset project amounts influencing the bids.

Unlike other Long-Range Planning programs, the LRITP does not have a dedicated source of funding for major IT projects. Instead, state agencies support their project costs through agency-administered state and federal special revenue funds. For agencies primarily supported by general fund, transfers are made from the general fund to the LRITP capital projects fund in support of the agency requests. The transfer of funds will be included in HB 10.

HB 10 also has a new requirement for any business application systems funded in the bill to have a plan approved by the Chief Information Officer for the system design, implementation and security of the data associated with the system to safeguard against unauthorized access to or disclose sensitive information and comply with state records retention policies. The project funds will not be released until the Chief Information Officer and the Budget Director approve the plans.

Operating and Maintenance costs associated with the HB10 projects are found in Volume 9.

Figure 11 below shows the HB 10 appropriation by state agency, along with the list of projects funded under each agency. Figure 11 is also included in the appendix in a bigger size.

LFD

COMMENT

While estimated future annual operations and maintenance costs (O&M) is identified in the chart above, the funds for this are not included in the Executive budget proposal for the 2027 biennium. Once these projects are completed they will be put in use by the agency and require ongoing maintenance and support funding. The legislature may want to consider the following options: 1) Appropriate funds for the future O&M of these systems within HB 10, ensuring the budget for this cost is included in the agency base budget but prohibiting expenditure (requiring annual reversion) until the project is closed out and the application put into use. 2) Do nothing and leave for future legislatures to consider.

LONG-RANGE INFORMATION TECHNOLOGY PROGRAM

Figure 11

Long-Range Information Technology Program (LRITP) HB 10 - 2027 Biennium					
Agency / Project	LRITP Capital Projects Funds	State Special	Federal Special	Total	Annual O&M
DOA Department of Administration (11 projects)	\$22,653,700			\$ 22,653,700	\$5,554,749
1 Enterprise Financial Warehouse					
2 Enterprise Data Catalog					
3 Recruiting and Onboarding Modernization					
4 eMACS/Jaegger Replacement					
5 Cybersecurity Enhancements					
6 eGov Modernization					
7 Infrastructure Upgrades & Expansion					
8 Web Site Improvements (my.mt.gov & Prosperity Portal)					
9 AI & Legacy System Modernization (Technical Debt Relief Fund)					
10 Contact Center Technology Replacement					
11 508 Compliance (Web Content Accessibility Rule)					
DOC Department of Corrections (3 projects)	\$3,111,000			\$ 3,111,000	\$1,911,000
1 Comprehensive Safety and Surveillance					
2 Improvements					
3 MCE/Warehouse/Maintenance Enterprise Operations System					
OCHE Commissioner of Higher Ed (1 project)	\$5,018,360			\$ 5,018,360	\$2,091,946
1 CyberMontana (Security Operations Center, Workforce Training Programs, Cyber Policy Clinic)					
2 Security Information & Event Management (SEIM)					
3 Enterprise Resource Planning					
4 System Replacement (Miles Community College & Dawson Community College)					
MTHS Historical Society (1 project)		\$ 947,500		\$ 947,500	\$227,500
1 Museum System Operations & Management					
JUD Judicial (1 project)	\$1,500,000			\$ 1,500,000	\$30,000
1 Courts Electronic Filing System Architecture & Cybersecurity Refresh					
DNRC Department of Natural Resources and Conservation (3 projects)	\$4,965,000			\$ 4,965,000	\$400,000
1 Water Rights Information System Rewrite					
2 GIS Migration					
3 Licensing & Permitting System Replacement					
OPD Office of Public Defender (1 project)	\$124,135			\$ 124,135	\$ -
1 Statewide Courthouse Wi-Fi					
DPHHS Department of Public Health and Human Services (7 projects)	\$1,830,651		\$ 6,065,155	\$ 7,895,806	\$1,942,605
1 Comprehensive Child Welfare Information System Independent Verification & Validation Services					
2 State Directory of New Hires					
3 Montana Child Support Enforcement Automated System Replacement Independent Verification & Validation Services					
4 Secure Data Connections for Montana Benefit Programs					
5 Public Benefits System Efficiency Modernization					
6 Improving Timeliness of Public Benefit Recipient Notification					
7 Senior and Long-Term Care Legacy System Replacement					
DOR Revenue (1 project)	\$500,000			\$ 500,000	\$300,000
1 GenTax to AWS Hosted Environment					
MDT Transportation (2 projects)		\$ 7,500,000		\$ 7,500,000	\$1,500,000
1 Advanced Transportation Management System					
2 Motor Fuels System					
Total - LRITP Proposed Appropriations	\$ 39,702,846	\$ 8,447,500	\$ 6,065,155	\$ 54,215,501	\$ 13,957,800

MONTANA COAL ENDOWMENT PROGRAM

Section F

JOINT SUBCOMMITTEE OF HOUSE APPROPRIATIONS AND SENATE FINANCE AND CLAIMS COMMITTEES

-----Agencies-----

Long-Range Building Program
State Building Energy Conservation Program
Long-Range Information Technology Program
Montana Coal Endowment Program
Montana Coal Regional Water Program

Renewable Resource Grant & Loan Program
Reclamation & Development Grants Program
Cultural & Aesthetic Grant Program
Montana Historic Preservation Grant Program

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MONTANA COAL ENDOWMENT PROGRAM

Program Description

The Montana Coal Endowment Program (MCEP), administered by the Department of Commerce (DOC), is a state infrastructure finance program approved by Montana voters with the passage of Legislative Referendum 110 in June 1992. Grant funding for the program is derived from the interest earnings of the Montana Coal Endowment Trust. The executive recommendation for MCEP grants is contained in HB 11.

According to 90-6-702, MCA, the purpose of MCEP is to assist local governments in funding infrastructure projects that will:

- Create jobs for Montana residents
- Promote economic growth in Montana by helping to finance the necessary infrastructure
- Encourage local public facility improvements
- Create a partnership between the state and local governments to make necessary public projects affordable
- Support long-term, stable economic growth in Montana
- Protect future generations from undue fiscal burdens caused by financing necessary public works
- Coordinate and improve infrastructure financing by federal, state, local government, and private sources
- Enhance the quality of life and protect the health, safety, and welfare of Montana citizens

Infrastructure projects include drinking water systems, wastewater treatment facilities, sanitary sewer or storm sewer systems, solid waste disposal and separation systems, and bridges. The maximum grant award is \$750,000. Bridge projects are limited in the program to awards of up to 20.0% of the interest earnings from the MCEP trust in 90-6-710, MCA. As a result, the MCEP projects will be provided in two sections, one for bridge projects and another for infrastructure projects.

Eligible applicants include cities, towns, counties, tribal governments, consolidated local governments, county or multi-county water, sewer or solid waste districts, and other authorities as defined in 75-6-304, MCA. MCEP applications are submitted to the DOC on a biennial basis where they are evaluated according to seven statutory priorities. The seven statutory priorities focus on projects that:

- Solve urgent and serious public health or safety problems or that enable local governments to meet state or federal health or safety standards
- Reflect greater need for financial assistance than other projects
- Incorporate appropriate, cost-effective technical design and provide thorough, long-term solutions to community public facility needs
- Reflect substantial past efforts to ensure sound, effective, long-term planning and management of public facilities and that attempt to resolve the infrastructure problem with local resources
- Enable local governments to obtain funds from sources other than MCEP
- Provide long-term, full-time job opportunities for Montanans, provide public facilities necessary for the expansion of a business that has a high potential for financial success, maintain the tax base or encourage expansion of the tax base
- Are high local priorities and have strong community support

MONTANA COAL ENDOWMENT PROGRAM

Program Budget Comparison

Figure 12 summarizes the proposed executive budget for the program by biennium, type of expenditure, and source of funding.

Figure 12

Executive Budget Comparison - Montana Coal Endowment Program				
Budget Item	Budget 2025 Biennium	Budget 2027 Biennium	Biennium Change	Biennium % Change
Budget Item	<u>Appropriated</u>	<u>Executive Proposal</u>	<u>Change</u>	<u>% Change</u>
Number of Grants Funded (infrastructure)	40	40	0	0.0%
Number of Grants Funded (bridge)	11	12	1	9.1%
Infrastructure Grants Cost	\$23,843,500	\$20,287,391	(\$3,556,109)	-14.9%
Bridge Grants Cost	6,176,213	3,544,750	(2,631,463)	-42.6%
Other Grants Cost	1,000,000	1,650,000	650,000	65.0%
Total Costs	\$31,019,713	\$25,482,141	(\$5,537,572)	-17.9%
State Special	31,019,713	25,482,141	(5,537,572)	-17.9%
Bond Proceeds	0	0	0	0.0%
ARPA 9901-602 (HB 632)	0	0	0	0.0%
Total Funds	\$31,019,713	\$25,482,141	(\$5,537,572)	-17.9%

Executive Proposal

Figure 12 shows the executive proposal for appropriations of \$25.5 million for the 2027 biennium MCEP grants program, a 17.9% decrease from the appropriations provided for the 2025 biennium. For the 2027 biennium, the MCEP program funding is requested as follows:

- MCEP emergency grants appropriation of \$150,000
- MCEP project planning grants appropriation of \$1.5 million
- MCEP bridge grants appropriation of \$3.5 million
- MCEP infrastructure project grant appropriation of \$20.3 million

A complete list of the requested MCEP bridge and infrastructure projects, including the total project cost, and the recommended grant amount may be seen in appendix A-11 of this report. The details behind the grants requested for the 2027 biennium MCEP program along with a status of grants awarded in the 2025 biennium are presented in Vol. 4 of the Governor's Executive Budget.

Funding

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

MONTANA COAL ENDOWMENT PROGRAM

Figure 13 shows the projected ending fund balance of the Montana coal endowment state special revenue account for the 2027 biennium. The MCEP account is projected to begin the 2027 biennium with a balance of \$7.4 million. For more information on trust earnings, refer to page F-4 of this report.

MCEP Fund Balance Analysis - 2027 Biennium Funds 02270					
	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	2027 Biennium Projected
Beginning Fund Balances	\$ 25,613,318	\$ 31,998,822	\$ 7,395,600	\$ (7,036,830)	\$ 7,395,600
Coal SubTrust Earnings ¹	\$ 12,036,439	\$ 11,549,776	\$ 11,853,967	\$ 12,223,374	\$ 24,077,341
Expenditures					
HB 2 MCEP Administration ²	\$ 603,285	\$ 854,437	\$ 804,256	\$ 807,088	\$ 1,683,867
Emergency Grants	\$ 30,000	\$ 70,000	\$ 150,000	\$ -	\$ 150,000
Planning Grants	\$ 40,000	\$ 860,000	\$ 1,500,000	\$ -	\$ 1,500,000
Prior Biennia Grants	\$ 3,533,296	\$ 5,603,202			\$ -
Current Biennium Grants	\$ 1,444,354	\$ 28,765,359	\$ 23,832,141	\$ -	\$ 23,832,141
Total Expenditures/Appropriations	\$ 5,650,935	\$ 36,152,998	\$ 26,286,397	\$ 807,088	\$ 27,166,008
Projected Ending Fund Balance	\$ 31,998,822	\$ 7,395,600	\$ (7,036,830)	\$ 4,379,456	\$ 4,306,933
¹ HJ 2 Projections					
² HB 2					

MCEP interest and earnings are projected to be \$24.1 million in the 2027 biennium. The executive budget proposal recommends several appropriations from the MCEP state special fund. First, there is a recommendation for appropriations of \$1.7 million for the administrative costs of the program in HB 2. Appropriations from the MCEP account that are requested in HB 11 include \$150,000 for the emergency grants program and \$1.5 million for project planning grants. The total account costs of the infrastructure project grants are \$27.2 million. As a result, the fund is estimated to have a fund balance of \$4.3 million at the end of the 2027 biennium.

Revenue Description

For large producers, the coal severance tax is imposed on all coal production, except on tribal reservations, in excess of 20,000 tons per company per calendar year. Producers of 50,000 tons or less in any calendar year are exempt from the tax.

Statutory Reference

Tax Rate – 15-35-103, MCA

Tax Distribution – Montana Constitution, Article IX, Section 5; 15-35-108, MCA; 17-5-703, MCA

Applicable Tax Rates

10.0% on the value of surfaced mined coal with a heating quality < 7,000 BTU

15.0% on the value surfaced mined coal with a heating quality ≥ 7,000 BTU

3.0% on the value underground mined coal with a heating quality < 7,000 BTU

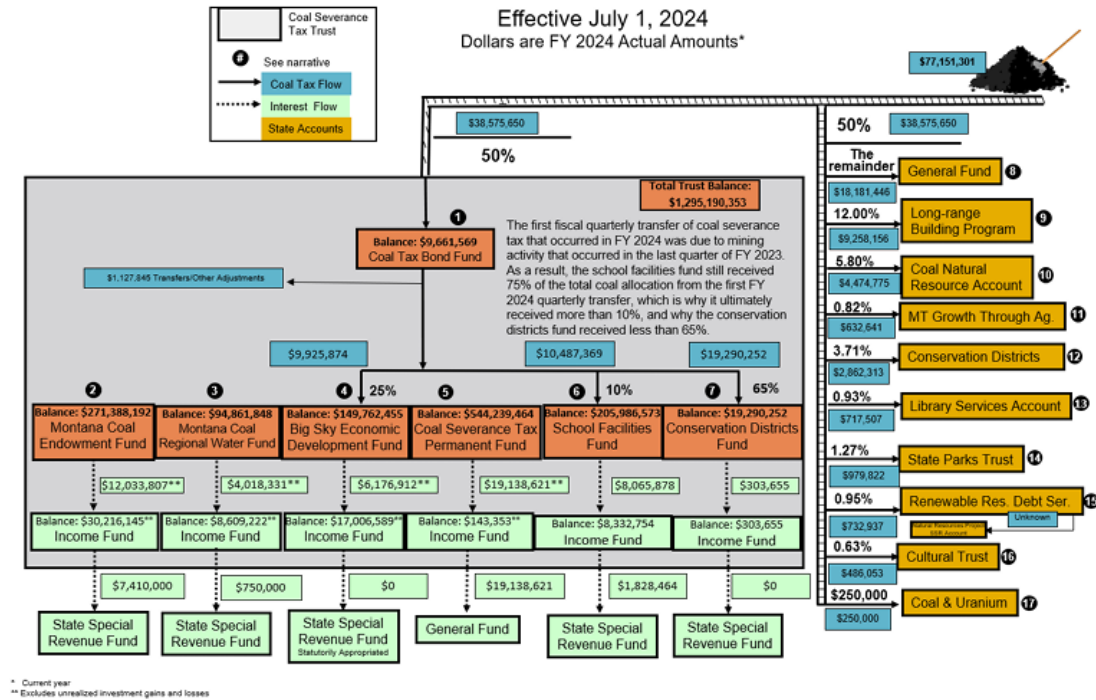
4.0% on the value underground mined coal with a heating quality ≥ 7,000 BTU

3.75% on the value of auger mined coal with a heating quality < 7,000 BTU

5.0% on the value of auger mined coal with a heating quality ≥ 7,000 BTU

MONTANA COAL ENDOWMENT PROGRAM

COAL SEVERANCE TAX TRUST FUND



<https://archive.legmt.gov/content/Publications/fiscal/2025-Biennium/Special-Topics/Coal-Trust-Brochure-2024.pdf>

MONTANA COAL ENDOWMENT REGIONAL WATER SYSTEM

Section F

JOINT SUBCOMMITTEE OF HOUSE APPROPRIATIONS AND SENATE FINANCE AND CLAIMS COMMITTEES

-----Agencies-----

Long-Range Building Program
State Building Energy Conservation Program
Long-Range Information Technology Program
Montana Coal Endowment Program
Montana Coal Regional Water Program

Renewable Resource Grant & Loan Program
Reclamation & Development Grants Program
Cultural & Aesthetic Grant Program
Montana Historic Preservation Grant Program

-----Committee Members-----

House

Representative John Fitzpatrick (Chair)
Representative Scott Rosenzweig
Representative Paul Tuss
Representative Mike Vinton

Senate

Senator John Esp (Vice Chair)
Senator Ellie Boldman

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Erica Thomas

MONTANA COAL ENDOWMENT REGIONAL WATER SYSTEM

Program Description

The 1999 Legislature created the Montana coal endowment regional water system fund as a new sub-trust within the coal tax permanent trust. The program is administered by the Department of Natural Resources and Conservation (DNRC). The executive recommendation for Montana coal endowment regional water system grants is contained in HB11.

The Montana Coal Endowment Program Regional Water System (MCEPRW), established in 90-6-715, MCA, was created to:

“...finance regional drinking water systems that supply water to large geographical areas and serve multiple local governments, such as projects in north central Montana, from the waters of the Tiber reservoir, that will provide water for domestic use, industrial use, and stock water for communities and rural residences that lie south of the Canadian border, west of Havre, north of Dutton, and east of Cut Bank and in northeastern Montana, from the waters of the Missouri River, that will provide water for domestic use, industrial use, and stock water for communities and rural residences that lie south of the Canadian border, west of the North Dakota border, north of the Missouri River, and east of range 39.”

Three projects that have received federal authorization and now qualify for federal funding are the Fort Peck Indian Reservation/Dry Prairie Regional Water System (Fort Peck-Dry Prairie), the Rocky Boy’s Indian Reservation/North Central Montana Regional Water System (Rocky Boy’s-NC Montana), and the Central Montana Musselshell-Judith Regional Water System (Central Montana Regional Water Authority). The state’s share of the financial obligation for these projects was met in full with the authorization provided by the 2015 Legislature.

A fourth project, the Dry-Redwater Regional Water System, would bring water to portions of Garfield, McCone, Richland, Prairie, and Dawson counties has not yet qualified for federal funding. This system has received approval from the state. These systems are progressing through planning phases specified by the Department of Interior and are seeking federal authorization, and the Dry-Redwater Regional Water Authority is seeking federal authorization.

The Regional Water Authorities prioritize the construction projects and DNRC prioritizes project funding based on several criteria, but the top three are:

- Need (Is there a boil order in the town or an urgent need for the construction?)
- Feasibility (Can the project move forward this biennium given the Regional Water System infrastructure already in place?)
- Cost & Funding (Is the project affordable, dependent on federal and state funds, and is the community prepared to pay their share?)

MONTANA COAL ENDOWMENT REGIONAL WATER SYSTEM

Program Budget Comparison

Figure 14 summarizes the proposed executive budget for the program by biennium, type of expenditure, and source of funding.

Figure 14

Program Comparison - Montana Coal Endowment Regional Water Program					
Budget Item	Budget 2025 Biennium	Budget 2027 Biennium	Biennium Change	Biennium % Change	
	<u>Appropriated</u>	<u>Proposed</u>	<u>Change</u>	<u>% Change</u>	
Projects Funding	\$ 10,000,000	\$ 10,000,000	\$ -	0.0%	
Total Costs	\$ 10,000,000	\$ 10,000,000	\$ -	0.0%	
State Special	\$ 10,000,000	\$ 10,000,000	\$ -	0.0%	
Total Funds	\$ 10,000,000	\$ 10,000,000	\$ -	0.0%	

Executive Proposal

As seen in Figure 14, the executive requests \$10.0 million of appropriations for the MCEPRW program that will be included in HB 11. This is the same amount of funding that was in the 2025 biennium so there is no change. Unlike the other LRP local government grant program, the MCEPRW funding is not provided for specific grant requests, but instead, is made available for project phases within a single large project which will provide water to large rural areas. The conditions for the disbursement of funding are listed in HB 11 and include:

- The execution of an agreement with DNRC
- Having an approved project management plan
- Having an acceptable accounting system
- Having a detailed preliminary engineering report

Funding

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

MONTANA COAL ENDOWMENT REGIONAL WATER SYSTEM

Figure 15

MCEPRW Regional Water System Fund Balance Analysis - 2027 Biennium					
Funds 02015					
	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	2027 Biennium Projected
Estimated Beginning Fund Balance	\$ 5,930,547	\$ 8,965,521	\$ 1,368,992	\$ (106,418)	\$ 1,368,992
Revenue Projections ¹					
Coal Subtrust Earnings	\$ 4,018,031	\$ 3,628,296	\$ 3,801,339	\$ 3,989,587	\$ 7,790,926
Expenditures					
Administration - DNRC ² & Regional Water Authority	\$ 206,691	\$ 305,625	\$ 276,749	\$ 276,749	\$ 553,498
Regional Water Authority Admin. Grants ²	\$ 608,000	\$ 891,923			\$ -
Prior Biennia Grants	\$ 24,483	\$ 168,000			\$ -
2025 Biennium Grants	\$ 140,724	\$ 9,859,276	\$ 5,000,000	\$ 5,000,000	\$ 10,000,000
Fund Balance Adjustment	\$ 3,160	\$ -			\$ -
Total Expenditures/Appropriations	\$ 983,058	\$ 11,224,824	\$ 5,276,749	\$ 5,276,749	\$ 10,553,498
Estimated Ending Fund Balance	\$ 8,965,520	\$ 1,368,992	\$ (106,418)	\$ (1,393,580)	\$ (1,393,580)
¹ HJ 2					
² HB 2					

Figure 15 shows the projected fund balance of the MCEPRW fund for the 2025 biennium. The fund balance is projected to be nearly \$1.4 million at the beginning of the 2027 biennium. Statutorily, the interest earnings of the trust may be used to fund the administrative expenses for the program, and it is estimated the 2027 biennium appropriations will include \$553,497 for DNRC administration which would be appropriated in the general appropriation act, HB 2. The executive proposal for 2027 biennium MCEPRW grants is \$10.0 million and is projected to result in a negative fund balance of \$1.4 million at the end of the biennium, however, please note that if revenues are not sufficient, the department will be limited by the cash available in the fund. For more information on trust earnings, refer to page F-5 of this report.

RENEWABLE RESOURCE GRANT & LOAN PROGRAM

Section F

JOINT SUBCOMMITTEE OF HOUSE APPROPRIATIONS AND SENATE FINANCE AND CLAIMS COMMITTEES

-----Agencies-----

Long-Range Building Program
State Building Energy Conservation Program
Long-Range Information Technology Program
Montana Coal Endowment Program
Montana Coal Regional Water Program

Renewable Resource Grant & Loan Program
Reclamation & Development Grants Program
Cultural & Aesthetic Grant Program
Montana Historic Preservation Grant Program

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RENEWABLE RESOURCE GRANT AND LOAN PROGRAM

Program Description

The Renewable Resource Grant and Loan (RRGL) program was created by the 1993 Legislature. This program combines the former Renewable Resource Development Program, established in 1975, and the Water Development Program, established in 1981. As outlined under Title 85, Chapter 1, part 6, MCA, the purpose of the RRGL is to fund projects that “enhance Montana's renewable resources through projects that measurably conserve, develop, manage, or preserve resources.” The executive recommendation for RRGL grants and loans is contained in HB 6 and HB 8.

The Department of Natural Resources and Conservation (DNRC) administers the RRGL program, which involves a biennial application process. DNRC and a technical review team initially evaluate each application for economic and technical feasibility. Qualifying applications are then examined according to five criteria:

- Financial feasibility
- Adverse environmental impact
- Technical merit
- Public benefit
- Renewable resource benefit

The RRGL program consists of two individual programs, a grant program, and a loan program, that will be detailed individually in this report.

Program Budget Comparison

Figure 16 summarizes the proposed executive budget for the program by biennium, type of expenditure, and source of funding.

RENEWABLE RESOURCE GRANT AND LOAN PROGRAM

Figure 16

Program Comparison - Renewable Resource Grants & Loans Program				
Budget Item	Budget	Budget	Change	% Change
	2025 Biennium	2027 Biennium		
Number of Grants Funded	72	70	(2)	-2.8%
Number of Loans Funded	12	16	4	33.3%
	<u>Appropriated</u>	<u>Proposed</u>		
Grants Cost	\$8,750,000	\$8,724,500	(25,500)	-0.3%
Other Grants	7,400,000	4,150,000	(3,250,000)	-43.9%
Loan Program	98,945,000	133,318,288	34,373,288	34.7%
Total Costs	\$115,095,000	\$146,192,788	\$31,097,788	27.0%
State Special	16,150,000	12,874,500	(3,275,500)	-20.3%
CST Bond Proceeds	98,945,000	133,318,288	34,373,288	34.7%
Total Funds	\$115,095,000	\$146,192,788	\$31,097,788	27.0%

Executive Proposal

Figure 16 shows the executive proposal for appropriations of \$146.2 million for the RRGL programs in the 2027 biennium. The executive proposal for the RRGL program is 27.0% higher than the appropriations provided for the 2025 biennium; the increase is primarily in funding for loans provided by CST bond proceeds. The requests are included in HB 6 and HB 8, and each of the bills contains a piece of the 2027 RRGL Program as follows:

- HB 6
 - RRGL emergency grants appropriation of \$0.5 million
 - RRGL project planning grants appropriation of \$2.0 million
 - RRGL irrigation grants appropriation of \$0.5 million
 - RRGL private grants appropriation of \$0.15 million
 - RRGL non-point source pollution reduction of \$1.0 million
 - RRGL specific project grant appropriation of \$8.7 million
- HB 8
 - RRGL loan appropriations of \$133.3 million

More information on the loan program, included in HB 8 with loans supported by coal severance tax (CST) bonds, will follow the RRGL grant program discussion.

Grant Program Discussion

The RRGL grant program received 71 applications requesting project grants of \$8.7 million. The executive recommends funding 70 of the individual project requests with \$8.7 million in cash. However, please note that if revenues are not sufficient, the department will not be able to fund all applications and will be limited by the cash available in the fund. Project grants will be awarded fund in order of rank.

The 2027 biennium executive proposal includes a decrease of \$3.3 million for other grants, with no watershed management grants requested in the 2027 biennium.

RENEWABLE RESOURCE GRANT AND LOAN PROGRAM

A complete list of the requested RRGL projects and the recommended grant amounts, may be seen in appendix A-12 of this report. The details behind the grants requested for the 2027 biennium RRGL, along with a status of grants awarded in the 2025 biennium, are presented in Vol. 6 of the Governor's Executive Budget.

Loan Program Discussion

The second element of the RRGL program is the loan program. The loan program, proposed in HB 8, would authorize the issuance of CST collateralized bonds to finance RRGL project loans. Proceeds from the issuance of bonds are used to finance the loans and the repayment of the loans pay the associated debt service. Loans have differing interest rates based on the years of the loan and the state's bond rate. The basic interest rate on CST loans is determined by the bond market at the time the CST bonds are sold. Loans may be provided at a rate less than the rate at which the state bond is sold for all or part of them; subsidies vary depending on legislative authorization. Because money from the coal severance tax bond fund is pledged as collateral for debt service payments on the bonds, HB 8 requires a three-fourths vote of the members of each house, as directed by the Montana Constitution.

HB 8 includes sixteen loans. Of those, nine loans appeared before in HB 8 from prior sessions and are simply being reauthorized in the 2027 biennium. One reauthorization is \$40 million for the St. Mary's Milk River Project match. The remaining seven loans are new. Among the new loans, the executive requests \$19.0 million for two dam rehabilitation projects. The total request for bond authority and appropriation is \$133.3 million, which includes \$12.1 million to establish a reserve for the bonds. A complete list of the loans included in HB 8 can be seen in appendix A-15 of this report.

Funding

The funding for the RRGL grant program is provided through the "natural resource projects" state special revenue fund. To view the full natural resource projects fund balance analysis, see figure F-18.

The RRGL loan program is financed with coal severance tax bond issues. The Board of Examiners will be authorized to issue coal severance tax bonds in the amount not to exceed \$121,198,444 in the biennium beginning July 1, 2025 of which \$12,119,844 is to be used to establish a reserve for the bonds, and the proceeds will be available to the DNRC for financing the projects identified in the bill.

RECLEMATION & DEVELOPMENT GRANTS PROGRAM

Section F

JOINT SUBCOMMITTEE OF HOUSE APPROPRIATIONS AND SENATE FINANCE AND CLAIMS COMMITTEES

-----Agencies-----

Long-Range Building Program
State Building Energy Conservation Program
Long-Range Information Technology Program
Montana Coal Endowment Program
Montana Coal Regional Water Program

Renewable Resource Grant & Loan Program
Reclamation & Development Grants Program
Cultural & Aesthetic Grant Program
Montana Historic Preservation Grant Program

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RECLAMATION AND DEVELOPMENT GRANTS PROGRAM

Program Description

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

As provided in statute, projects approved in the RDGP are intended to:

- Repair, reclaim, and mitigate environmental damage to public resources from non-renewable resource extraction
- Develop and ensure the quality of public resources for the benefit of all Montana citizens

The RDGP is administered by DNRC, which solicits, evaluates, and ranks applications on a biennial basis. The program is required to prioritize \$800,000 of funding to any government entity for abandoned mine reclamation projects. RDGP grants are limited to \$500,000. Public entities eligible to apply for grants include state and local governments, political subdivisions, and tribal governments. Applications are evaluated according to specific criteria related to:

- Public benefit
- Need and urgency
- Appropriateness of technical design
- Financial feasibility
- Project management/organization
- Program budget comparison

Program Budget Comparison

Figure 17 summarizes the proposed executive budget for the program by biennium, type of expenditure, and source of funding.

Figure 17

Program Comparison - Reclamation and Development Grant Program				
Budget Item	Budget 2025 Biennium	Budget 2027 Biennium	Biennium Change	Biennium % Change
Number of Grants	10	17	7	70.0%
	<u>Proposed</u>	<u>Proposed</u>		
Grants Cost	\$3,653,347	\$7,110,975	\$3,457,628	94.6%
Other Grants Cost	2,000,000	6,800,000	4,800,000	240.0%
Total Costs	\$5,653,347	\$13,910,975	\$8,257,628	146.1%
State Special	\$5,653,347	\$13,910,975	\$8,257,628	146.1%
Total Funds	\$5,653,347	\$13,910,975	\$8,257,628	146.1%

Executive Proposal

Figure 17 shows the executive proposal for appropriations of \$13.9 million for the RDGP program in the 2027 biennium. The executive proposal is 146.1% higher than the appropriations provided for the 2025 biennium.

RECLAMATION AND DEVELOPMENT GRANTS PROGRAM

The 2027 biennium proposal is requested in HB 7 and includes:

- RDGP project planning grants appropriation of \$1.5 million
- RDGP water storage pilot project grants appropriation of \$5.3 million

The RDGP grant program received 17 applications requesting \$7.1 million in grants. The executive recommends funding all the individual projects with cash. However please note that if revenues are not sufficient, the department will not be able to fund all applications and will be limited by the cash available in the fund. Project grants will be awarded fund in order of rank.

A complete listing of the RDGP grants may be seen in appendix A-16 of this report. The details behind the grants requested for the 2027 biennium RDGP program, along with a status of grants awarded in the 2025 biennium, are presented in Vol. 5 of the Governor's Executive Budget.

NATURAL RESOURCES PROJECTS ACCOUNT

Section F

JOINT SUBCOMMITTEE OF HOUSE APPROPRIATIONS AND SENATE FINANCE AND CLAIMS COMMITTEES

-----Agencies-----

Long-Range Building Program
State Building Energy Conservation Program
Long-Range Information Technology Program
Montana Coal Endowment Program
Montana Coal Regional Water Program

Renewable Resource Grant & Loan Program
Reclamation & Development Grants Program
Cultural & Aesthetic Grant Program
Montana Historic Preservation Grant Program

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NATURAL RESOURCES PROJECTS ACCOUNT

Funding

The natural resource projects account funds appropriations for natural resource grants and projects authorized by the legislature. Primary programs funded through the account are the RRGL and the RDGP programs. The account receives the income from the following sources:

- Interest income of the resource indemnity trust (RIT) fund as provided in and subject to the conditions of 15-38-202, MCA (\$3.2 million, when interest earnings are sufficient, each fiscal year for the purpose of making grants)
- Resource indemnity and ground water assessment tax (RIGWA) under provisions of 15-38-106, MCA (50% of the remaining proceeds, after appropriations for CIRCLA debt service, and \$366,000 to the groundwater assessment account, for the purpose of making grants)
- Oil and gas production tax as provided in 15-36-331, MCA (2.16% of oil and natural gas production taxes remaining after the distributions pursuant to subsections (2) and (3))
- Excess coal severance tax proceeds allocated by 85-1-603 (Bond Pool Transfer), MCA, to the renewable resource loan debt service fund (above debt service requirements as provided in and subject to the conditions of 85-1-619, MCA)

NATURAL RESOURCES PROJECTS ACCOUNT

Figure 18

Natural Resource Project Account Fund Balance Analysis - 2027 Biennium Fund 02577					
	FY 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	2027 Biennium Projected
Available Balance	\$18,956,192	\$48,157,549	\$600,757	(\$7,390,101)	\$600,757
Revenue Projections¹					
RIT Interest Earnings	\$ 2,529,536	\$ 3,048,922	\$ 2,410,292	\$ 3,200,000	\$ 5,610,292
Resource Indemnity & Groundwater	\$ 2,268,369	\$ 1,894,738	\$ 1,388,128	\$ 1,248,114	\$ 2,636,242
Oil and Gas Tax	\$ 1,541,945	\$ 1,514,112	\$ 1,603,460	\$ 1,645,057	\$ 3,248,517
Other Revenues	\$ 22,250	\$ 1,000	\$ -	\$ -	\$ -
HB 6 General Fund Transfer	\$ 26,000,000	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 32,362,100	\$ 6,458,772	\$ 5,401,880	\$ 6,093,171	\$ 11,495,051
RRGL Appropriations - HB 6					
Emergency Grants	\$ 108,725	\$ 191,275	\$ 250,000	\$ 250,000	\$ 500,000
Project Planning Grants	\$ 247,843	\$ 3,252,158	\$ 1,000,000	\$ 1,000,000	\$ 2,000,000
Irrigation Development Grants	\$ 30,000	\$ 470,000	\$ 250,000	\$ 250,000	\$ 500,000
Watershed Grants	\$ -	\$ 500,000	\$ -	\$ -	\$ -
Private Grants	\$ 37,952	\$ 62,048	\$ 75,000	\$ 75,000	\$ 150,000
Nonpoint source pollution reduction grants	\$ -	\$ 2,500,000	\$ 500,000	\$ 500,000	\$ 1,000,000
Project Grants Infrastructure	\$ 572,065	\$ 5,777,935	\$ 2,625,000	\$ 2,625,000	\$ 5,250,000
Project Grants Irrigation	\$ 21,070	\$ 2,538,930	\$ 1,737,250	\$ 1,737,250	\$ 3,474,500
Other Grants	\$ -	\$ -	\$ -	\$ -	\$ -
Prior Biennia	\$ 996,936	\$ 6,036,803	\$ -	\$ -	\$ -
Total RRGL Expenditures/Appropriations	\$ 2,014,591	\$ 21,329,148	\$ 6,437,250	\$ 6,437,250	\$ 12,874,500
RRGL Appropriations - HB 6					
Milk River Project Loan Funding	\$ -	\$ 26,000,000	\$ -	\$ -	\$ -
Total Milk River Project Loan Funding	\$ -	\$ 26,000,000	\$ -	\$ -	\$ -
RDGP Appropriations - HB 7					
Planning Grants	\$ 41,834	\$ 1,958,166	\$ 750,000	\$ 750,000	\$ 1,500,000
Water Storage Pilot Project Planning			\$ 2,650,000	\$ 2,650,000	\$ 5,300,000
Prior Biennia	\$ 1,131,339	\$ 1,088,437		\$ -	\$ -
Current Biennium Grants	\$ 347,790	\$ 3,639,812	\$ 3,555,488	\$ 3,555,488	\$ 7,110,975
Total RDGP Expenditures/Appropriations	\$ 1,520,963	\$ 6,686,415	\$ 6,955,488	\$ 6,955,488	\$ 13,910,975
Total Expenditures/Appropriations	\$ 3,535,554	\$ 54,015,564	\$ 13,392,738	\$ 13,392,738	\$ 26,785,475
Estimated Ending Fund Balance	\$ 47,782,738	\$ 600,757	\$ (7,390,101)	\$ (14,689,667)	\$ (14,689,667)

¹HJ 2 projections

Figure 18 provides the projected balance for the natural resource project fund. The fund is projected to have a beginning balance of \$606,757 for the 2027 biennium. Revenues for the 2027 biennium, as provided in the HJ 2 estimates, are projected to be \$11.5 million. Appropriations from the natural resource projects account are authorized in Title 15, Chapter 38, MCA, which states, "Appropriations may be made from the natural resources projects state special revenue account for grants and loans for designated projects and the activities authorized in 85-1-602, MCA, and 90-2-1102, MCA," the RRGL and RDGP programs.

In the 2027 biennium, the executive budget recommends total appropriations of \$12.9 million for the RRGL program and \$13.9 million for the RDGP program from the natural resource projects fund. The ending fund balance at the end of the 2027 biennium is projected to be (\$14.7 million). Please note that the fund will not go negative, as it is prohibited from spending more than the revenues it brings in. For more information on interest earnings, see page F-4 of this report.

- **Resource Indemnity and Ground Water Assessment Tax**

NATURAL RESOURCES PROJECTS ACCOUNT

Revenue Description

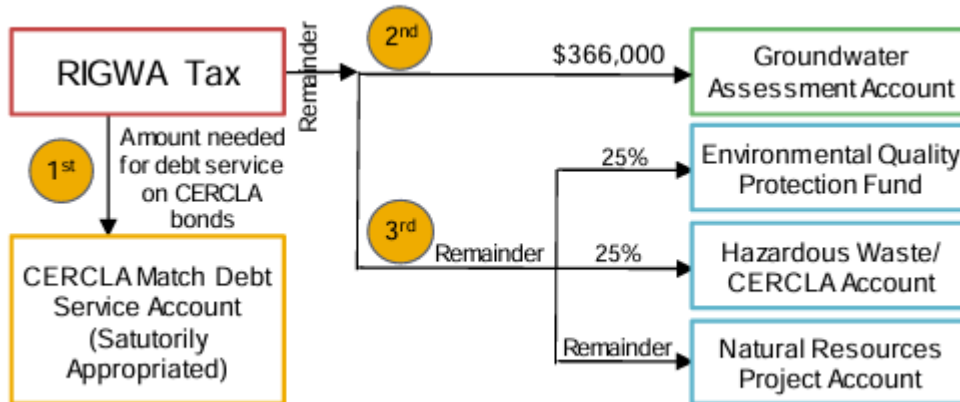
The state imposes a resource indemnity and ground water assessment (RIGWA) tax on the gross value of coal (based on the contract sales price), as well as most minerals, but not gravel, metals, oil, or natural gas

Statutory Reference

Tax Rate – 15-38-104, MCA

Tax Distribution – 15-38-106, MCA

<https://archive.legmt.gov/content/Publications/fiscal/2025-Biennium/Special-Topics/Energy/Resource-Indemnity-Tax.pdf>



Distribution

Beginning FY 2004, the amount needed to cover debt service on Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) bonds (after amounts transferred from the CERCLA cost recovery account) is deposited first to the CERCLA match debt service account. Money is then apportioned in steps 2-3 as shown in the distribution chart.

• Oil & Natural Gas Production Tax

Revenue Description

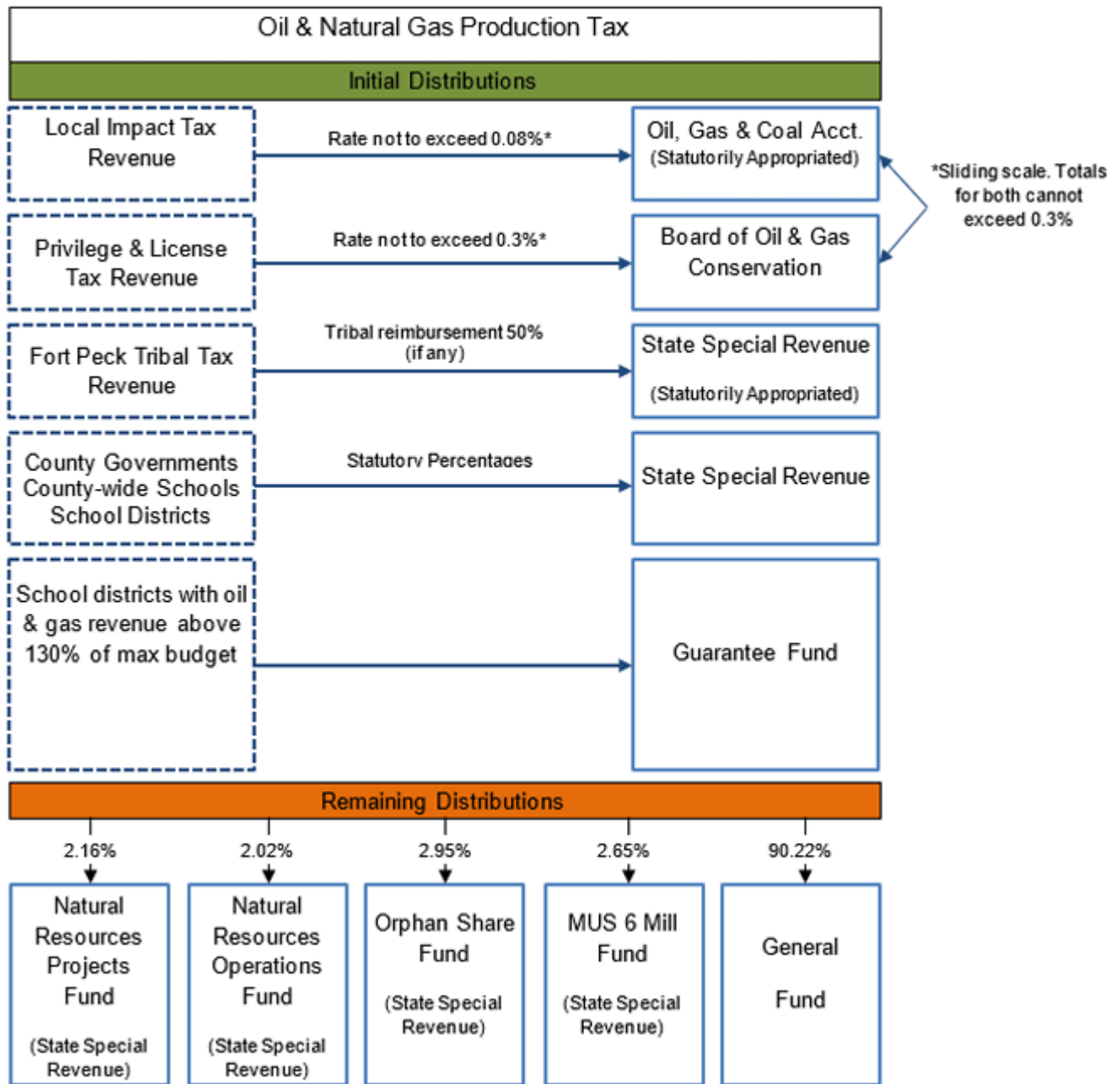
The oil and natural gas production tax is imposed on the production of oil and natural gas in the state. Gross taxable value of oil and natural gas production is based on the type of well and type of production. A portion of the revenue from the tax may be returned to Indian tribes per agreements between DOR and the tribes.

Statutory Reference

Tax Rate – 15-36-304, MCA; Privilege & license tax – 82-11-131, MCA; Administrative Rules 36.72.1242

Tax Distribution – 15-36-331(4), MCA; 15-36-332(2&3), MCA

NATURAL RESOURCES PROJECTS ACCOUNT



<https://archive.legmt.gov/content/Publications/fiscal/2025-Biennium/Special-Topics/Energy/Oil-and-Natural-Gas-Production-Tax.pdf>

CULTURAL & AESTHETIC GRANT PROGRAM

Section F

JOINT SUBCOMMITTEE OF HOUSE APPROPRIATIONS AND SENATE FINANCE AND CLAIMS COMMITTEES

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CULTURAL AND AESTHETIC GRANT PROGRAM

Program Description

The Cultural and Aesthetic Grant Program (C&A), as provided in Title 22, Chapter 2, part 3, MCA, is administered by the Montana Arts Council (MAC). The C&A program provides appropriation for the protection of works of art in the State Capitol, and grants for cultural and aesthetic projects, including but not limited to: the visual, performing, literary, media arts, and folk arts; history, archaeology, archives, collections, research, and historic preservation; and the construction or renovation of cultural facilities. The executive recommendation for C&A grants is contained in HB 9.

Grant applications for cultural and aesthetic projects are submitted to the MAC on a biennial basis. Eligible applicants include any person, association, or representative of a governing unit. A 16-member Cultural and Aesthetic Projects Advisory Committee, with eight members appointed by the Montana Arts Council and eight appointed by the Montana Historical Society, reviews each application. The committee makes funding recommendations to the legislature as part of the executive budget. All grants require legislative approval in accordance with 22-2-306 through 309, MCA.

Program Budget Comparison

Figure 19 summarizes the proposed executive budget for the program by biennium, type of expenditure, and source of funding.

Figure 19

Program Comparison - Cultural and Aesthetic Trust				
Budget Item	Budget 2025 Biennium	Budget 2027 Biennium	Biennium Change	Biennium % Change
Number of Grants	65	76	11	16.9%
	<u>Appropriated</u>	<u>Proposed</u>		
Grants Cost	\$ 558,876	\$ 953,500	\$ 394,624	70.6%
Capitol Complex Works of Art	\$ 30,000	\$ 30,000	\$ -	0.0%
Total Costs	\$ 588,876	\$ 983,500	\$ 394,624	67.0%
State Special	\$ 588,876	\$ 983,500	\$ 394,624	67.0%
Total Funds	\$ 588,876	\$ 983,500	\$ 394,624	67.0%

Executive Proposal

The first C&A priority recommended for funding is a \$30,000 appropriation to the Montana Historical Society for the care and conservation of capitol complex artwork, in accordance with 2-17-805, MCA. The second priority is 76 C&A grant awards totaling \$983,500. The recommended awards are prioritized within three categories, which include: special projects, operational support projects, and capital expenditure projects. In the 2027 biennium, appropriations for the grants will be 70.6% more than the amount appropriated for the 2025 biennium., and 67.0% more to the C&A program overall.

CULTURAL AND AESTHETIC GRANT PROGRAM

Provision for revenue shortfalls

In past biennia, the C&A grant program has experienced interest earnings that have not kept pace with legislative appropriations. When revenue shortfalls occur, language contained in HB 9 has provided for a reduction of grants on a pro-rata basis. The language makes it possible for the program to provide all the approved grants with smaller amounts instead of needing to cancel grant awards.

A complete listing of the C&A grants may be seen in appendix A-17 of this report. The details behind the grants requested for the 2027 biennium C&A, along with a status of grants awarded in the 2025 biennium, are presented in Vol. 7 of the Governor's Executive Budget.

Funding

Funding for the C&A program comes from the interest earnings from the cultural trust. The trust receives a statutorily dedicated 0.63% of coal severance tax revenues.

CULTURAL AND AESTHETIC GRANT PROGRAM

Figure 20

Cultural & Aesthetic Grant Fund Balance Analysis - 2027 Biennium					
Funds - 02009					
	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	2027 Biennium Projected
Estimated Beginning Fund Balance	\$ 904	\$ 148,654	\$ 253,047	\$ 234,831	\$ 253,047
Revenues					
Interest Earnings Transferred-02009 ¹	\$ 648,340	\$ 651,942	\$ 681,709	\$ 716,918	\$ 1,398,627
Total Revenues	\$ 648,340	\$ 641,590	\$ 681,709	\$ 716,918	\$ 1,398,627
Expenditures					
MAC Administration ²	\$ 221,387	\$ 227,760	\$ 223,176	\$ 223,176	\$ 446,351
Capitol Cmplx Works of Art	\$ -	\$ 30,000	\$ -	\$ 30,000	\$ 30,000
State Fund Dividend	\$ (236)	\$ (178)			\$ -
2027 Biennium Grants	\$ 279,439	\$ 279,437	\$ 476,750	\$ 476,750	\$ 953,500
Total Expenditures/Appropriations	\$ 500,590	\$ 537,197	\$ 699,926	\$ 729,926	\$ 1,429,851
Ending Fund Balance	\$ 148,654	\$ 253,047	\$ 234,831	\$ 221,824	\$ 221,824
¹ HJ 2					
² HB 2					

Figure 20 shows the projected balance of the C&A state special fund for the 2027 biennium. The fund is expected to begin the 2027 biennium with a balance of \$253,047. Revenues in the 2027 biennium are expected to be higher than the 2025 biennium. The projection for total revenue is \$1.4 million. For more information on interest earnings, see page F-4 of this report.

Expenditures for the C&A program, which include both administration costs and grants, are limited by the amount of interest earned from the trust investments. The executive budget proposal includes HB 2 appropriations of \$446,351 for administrative expenses of the C&A program. In the 2027 biennium, HB 2 appropriations are 31.0% of the total program revenues. The HB 9 executive proposal includes \$30,000 for a statutorily required appropriation for capitol complex works of art and an appropriation of \$953,500 for project grants. This results in a projected fund balance of \$221,824 at the end of the 2027 biennium.

MONTANA HISTORIC PRESERVATION GRANT PROGRAM

Section F

JOINT SUBCOMMITTEE OF HOUSE APPROPRIATIONS AND SENATE FINANCE AND CLAIMS COMMITTEES

-----Agencies-----

Long-Range Building Program
State Building Energy Conservation Program
Long-Range Information Technology Program
Montana Coal Endowment Program
Montana Coal Regional Water Program

Renewable Resource Grant & Loan Program
Reclamation & Development Grants Program
Cultural & Aesthetic Grant Program
Montana Historic Preservation Grant Program

-----Committee Members-----

House

Representative John Fitzpatrick (Chair)
Representative Scott Rosenzweig
Representative Paul Tuss
Representative Mike Vinton

Senate

Senator John Esp (Vice Chair)
Senator Ellie Boldman

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

Erica Thomas

MONTANA HISTORIC PRESERVATION GRANT PROGRAM

Program Description

The Montana Historic Preservation Grant (MHPG) Program, administered by the Department of Commerce (DOC) and codified in Section 22-3-1305, MCA, provides competitive grants for public or private entities for the preservation of historic sites, historical societies, or history museums in the state. The executive recommendations for MHPG grants are contained in HB 12.

MHPG project grants are available on a competitive basis through statutory criteria established in Section 22-3-1306, MCA. The statutory criteria include the following:

1. Support of economic activity or stimulus
2. Purpose and need of proposed project
3. Project timeline and matching funds
4. State historic or heritage value
5. Experience and capacity to complete proposed project
6. Ongoing and future state economic benefit
7. Local support and contributions
8. Anticipated public benefit and access

The MHPG program received 74 grant applications requesting \$25.8 million in funds. The DOC determined that 63 grant applications were eligible for funding, including 53 historic sites and 10 history museums, for a total of approximately \$23.0 million. If additional revenues become available, additional projects may be contingently funded too. The executive budget recommends 17 projects to be funded for a total of \$6.2 million, including the following project types:

- 14 historic sites
- 3 history museums*

*2 of the history museums are also historic sites

Program Budget Comparison

Figure 21 summarizes the proposed executive budget for the program by biennium, type of expenditure, and source of funding.

Figure 21

Program Comparison -Montana Historic Preservation Grant Program					
Budget Item	Budget 2025 Biennium	Budget 2027 Biennium	Biennium Change	Biennium % Change	
Number of Grants	29	17	(12)	-41.4%	
Grants Cost	<u>Proposed</u> \$ 8,501,314	<u>Proposed</u> \$ 6,229,375	(2,271,939)	-26.7%	
Total Costs	\$ 8,501,314	\$ 6,229,375	(\$2,271,939)	-26.7%	
State Special	\$ 8,501,314	\$ 6,229,375	(2,271,939)	-26.7%	
Total Funds	\$ 8,501,314	\$ 6,229,375	(\$2,271,939)	-26.7%	

MONTANA HISTORIC PRESERVATION GRANT PROGRAM

Executive Proposal

The executive proposal for the MHPG is a 41.4% decrease in the number of projects and 26.7% decrease in total appropriations compared to the 2025 biennium program. The executive recommendation for the MHPG program includes an appropriation of \$6.2 million to fund 17 grants. The executive proposal is contained in HB 12. A complete listing of the MHPG grants may be seen in appendix A-18 of this report. The details behind the grants requested for the 2027 biennium MHPG is presented in Vol. 8 of the Governor’s Executive Budget.

Funding

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

- Until December 31, 2024, 5.0% in the account established in 22-3-1307, MCA, for historic preservation grants
- Starting January 1, 2025, 6.0% in the account established in 22-3-1307, MCA, for historic preservation grants

The allowable uses of the historic preservation account, as provided in 22-3-1307, MCA, “may be used only for historic preservation grants to be administered by the Department of Commerce”. Unlike many of the other grant programs of the LRP budget, administrative costs are not allowed to be funded through the account.

Figure 22

Montana Historic Preservation Grants - 2027 Biennium					
Fund 02217					
	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	2027 Biennium Projected
Estimated Beginning Fund Balance	\$ 5,421,966	\$ 5,345,241	\$ (2,802,027)	\$ (2,068,095)	\$ (2,802,027)
Revenue Projections ¹					
Accommodation Sales Tax	\$ 2,974,585	\$ 3,425,443	\$ 3,848,620	\$ 4,006,418	\$ 7,855,038
Expenditures					
Prior Biennium	\$ 567,028	\$ 2,688,943			\$ -
2027 Biennium Grants	\$ 2,484,276	\$ 8,883,768	\$ 3,114,688	\$ 3,114,688	\$ 6,229,376
Fund Balance Adjustment	\$ 7	\$ -			\$ -
Total Expenditures/Appropriations	\$ 3,051,310	\$ 11,572,711	\$ 3,114,688	\$ 3,114,688	\$ 6,229,376
Ending Fund Balance	\$ 5,345,241	\$ (2,802,027)	\$ (2,068,095)	\$ (1,176,365)	\$ (1,176,365)

¹HJ 2

Figure 22 shows the projected balance of the historic preservation grants state special fund for the 2027 biennium. The fund is expected to begin the 2027 biennium with a negative fund balance, but realistically, the fund will not go negative since expenses cannot exceed the cash in the fund. The revenues are projected to be \$7.9 million across the biennium. The executive proposal for the MHPG program is \$6.2 million. The balance at the end of the 2027 biennium is projected to be (\$1.2 million).

MONTANA HISTORIC PRESERVATION GRANT PROGRAM

Revenue Description

The state imposes two taxes on room charges collected by lodging facilities and campgrounds: a lodging sales tax and a lodging facility use tax. The taxes only apply for rooms used for lodging which includes hotels, motels, campgrounds, resorts, dormitories, condominium inns, dude ranches, guest ranches, hostels, public lodging houses, and bed and breakfast facilities. Exemptions include facilities for health care, facilities owned by non-profit corporations for use by youth for camping, facilities whose average daily charge is less than 60.0% of the amount the state of Montana reimburses for lodging, and facilities rented for 30 days or more.

The Lodging Facility Use Tax is 4.0% of room charges, and revenues are distributed to a variety of state special revenue funds, with a majority going to the Department of Commerce for tourism promotion. In addition to funding the Department of Commerce, revenues from this tax also fund the Montana heritage preservation and development account, the Montana Historical Society, the university system, Montana Fish, Wildlife and Parks, state tribal economic development, and the aquatic invasive species account. Before being distributed to the state special revenue funds, revenue from lodging facility use tax is first distributed to the Department of Revenue for the costs of collecting and disbursing the proceeds of the tax, next the department will deduct 4.0% of the amount of tax proceeds paid by state agencies and distribute a portion of it to those agencies and then deposit 30.0% of the amount deducted minus the portion paid with federal funds into the general fund. Finally, a set amount of \$400,000 each year is deposited into the Montana heritage preservation and development account.

Statutory Reference

Tax Rate – 15-65-111, MCA (4.0% lodging facility use tax); 15-68-102, MCA (4.0% lodging sales tax)

Tax Distribution – 15-65-121, MCA (4.0% lodging facility use tax), 15-68-820, MCA (4.0% lodging sales tax)

Applicable Tax Rates

The lodging sales tax is 4.0% of the sales price. The lodging facility use tax is 4.0% of room charges.

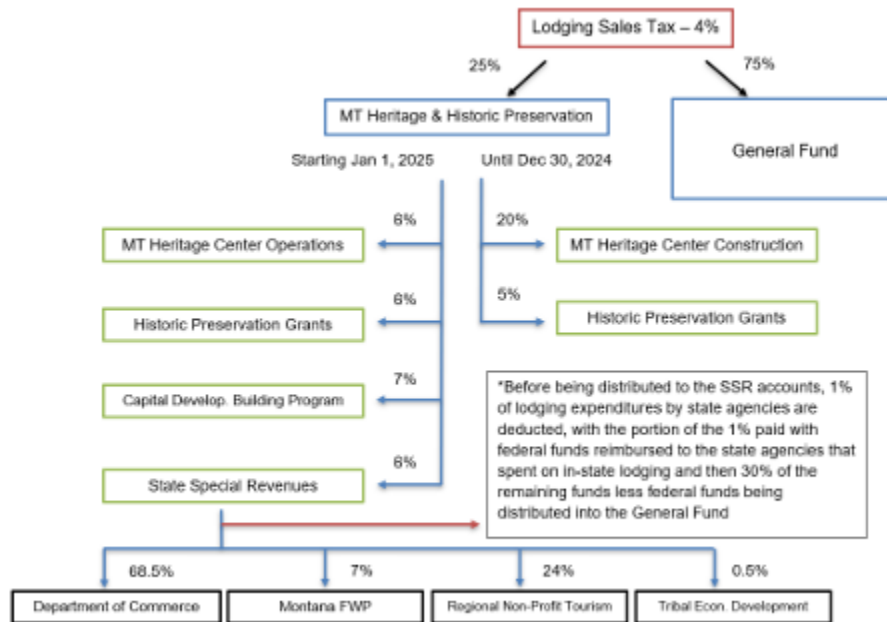
Distribution

- 75.0% of collections from the Lodging Sales Tax are deposited to the General Fund
 - Until Dec 31, 2024, the remaining revenue will be distributed as:
 - 20.0% for funding the construction of the MT Heritage Center administered by the Dept. of Administration's Architecture & Engineering division
 - 5.0% for historic preservation grants administered by the Dept. of Commerce
 - Starting January 1, 2025, the remaining revenue will be distributed as:
 - 6.0% to the Historical Society for the operation and maintenance of the MT Heritage Center
 - 6.0% for historic preservation grants administered by the Dept. of Commerce
 - 7.0% to the Capital developments long-range building program account
 - 6.0% to the Dept. of Commerce for tourism promotion. This is further divided as:
 - 68.5% to be used directly by the Dept. of Commerce
 - 7.0% to Fish Wildlife and Parks for maintenance of facilities in state parks
 - 24.0% to regional nonprofit tourism corporations, conventions, and city visitor bureaus
 - 0.5% to the SSR for use by state-tribal economic development commission

MONTANA HISTORIC PRESERVATION GRANT PROGRAM

Prior to the 2019 Legislative Session, the Lodging Sales Tax was 3.0% of room charges, and all revenue was distributed into the general fund. In 2019, SB 338 added an additional 1.0% to the sales tax to fund the new MT Heritage center and create the Historic Preservation Grant Program, bringing the total Lodging Sales Tax to 4.0%. The original amount of revenue from before SB 338 is still allocated to the state General Fund, which now amounts to 75.0% of the lodging sales tax revenue.

Funding for the construction of the new Heritage Center (overseen by the department of administration) began in 2020 and will run through mid-2025. Beginning January 1st of 2025, the 25.0% of sales tax revenue that goes to Montana Heritage and Historic Preservation will be reallocated in four ways: to the Montana Historical Society for the operations and maintenance of the new Heritage Center, to slightly increase funding to the Historic Preservation Grant Program, to fund the Capital Developments Long-Range Building Program Account which is used for appropriations of the capital fund type, and to fund a variety of State Special Revenue funds, particularly for the Department of Commerce and Fish, Wildlife and Parks. The distributions for the sales tax are outlined in the chart below:



<https://archive.legmt.gov/content/Publications/fiscal/2025-Biennium/Resources-and-Guides/Lodging-Brochure.pdf>

LONG-RANGE APPENDIX TABLES

A1 LRBP LONG-RANGE BUILDING PROGRAM--MAJOR REPAIRS (HB 5)

Long-Range Building Program Major Repairs HB 5 - 2027 Biennium							
Approp Agency / Project Agency / Project	LRBP Major Repairs Fund	Other Capital Projects Funds	State Special	Federal Special	Prop.	Authority	Total
Major Repairs Projects							
A&E Appropriations							
Department of Administration (8 MR Projects)							
1 Aviation & Support Facility Shop Building New Fire Suppression System	\$950,000						950,000
2 Original Govenor's Mansion Heating & Fire Alarm Systems Upgrades	\$300,000						300,000
3 State Print & Mail Building Roof Replacement	\$825,000						825,000
4 Aviation Support Facility Hangar Door Reconstruction & Replacement	\$320,000						320,000
5 Capitol Building Interior Lighting Restoration	\$125,000						125,000
6 Capitol Complex Restroom Renovations	\$625,000						625,000
7 Statewide Facility Condition Assessment Services for Agencies	\$750,000						750,000
8 Statewide Selected Feasibility Studies for Agencies	\$500,000						500,000
Department of Corrections (8 MR Projects)							
9 MCE New Emergency Generators	\$200,000						200,000
10 Continuation of Xanthopoulos Building Repairs	\$2,200,000						2,200,000
11 MCE Roof Replacement	\$1,350,000						1,350,000
12 Completion of Perimeter Security	\$600,000						600,000
13 Utility Tunnel/Heating System Repairs	\$1,200,000						1,200,000
14 Gravel Pit Equipment Generator Replacement	\$180,000						180,000
15 MCE Toilet Room Repairs	\$200,000						200,000
Department of Justice (2 MR Projects)							
16 Boulder Highway Patrol/IBC Campus Heating System Upgrade	\$2,350,000						2,350,000
17 MLEA Air Conditioning Installation	\$300,000						300,000
Department of Labor & Industry (1 MR Project)							
18 New Lab Casework and Fixed Lab Equipment - Combined Labs	\$1,000,000						1,000,000
Department of Public Health and Human Services (3 MR Projects)							
19 Completion of Door Access Controls	\$130,000						130,000
20 Additional Security Cameras	\$300,000						300,000
21 Water Infiltration Investigation & Exterior Envelope Repairs - EMVH	\$1,900,000						1,900,000
Montana School for the Deaf and Blind (2 MR Projects)							
22 Completion of Parking Lot Improvements	\$780,000						780,000
23 Selected HVAC System Upgrades	\$2,000,000						2,000,000
Department of Agriculture (1 MR Projects)							
24 State Grain Lab Heating System Upgrades	\$150,000						150,000
Department of Livestock (1 MR Projects)							
25 Kalispell Job Service Center Renovations	\$325,000						325,000
Office of Public Instruction (1 MR Projects)							
26 Montana Learning Center Site Infrastructure Upgrades	\$700,000						700,000
Montana University System (21 MR Projects)							

LONG-RANGE APPENDIX TABLES

27	Completion of Montana Hall Life-Safety Improvements	\$2,100,000						2,100,000
28	Mechanical, Electrical and Accessibility Upgrades	\$2,200,000						2,200,000
29	Selected Upgrades to Exterior Steps, Stairs, and Ramps	\$710,000						710,000
30	Selected Fire Alarm System Upgrades	\$500,000						500,000
31	Campus Heating Plant Boiler System Upgrade	\$2,400,000						2,400,000
32	Campus Heating & Domestic Hot Water Upgrades	\$400,000						400,000
33	Donaldson Campus Boiler System Replacement - Helena College	\$150,000						150,000
34	Swysgood Technology Center HVAC Cooling System Replacement	\$370,000						370,000
35	Linfield Hall Roof Replacement	\$850,000						850,000
36	Cowan Hall Exterior Envelope Upgrades	\$1,725,000						1,725,000
37	Automotive Technology Building Roof Replacement	\$460,000						460,000
38	Donaldson Campus Roofing Replacement	\$2,400,000						2,400,000
39	Campus Wide Building Electrical System Upgrade	\$1,300,000						1,300,000
40	Selected Sewer Main Repair & Replacement	\$690,000						690,000
41	Steam Distribution System Upgrades	\$475,000						475,000
42	Selected Building Electrical System Upgrades	\$1,100,000						1,100,000
43	South Campus Primary Electrical Distribution Upgrades	\$1,750,000						1,750,000
44	Selected Elevator System Upgrades	\$1,675,000						1,675,000
45	Science & Engineering and ELC Building Elevator Modernization	\$400,000						400,000
46	McCall Hall Demolition	\$1,100,000					\$300,000	1,400,000
47	Mining & Geology Building Temperature Control Replacement	\$300,000						300,000
Department of Military Affairs (8 Projects)								
48	Statewide Indoor Firing Range Remediation				\$2,450,000			2,450,000
49	MTARNG Buildings MEP Repairs				\$1,970,000			1,970,000
50	Fort Harrison Building 1009 New Generator				\$255,000			255,000
51	Helena AFRC New Underground Stormwater Piping System				\$230,000			230,000
52	Fort Harrison New Powered Fire Department Access Gate				\$225,000			225,000
53	Fort Harrison Range Operations Center Sitework				\$380,000			380,000
54	Fort Harrison Building 1017 New Shower Rooms				\$110,000			110,000
55	MTARNG Buildings New PV Solar Arrays & Repairs				\$690,000			690,000
Total A&E Major Repairs Appropriations		\$43,315,000	\$0	\$0	\$6,310,000	\$0	\$300,000	\$49,925,000
Total Major Repairs		\$43,315,000	\$0	\$0	\$6,310,000	\$0	\$300,000	\$49,925,000
¹ If funding appropriated for related capital development projects, funding must be reallocated by the department to other major repair projects.								

LONG-RANGE APPENDIX TABLES

A2 LRBP LONG-RANGE BUILDING PROGRAM CAPITAL DEVELOPMENT (HB 5)

Long-Range Building Program Capital Development HB 5 - 2027 Biennium						
Approp Agency / Project Agency / Project	Capital Dev. Fund	State Special	Federal Special	Prop.	Authority	Total
Capital Development Projects						
A&E Capital Development Projects						
Department of Administration (7 CD Projects)						
1 Capitol Complex Roof Replacements	\$4,100,000					4,100,000
2 Capitol Complex Elevator System Upgrades	\$5,700,000					5,700,000
3 1227 11th Avenue Building Renovation	\$3,600,000					3,600,000
4 1300 11th Avenue Building Renovation	\$4,150,000					4,150,000
5 5 South Last Chance Gulch Building Renovation	\$17,300,000					17,300,000
6 Capital Projects Planning Studies	\$2,000,000					2,000,000
7 Reserve Fund for Market, Supply Chain, and Inflationary Impacts	\$10,000,000					10,000,000
Department of Corrections (4 CD Projects)						
8 MSP Low-Side Housing Expansion	\$150,000,000					150,000,000
9 Site Infrastructure Upgrades	\$21,000,000					21,000,000
10 Comprehensive Mechanical System Replacement	\$4,750,000					4,750,000
11 Construction Education Program Building Renovation	\$4,000,000					4,000,000
Department of Natural Resources and Conservation (4 CD Projects)						
12 Missoula New Forestry & Trust Lands Office Building	\$3,000,000					3,000,000
13 Helena Wildland Firefighter Bunkhouses	\$3,860,000					3,860,000
14 Libby Wildland Firefighter Bunkhouse & Office Addition	\$3,600,000	\$600,000				4,200,000
15 Plains Wildland Firefighter Bunkhouse	\$1,930,000					1,930,000
Department of Military Affairs (4 CD Projects)						
16 SMART Deferred Maintenance Program - Statewide	\$1,500,000		\$4,500,000			6,000,000
17 Billings Limited Army Aviation Support Facility - Phase II	\$23,100,000					23,100,000
18 Montana Air National Guard New Training Drop Zone	\$1,800,000					1,800,000
19 New Internment Processing Center @ MT State Veterans Cemetery	\$1,925,000					1,925,000
Department of Justice (1 CD Project)						
20 MLEA New Indoor Firearms Range	\$10,000,000					10,000,000
Department of Public Health and Human Services (2 CD Projects)						
21 Comprehensive Mechanical System Replacement	\$11,200,000					11,200,000
22 Spratt Building Upgrades for Licensure	\$4,000,000					4,000,000
Montana School for the Deaf and Blind (1 CD Project)						
23 Vocational Building Renovation	\$5,120,000					5,120,000
Montana University System (8 CD Projects)						
24 Selected Classrooms & Teaching Labs Modernization	\$11,600,000					11,600,000
25 Selected Roof Replacement Projects	\$3,000,000					3,000,000
26 Highlands College Roof Replacement	\$5,000,000					5,000,000
27 Cisel Hall HVAC & Plumbing System Upgrades	\$4,000,000					4,000,000
28 Lewis Hall New Elevator & ADA Upgrades	\$4,600,000					4,600,000
29 Music Building Renovation	\$7,250,000				\$7,250,000	14,500,000
30 Mansfield Library Renovation	\$9,000,000				\$9,000,000	18,000,000

LONG-RANGE APPENDIX TABLES

31	Hamilton Hall 3rd & 4th Floor Renovation	\$5,230,000					5,230,000
Governor's Office of Budget and Program Planning (1 CD Project)							
32	Capitol Complex Deferred Maintenance	\$50,000,000					50,000,000
Total A&E Capital Development Appropriations		\$397,315,000	\$600,000	\$4,500,000	\$0	\$16,250,000	418,665,000
Agency Capital Development Appropriations							
Department of Military Affairs (6 Projects)							
33	Fort Harrison Open Bay Barracks			\$18,120,000			18,120,000
34	Fort Harrison Vehicle Paint Shop Construction			\$6,960,000			6,960,000
35	MTARNG Vehicle Maintenance Shop Construction			\$40,600,000			40,600,000
36	Limestone Hills Training Area Target Storage Building Replacement			\$385,000			385,000
37	Veteran's Cemetery Expansion, Statewide			\$1,000,000			1,000,000
Montana Department of Transportation (6 Projects)							
38	Statewide MDT Facility Repairs and Small Projects		\$3,000,000				3,000,000
39	Three Forks Equipment Storage Building		\$3,000,000				3,000,000
40	Wolf Creek Equipment Storage Building		\$2,400,000				2,400,000
41	Lodge Grass Equipment Storage Building		\$2,400,000				2,400,000
42	Conrad Equipment Storage Building		\$3,500,000				3,500,000
43	Miles City Equipment Storage Building		\$4,200,000				4,200,000
Total Agency Capital Development Appropriations		\$0	\$18,500,000	\$67,065,000	\$0	\$0	\$85,565,000
Department of FWP Capital Program Projects							
Department of Fish, Wildlife, & Parks (28 Projects)							
44	Administrative Facility Major Maintenance		\$2,800,000				2,800,000
45	Central Services Site Upgrades Phase II		\$13,350,000				13,350,000
46	Central Services Site Upgrades Phase III		\$16,680,000				16,680,000
47	Region 5 Cooney State Park Storage Building		\$220,000				220,000
48	Region 5 Deadman's Basin FAS Storage Building		\$340,000				340,000
49	Fishing Access Site Major Maintenance		\$1,590,000				1,590,000
50	Statewide Hatchery Maintenance and Repairs		\$2,500,000				2,500,000
51	Fishing Access Site Noxious Weed Control		\$250,000				250,000
52	Wildlife Management Area Maintenance		\$3,380,000				3,380,000
53	State Parks Major Maintenance		\$4,500,000				4,500,000
54	State Parks Noxious Weed Control		\$250,000				250,000
55	Statewide Wildlife Habitat Management Areas Habitat Improvements		\$680,000				680,000
56	Future Fisheries		\$2,000,000				2,000,000
57	FWP Contract Programs		\$2,250,000				2,250,000
58	Habitat Montana		\$12,000,000				12,000,000
59	Fish Connectivity		\$1,635,000	\$1,775,000			3,410,000
60	Lewis & Clark Caverns State Park Water System		\$692,500	\$692,500			1,385,000
61	Community Fishing Ponds		\$200,000				200,000
62	Fishing Access Site Acquisition		\$500,000				500,000
63	Parks & Outdoor Recreation Site Development & Upgrades		\$2,300,000	\$510,000			2,810,000
64	Upland Game Bird Enhancement Program		\$2,000,000				2,000,000
65	Dam Maintenance		\$90,000				90,000
66	Habitat Montana - Enhanced 701 Funding		\$18,000,000				18,000,000
67	Region 5 HQ Pemberton Lane Improvements		\$255,000				255,000
68	FWP Grant Programs		\$5,800,000	\$7,900,000			13,700,000

LONG-RANGE APPENDIX TABLES

69	Bannack State Park Historic Preservation		\$250,000				250,000
70	Forest Management Program		\$250,000				250,000
	Tongue & Yellowstone Canal & Muggli Bypass Channel Fishery		\$1,430,000				1,430,000
71	Infrastructure Improvements						
Total FWP Capital Development Appropriations		\$0	\$96,192,500	\$10,877,500	\$0	\$0	\$107,070,000
AO - Authority only - for amounts that do not require appropriation							
Montana University System (10 AO Projects)							
72	New Art Building					\$13,400,000	13,400,000
73	New Bandy Ranch Field Research Housing					\$2,000,000	2,000,000
74	Bio Research Building Addition					\$8,000,000	8,000,000
75	Instructional Space Modernization					\$4,000,000	4,000,000
76	Law School Interior Remodel					\$3,000,000	3,000,000
77	McGill Hall Addition					\$2,000,000	2,000,000
78	Nopper Building Purchase					\$6,500,000	6,500,000
79	Undergraduate Research Lab Upgrades and Improvements					\$10,000,000	10,000,000
80	South Campus Tennis Court Complex					\$8,300,000	8,300,000
81	Visual Communications Building Classroom Addition					\$2,500,000	2,500,000
Total Authority Only		\$0	\$0	\$0	\$0	\$59,700,000	\$59,700,000
Total Capital Development Appropriations		\$397,315,000	\$115,292,500	\$82,442,500	\$0	\$75,950,000	\$671,000,000

LONG-RANGE APPENDIX TABLES

A3 LRBP OPERATIONS & MAINTENANCE APPROPRIATIONS

LRBP - HB 5 Operations & Maintenance Appropriations 17-7-210, MCA Required for Future Biennia							
	Agency	Project	General Fund	State Special	Federal Special	Authority Only	Annual Total
1	DOC	MSP Low-Side Housing Expansion (108,560 sqft @ \$4.29/sqft/yr)	\$ 1,300,000				\$ 1,300,000
2	DOC	Site Infrastructure Upgrades					\$ -
3	DPHHS	Comprehensive Mechanical System Replacement					\$ -
4	DOC	Comprehensive Mechanical System Replacement					\$ -
5	DPHHS	Spratt Building Upgrades for Licensure					\$ -
6	MUS	Selected Classrooms & Teaching Labs Modernization					\$ -
7	DNRC	Missoula New Forestry & Trust Lands Office Building (4,600 sqft @ \$5.53/ft/yr)		\$ 50,876			\$ 50,876
8	DNRC	Helena Wildland Firefighter Bunkhouses (6,000 sqft @ \$5.53/ft/yr)		\$ 66,360			\$ 66,360
9	DNRC	Libby Wildland Firefighter Bunkhouse & Office Addition (3,000 sqft @ \$5.53/ft/yr)		\$ 33,180			\$ 33,180
10	DNRC	Plains Wildland Firefighter Bunkhouse (3,000 sqft @ \$5.53/ft/yr)		\$ 33,180			\$ 33,180
11	DOA	Capitol Complex Roof Replacements					\$ -
12	MUS	Selected Roof Replacement Projects					\$ -
13	MUS	Highlands College Roof Replacement					\$ -
14	MUS	Cisel Hall HVAC & Plumbing System Upgrades					\$ -
15	DOA	Capitol Complex Elevator System Upgrades					\$ -
16	MSDB	Vocational Building Renovation					\$ -
17	MUS	Lewis Hall New Elevator & ADA Upgrades (2,100 net new sqft @ \$9/sqft/yr)	\$ 37,800				\$ 37,800
18	MUS	Music Building Renovation					\$ -
19	DOA	1227 11th Avenue Building Renovation					\$ -
20	DOA	1300 11th Avenue Building Renovation					\$ -
21	MUS	Mansfield Library Renovation					\$ -
22	MUS	Hamilton Hall 3rd & 4th Floor Renovation					\$ -
23	DOA	5 South Last Chance Gulch Building Renovation (7,500 sqft of new @ \$11.57/ft/yr)	\$ 173,550				\$ 173,550
24	DMA	SMART Deferred Maintenance Program - Statewide					\$ -
25	DOC	Construction Education Program Building Renovation					\$ -
26	DMA	Billings Limited Army Aviation Support Facility - Phase II (15,500 sqft @ \$6.92/ft)			\$ 107,400		\$ 107,400
27	DMA	Montana Air National Guard New Training Drop Zone					\$ -
28	DOJ	MLEA New Indoor Firearms Range (13,500 sqft @ \$11/ft; was based on \$12M budget)		\$ 150,000			\$ 150,000
29	DMA	New Internment Processing Center @ MT State Veterans Cemetery (1,800 sqft * \$5/ft)	\$ 9,625				\$ 9,625
30	OPBB	Capitol Complex Deferred Maintenance					\$ -
31	DOA	Capital Projects Planning Studies					\$ -
32	DOA	Reserve Fund for Market, Supply Chain, and Inflationary Impacts					\$ -
33	DOA	Governor's Office 720 Madison Avenue	\$ 270,250				\$ 270,250
		General Total	\$ 1,791,225	\$ 333,596	\$ 107,400	\$ -	\$ 2,232,221
		DEPARTMENT OF FISH, WILDLIFE & PARKS					
1	FWP	Administrative Facility Major Maintenance					\$ -
2	FWP	Central Services Site Upgrades Phase II (30,000 sqft @ \$2.22/ft/yr)		\$ 133,468			\$ 133,468
3	FWP	Central Services Site Upgrades Phase III (18,203 sqft @ \$4.58/ft/yr)		\$ 208,545			\$ 208,545
4	FWP	Region 5 Cooney State Park Storage Building (3,000 sqft @ \$0.46/ft/yr)		\$ 2,778			\$ 2,778
5	FWP	Region 5 Deadman's Basin FAS Storage Building (3,200 sqft @ \$066/ft/yr)		\$ 4,250			\$ 4,250

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6	FWP	Fishing Access Site Major Maintenance						\$	-			
7	FWP	Statewide Hatchery Maintenance and Repairs						\$	-			
8	FWP	Fishing Access Site Noxious Weed Control						\$	-			
9	FWP	Wildlife Management Area Maintenance						\$	-			
10	FWP	State Parks Major Maintenance						\$	-			
11	FWP	State Parks Noxious Weed Control						\$	-			
12	FWP	Statewide Wildlife Habitat Management Areas Habitat Improvements						\$	-			
13	FWP	Future Fisheries						\$	-			
14	FWP	FWP Contract Programs						\$	-			
15	FWP	Habitat Montana						\$	-			
16	FWP	Fish Connectivity						\$	-			
17	FWP	Lewis & Clark Caverns State Park Water System						\$	-			
18	FWP	Community Fishing Ponds						\$	-			
19	FWP	Fishing Access Site Acquisition						\$	-			
20	FWP	Parks & Outdoor Recreation Site Development & Upgrades						\$	-			
21	FWP	Upland Game Bird Enhancement Program						\$	-			
22	FWP	Dam Maintenance						\$	-			
23	FWP	Habitat Montana - Enhanced 701 Funding						\$	-			
24	FWP	Region 5 HQ Pemberton Lane Improvements						\$	-			
25	FWP	FWP Grant Programs						\$	-			
26	FWP	Bannack State Park Historic Preservation						\$	-			
27	FWP	Forest Management Program						\$	-			
28	FWP	Tongue & Yellowstone Canal & Muggli Bypass Channel Fishery Infrastructure Improvements						\$	-			
		DEPARTMENT OF TRANSPORTATION						\$	-			
1	MDT	Statewide MDT Facility Repairs and Small Projects						\$	-			
2	MDT	Three Forks Equipment Storage Building (9,000 sqft @ \$2.68/ft/yr)			\$	48,150		\$	48,150			
3	MDT	Wolf Creek Equipment Storage Building (6,500 sqft @ \$2.57/ft/yr)			\$	33,400		\$	33,400			
4	MDT	Lodge Grass Equipment Storage Building (6,500 sqft @ \$2.57/ft/yr)			\$	33,400		\$	33,400			
5	MDT	Conrad Equipment Storage Building (9,700 sqft @ \$2.15/ft/yr)			\$	41,650		\$	41,650			
6	MDT	Miles City Equipment Storage Building (10,800 sqft @ \$2.07/ft/yr)			\$	44,750		\$	44,750			
		DEPARTMENT OF MILITARY AFFAIRS						\$	-			
1	DMA	Fort Harrison Open Bay Barracks (28,559 sqft @ \$3.59/ft/yr)				\$	204,800	\$	204,800			
2	DMA	Fort Harrison Vehicle Paint Shop Construction (3,030 sqft @ \$6.95/ft/yr)					\$	42,100	\$	42,100		
3	DMA	MTARNG Vehicle Maintenance Shop Construction (44,056 sqft @ \$1.53/ft/yr)					\$	134,800	\$	134,800		
4	DMA	Limestone Hills Training Area Target Storage Building Replacement					\$	-	\$	-		
5	DMA	Fort Harrison Facility Maintenance Shop #3 (federal property transfer to state; 1/3rd w/ balance from Warehouse)	\$	31,000				\$	31,000			
6	DMA	Billings Readiness & Innovation Campus, BRIC (omitted in HB 5, 68th; based on sale of BAFRC, see 03/2024 memo)	\$	98,500			\$	98,500	\$	197,000		
		DMA Total	\$	129,500	\$	-	\$	480,200	\$	-	\$	609,700
		MONTANA UNIVERSITY SYSTEM						\$	-			
1	MUS	New Art Building (12,500 sqft @ \$10.31/ft/yr)	\$	257,680				\$	257,680			
2	MUS	New Bandy Ranch Field Research Housing (5,000 sqft @ \$10.87/ft/yr)	\$	108,705				\$	108,705			
3	MUS	Bio Research Building Addition (10,000 sqft @ \$12.30/ft/yr)	\$	246,050				\$	246,050			
4	MUS	Instructional Space Modernization						\$	-			
5	MUS	Law School Interior Remodel						\$	-			
6	MUS	McGill Hall Addition (2,450 sqft @ \$14.69/ft/yr)	\$	71,968				\$	71,968			
7	MUS	Nopper Building Purchase (62,100 sqft @ 10.08/ft/yr)	\$	1,252,186				\$	1,252,186			
8	MUS	Undergraduate Research Lab Upgrades and Improvements						\$	-			

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9	MUS	South Campus Tennis Court Complex (69,500 sqft @ \$4/ft/yr)				\$	359,086	\$	359,086
10	MUS	Visual Communications Building Classroom Addition (2,875 new sqft @ \$10.31/ft/yr)	\$	59,286				\$	59,286
		MSU Total	\$	1,995,875	\$	-	\$	-	\$ 359,086 \$ 2,354,961
83		Total	\$	3,916,600	\$	883,987	\$	587,600	\$ 359,086 \$ 5,747,273

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F11 LONG-RANGE INFORMATION TECHNOLOGY PROGRAM

Long-Range Information Technology Program (LRITP) HB 10 - 2027 Biennium					
Agency / Project	LRITP Capital Projects Funds	State Special	Federal Special	Total	Annual O&M
DOA Department of Administration (11 projects)	\$22,653,700			\$ 22,653,700	\$5,554,749
1 Enterprise Financial Warehouse					
2 Enterprise Data Catalog					
3 Recruiting and Onboarding Modernization					
4 eMACS/Jaegger Replacement					
5 Cybersecurity Enhancements					
6 eGov Modernization					
7 Infrastructure Upgrades & Expansion					
8 Web Site Improvements (my.mt.gov & Prosperity Portal)					
9 AI & Legacy System Modernization (Technical Debt Relief Fund)					
10 Contact Center Technology Replacement					
11 508 Compliance (Web Content Accessibility Rule)					
DOC Department of Corrections (3 projects)	\$3,111,000			\$ 3,111,000	\$1,911,000
1 Comprehensive Safety and Surveillance					
2 Improvements					
3 MCE/Warehouse/Maintenance Enterprise Operations System					
OCHE Commissioner of Higher Ed (1 project)	\$5,018,360			\$ 5,018,360	\$2,091,946
1 CyberMontana (Security Operations Center, Workforce Training Programs, Cyber Policy Clinic)					
2 Security Information & Event Management (SEIM)					
3 Enterprise Resource Planning					
4 System Replacement (Miles Community College & Dawson Community College)					
MTHS Historical Society (1 project)		\$ 947,500		\$ 947,500	\$227,500
1 Museum System Operations & Management					
JUD Judicial (1 project)	\$1,500,000			\$ 1,500,000	\$30,000
1 Courts Electronic Filing System Architecture & Cybersecurity Refresh					
DNRC Department of Natural Resources and Conservation (3 projects)	\$4,965,000			\$ 4,965,000	\$400,000
1 Water Rights Information System Rewrite					
2 GIS Migration					
3 Licensing & Permitting System Replacement					
OPD Office of Public Defender (1 project)	\$124,135			\$ 124,135	\$ -
1 Statewide Courthouse Wi-Fi					
DPHHS Department of Public Health and Human Services (7 projects)	\$1,830,651		\$ 6,065,155	\$ 7,895,806	\$1,942,605
1 Comprehensive Child Welfare Information System Independent Verification & Validation Services					
2 State Directory of New Hires					
3 Montana Child Support Enforcement Automated System Rellacement Independent Verification & Validation Services					
4 Secure Data Connections for Montana Benefit Programs					
5 Public Benefits System Efficiency Modernization					
6 Improving Timeliness of Public Benefit Recipient Notification					
7 Senior and Long-Term Care Legacy System Replacement					
DOR Revenue (1 project)	\$500,000			\$ 500,000	\$300,000
1 GenTax to AWS Hosted Environment					
MDT Transportation (2 projects)		\$ 7,500,000		\$ 7,500,000	\$1,500,000
1 Advanced Transportation Management System					
2 Motor Fuels System					
Total - LRITP Proposed Appropriations	\$ 39,702,846	\$ 8,447,500	\$ 6,065,155	\$ 54,215,501	\$ 13,957,800

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A11 MCEP MONTANA COAL ENDOWMENT PROGRAM (HB 11)

Montana Coal Endowment Program (MCEP) HB 11 - 2027 Biennium								
Rank	Applicant	Project	County	Type of Project	Total Project Cost	Grant Requested	Cumulative Total	Grant % of Total Project Cost
HB 11 - Bridge Program								
1	Lewis & Clark County	Replace Augusta Clemons Road Bridge	Lewis & Clark	Bridge	\$ 1,543,700	\$ 750,000	\$ 750,000	49%
2	Madison County	Replace Silver Springs Bridge	Madison	Bridge	\$ 1,519,100	\$ 750,000	\$ 1,500,000	49%
3	Petroleum County	Replace Horse Creek Road Bridge	Petroleum	Bridge	\$ 837,000	\$ 627,900	\$ 2,127,900	75%
4	Park County	Replace Main Street Bridge	Park	Bridge	\$ 1,225,500	\$ 612,750	\$ 2,740,650	50%
5	Powder River County	Replace Randall/Moorhead Road Bridge	Powder River	Bridge	\$ 727,200	\$ 363,600	\$ 3,104,250	50%
6	Wibaux County	Replace Pine Unit Road Bridge	Wibaux	Bridge	\$ 881,500	\$ 440,500	\$ 3,544,750	50%
Total HB 11 Bridge Projects					\$ 6,734,000	\$ 3,544,750	\$ 3,544,750	53%
HB 11 - Infrastructure Program								
1	Hysham, Town of	Water treatment plant and infiltration gallery improvements	Treasure	W	\$ 2,568,571	\$ 750,000	\$ 4,294,750	29%
2	Roundup, City of	Treatment facility upgrades including new headworks, backup generator, blower and the disposal of sludge from existing lagoons	Musselshell	WW	\$ 4,952,500	\$ 750,000	\$ 5,044,750	15%
3	Twin Bridges, Town of	Distribution system improvements	Madison	W	\$ 2,119,800	\$ 750,000	\$ 5,794,750	35%
4	Harrison Water and Sewer District	Treatment system improvements, Lift Station improvements, and rehabilitate and replace components of irrigation and center pivot	Madison	WW	\$ 3,852,860	\$ 750,000	\$ 6,544,750	19%
5	Wolf Point, City of	Wastewater collection system improvements	Roosevelt	WW	\$ 2,520,303	\$ 625,000	\$ 7,169,750	25%
6	Dutton, Town of	Distribution system improvements and replacing chlorination vault	Teton	W	\$ 1,722,700	\$ 750,000	\$ 7,919,750	44%
7	Alder County Water and Sewer District	New submersible Lift Station pump and flow meter, upgraded Lift Station control panel	Madison	WW	\$ 1,847,000	\$ 750,000	\$ 8,669,750	41%
8	Shelby, City of	Install or rehabilitate approximately 1,750 feet of 8 and 10 inch mains with PVC 8 and 10 inch mains and connect existing services	Toole	WW	\$ 750,000	\$ 375,000	\$ 9,044,750	50%
9	Red Lodge, City of	Cast in place pipe lining of 1,360 feet of 12-inch vitrified clay pipe, 1,015 linear feet of existing 10-inch VC pipe, and 1,200 linear feet of existing 8-inch VC pipe along with miscellaneous manhole replacements, and open-cut replacement of approximately 2,020 linear feet of 8-inch with High Density Polyethylene pipe	Carbon	WW	\$ 2,102,500	\$ 500,000	\$ 9,544,750	24%

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10	White Sulphur Springs, City of	Intake pond improvements and replacement of filter media	Meagher	W	\$ 1,787,080	\$ 625,000	\$ 10,169,750	35%
11	South Wind Crosswinds Community Water and Sewer District	Expand the treated wastewater drain field, new secondary water well, hydrogeologic study and water rights application, and provide fencing for well head protection	Cascade	W&WW	\$ 2,129,588	\$ 750,000	\$ 10,919,750	35%
12	Circle, Town of	Replace water mains, gate valves, and fire hydrants	McCone	W	\$ 2,625,000	\$ 750,000	\$ 11,669,750	29%
13	Arlee/Lake County Water and Sewer District	Installation of new locking manhole rims, extension of sanitary sewer main, re-classification of lagoons, and upgrades to the irrigation pump state	Lake	WW	\$ 655,000	\$ 327,500	\$ 11,997,250	50%
14	Deer Lodge, City of	Repairing and replace sewer lines, manholes, and replacing leaking service connections	Powell	WW	\$ 878,000	\$ 439,000	\$ 12,436,250	50%
15	Willow Creek Sewer District	Wastewater collection system improvements	Gallatin	WW	\$ 2,003,625	\$ 750,000	\$ 13,186,250	37%
16	Hinsdale County Water and Sewer District	Water distribution system improvements	Valley	W	\$ 4,125,400	\$ 500,000	\$ 13,686,250	12%
17	Fairfield, Town of	Two new water supply wells and distribution system improvements	Teton	W	\$ 3,859,700	\$ 500,000	\$ 14,186,250	13%
18	Darby, Town of	Rehab gravity collection mains	Ravalli	WW	\$ 2,084,993	\$ 750,000	\$ 14,936,250	36%
19	Joliet, Town of	Lagoon reconfiguration and upgrades	Carbon	WW	\$ 1,656,685	\$ 625,000	\$ 15,561,250	38%
20	Ronan, City of	Replace the lagoon system with a SAGR operation, miscellaneous upgrades to support the SAGR operation, and sludge removal from existing lagoon	Lake	WW	\$ 10,859,000	\$ 750,000	\$ 16,311,250	7%
21	Bigfork County Water and Sewer District	Install new natural gas generator, distribution system improvements, extend new water supply main	Flathead	W	\$ 4,400,000	\$ 500,000	\$ 16,811,250	11%
22	Richey, Town of	Replace water mains on south side of town, including replacement of gate valves and hydrants	Dawson	W	\$ 2,385,000	\$ 500,000	\$ 17,311,250	21%
23	Malta, City of	Install new water tank	Phillips	W	\$ 3,777,000	\$ 500,000	\$ 17,811,250	13%
24	Big Timber, City of	Construct new water storage tank, new transmission main to connect tank to distribution system, new valve vault, control valves, and bypass piping; and SCADA control improvements	Sweet Grass	W	\$ 2,854,000	\$ 500,000	\$ 18,311,250	18%
25	St. Ignatius, Town of	Replace all clay tile mains, approximately 12,640 LF of the collection system	Lake	WW	\$ 5,752,559	\$ 750,000	\$ 19,061,250	13%
26	Ennis, Town of	Construct new wellhouse, develop 2 new redundant water supply, replace existing water storage tank	Madison	W	\$ 4,008,000	\$ 500,000	\$ 19,561,250	12%
27	Pinesdale, Town of	Improvements to water distribution and treatment systems	Ravalli	W	\$ 2,019,541	\$ 750,000	\$ 20,311,250	37%
28	Basin County Water and/or Sewer District	Replace 2,400 lineal feet of water main and install 4 new hydrants	Jefferson	W	\$ 1,514,240	\$ 500,000	\$ 20,811,250	33%
29	Martinsdale Water and Sewer District	Distribution system improvements including main replacement and service meter replacement	Meagher	W	\$ 1,323,000	\$ 750,000	\$ 21,561,250	57%
30	Sun Prairie Village County Water and Sewer District	Install new security fence, repair clearwell, repair storage tank, and replace pump station	Cascade	W	\$ 2,238,000	\$ 500,000	\$ 22,061,250	22%

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31	Judith Basin County for Geyser Water and Sewer District	Rehabilitation of the lift station, replace piping, valve components and pumps, and lagoon upgrades	Judith Basin	WW	\$ 1,081,783	\$ 520,891	\$ 22,582,141	48%
32	Whitehall, Town of	Construct a 2,300 feet long water main extension to and a 2,200 feet long water main loop. Project includes new hydrants, valves, and appurtenances	Jefferson	W	\$ 1,681,951	\$ 750,000	\$ 23,332,141	45%
33	Libby, City of	Replace Lift Station, install new concrete wet well, and permanent backup generator	Lincoln	WW	\$ 1,059,000	\$ 500,000	\$ 23,832,141	47%
Total HB11 Water & Wastewater Projects					\$ 89,194,379	\$ 20,287,391	\$ 23,832,141	23%
Total MCEP Projects					\$ 95,928,379	\$ 23,832,141	\$ 23,832,141	25%

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A12 RRGL RENEWABLE RESOURCE GRANTS (HB 6)

Renewable Resource Grants (RRGL) HB 6 - 2027 Biennium								
Rank	Applicant	Project	Project Type	County	Total Project Cost	Grant Requested	Cumulative Total	Grant % of Total Project Cost
HB 6 Projects: <u>Water/Wastewater</u>								
1	Arlee Lake County Water and Sewer District	Arlee Lake County Water & Sewer District Wastewater System Upgrades	Wastewater – Infrastructure	Lake	\$ 655,000	\$125,000	\$125,000	19%
2	Whitehall, Town of	Whitehall Drinking Water System Improvements	Drinking Water - Infrastructure	Jefferson	\$ 1,681,951	\$125,000	\$250,000	7%
3	Deer Lodge, City of	Deer Lodge Wastewater Collection System Improvements	Wastewater – Infrastructure	Powell	\$ 878,000	\$125,000	\$375,000	14%
4	Missoula, City of	Missoula Public Library Living Roof Stormwater Control	Stormwater – Infrastructure	Missoula	\$ 512,090	\$125,000	\$500,000	24%
5	Harrison Water and Sewer District	Harrison Wastewater System Improvements	Wastewater – Infrastructure	Madison	\$ 3,879,860	\$125,000	\$625,000	3%
6	Madison County	Madison County Pennington Bridge Big Hole River Restoration	Restoration	Madison	\$ 777,359	\$125,000	\$750,000	16%
7	South Wind County Water and Sewer District	South Wind Drinking Water and Wastewater Improvements, Phase 4	Drinking Water - Infrastructure	Cascade	\$ 2,129,588	\$125,000	\$875,000	6%
8	Willow Creek Sewer District	Willow Creek Sewer District Wastewater System Improvements	Wastewater – Infrastructure	Gallatin	\$ 2,003,625	\$125,000	\$1,000,000	6%
9	Roundup, City of	Roundup Wastewater Lagoon System Upgrades	Wastewater – Infrastructure	Musselshell	\$ 4,952,500	\$125,000	\$1,125,000	3%
10	Judith Basin County	Judith Basin County Geyser Wastewater Treatment System Improvements	Wastewater – Infrastructure	Judith Basin	\$ 1,081,783	\$125,000	\$1,250,000	12%
11	Martinsdale Water and Sewer District	Martinsdale Water and Sewer District Water System Improvements	Drinking Water - Infrastructure	Meagher	\$ 1,323,000	\$125,000	\$1,375,000	9%
12	Alder Water and Sewer District	Alder Water and Sewer District Wastewater System Improvements	Wastewater – Infrastructure	Madison	\$ 1,847,000	\$125,000	\$1,500,000	7%
13	Fairfield, Town of	Fairfield Drinking Water System Improvements	Drinking Water - Infrastructure	Teton	\$ 3,589,700	\$125,000	\$1,625,000	3%
14	Dutton, Town of	Dutton Drinking Water System Improvements, Phase 2	Drinking Water - Infrastructure	Teton	\$ 1,718,700	\$125,000	\$1,750,000	7%
15	Circle, Town of	Circle Water System Improvements, Phase 5	Drinking Water - Infrastructure	McCone	\$ 2,625,000	\$125,000	\$1,875,000	5%
16	Malta, City of	Malta Drinking Water System Improvements	Drinking Water - Infrastructure	Phillips	\$ 3,777,000	\$125,000	\$2,000,000	3%
17	Red Lodge, City of	Red Lodge Wastewater System Improvements, Phases 2 and 3	Wastewater – Infrastructure	Carbon	\$ 2,102,500	\$125,000	\$2,125,000	6%
18	Hysham, Town of	Hysham Drinking Water System Improvements, Phase 2	Drinking Water - Infrastructure	Treasure	\$ 2,568,571	\$125,000	\$2,250,000	5%
19	Darby, Town of	Darby Wastewater System Improvements	Wastewater – Infrastructure	Ravalli	\$ 2,084,993	\$125,000	\$2,375,000	6%
20	Sheridan, Town of	Sheridan Drinking Water System Improvements	Drinking Water - Infrastructure	Madison	\$ 1,185,225	\$125,000	\$2,500,000	11%
21	Richey, Town of	Richey Drinking Water System Improvements, Phase 3	Drinking Water - Infrastructure	Dawson	\$ 2,375,000	\$125,000	\$2,625,000	5%

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22	Ennis, Town of	Ennis Drinking Water System Improvements	Drinking Water - Infrastructure	Madison	\$ 4,008,000	\$125,000	\$2,750,000	3%
23	Basin Water and/or Sewer District	Basin Water and/or Sewer District Drinking Water System Improvements	Drinking Water - Infrastructure	Jefferson	\$ 1,514,240	\$125,000	\$2,875,000	8%
24	Manhattan, Town of	Manhattan Water System Improvements	Drinking Water - Infrastructure	Gallatin	\$ 1,172,000	\$125,000	\$3,000,000	11%
25	Cooke City Water District	Cooke City Drinking Water Infrastructure Improvements	Drinking Water - Infrastructure	Park	\$ 1,794,205	\$125,000	\$3,125,000	7%
26	Treasure State Acres Water and Sewer District	Treasure State Acres Wastewater Treatment System Improvements	Wastewater – Infrastructure	Lewis and Clark	\$ 515,000	\$125,000	\$3,250,000	24%
27	St. Ignatius, Town of	St. Ignatius Wastewater Collection Main Replacement	Wastewater – Infrastructure	Lake	\$ 5,752,559	\$125,000	\$3,375,000	2%
28	Twin Bridges, Town of	Twin Bridges Drinking Water System Improvements	Drinking Water - Infrastructure	Madison	\$ 2,119,800	\$125,000	\$3,500,000	6%
29	Libby, City of	Libby Wastewater System Improvements	Wastewater – Infrastructure	Lincoln	\$ 1,059,000	\$125,000	\$3,625,000	12%
30	Sun Prairie Village County Water and Sewer District	Sun Prairie Village Drinking Water System Upgrades	Drinking Water - Infrastructure	Cascade	\$ 2,238,000	\$125,000	\$3,750,000	6%
31	Plentywood, City of	Plentywood Drinking Water System Improvements	Drinking Water - Infrastructure	Sheridan	\$ 2,333,268	\$125,000	\$3,875,000	5%
32	White Sulphur Springs, City of	White Sulphur Springs Drinking Water System Improvements	Drinking Water - Infrastructure	Meagher	\$ 1,787,080	\$125,000	\$4,000,000	7%
33	Big Timber, City of	Big Timber Drinking Water Storage Improvements	Drinking Water - Infrastructure	Sweet Grass	\$ 2,854,000	\$125,000	\$4,125,000	4%
34	Wolf Point, City of	Wolf Point Wastewater System Improvements, Phase 3	Wastewater – Infrastructure	Roosevelt	\$ 2,500,000	\$125,000	\$4,250,000	5%
35	Bigfork County Water and Sewer District	Bigfork Drinking Water System Improvements	Drinking Water - Infrastructure	Flathead	\$ 4,400,000	\$125,000	\$4,375,000	3%
36	Shelby, City of	Shelby Wastewater System Improvements	Wastewater – Infrastructure	Toole	\$ 1,125,000	\$125,000	\$4,500,000	11%
37	Ronan, City Of	Ronan Wastewater System Improvements	Wastewater – Infrastructure	Lake	\$ 12,484,000	\$125,000	\$4,625,000	1%
38	Bearcreek, Town of	Bearcreek Drinking Water System Improvements, Phase 1	Drinking Water - Infrastructure	Carbon	\$ 1,042,627	\$125,000	\$4,750,000	12%
39	Conrad, City of	Conrad Wastewater System Improvements	Wastewater – Infrastructure	Pondera	\$ 2,528,698	\$125,000	\$4,875,000	5%
40	Pinesdale, Town of	Pinesdale Drinking Water System Improvements	Drinking Water - Infrastructure	Ravalli	\$ 2,019,541	\$125,000	\$5,000,000	6%
41	Hinsdale County Water and Sewer District	Hinsdale County Water and Sewer District Water System Upgrades	Drinking Water - Infrastructure	Valley	\$ 4,000,400	\$125,000	\$5,125,000	3%
42	Joliet, Town of	Joliet Wastewater System Improvements	Wastewater – Infrastructure	Carbon	\$ 1,531,685	\$125,000	\$5,250,000	8%
HB6 Projects: Irrigation								
1	Granite County	Granite County Flint Creek Dam Improvements	Dams	Granite	\$ 125,000	\$125,000	\$5,375,000	100%
2	Pondera County Conservation District	Pondera County Conservation District S-Canal Pipeline Conversion	Irrigation	Pondera	\$ 490,328	\$125,000	\$5,500,000	25%
3	Yellowstone County	Yellowstone County Billings Bench Water Association Rattlesnake Reservoir Water Management Improvements	Irrigation	Yellowstone	\$ 529,150	\$125,000	\$5,625,000	24%
4	Yellowstone Irrigation District	Yellowstone Irrigation District Canal Rehabilitation	Irrigation	Rosebud	\$ 130,700	\$125,000	\$5,750,000	96%
5	Lower Yellowstone Irrigation District #1	Lower Yellowstone Irrigation District Thomas Point Pump Station Rehabilitation, Phase 2	Irrigation	Richland	\$ 415,364	\$125,000	\$5,875,000	30%

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6	Savage Irrigation District	Savage Irrigation District Pumping Plant Rehabilitation, Phase 2	Irrigation	Richland	\$ 411,596	\$125,000	\$6,000,000	30%
7	Clinton Irrigation District	Clinton Irrigation District Schoolhouse Lateral Pipeline Conversion, Phase 4	Irrigation	Missoula	\$ 142,931	\$125,000	\$6,125,000	87%
8	Helena Valley Irrigation District	Helena Valley Irrigation District Lateral 26.6 and Lateral 20.7-3.3 Seepage Mitigation	Irrigation	Lewis and Clark	\$ 181,360	\$125,000	\$6,250,000	69%
9	Helena Valley Irrigation District	Helena Valley Irrigation District Pumping Plant Automation	Irrigation	Lewis and Clark	\$ 397,285	\$125,000	\$6,375,000	31%
10	Greenfields Irrigation District	Greenfields Irrigation District Check Replacement, Phase 2	Irrigation	Teton	\$ 964,632	\$125,000	\$6,500,000	13%
11	Tongue and Yellowstone River Irrigation District	Tongue and Yellowstone River Irrigation District Cowels Creek Flume Replacement	Irrigation	Custer	\$ 649,814	\$125,000	\$6,625,000	19%
12	Tongue and Yellowstone River Irrigation District	Tongue and Yellowstone River Irrigation District Jones Creek Flume and Canal Conversion	Irrigation	Custer	\$ 1,294,637	\$125,000	\$6,750,000	10%
13	Bitterroot Conservation District	Bitterroot Conservation District Union Diversion Resource Improvements	Irrigation	Ravalli	\$ 183,885	\$125,000	\$6,875,000	68%
14	Fort Belknap Irrigation District	Fort Belknap Irrigation District Main Canal Lining Project	Irrigation	Blaine	\$ 334,983	\$125,000	\$7,000,000	37%
15	Petroleum County Conservation District	Petroleum County Conservation District McDonald Creek Diversion Structures Replacement	Irrigation	Petroleum	\$ 825,050	\$125,000	\$7,125,000	15%
16	Malta Irrigation District	Malta Irrigation District Black Coulee Siphon Replacement	Irrigation	Phillips	\$ 431,595	\$125,000	\$7,250,000	29%
17	Yellowstone Irrigation District	Yellowstone Irrigation District Lateral 17.6 Rehabilitation, Phase 1	Irrigation	Rosebud	\$ 130,800	\$125,000	\$7,375,000	96%
18	Sweet Grass Conservation District	Sweet Grass Conservation District Crest Ditch Headgate Rehabilitation	Irrigation	Sweet Grass	\$ 262,452	\$125,000	\$7,500,000	48%
19	Petrolia Irrigation District	Petrolia Irrigation District Main Canal Pipeline Conversion	Irrigation	Petroleum	\$ 258,047	\$125,000	\$7,625,000	48%
20	Glen Lake Irrigation District	Glen Lake Irrigation District Doxie Slough Seepage Mitigation Project	Irrigation	Lincoln	\$ 182,561	\$125,000	\$7,750,000	68%
21	Granite Conservation District	Granite Conservation District Allendale Ditch Rehabilitation	Irrigation	Granite	\$ 125,000	\$125,000	\$7,875,000	100%
22	Hammond Irrigation District	Hammond Irrigation District Big Porcupine Siphon Rehabilitation	Irrigation	Rosebud	\$ 731,131	\$125,000	\$8,000,000	17%
23	Greenfields Irrigation District	Greenfields Irrigation District J-Wasteway Modernization	Irrigation	Teton	\$ 333,476	\$125,000	\$8,125,000	37%
24	Bitter Root Irrigation District	Bitter Root Irrigation District Diversion Control Modernization	Irrigation	Ravalli	\$ 104,500	\$99,500	\$8,224,500	95%
25	Zurich Irrigation District	Zurich Irrigation District Brown Creek Siphon Rehabilitation	Irrigation	Blaine	\$ 1,005,989	\$125,000	\$8,349,500	12%
26	Kinsey Irrigation District	Kinsey Irrigation District Harris Creek Spill Structure Rehabilitation	Irrigation	Custer	\$ 642,660	\$125,000	\$8,474,500	19%
27	Kinsey Irrigation District	Kinsey Irrigation District Hammerbacker Lateral to Pipeline Conversion	Irrigation	Custer	\$ 971,963	\$125,000	\$8,599,500	13%
28	Fort Shaw Irrigation District	Fort Shaw Irrigation District Simms Creek Siphon Replacement	Irrigation	Cascade	\$ 5,320,072	\$125,000	\$8,724,500	2%
Total HB6 Projects					\$ 120,104,509	\$8,724,500	\$8,724,500	7%

LONG-RANGE APPENDIX TABLES

HB6							
Program	Project	Project Type	County	Grant Requested	Cumulative Total	Number from 2025	2025 Budget
RRG Emergency	Grants for local governments to respond to emergency events that impact renewable resources.	Infrastructure, Irrigation, Restoration	Statewide	\$500,000	\$500,000	12	\$ 319,600
RRG Planning	Grants for local governments to plan and design projects that benefit renewable resources.	Infrastructure, Irrigation, Restoration	Statewide	\$2,000,000	\$2,500,000	88	\$ 2,223,889
RRG Irrigation Development	Grants for private individuals to develop irrigation systems to benefit renewable resources.	Irrigation	Statewide	\$500,000	\$3,000,000	7	\$ 225,643
RRG Private	Grants for private individuals to preserve, conserve, develop or manage water resources or other renewable resources.	Infrastructure, Irrigation, Restoration	Statewide	\$150,000	\$3,150,000	36	\$ 100,000
RRG Nonpoint Source Pollution Reduction	Grants for private individuals or local governments to preserve surface or groundwater quality.	Infrastructure, Irrigation, Restoration	Statewide	\$1,000,000	\$4,150,000	7	\$ 279,084
Watershed Management Grants	Watershed related planning and management activities	Management, capacity building & Planning, implementation of projects	Statewide	\$0	\$4,150,000	11	\$ 263,300
Total Program Grants				\$4,150,000	\$4,150,000	161	\$ 3,411,516

LONG-RANGE APPENDIX TABLES

HB6

Applicant	Project	Project Type	County	Grant Requested	Cumulative Total	Number Issued 2025	2025 Budget
RRG Emergency	Grants for local governments to respond to emergency events that impact renewable resources.	Infrastructure, Irrigation, Restoration	Statewide	\$500,000	\$500,000	12	\$ 319,600
RRG Planning	Grants for local governments to plan and design projects that benefit renewable resources.	Infrastructure, Irrigation, Restoration	Statewide	\$2,000,000	\$2,500,000	88	\$ 2,223,889
RRG Irrigation Development	Grants for private individuals to develop irrigation systems to benefit renewable resources.	Irrigation	Statewide	\$500,000	\$3,000,000	7	\$ 225,643
RRG Private	Grants for private individuals to preserve, conserve, develop or manage water resources or other renewable resources.	Infrastructure, Irrigation, Restoration	Statewide	\$150,000	\$3,150,000	36	\$ 100,000
RRG Nonpoint Source Pollution Reduction	Grants for private individuals or local governments to preserve surface or groundwater quality.	Infrastructure, Irrigation, Restoration	Statewide	\$1,000,000	\$4,150,000	7	\$ 279,084
Watershed Management Grants	Watershed related planning and management activities	Management, capacity building & Planning, implementation of projects	Statewide	\$0	\$4,150,000	11	\$ 263,300
			Total Program Grants	\$4,150,000	\$4,150,000	161	\$ 3,411,516

LONG-RANGE APPENDIX TABLES

A15 RRGL RENEWABLE RESOURCE LOANS (HB 8)

Renewable Resource Loans HB 8 - 2027 Biennium					
HB 8 Section/Sponsor/Project			County	Proposal	Cumulative Total
1	DNRC Water Resources Division	DNRC Willow Creek Dam Rehabilitation	Madison	\$ 14,000,000	New
2	DNRC Water Resources Division	DNRC Painted Rocks Dam Rehabilitation, Phase 1	Ravalli	\$ 15,000,000	New
3	Fort Shaw Irrigation District	Fort Shaw Irrigation District Simms Creek Siphon Replacement	Cascade	\$ 5,181,317	New
4	Hammond Irrigation District	Hammond Irrigation District Big Porcupine Siphon Rehabilitation	Rosebud	\$ 241,900	New
5	Kinsey Irrigation District	Kinsey Irrigation District Harris Creek Spill Structure Rehabilitation	Custer	\$ 511,520	New
6	Kinsey Irrigation District	Kinsey Irrigation District Hammerbacker Lateral to Pipeline Conversion	Custer	\$ 840,823	New
7	Zurich Irrigation District	Zurich Irrigation District Brown Creek Siphon Rehabilitation	Blaine	\$ 872,884	New
8	Central Montana Regional Water Authority	Local Match for Central Montana Regional Water Projects	Musselshell, Yellowstone	\$ 5,000,000	Reauthorize
9	DNRC Conservation and Resource Development Division	Refinance Existing Debt or Rehabilitation of Infrastructure Facilities	Statewide	\$ 8,000,000	Reauthorize
10	Dry Prairie Regional Water Authority	Local Match for Dry Prairie Regional Water Projects	Daniels, Roosevelt, Sheridan, Valley	\$ 5,000,000	Reauthorize
11	Dry-Redwater Regional Water Authority	Local Match for Dry-Redwater Regional Water Projects	Dawson, Garfield, McCone, Prairie, Richland	\$ 10,000,000	Reauthorize
12	Greenfields Irrigation District	Hydropower Development	Teton	\$ 1,500,000	Reauthorize
13	Huntley Project Irrigation District	Tunnel 2 and Canal System	Yellowstone	\$ 3,500,000	Reauthorize
14	Lockwood Irrigation District	Box Elder Siphon, Pump Station, and Pump 3	Yellowstone	\$ 1,550,000	Reauthorize
15	North Central Regional Water Authority	Local Match for North Central Regional Water Projects	Chouteau, Hill, Liberty, Pondera, Teton, Glacier, Toole	\$ 10,000,000	Reauthorize
16	St. Mary's Milk River Project Beneficiaries Share	Local Match for St. Mary Milk River Project	Glacier, Hill, Blaine, Phillips	\$ 40,000,000	Reauthorize
	Bond Reserve	10% Total Loans	Statewide	\$ 12,119,844	New
			Total	\$133,318,288	

LONG-RANGE APPENDIX TABLES

A16 RGDP RECLAMATION AND DEVELOPMENT GRANTS (HB 7)

Reclamation and Development Grants (RDGP) HB 7 - 2027 Biennium								
Rank	Applicant	Project Description	Project Type	County	Project Total Cost	Grant Proposed	Cumulative Total	Grant % of Project Total
Grants Funded in HB 7								
1	Powell County	Upper Little Blackfoot Watershed Mine Reclamation Project	Reclamation	Powell	\$ 3,370,123	\$495,123	\$495,123	15%
2	Lewis and Clark County	Upper Blackfoot Mining Complex Water Treatment Plant Upgrades	Reclamation	Lewis and Clark	\$ 493,077	\$479,085	\$974,208	97%
3	Montana Department of Environmental Quality	DEQ Landusky Biological Treatment Plant Improvement	Reclamation	Phillips	\$ 771,425	\$500,000	\$1,474,208	65%
4	Powell County	Milwaukee Roundhouse Soil Remediation Phase 2	Reclamation	Powell	\$ 512,000	\$500,000	\$1,974,208	98%
5	Cooke Pass, Cooke City, Silver Gate Sewer District	Cooke City Wastewater System	Other Crucial State Need	Park	\$ 14,678,996	\$500,000	\$2,474,208	3%
6	Beaverhead Conservation District	Elkhorn Mine and Mill Remedy and Restoration	Reclamation	Beaverhead	\$ 3,044,676	\$300,000	\$2,774,208	10%
7	DNRC Water Resources Division	DNRC Painted Rocks Dam Rehabilitation Phase 1	Crucial State Need - High Hazard Dam	Ravalli	\$ 24,530,000	\$500,000	\$3,274,208	2%
8	DNRC Water Resources Division	DNRC East Fork of Rock Creek Dam Rehabilitation	Crucial State Need - High Hazard Dam	Granite	\$ 21,471,828	\$500,000	\$3,774,208	2%
9	Montana Department of Environmental Quality	DEQ CR Kendall Mine Long-term Seep Water Management	Reclamation	Fergus	\$ 294,830	\$290,352	\$4,064,560	98%
10	Ruby Valley Conservation District	Upper Ruby River Habitat Rehabilitation Demonstration	Crucial State Need - Drought	Madison	\$ 458,700	\$458,700	\$4,523,260	100%
11	DNRC Water Resources Division	DNRC Willow Creek Dam Rehabilitation	Crucial State Need - High Hazard Dam	Madison	\$ 27,335,000	\$500,000	\$5,023,260	2%
12	Granite County	Flint Creek Watershed Resiliency and Drought Mitigation	Crucial State Need - Drought	Granite	\$ 450,000	\$300,000	\$5,323,260	67%
13	Milk River Joint Board of Control	Milk River Joint Board of Control Fresno Dam and Spillway Rehabilitation Project	Crucial State Need - High Hazard Dam	Hill	\$ 2,500,000	\$500,000	\$5,823,260	20%
14	Glasgow, City of	Glasgow Levee Improvements	Other Crucial State Need	Valley	\$ 305,445	\$243,445	\$6,066,705	80%
15	Forsyth, City of	Forsyth Slaughterhouse Creek Flood Mitigation	Other Crucial State Need	Rosebud	\$ 9,379,000	\$500,000	\$6,566,705	5%
16	DNRC Water Resources Division	DNRC Front Range Flood Preparedness	Other Crucial State Need	Teton, Glacier, Pondera, Lewis and Clark	\$ 310,000	\$310,000	\$6,876,705	100%
17	Montana Technological University	Phytomining Remediation and Minerals Recovery Demonstration	Reclamation	Silver Bow	\$ 252,270	\$234,270	\$7,110,975	93%
Total Grants					\$ 110,157,370	\$13,910,975	91,115,223	93%
NA	Reclamation Development Planning Grants	Grants to local governments to plan and design projects eligible for the RDG Program.	Reclamation, Crucial State Need	Statewide		\$1,500,000	\$8,610,975	
NA	Pilot Water Storage Planning and Project Grants	Grants to local governments to plan, design and implement water storage pilot projects to address drought	Crucial State Need	Statewide		\$5,300,000	\$13,910,975	

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APPENDIX A17 CHANGES FROM NOV. 15 TO DEC. 16 EXECUTIVE PROPOSAL

LRP Program	Project	Department	Old Amount	New Amount
LRBP MR	Eastmont Campus Facility Improvements	DOC	\$0	\$1,050,000
LRBP O&M	MSP Low-Side Housing Expansion	DOC	\$931,445	\$1,880,000
LRBP CD	Fort Harrison design	DMA	\$1,880,000	\$0
LRBP O&M	Limestone Hills Target Storage	DMA	\$1,000,000	\$0