

Agency Base Budget Comparison

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

Agency Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	169.34	171.59	172.59	3.25	1.0%
General Fund	24,272,162	28,287,433	25,033,637	4,776,746	9.8%
State/Other Special Rev. Funds	2,419,181	3,292,755	3,284,399	1,738,792	35.9%
Total Funds	26,691,343	31,580,188	28,318,036	6,515,538	12.2%
Personal Services	19,841,829	21,375,721	21,003,950	2,696,013	6.8%
Operating Expenses	6,124,127	7,284,827	5,788,046	824,619	6.7%
Equipment & Intangible Assets	530,347	2,769,640	1,376,040	3,084,986	290.8%
Transfers	195,040	150,000	150,000	(90,080)	(23.1%)
Total Expenditures	26,691,343	31,580,188	28,318,036	6,515,538	12.2%
Total Ongoing	26,691,343	31,219,761	28,089,781	5,926,856	11.1%
Total One-Time-Only	1,105,750	360,427	228,255	(1,622,818)	(73.4%)

Agency Description

The mission of the legislature is to exercise the legislative power of state government vested by the Constitution of the State of Montana and to fulfill its constitutional duty. The divisions within the Legislative Branch support the legislature in enacting laws, including those appropriating funding for state government within a balanced budget, and provide accountability for state programs and state spending.

Agency Highlights

Legislative Branch Major Budget Highlights
<ul style="list-style-type: none"> The Legislative Branch's 2027 biennium budget is approximately \$6.5 million or 12.2% higher than the FY 2025 base budget. Significant legislative changes include: <ul style="list-style-type: none"> An increase in general fund of approximately \$2.9 million primarily for information technology upgrades An increase in general fund and state special revenue of \$1.4 million for personal services because of benefits, longevity, and pay rate changes An increase in general fund of \$880,000 in Legislative Committees and Activities because of the cyclical nature of the legislative cycle and increases in the allowed lodging and mileage rates and legislator activity dues An increase of approximately \$334,000 for the estimated costs of the school funding interim commission that is statutorily required to meet once every ten years

Agency Actuals and Budget Comparison

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

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	17,208,312	18,540,509	19,841,829	21,375,721	21,003,950
Operating Expenses	6,483,294	7,137,725	6,199,127	7,284,827	5,788,046
Equipment & Intangible Assets	1,034,370	1,783,173	1,561,097	2,769,640	1,376,040
Transfers	125,000	200,560	195,040	150,000	150,000
Total Expenditures	\$24,850,976	\$27,661,967	\$27,797,093	\$31,580,188	\$28,318,036
General Fund	22,527,740	25,140,407	25,377,912	28,287,433	25,033,637
State/Other Special Rev. Funds	2,323,236	2,521,560	2,419,181	3,292,755	3,284,399
Total Funds	\$24,850,976	\$27,661,967	\$27,797,093	\$31,580,188	\$28,318,036
Total Ongoing	\$24,395,795	\$26,375,717	\$26,691,343	\$31,219,761	\$28,089,781
Total OTO	\$455,181	\$1,286,250	\$1,105,750	\$360,427	\$228,255

Summary of Legislative Action

The legislature adopted an increase of 12.2% or approximately \$6.5 million in the 2027 biennium when compared to the FY 2025 base appropriations. General fund and state special revenue appropriations both increased in the Legislative Branch.

Increases in General Fund Appropriations

General fund appropriations increased by approximately \$4.8 million or 9.8%. A significant portion of the increases in general fund were due to information technology upgrades, which include:

- Closed-Circuit Cable System Replacement - \$450,000
- Media Explorer Project - \$400,000
- Website Enhancements - \$400,000
- Database Upgrades - \$300,000
- Fiber Integration Upgrade - \$250,000
- Security Information and Event Management - \$180,000
- Network Microphone Solution - \$150,000
- Vote System Upgrade - \$110,000
- Closed Captioning - \$104,000
- Voice over Internet Protocol (VOIP) Telephone Migration - \$100,000

Additionally, the School Funding Commission, which meets every ten years, and the cyclical nature of the legislative business cycle resulted in general fund increases being adopted by the legislature in Legislative Committees and Activities. Appropriations for the School Funding Commission totaled approximately \$334,000 and are designated as restricted and one-time-only. The increase in appropriations due to the legislative business cycle totaled approximately \$880,000. In the first year of the biennium the increases in appropriations are higher because most of the interim committee work is completed during this time, and the base budget is based on the second year of the biennium, which has a lower appropriation.

Increases in State Special Revenue Appropriations

State special revenue appropriations increased by approximately \$1.7 million or 35.9%. A significant portion of the increases in state special revenue appropriations are in the Legislative Audit Division. The most significant change the legislature adopted is a one-time-only reduction of general fund and increase in state special revenue funds of approximately \$470,000 in FY 2026 and \$478,000 in FY 2027 related to the federal single audit. The Legislative Audit Division is shifting to an annual federal single audit, as required by HB 132 (2023 Legislative Session), which is contributing to increased audit hours. As the number of hours needed to complete the federal single audit effort stabilizes through the transition to an annual cycle, the division anticipates this situation will reverse. State special revenue will proportionally decline as a funding source as more risk-based financial audits are implemented.

Funding

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

Total Legislative Branch Funding by Source of Authority 2027 Biennium Budget						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	53,679,715	(358,645)			53,321,070	89.0%
02042 Legislative Audit	5,161,068	947,327			6,108,395	10.2%
02800 Reimbursable Activities	468,759				468,759	0.8%
State Special Revenue Total	5,629,827	947,327	-	-	6,577,154	11.0%
Federal Special Revenue Total	-	-	-	-	-	0.0%
Proprietary Fund Total	-	-	-	-	-	0.0%
Total of All Funds	59,309,542	588,682	-	-	59,898,224	
Percent of All Sources of Authority	99.0%	1.0%	0.0%	0.0%		

HB 2 Appropriations

The Legislative Branch is primarily funded with general fund. State special revenues support the costs associated with the preparation, publication, and distribution of the Montana Code Annotated (MCA), and a portion of the activities of the Legislative Audit Division.

Statutory Appropriations

While not shown in the figure above, the Legislative Branch has statutory appropriation authority for three accounts:

- Legislative Branch reserve account
- Legislative audit specialist services reserve account
- Legislative Branch retirement termination reserve account

Typically, the Legislative Branch reserve account receives unexpended and unencumbered money including funding remaining at the end of the biennium from the “feed bill” (HB 1, the bill that funds the legislative session each biennium) and remaining carryforward appropriations from the various divisions within the branch. The funds in this account may be used for major Legislative Branch information technology projects including hardware, software, consulting services for new initiatives, and replacement and upgrading of existing systems. All projects and funding from the Legislative Branch reserve account must be approved by the Legislative Council.

The legislative audit specialist services reserve account receives remaining carryforward appropriations from the Legislative Audit Division. The funds in this account may be used for contracted services necessary to provide specialist expertise in support of audit activities. All allocations of funds must be approved by the Legislative Audit Committee.

The Legislative Branch retirement reserve account has been funded with general fund transfers provided by the legislature or through the deposit of carryforward appropriations. The funds in this account may be used for staff retirement termination pay in the Legislative Branch. The funds may only be expended with the approval of the appropriate branch division director.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Legislative Branch 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	24,272,162	2,419,181	0	26,691,343	84.5%	24,272,162	2,419,181	0	26,691,343	94.3%
Statewide PL										
Personal Services	599,130	130,050	0	729,180	2.3%	568,755	130,985	0	699,740	2.5%
Fixed Costs	(591,805)	(2,525)	0	(594,330)	(1.9%)	(677,669)	(2,525)	0	(680,194)	(2.4%)
Inflation Deflation	(376)	(233)	0	(609)	(0.0%)	(254)	(157)	0	(411)	(0.0%)
Total Statewide PL	6,949	127,292	0	134,241	0.4%	(109,168)	128,303	0	19,135	0.1%
Present Law (PL)	3,699,362	162,109	0	3,861,471	12.2%	920,541	144,390	0	1,064,931	3.8%
New Proposals	308,960	584,173	0	893,133	2.8%	(49,898)	592,525	0	542,627	1.9%
Total HB 2 Adjustments	4,015,271	873,574	0	4,888,845	15.5%	761,475	865,218	0	1,626,693	5.7%
Total Budget	28,287,433	3,292,755	0	31,580,188		25,033,637	3,284,399	0	28,318,036	

Other Legislation

HB 1 – This legislation includes appropriations for the operations of the 69th Legislature and the costs of preparing for the 70th Legislature as well as the initial costs of the 70th Legislature. Appropriations in HB 1 total approximately \$19.1 million.

HB 70 – This legislation requires the Environmental Quality Council to conduct a study of fire suppression issues, methods, and costs. The bill includes a general fund appropriation to the Legislative Services Division of \$50,000 for the 2027 biennium.

HB 284 – This legislation establishes the Montana University Investigation Committee, which consists of four members from the House of Representatives and four members from the Senate. The committee is tasked with investigating civil rights violations and acts of censorship committed by the Montana University System. The bill includes a general fund appropriation to the Legislative Services Division of \$23,000 for the 2027 biennium.

HB 863 – This legislation includes an appropriation of \$280,000 general fund if a special session is called during the 2027 biennium.

Executive Budget Comparison

The following table compares the legislative budget for the biennium to the budget requested by the Governor by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2025	Executive Budget Fiscal 2026	Legislative Budget Fiscal 2026	Leg — Exec. Difference Fiscal 2026	Executive Budget Fiscal 2027	Legislative Budget Fiscal 2027	Leg — Exec. Difference Fiscal 2027	Biennium Difference Fiscal 26-27
Personal Services	19,841,829	21,170,933	21,375,721	204,788	20,852,939	21,003,950	151,011	355,799
Operating Expenses	6,174,127	6,715,749	7,284,827	569,078	5,325,654	5,788,046	462,392	1,031,470
Equipment & Intangible Assets	530,347	2,769,640	2,769,640	0	1,376,040	1,376,040	0	0
Transfers	195,040	150,000	150,000	0	150,000	150,000	0	0
Total Costs	\$26,741,343	\$30,806,322	\$31,580,188	\$773,866	\$27,704,633	\$28,318,036	\$613,403	\$1,387,269
General Fund	24,322,162	27,645,732	28,287,433	641,701	24,552,399	25,033,637	481,238	1,122,939
State/other Special Rev. Funds	2,419,181	3,160,590	3,292,755	132,165	3,152,234	3,284,399	132,165	264,330
Other	0	0	0	0	0	0	0	0
Total Funds	\$26,741,343	\$30,806,322	\$31,580,188	\$773,866	\$27,704,633	\$28,318,036	\$613,403	\$1,387,269
Total Ongoing	\$26,691,343	\$30,520,895	\$31,219,761	\$698,866	\$27,551,378	\$28,089,781	\$538,403	\$1,237,269
Total OTO	\$50,000	\$285,427	\$360,427	\$75,000	\$153,255	\$228,255	\$75,000	\$150,000

The legislature adopted appropriations that are approximately \$1.4 million greater than the proposed appropriations for the 2027 biennium. The significant biennial differences in the legislative budget compared to the proposed budget include:

- The legislature adopted an increase of \$660,000 for information technology costs to correct an error in the proposed budget in the statewide present law adjustment for fixed costs
- The legislature adopted an increase of \$209,000 for additional interim budget committee meetings. Additionally, there was an increase of \$100,000 for analysis of Montana budget implications from federal action, which is contingent on specific Congressional action or executive order
- The legislature adopted increases of approximately \$131,000 for additional personal services funding for the Senate and House of Representatives. This funding was inadvertently left out of HB 1
- The legislature adopted a one-time-only increase of \$50,000 for Legislative Audit Division hotline cases and other contingencies
- The legislature adopted general fund appropriations of \$116,855 and 1.00 positions budgeted (PB) in FY 2027 to implement HB 100. This funding and position will allow the Legislative Branch to hire a public relations specialist to facilitate the public information request process required in HB 100

Language

All appropriations for the Legislative Branch are biennial.

It is the intent of the Legislature that Pension Actuarial not be included in the Legislative Fiscal Division's budget request for the 2029 biennium.

Audit and Examination includes a one-time-only reduction of general fund of \$469,568 in FY 2026 and \$477,759 in FY 2027 and increase of state special revenue of \$469,568 in FY 2026 and \$477,759 in FY 2027 because of an anticipated temporary increase in the number of hours to complete the Federal Single Audit.

Audit and Examination includes a one-time-only increase of general fund of \$132,165 in FY 2026 and \$132,165 in FY 2027 and decrease of state special revenue of \$132,165 in FY 2026 and \$132,165 in FY 2027 because of proposed changes in information technology audits included in LC 4208. If LC 4208 is not passed and approved, then the increase in general fund and the decrease in state special revenue in FY 2026 and FY 2027 is void.

The general fund appropriations in FY 2026 and FY 2027 for Hotline Cases and Other Contingencies are for contracted services necessary under section 5-13-305, MCA, relating to increased activities for hotline cases and other contingencies.

Analysis of Montana Budget Implications From Federal Action is contingent on one of the following events occurring in either fiscal year of the 2027 biennium: (1) passage of a bill or other type of legislation from either chamber of Congress or executive order that reduces anticipated federal revenues to Montana by more than \$100 million in the 2027 biennium;(2) passage of a bill or other type of legislation by both chambers of Congress or executive order that cancels previously enacted spending in a manner that reduces anticipated federal revenues to Montana by more than \$50 million; or (3) passage of a bill or other type of legislation from either chamber of Congress that reduces anticipated state general fund revenue by more than \$100 million. This appropriation will be used for additional Legislative Finance Committee meetings and joint meetings with appropriate interim committees and interim budget committees to analyze and prepare for changes to the Montana budget resulting from federal action.

If HB 100 is passed and approved, the Legislative Branch is increased by \$116,855 general fund in FY 2027, and the Legislative Branch may increase positions budgeted authorized in HB 2 by 1.00 PB in FY 2027.

If HB 111 is passed and approved, the Legislative Branch is increased by \$66,150 general fund in FY 2026 and \$28,350 general fund in FY 2027.

If SB 237 is passed and approved, the Legislative Branch is increased by \$1,693 general fund in FY 2027.

If SB 311 is passed and approved, the Legislative Branch is increased by \$242,462 general fund in FY 2026 and \$104,095 general fund in FY 2027, and the Legislative Branch may increase positions budgeted authorized in HB 2 by 1.00 PB in FY 2026 and 1.00 PB in FY 2027.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	88.17	90.17	91.17	3.00	1.7%
General Fund	16,034,692	18,574,072	16,608,975	3,113,663	9.7%
State/Other Special Rev. Funds	51,028	238,739	230,020	366,703	359.3%
Total Funds	16,085,720	18,812,811	16,838,995	3,480,366	10.8%
Personal Services	10,446,093	10,979,486	11,187,682	1,274,982	6.1%
Operating Expenses	4,914,240	4,913,685	4,125,273	(789,522)	(8.0%)
Equipment & Intangible Assets	530,347	2,769,640	1,376,040	3,084,986	290.8%
Transfers	195,040	150,000	150,000	(90,080)	(23.1%)
Total Expenditures	16,085,720	18,812,811	16,838,995	3,480,366	10.8%
Total Ongoing	16,085,720	18,812,811	16,838,995	3,480,366	10.8%
Total One-Time-Only	1,055,750			(2,111,500)	(100.0%)

Program Description

The Legislative Services Division provides objective research, reference, legal, technical, information technology, and business services to the House, Senate, and other divisions of the Legislative Branch.

Division services include:

- Bill and amendment drafting, preparation of bills for introduction, and engrossing and enrolling bills
- Publication and records management of legislative documents of record
- Preparation, publication, and distribution of the Montana Code Annotated text and annotations
- Provision of legislative research and reference services
- Support for session and interim committees
- Legal services and counseling on legislative matters and agency legal support
- Review of the text of proposed ballot measures
- Personnel and business services
- Planning, installation, and maintenance of branch information technology
- Broadcasting of state government and public policy events
- Provision of legislative information to the public

The Legislative Council provides policy guidance to the Legislative Services Division.

Program Highlights

Legislative Services Division Major Budget Highlights	
<ul style="list-style-type: none"> The Legislative Services Division's 2027 biennium appropriations are approximately \$3.5 million or 10.8% higher than the FY 2025 base budget. Significant biennial changes include: <ul style="list-style-type: none"> An increase in general fund of approximately \$2.9 million primarily for information technology upgrades An increase of \$823,000 for personal services because of benefits, longevity, and pay rate changes A decrease in general fund of approximately \$603,000 in fixed costs, primarily due to decreases in State Information Technology Services Division rates 	

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	9,027,108	9,506,032	10,446,093	10,979,486	11,187,682
Operating Expenses	5,264,759	5,299,475	4,939,240	4,913,685	4,125,273
Equipment & Intangible Assets	1,034,370	1,783,173	1,561,097	2,769,640	1,376,040
Transfers	125,000	200,560	195,040	150,000	150,000
Total Expenditures	\$15,451,237	\$16,789,240	\$17,141,470	\$18,812,811	\$16,838,995
General Fund	15,211,032	16,539,748	17,090,442	18,574,072	16,608,975
State/Other Special Rev. Funds	240,205	249,492	51,028	238,739	230,020
Total Funds	\$15,451,237	\$16,789,240	\$17,141,470	\$18,812,811	\$16,838,995
Total Ongoing	\$15,003,640	\$15,567,990	\$16,085,720	\$18,812,811	\$16,838,995
Total OTO	\$447,597	\$1,221,250	\$1,055,750	\$0	\$0

Funding

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

Legislative Branch, 20-Legislative Services Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	35,183,047	0	0	35,183,047	98.69 %
02800 Reimbursable Activities	468,759	0	0	468,759	100.00 %
State Special Total	\$468,759	\$0	\$0	\$468,759	1.31 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$35,651,806	\$0	\$0	\$35,651,806	

HB 2 Appropriations

The Legislative Services Division is primarily funded with general fund. The reimbursable activities state special revenue fund supports the preparation, publication, and distribution of the Montana Code Annotated.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Legislative Services Division 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	16,034,692	51,028	0	16,085,720	85.5%	16,034,692	51,028	0	16,085,720	95.5%
Statewide PL										
Personal Services	365,100	0	0	365,100	1.9%	458,040	0	0	458,040	2.7%
Fixed Costs	(588,718)	0	0	(588,718)	(3.1%)	(674,582)	0	0	(674,582)	(4.0%)
Inflation Deflation	(16)	0	0	(16)	(0.0%)	(11)	0	0	(11)	(0.0%)
Total Statewide PL	(223,634)	0	0	(223,634)	(1.2%)	(216,553)	0	0	(216,553)	(1.3%)
Present Law (PL)	2,815,385	137,352	0	2,952,737	15.7%	764,510	128,633	0	893,143	5.3%
New Proposals	(52,371)	50,359	0	(2,012)	(0.0%)	26,326	50,359	0	76,685	0.5%
Total HB 2 Adjustments	2,539,380	187,711	0	2,727,091	14.5%	574,283	178,992	0	753,275	4.5%
Total Budget	18,574,072	238,739	0	18,812,811		16,608,975	230,020	0	16,838,995	

Present Law Adjustments

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

Present Law Adjustments										
-----Fiscal 2026-----						-----Fiscal 2027-----				
PB	General Fund	State Special	Federal Special	Total Funds		PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	365,100	0	0	365,100	0.00	458,040	0	0	458,040
DP 2 - Fixed Costs	0.00	(588,718)	0	0	(588,718)	0.00	(674,582)	0	0	(674,582)
DP 3 - Inflation Deflation	0.00	(16)	0	0	(16)	0.00	(11)	0	0	(11)
DP 4 - Present Law	0.00	2,473,405	137,352	0	2,610,757	0.00	422,496	128,633	0	551,129
DP 2010 - Information Technology	0.00	330,000	0	0	330,000	0.00	330,000	0	0	330,000
DP 2013 - Rent Correction	0.00	11,980	0	0	11,980	0.00	12,014	0	0	12,014
Grand Total All Present Law Adjustments	0.00	\$2,591,751	\$137,352	\$0	\$2,729,103	0.00	\$547,957	\$128,633	\$0	\$676,590

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 4 - Present Law -

The legislature adopted an increase in general fund and state special revenue appropriations in FY 2026 and FY 2027. Significant increases for the biennium include:

- Closed-Circuit Cable System Replacement (\$450,000) – this project will replace the closed-circuit cable system in the Capitol that provides room broadcast and television programming to the monitors throughout the building with an internet protocol-based solution. Currently, the existing infrastructure that supports this system is incomplete, and the Office of Legislative Information Systems (OLIS) cannot provide services to all areas of the Capitol
- Media Explorer Project (\$400,000) – this project will replace the current application used to view the online videos of legislative meetings. Anticipated improvements include a search capability, advanced agendas so users can follow along with meetings and have immediate access to all discussed documents, and streamlining the overall online streaming architecture to eliminate redundancy
- Website Enhancements (\$400,000) – this project will continue to increase the services and capabilities of the public, legislator, and staff portals. Anticipated improvements include increased filtering in the bill explorer, additional dashboards for reporting, increased calendar and search functionality, increased capability in public participation, and adding more forms
- Database Upgrades (\$300,000) – this project will analyze the remaining antiquated databases to determine viability and potential solutions
- Fiber Integration Upgrade (\$250,000) – this project will continue upgrading and conversion of committee rooms to Internet Protocol (IP)-based signal transmission systems. These conversions allow for upgraded audio/video technology, reduced maintenance, and better signal quality
- Security Information and Event Management (\$180,000) – this project develops a comprehensive vulnerability management program that identifies, classifies, prioritizes, remediates, and reports on weaknesses in Legislative Branch IT infrastructure
- Network Microphone Solution (\$150,000) – this project includes installing network-based microphones in ten conference/hearing rooms. This conversion will reduce visible wiring and the microphone will be managed and supported remotely
- Vote System Upgrade (\$110,000) – this project will replace the display control equipment in the House and Senate chambers, which have reached the end of their support lifecycle
- Closed Captioning (\$104,000) – this project involves building a single in-house captioning system for compliance with the Federal Communications Commission (FCC) requirements and enhance Americans with Disabilities Act (ADA) accommodations for viewers
- VOIP Telephone Migration (\$100,000) – this project will migrate all telephony to systems supported by OLIS
- Montana Code Annotated (\$266,000) - preparation, publication, and distribution of the Montana Code Annotated

DP 2010 - Information Technology -

The legislature adopted general fund appropriations for information technology costs.

DP 2013 - Rent Correction -

The legislature adopted general fund appropriations for rent for two rooms in the basement of the Capitol recently transferred to the Legislative Branch.

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals										
-----Fiscal 2026-----						-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1801 - HB 100	0.00	0	0	0	0	1.00	116,855	0	0	116,855
DP 1802 - HB 111	0.00	66,150	0	0	66,150	0.00	28,350	0	0	28,350
DP 1804 - SB 311	0.00	242,462	0	0	242,462	0.00	104,095	0	0	104,095
DP 2005 - Capitol Security	0.00	60,000	0	0	60,000	0.00	60,000	0	0	60,000
DP 2006 - Mitchell Building Rent	0.00	(128,162)	0	0	(128,162)	0.00	(128,520)	0	0	(128,520)
DP 2007 - 1st Level Account Switch	0.00	0	0	0	0	0.00	0	0	0	0
DP 2008 - Modified PB to Permanent	2.00	0	0	0	0	2.00	0	0	0	0
DP 2009 - Fund Switch	0.00	(50,359)	50,359	0	0	0.00	(50,359)	50,359	0	0
DP 2400 - Line Item Veto - SB 311	0.00	(242,462)	0	0	(242,462)	0.00	(104,095)	0	0	(104,095)
Total	2.00	(\$52,371)	\$50,359	\$0	(\$2,012)	3.00	\$26,326	\$50,359	\$0	\$76,685

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

DP 1801 - HB 100 -

The legislature adopted an increase in general fund appropriations and 1.00 PB in FY 2027 to implement HB 100. This funding and position will allow the Legislative Branch to hire a public relations specialist to facilitate the public information request process required in HB 100

DP 1802 - HB 111 -

The legislature adopted general fund appropriations to implement HB 111, the Uniform Electronic Legal Material Act (UELMA), which allows the Legislative Branch to provide online legal material with the same trustworthiness traditionally provided by printed materials. The appropriation allows for the development of a system for electronic materials.

DP 1804 - SB 311 -

The legislature adopted general fund appropriations for the implementation of SB 311. This bill requires collaborations between the Legislative Services Division and the Director of Indian Affairs related to state-tribal relations training for legislators.

DP 2005 - Capitol Security -

The legislature adopted general fund appropriations for the Legislative Branch's portion of the State Capitol security agreement.

DP 2006 - Mitchell Building Rent -

The legislature adopted a decrease in general fund in FY 2026 and FY 2027 for Mitchell Building rent. This decrease is in conjunction with a decision package in the Legislative Audit Division (DP 2006), which has an increase in general fund and state special revenue appropriations for Mitchell Building rent. This reallocation allows the rent to be split between general fund (55.0%) and state special revenue (45.0%) rather than 100.0% general fund.

DP 2007 - 1st Level Account Switch -

The legislature adopted moving \$105,040 each fiscal year from transfers to operating expenses. The Legislative Branch previously transferred funding to the Montana Historical Society for digital archiving. The branch anticipates completing archiving internally moving forward.

DP 2008 - Modified PB to Permanent -

The legislature adopted making 2.00 modified PB permanent in FY 2026 and FY 2027. This decision package moves funding from operating expenses to personal services for the 2.00 PB, which has a net zero impact on general fund appropriations.

DP 2009 - Fund Switch -

The legislature adopted a decrease in general fund and an increase in state special revenue for expenditures related to the update and production of the MCA. This shift in funding is because there is a sufficient fund balance to support the operating costs.

DP 2400 - Line Item Veto - SB 311 -

The Governor vetoed the language included in HB 2 that provided general fund appropriations to the Legislative Services Division for the implementation of SB 311. Legislative Branch financial staff determined that there was no fiscal impact to the Branch to implement this bill.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget FY 2026 FY 2027		Biennium Change from Base Amount Percent	
PB	1.92	1.92	1.92	0.00	0.0%
General Fund	1,049,002	2,141,424	1,216,483	1,259,903	60.1%
State/Other Special Rev. Funds	117			(234)	(100.0%)
Total Funds	1,049,119	2,141,424	1,216,483	1,259,669	60.0%
Personal Services	260,779	641,138	276,468	396,048	75.9%
Operating Expenses	788,340	1,500,286	940,015	863,621	54.8%
Total Expenditures	1,049,119	2,141,424	1,216,483	1,259,669	60.0%
Total Ongoing	1,049,119	1,907,497	1,116,228	925,487	44.1%
Total One-Time-Only		233,927	100,255	334,182	0.0%

Program Description

The Legislative Committees and Activities Program supports the activities of legislators and legislative committees that are conducted during the interim between legislative sessions. Program expenditures support:

- The Legislative Council
- Interim study activities, as defined in 5-5-202 through 5-5-217, MCA
- Cooperative interstate, international, and intergovernmental activities, as outlined in 5-11-303 through 5-11-305, MCA
- Other legislative activities for which appropriations are made

Program Highlights

Legislative Committees and Activities Major Budget Highlights	
<ul style="list-style-type: none"> Legislative Committees and Activities' 2027 biennium appropriations are approximately \$1.3 million or 60.0% higher than the FY 2025 base budget. Significant biennial changes in general fund include: <ul style="list-style-type: none"> An increase of approximately \$880,000 due to: <ul style="list-style-type: none"> The cyclical nature of the legislative cycle. The appropriations in the first year of the biennium are larger because most of the committee work is completed during this time Increases in the allowed lodging and mileage rates, and legislator activity An increase of approximately \$334,000 for the estimated costs of the school funding interim commission that is statutorily required to meet once every ten years An increase of approximately \$95,000 for legislators to participate in a two-day meeting at the Capitol to discuss budget and policy and review interim studies in preparation of the 2027 Legislative Session 	

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	191,171	400,328	260,779	641,138	276,468
Operating Expenses	840,332	1,258,041	788,340	1,500,286	940,015
Total Expenditures	\$1,031,503	\$1,658,369	\$1,049,119	\$2,141,424	\$1,216,483
General Fund	1,031,503	1,658,252	1,049,002	2,141,424	1,216,483
State/Other Special Rev. Funds	0	117	117	0	0
Total Funds	\$1,031,503	\$1,658,369	\$1,049,119	\$2,141,424	\$1,216,483
Total Ongoing	\$1,031,503	\$1,658,369	\$1,049,119	\$1,907,497	\$1,116,228
Total OTO	\$0	\$0	\$0	\$233,927	\$100,255

Funding

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

Legislative Branch, 21-Legislative Committees and Activities Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	3,357,907	0	0	3,357,907	100.00 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$3,357,907	\$0	\$0	\$3,357,907		

HB 2 Appropriations

Legislative Committees and Activities is funded entirely with general fund.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Legislative Committees and Activities 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	1,049,002	117	0	1,049,119	49.0%	1,049,002	117	0	1,049,119	86.2%
Statewide PL										
Personal Services	2,793	0	0	2,793	0.1%	(103,199)	0	0	(103,199)	(8.5%)
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Statewide PL	2,793	0	0	2,793	0.1%	(103,199)	0	0	(103,199)	(8.5%)
Present Law (PL)	754,489	(117)	0	754,372	35.2%	125,356	(117)	0	125,239	10.3%
New Proposals	335,140	0	0	335,140	15.7%	145,324	0	0	145,324	11.9%
Total HB 2 Adjustments	1,092,422	(117)	0	1,092,305	51.0%	167,481	(117)	0	167,364	13.8%
Total Budget	2,141,424	0	0	2,141,424		1,216,483	0	0	1,216,483	

Present Law Adjustments

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

Present Law Adjustments										
-----Fiscal 2026-----						-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	2,793	0	0	2,793	0.00	(103,199)	0	0	(103,199)
DP 4 - Present Law	0.00	754,489	(117)	0	754,372	0.00	125,356	(117)	0	125,239
Grand Total All Present Law Adjustments	0.00	\$757,282	(\$117)	\$0	\$757,165	0.00	\$22,157	(\$117)	\$0	\$22,040

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 4 - Present Law -

The legislature adopted an increase in general fund appropriations in FY 2026 and FY 2027. The cyclical nature of legislative business in Legislative Committees and Activities results in uneven appropriations for each fiscal year. Appropriations in the first year of the biennium are higher because most of the interim committee work is completed during this time, and the base budget is based on the second year of the biennium, which has a lower appropriation. The biennial increase is also partially due to an increase in the allowed lodging and mileage rates, and legislator activities and dues.

The legislature also adopted a reduction in state special revenue funds. This fund has not been in use by the Legislative Branch since FY 2023, does not have a dedicated revenue source, and there is no remaining fund balance.

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals										
-----Fiscal 2026-----						-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1803 - SB 237	0.00	0	0	0	0	0.00	1,693	0	0	1,693
DP 2105 - 5-20-301, MCA School Funding Study (RST, OTO)	0.00	233,927	0	0	233,927	0.00	100,255	0	0	100,255
DP 2106 - Legislator Days	0.00	66,213	0	0	66,213	0.00	28,376	0	0	28,376
DP 2107 - Legislator Participation for Educational Opportunities	0.00	35,000	0	0	35,000	0.00	15,000	0	0	15,000
Total	0.00	\$335,140	\$0	\$0	\$335,140	0.00	\$145,324	\$0	\$0	\$145,324

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

DP 1803 - SB 237 -

The legislature adopted general fund appropriations in FY 2027 for an additional remote meeting of the Revenue Interim Committee (RIC). This bill requires RIC to make a recommendation to the next legislature on whether or not to revise property tax rates based off of a report from the Department of Revenue. Due to the timing of this report, an additional meeting of RIC is required.

DP 2105 - 5-20-301, MCA School Funding Study (RST, OTO) -

The legislature adopted general fund appropriations in FY 2026 and FY 2027 for the school funding interim commission. Statute (5-20-301, MCA) requires the commission to meet once every ten years to conduct a study to reassess the educational needs and costs related to the basic system of free quality public elementary and secondary schools and, if necessary, recommend to the following legislature changes to the state's school funding formula.

DP 2106 - Legislator Days -

The legislature adopted general fund appropriations for "Legislator Days." The funding allows for legislators to come to the Capitol in the summer preceding the next legislative session to discuss budget and policy issues and to review interim studies. This is in preparation of the 2027 Legislative Session.

DP 2107 - Legislator Participation for Educational Opportunities -

The legislature adopted general fund appropriations for legislator participation in educational opportunities. Last interim, the Legislative Council approved up to \$3,000 per legislator to use for educational opportunities such as conferences hosted by the National Conference of State Legislatures (NCSL), Council of State Governments (CSG), Pacific Northwest Economic Region (PNWER), etc. Funding in the 2025 biennium came from surplus in the Legislative Committees and Activities' budget. This allows for funding to be included in the budget and part of the base budget moving forward.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget FY 2026 FY 2027		Biennium Change from Base Amount Percent	
General Fund		9,091		9,091	0.0%
Total Funds		9,091		9,091	0.0%
Personal Services		9,091		9,091	0.0%
Total Expenditures		9,091		9,091	0.0%
Total Ongoing		9,091		9,091	0.0%
Total One-Time-Only					0.0%

Program Description

The Montana Senate is one chamber of the Montana Legislative Branch. The body is composed of 50 Senators elected to four-year terms. The Senate, in coordination with the House of Representative, pass bills on public policy and the budget for the State of Montana.

Program Highlights

Senate Major Budget Highlights	
<ul style="list-style-type: none"> The Legislature adopted appropriations of approximately \$9,000 for the Senate. This funding was inadvertently left out of HB 1 	

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	0	0	0	9,091	0
Total Expenditures	\$0	\$0	\$0	\$9,091	\$0
General Fund	0	0	0	9,091	0
Total Funds	\$0	\$0	\$0	\$9,091	\$0
Total Ongoing	\$0	\$0	\$0	\$9,091	\$0
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Legislative Branch, 25-Legislature - Senate Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	9,091	0	0	9,091	100.00 %
State Special Total	\$0	\$0	\$0	\$0	0.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$9,091	\$0	\$0	\$9,091	

The Senate is funded in HB 2 with general fund that was inadvertently not included in HB 1.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Legislature - Senate 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	0	0	0	0	0.0%	0	0	0	0	0.0%
Statewide PL										
Personal Services	0	0	0	0	0.0%	0	0	0	0	0.0%
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Statewide PL	0	0	0	0	0.0%	0	0	0	0	0.0%
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	9,091	0	0	9,091	100.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	9,091	0	0	9,091	100.0%	0	0	0	0	0.0%
Total Budget	9,091	0	0	9,091		0	0	0	0	

New Proposals

The “New Proposals” table shows new changes to spending.

New Proposals										
-----Fiscal 2026-----						-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 2501 - Senate Funding	0.00	9,091	0	0	9,091	0.00	0	0	0	0
Total	0.00	\$9,091	\$0	\$0	\$9,091	0.00	\$0	\$0	\$0	\$0

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

DP 2501 - Senate Funding -

The legislature adopted funding for the Senate that was inadvertently not included in HB 1.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget FY 2026 FY 2027		Biennium Change from Base Amount Percent	
General Fund		122,068		122,068	0.0%
Total Funds		122,068		122,068	0.0%
Personal Services		122,068		122,068	0.0%
Total Expenditures		122,068		122,068	0.0%
Total Ongoing		122,068		122,068	0.0%
Total One-Time-Only					0.0%

Program Description

The Montana House of Representatives is one chamber of the Montana Legislative Branch. The body is composed of 100 Representatives elected to two-year terms. The House of Representatives, in coordination with the Senate, pass bills on public policy and the budget for the State of Montana.

Program Highlights

House of Representatives Major Budget Highlights
<ul style="list-style-type: none"> The Legislature adopted appropriations of approximately \$122,000 for the House of Representatives. This funding was inadvertently left out of HB 1

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	0	0	0	122,068	0
Total Expenditures	\$0	\$0	\$0	\$122,068	\$0
General Fund	0	0	0	122,068	0
Total Funds	\$0	\$0	\$0	\$122,068	\$0
Total Ongoing	\$0	\$0	\$0	\$122,068	\$0
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Legislative Branch, 26-Legislature - House Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	122,068	0	0	122,068	100.00 %
State Special Total	\$0	\$0	\$0	\$0	0.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$122,068	\$0	\$0	\$122,068	

The House of Representatives is funded in HB 2 with general fund that was inadvertently not included in HB 1.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Legislature - House 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	0	0	0	0	0.0%	0	0	0	0	0.0%
Statewide PL										
Personal Services	0	0	0	0	0.0%	0	0	0	0	0.0%
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Statewide PL	0	0	0	0	0.0%	0	0	0	0	0.0%
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	122,068	0	0	122,068	100.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	122,068	0	0	122,068	100.0%	0	0	0	0	0.0%
Total Budget	122,068	0	0	122,068		0	0	0	0	

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 2601 - House Funding	0.00	122,068	0	0	122,068	0.00	0	0	0	0
Total	0.00	\$122,068	\$0	\$0	\$122,068	0.00	\$0	\$0	\$0	\$0

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

DP 2601 - House Funding -

The legislature adopted funding for the House of Representatives that was inadvertently not included in HB 1.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	26.50	26.50	26.50	0.00	0.0%
General Fund	3,563,708	3,996,082	3,781,243	649,909	9.1%
Total Funds	3,563,708	3,996,082	3,781,243	649,909	9.1%
Personal Services	3,385,662	3,571,035	3,484,820	284,531	4.2%
Operating Expenses	178,046	425,047	296,423	365,378	102.6%
Total Expenditures	3,563,708	3,996,082	3,781,243	649,909	9.1%
Total Ongoing	3,563,708	3,894,582	3,678,243	445,409	6.2%
Total One-Time-Only	50,000	101,500	103,000	104,500	104.5%

Program Description

The Legislative Fiscal Division provides the legislature with objective fiscal information and analysis relevant to Montana public policy and budget determination.

Division services include:

- Fiscal and data analysis of state government, including local government and schools, and the furnishing of information bearing upon the financial matters of the state
- Identification of ways to effect economy and efficiency in state government
- Estimation of revenue and analysis of tax policy
- Analysis of the executive budget
- Compiling and analyzing fiscal information for legislators and legislative committees
- Staffing and support for legislative committees, including the preparation and processing of the appropriation bills for the legislative, judicial, and executive agencies

The Legislative Finance Committee provides guidance to the Legislative Fiscal Division.

Program Highlights

Legislative Fiscal Division Major Budget Highlights	
<ul style="list-style-type: none"> The Legislative Fiscal Division's 2027 biennium appropriations are approximately \$650,000 or 9.1% higher than the FY 2025 base budget. Significant biennial changes in general fund include: <ul style="list-style-type: none"> An increase of \$209,000 for an analysis of Montana budget implications from federal action. This appropriation is contingent on certain federal action occurring An increase of approximately \$126,000 for personal services because of benefits, longevity, and pay rate changes An increase of approximately \$110,000 to adjust for the cyclical nature of legislative committee activities, legislator salaries, and increased travel costs An increase of approximately \$105,000 for contracting actuarial analysis on the pension system 	

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	2,841,203	3,141,260	3,385,662	3,571,035	3,484,820
Operating Expenses	134,754	296,675	228,046	425,047	296,423
Total Expenditures	\$2,975,957	\$3,437,935	\$3,613,708	\$3,996,082	\$3,781,243
General Fund	2,975,957	3,437,935	3,613,708	3,996,082	3,781,243
Total Funds	\$2,975,957	\$3,437,935	\$3,613,708	\$3,996,082	\$3,781,243
Total Ongoing	\$2,968,373	\$3,372,935	\$3,563,708	\$3,894,582	\$3,678,243
Total OTO	\$7,584	\$65,000	\$50,000	\$101,500	\$103,000

Funding

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

Legislative Branch, 27-Financial and Data Analysis Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	7,777,325	0	0	7,777,325	100.00 %
State Special Total	\$0	\$0	\$0	\$0	0.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$7,777,325	\$0	\$0	\$7,777,325	

HB 2 Appropriations

The Legislative Fiscal Division is funded entirely with general fund.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Financial and Data Analysis 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	3,563,708	0	0	3,563,708	89.2%	3,563,708	0	0	3,563,708	94.2%
Statewide PL										
Personal Services	72,286	0	0	72,286	1.8%	53,821	0	0	53,821	1.4%
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	(76)	0	0	(76)	(0.0%)	(51)	0	0	(51)	(0.0%)
Total Statewide PL	72,210	0	0	72,210	1.8%	53,770	0	0	53,770	1.4%
Present Law (PL)	99,087	0	0	99,087	2.5%	11,274	0	0	11,274	0.3%
New Proposals	261,077	0	0	261,077	6.5%	152,491	0	0	152,491	4.0%
Total HB 2 Adjustments	432,374	0	0	432,374	10.8%	217,535	0	0	217,535	5.8%
Total Budget	3,996,082	0	0	3,996,082		3,781,243	0	0	3,781,243	

Present Law Adjustments

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

Present Law Adjustments										
-----Fiscal 2026-----						-----Fiscal 2027-----				
PB	General Fund	State Special	Federal Special	Total Funds		PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services										
0.00	72,286	0	0	72,286		0.00	53,821	0	0	53,821
DP 3 - Inflation Deflation										
0.00	(76)	0	0	(76)		0.00	(51)	0	0	(51)
DP 4 - Present Law										
0.00	99,087	0	0	99,087		0.00	11,274	0	0	11,274
Grand Total All Present Law Adjustments										
0.00	\$171,297	\$0	\$0	\$171,297		0.00	\$65,044	\$0	\$0	\$65,044

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 3 - Inflation Deflation -

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

DP 4 - Present Law -

The legislature adopted an increase in general fund appropriations in FY 2026 and FY 2027. The cyclical nature of legislative business for the Legislative Finance Committee, Interim Budget Committees, and Modernization and Risk Analysis Committee results in uneven appropriations in each fiscal year. Appropriations in the first year of the biennium are higher for legislative committees because most of the interim committee work is completed during this time. The increases are due to:

- Salary increases for the Legislative Finance Committee, Interim Budget Committees, and Modernization and Risk Analysis Committee of approximately \$51,000
- Operating expenses of \$53,000 for interim legislative committees, which are not included in the base budget because of the legislative business cycle, and \$6,000 for increased travel costs for legislators and Legislative Fiscal Division staff

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals										
-----Fiscal 2026-----						-----Fiscal 2027-----				
PB	General Fund	State Special	Federal Special	Total Funds		PB	General Fund	State Special	Federal Special	Total Funds
DP 2705 - Pension Actuarial (OTO)										
0.00	51,500	0	0	51,500		0.00	53,000	0	0	53,000
DP 2706 - Analysis of MT Budget Implications Federal Action (BIEN/OTO)										
0.00	50,000	0	0	50,000		0.00	50,000	0	0	50,000
DP 2707 - Additional Interim Budget Committee Meetings										
0.00	159,577	0	0	159,577		0.00	49,491	0	0	49,491
Total	0.00	\$261,077	\$0	\$0	\$261,077	0.00	\$152,491	\$0	\$0	\$152,491

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

DP 2705 - Pension Actuarial (OTO) -

The legislature adopted one-time-only general fund appropriations for contracting an actuarial analysis on the pension system. The review is intended to provide the legislature with information to fulfill its financial fiduciary responsibilities related to the pension system.

DP 2706 - Analysis of MT Budget Implications Federal Action (BIEN/OTO) -

The legislature adopted biennial, one-time-only general fund appropriations in personal services and operating expenses for an analysis of Montana budget implications from federal action. Given the current discussions by the President and Congress, federal financial action may cause potential budget concerns to the Montana state budget. The Legislative Finance Committee may need to meet more often and in conjunction with other interim budget committees or interim committees to track and prepare for these changes to the state budget. This line-item appropriation will be made available to the Legislative Finance Committee upon one of the listed events in HB 2 Language occurring.

DP 2707 - Additional Interim Budget Committee Meetings -

The legislature adopted general fund appropriations in personal services and operating expenses to change interim budget committee meetings from one-day meetings to two-day meetings and make a correction to the interim budget committees' budget.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget FY 2026 FY 2027		Biennium Change from Base Amount Percent	
PB	52.75	53.00	53.00	0.25	0.2%
General Fund	3,624,760	3,444,696	3,426,936	(377,888)	(5.2%)
State/Other Special Rev. Funds	2,368,036	3,054,016	3,054,379	1,372,323	29.0%
Total Funds	5,992,796	6,498,712	6,481,315	994,435	8.3%
Personal Services	5,749,295	6,052,903	6,054,980	609,293	5.3%
Operating Expenses	243,501	445,809	426,335	385,142	79.1%
Total Expenditures	5,992,796	6,498,712	6,481,315	994,435	8.3%
Total Ongoing	5,992,796	6,473,712	6,456,315	944,435	7.9%
Total One-Time-Only		25,000	25,000	50,000	0.0%

Program Description

The Legislative Audit Division is the state's independent auditor and a key part of the legislature's responsibility for strict accountability of public funds. The division's products and services provide legislative and executive managers of the public trust with factual, objective, and unbiased information on how state government works and how to make it work better. These products and services include:

- Auditing the state's Annual Comprehensive Financial Report and the biennial federal single audit
- Conducting performance audits to focus on agency or program operations and management, efficiency and effectiveness in delivery of government services, or public policy outcomes and impacts
- Conducting financial-compliance audits of each state agency at least every two years to assess adherence to accounting principles, compliance with material laws, and internal controls
- Conducting information systems audits to address the design, operation, and maintenance of technology systems and processes, and providing assurances on the quality and reliability of system data
- Maintaining the state's hotline for reporting fraud, waste and abuse in state government and conducting work to verify allegations and substantiate reported cases
- Reporting violations of penal statutes, instances of misfeasance, malfeasance, or nonfeasance, and any instances of apparent criminal violations of the state code of ethics discovered in an audit
- Auditing records of entities under contract with the state
- Assisting the legislature, its committees, and its members by providing information related to the fiscal affairs of state government

The Legislative Auditor is responsible for managing the division and appointing and defining the duties of the division's employees. The Legislative Auditor is appointed by the Legislative Audit Committee, a 12-member, bipartisan, bicameral permanent joint committee of the legislature.

Program Highlights

Legislative Audit Division Major Budget Highlights	
<ul style="list-style-type: none"> The Legislative Audit Division's 2027 biennium appropriations are approximately \$994,000 or 8.3% higher than the FY 2025 base budget. Significant biennial changes include: <ul style="list-style-type: none"> An increase of \$580,000 for personal services because of benefits, longevity, and pay rate changes An increase of approximately \$257,000 for rent, which is offset by a decrease in rent in the Legislative Services Division 	

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	5,148,830	5,492,889	5,749,295	6,052,903	6,054,980
Operating Expenses	243,449	283,534	243,501	445,809	426,335
Total Expenditures	\$5,392,279	\$5,776,423	\$5,992,796	\$6,498,712	\$6,481,315
General Fund	3,309,248	3,504,472	3,624,760	3,444,696	3,426,936
State/Other Special Rev. Funds	2,083,031	2,271,951	2,368,036	3,054,016	3,054,379
Total Funds	\$5,392,279	\$5,776,423	\$5,992,796	\$6,498,712	\$6,481,315
Total Ongoing	\$5,392,279	\$5,776,423	\$5,992,796	\$6,473,712	\$6,456,315
Total OTO	\$0	\$0	\$0	\$25,000	\$25,000

Funding

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

Legislative Branch, 28-Audit and Examination Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	6,871,632	0	0	6,871,632	52.94 %
02042 Legislative Audit	6,108,395	0	0	6,108,395	100.00 %
State Special Total	\$6,108,395	\$0	\$0	\$6,108,395	47.06 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$12,980,027	\$0	\$0	\$12,980,027	

HB 2 Appropriations

The Legislative Audit Division is funded with general fund and state special revenue. The state special revenue funds are generated through a charge to state agencies for legislative audit services. The charge is based on a billing rate for audit services and is calculated in accordance with federal regulations.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Audit and Examination 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	3,624,760	2,368,036	0	5,992,796	92.2%	3,624,760	2,368,036	0	5,992,796	92.5%
Statewide PL										
Personal Services	158,951	130,050	0	289,001	4.4%	160,093	130,985	0	291,078	4.5%
Fixed Costs	(3,087)	(2,525)	0	(5,612)	(0.1%)	(3,087)	(2,525)	0	(5,612)	(0.1%)
Inflation Deflation	(284)	(233)	0	(517)	(0.0%)	(192)	(157)	0	(349)	(0.0%)
Total Statewide PL	155,580	127,292	0	282,872	4.4%	156,814	128,303	0	285,117	4.4%
Present Law (PL)	30,401	24,874	0	55,275	0.9%	19,401	15,874	0	35,275	0.5%
New Proposals	(366,045)	533,814	0	167,769	2.6%	(374,039)	542,166	0	168,127	2.6%
Total HB 2 Adjustments	(180,064)	685,980	0	505,916	7.8%	(197,824)	686,343	0	488,519	7.5%
Total Budget	3,444,696	3,054,016	0	6,498,712		3,426,936	3,054,379	0	6,481,315	

Present Law Adjustments

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

Present Law Adjustments										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	158,951	130,050	0	289,001	0.00	160,093	130,985	0	291,078
DP 2 - Fixed Costs	0.00	(3,087)	(2,525)	0	(5,612)	0.00	(3,087)	(2,525)	0	(5,612)
DP 3 - Inflation Deflation	0.00	(284)	(233)	0	(517)	0.00	(192)	(157)	0	(349)
DP 4 - Present Law	0.00	30,401	24,874	0	55,275	0.00	19,401	15,874	0	35,275
Grand Total All Present Law Adjustments	0.00	\$185,981	\$152,166	\$0	\$338,147	0.00	\$176,215	\$144,177	\$0	\$320,392

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 4 - Present Law -

The legislature adopted general fund and state special revenue appropriations for cyclical adjustments. In FY 2026, significant increases include:

- \$20,000 for the Legislative Branch's contracted audit (funding for the contracted audit is not included in the base budget)
- \$15,000 for a peer review
- \$6,000 for estimated increases in lodging costs for travel
- \$7,000 for software upgrades
- \$6,500 for subscription services

In FY 2027, significant increases include:

- \$15,000 for a peer review
- \$6,000 for estimated increases in lodging costs for travel
- \$7,000 for software upgrades
- \$6,500 for subscription services

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1800 - LC 4208 - Fund Switch - Statewide Risk Assessment (OTO)	0.00	(132,165)	132,165	0	0	0.00	(132,165)	132,165	0	0
DP 2006 - Mitchell Building Rent	0.00	70,489	57,673	0	128,162	0.00	70,686	57,834	0	128,520
DP 2805 - Modified PB to Permanent	0.25	8,034	6,573	0	14,607	0.25	8,034	6,573	0	14,607
DP 2806 - Fund Switch - Audit Appropriations (OTO)	0.00	(469,568)	469,568	0	0	0.00	(477,759)	477,759	0	0
DP 2807 - Fund Switch - Statewide Risk Assessment (OTO)	0.00	132,165	(132,165)	0	0	0.00	132,165	(132,165)	0	0
DP 2808 - Hotline Cases and Other Contingencies (BIEN, OTO)	0.00	25,000	0	0	25,000	0.00	25,000	0	0	25,000
Total	0.25	(\$366,045)	\$533,814	\$0	\$167,769	0.25	(\$374,039)	\$542,166	\$0	\$168,127

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

DP 1800 - LC 4208 - Fund Switch - Statewide Risk Assessment (OTO) -

The legislature adopted a fund switch in DP 2807 that was contingent on LC 4208 being passed and approved. Because LC 4208 was not passed by the legislature, general fund appropriations were reduced, and state special revenue appropriations were increased.

DP 2006 - Mitchell Building Rent -

The legislature adopted an increase in general fund and state special revenue funds in FY 2026 and FY 2027 for Mitchell Building rent. This increase is in conjunction with a decision package in the Legislative Services Division (DP 2006), which has a reduction in general fund appropriations for Mitchell Building rent. This reallocation allows the rent to be split between general fund (55.0%) and state special revenue (45.0%) rather than 100.0% general fund.

DP 2805 - Modified PB to Permanent -

The legislature adopted general fund and state special revenue appropriations for 0.25 PB (positions budgeted). This adds 0.25 PB to an existing 0.75 PB to make this position a 1.00 PB. This position is on the editorial team. According to the Legislative Audit Division, this additional PB will assist in implementing provisions of HB 132 (2023 Legislative Session), aid in the transition to an annual federal single audit, support commitments to more timely reporting for the state's Annual Comprehensive Financial Report (ACFR) and allow for expansion of online reporting formats and citizen engagement.

DP 2806 - Fund Switch - Audit Appropriations (OTO) -

The legislature adopted a one-time-only decrease in general fund and increase in state special revenue for an anticipated change in audit appropriations for billed work. Higher Legislative Audit Division staffing levels, combined with statutory pay increases, have resulted in higher costs as a component of the division's billing rate. The increase in the billing rate has also combined with an increase in the number of hours associated with federal single audits in the next biennium, resulting in a significant increase in the amount of state special revenue the division anticipates collecting through agency billing.

As the number of hours needed to complete the federal single audit effort stabilizes through the transition to an annual cycle, as required under HB 132, the division anticipates this situation will reverse. State special revenue will proportionally decline as a funding source as more risk-based financial audits are implemented.

DP 2807 - Fund Switch - Statewide Risk Assessment (OTO) -

The legislature adopted a one-time-only increase in general fund and decrease in state special revenue to redirect existing resources in the division's information technology (IT) audit and analytics team. This team would assist in fully implementing a statewide risk assessment, supporting the division's risk-based audit decisions and planning. This redirects existing audit efforts at the Montana State Lottery, related to lottery security, and the Department of Administration, related to the Statewide Accounting, Budgeting and Human Resources System (SABHRS). The effort currently associated with these audits will instead be used to support the statewide risk assessment process, which will provide an assessment of significant IT risks across all agencies, focusing on mission-critical enterprise IT systems as well as general IT controls that support and manage those systems.

This is one-time-only because the Legislative Audit Division is exploring other funding mechanisms for the 2029 biennium.

This decision package is contingent on other legislation that is required to address current provisions in law related to the Montana State Lottery security and IT audit.

DP 2808 - Hotline Cases and Other Contingencies (BIEN, OTO) -

The legislature adopted biennial, one-time-only general fund appropriations in FY 2026 and FY 2027 for contracted services relating to increased activities for hotline cases and other contingencies.

Agency Base Budget Comparison

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

Agency Base Budget Comparison						
Budget Item	Base Budget	Adopted Budget		Biennium Change from Base		
	FY 2025	FY 2026	FY 2027	Amount	Percent	
PB	5.54	5.56	5.56	0.02	0.2%	
State/Other Special Rev. Funds	1,633,436	1,849,351	1,850,909	433,388	13.3%	
Total Funds	1,633,436	1,849,351	1,850,909	433,388	13.3%	
Personal Services	742,879	803,367	803,368	120,977	8.1%	
Operating Expenses	847,692	998,734	999,346	302,696	17.9%	
Debt Service	42,865	47,250	48,195	9,715	11.3%	
Total Expenditures	1,633,436	1,849,351	1,850,909	433,388	13.3%	
Total Ongoing	1,633,436	1,699,351	1,700,909	133,388	4.1%	
Total One-Time-Only		150,000	150,000	300,000	0.0%	

Agency Description

The mission of the Montana Consumer Counsel is to represent the utility and transportation consuming public of the state of Montana in hearings before the Public Service Commission, or any other successor agency, and before state and federal courts and administrative agencies.

Agency Highlights

Consumer Counsel Major Budget Highlights
<ul style="list-style-type: none"> The legislature adopted a 2027 biennium budget for the Consumer Counsel that is approximately 13.3% or \$433,000 greater than the FY 2025 base budget. Changes adopted include: <ul style="list-style-type: none"> An increase of \$303,000 in operating expenses, primarily due to the adoption of a restricted, biennial, one-time-only caseload contingency fund An increase in personal services of \$121,000 over the biennium due to an increase of 0.02 positions budgeted (PB) for legislators on the Legislative Consumer Counsel, as well as an increase in cost of benefits and pay rate changes to existing positions A debt service increase of \$10,000 for an increase in anticipated rent payments

Agency Actuals and Budget Comparison

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

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	615,142	717,795	742,879	803,367	803,368
Operating Expenses	205,522	835,623	847,692	998,734	999,346
Debt Service	42,231	42,232	42,865	47,250	48,195
Total Expenditures	\$862,895	\$1,595,650	\$1,633,436	\$1,849,351	\$1,850,909
State/Other Special Rev. Funds	862,895	1,595,650	1,633,436	1,849,351	1,850,909
Total Funds	\$862,895	\$1,595,650	\$1,633,436	\$1,849,351	\$1,850,909
Total Ongoing	\$862,895	\$1,595,650	\$1,633,436	\$1,699,351	\$1,700,909
Total OTO	\$0	\$0	\$0	\$150,000	\$150,000

Summary of Legislative Action

The legislature adopted an increase to the total biennial appropriation of the Consumer Counsel of approximately \$433,000 or 13.3%, as compared to the FY 2025 base budget. The largest portion of this increase, \$300,000, is a restricted, biennial, one-time-only caseload contingency fund. In instances of increased workload, such as a utility rate case, the caseload contingency fund is to be used towards contracted services and other operating expenses.

Other increases include an increase of 0.02 PB for two additional committee members on the Legislative Consumer Counsel as well as an increase in appropriations for rent cost increases. The largest increase, other than the caseload contingency, is for the statewide present law adjustment for personal services with this stemming from increased cost of benefits and pay rate changes.

Funding

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

Total Consumer Counsel Funding by Source of Authority 2027 Biennium Budget						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
02801 Dep Rev Consumer Cncl Tax	3,400,260	300,000			3,700,260	100.0%
State Special Revenue Total	3,400,260	300,000	-	-	3,700,260	100.0%
Federal Special Revenue Total	-	-	-	-	-	0.0%
Proprietary Fund Total	-	-	-	-	-	0.0%
Total of All Funds	3,400,260	300,000	-	-	3,700,260	
Percent of All Sources of Authority	91.9%	8.1%	0.0%	0.0%		

The Consumer Counsel is funded by state special revenue generated by fees imposed on all regulated entities under the jurisdiction of the Public Service Commission. The funding formula is specified in 69-1-223, MCA. Each year the Department of Revenue determines the total gross operating revenue generated by all regulated activities within the state for the previous year. The Department of Revenue then computes the percentage tax necessary to yield an amount equal to the current appropriation, with no excess funds. If collection of excess revenue occurs, the amount charged to the regulated utilities for the following year is reduced.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Consumer Counsel 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	0	1,633,436	0	1,633,436	88.3%	0	1,633,436	0	1,633,436	88.3%
Statewide PL										
Personal Services	0	58,275	0	58,275	3.2%	0	58,275	0	58,275	3.1%
Fixed Costs	0	(1,813)	0	(1,813)	(0.1%)	0	(1,760)	0	(1,760)	(0.1%)
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Statewide PL	0	56,462	0	56,462	3.1%	0	56,515	0	56,515	3.1%
Present Law (PL)	0	7,240	0	7,240	0.4%	0	8,744	0	8,744	0.5%
New Proposals	0	152,213	0	152,213	8.2%	0	152,214	0	152,214	8.2%
Total HB 2 Adjustments	0	215,915	0	215,915	11.7%	0	217,473	0	217,473	11.7%
Total Budget	0	1,849,351	0	1,849,351		0	1,850,909	0	1,850,909	

Executive Budget Comparison

The following table compares the legislative budget for the biennium to the budget requested by the Governor by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2025	Executive Budget Fiscal 2026	Legislative Budget Fiscal 2026	Leg — Exec. Difference Fiscal 2026	Executive Budget Fiscal 2027	Legislative Budget Fiscal 2027	Leg — Exec. Difference Fiscal 2027	Biennium Difference Fiscal 26-27
Personal Services	742,879	803,367	803,367	0	803,368	803,368	0	0
Operating Expenses	847,692	998,734	998,734	0	999,346	999,346	0	0
Debt Service	42,865	47,250	47,250	0	48,195	48,195	0	0
Total Costs	\$1,633,436	\$1,849,351	\$1,849,351	\$0	\$1,850,909	\$1,850,909	\$0	\$0
State/other Special Rev. Funds	1,633,436	1,849,351	1,849,351	0	1,850,909	1,850,909	0	0
Total Funds	\$1,633,436	\$1,849,351	\$1,849,351	\$0	\$1,850,909	\$1,850,909	\$0	\$0
Total Ongoing	\$1,633,436	\$1,849,351	\$1,699,351	(\$150,000)	\$1,850,909	\$1,700,909	(\$150,000)	(\$300,000)
Total OTO	\$0	\$0	\$150,000	\$150,000	\$0	\$150,000	\$150,000	\$300,000

The legislature adopted the executive budget as proposed for the Montana Consumer Counsel, but added restricted, biennial, and one-time-only designations to the caseload contingency appropriation.

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	615,142	717,795	742,879	803,367	803,368
Operating Expenses	205,522	835,623	847,692	998,734	999,346
Debt Service	42,231	42,232	42,865	47,250	48,195
Total Expenditures	\$862,895	\$1,595,650	\$1,633,436	\$1,849,351	\$1,850,909
State/Other Special Rev. Funds	862,895	1,595,650	1,633,436	1,849,351	1,850,909
Total Funds	\$862,895	\$1,595,650	\$1,633,436	\$1,849,351	\$1,850,909
Total Ongoing	\$862,895	\$1,595,650	\$1,633,436	\$1,699,351	\$1,700,909
Total OTO	\$0	\$0	\$0	\$150,000	\$150,000

Present Law Adjustments

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

Present Law Adjustments										
-----Fiscal 2026-----						-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	58,275	0	58,275	0.00	0	58,275	0	58,275
DP 2 - Fixed Costs	0.00	0	(1,813)	0	(1,813)	0.00	0	(1,760)	0	(1,760)
DP 4 - Operating Expenses	0.00	0	2,855	0	2,855	0.00	0	3,414	0	3,414
DP 6 - Debt Service Increase	0.00	0	4,385	0	4,385	0.00	0	5,330	0	5,330
Grand Total All Present Law Adjustments	0.00	\$0	\$63,702	\$0	\$63,702	0.00	\$0	\$65,259	\$0	\$65,259

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 4 - Operating Expenses -

The legislature adopted an increase in operating expenses to address the anticipated increase in costs within the agency. This increase in operating expenses is centralized in parking fees. This is due to a change in fee structure implemented by the Helena Parking Commission.

DP 6 - Debt Service Increase -

The legislature adopted an increase in FY 2026 and FY 2027 for lease payments. These increases are based on current market rates from the Department of Administration. The current right-of-use (ROU) lease for office space expired on June 30, 2025.

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 5 - Contingency Fund (RST/BIEN/OTO)	0.00	0	150,000	0	150,000	0.00	0	150,000	0	150,000
DP 7 - PB	0.02	0	2,213	0	2,213	0.02	0	2,214	0	2,214
Total	0.02	\$0	\$152,213	\$0	\$152,213	0.02	\$0	\$152,214	\$0	\$152,214

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

DP 5 - Contingency Fund (RST/BIEN/OTO) -

The legislature adopted an increase in state special revenue authority for the agency's contingency fund. This authority is to be used as a caseload contingency if rate cases require staff to be contracted by the agency. This was adopted as restricted, biennial, and one-time-only.

DP 7 - PB -

The legislature adopted an increase of state special revenue for 0.02 PB. This provides for two additional committee members on the Legislative Consumer Committee, as outlined in SB 176 of the 2023 Legislative Session.

Agency Base Budget Comparison

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

Agency Base Budget Comparison						
Budget Item	Base Budget FY 2025	Adopted Budget FY 2026 FY 2027		Biennium Change from Base Amount Percent		
PB	60.57	60.57	60.57	0.00	0.0%	
General Fund	7,973,728	8,212,935	8,046,589	312,068	2.0%	
State/Other Special Rev. Funds	50,000	101,760	50,000	51,760	51.8%	
Federal Spec. Rev. Funds		79,332		79,332	0.0%	
Proprietary Funds		52,843		52,843	0.0%	
Total Funds	8,023,728	8,446,870	8,096,589	496,003	3.1%	
Personal Services	6,441,766	6,601,104	6,613,292	330,864	2.6%	
Operating Expenses	1,581,962	1,845,766	1,483,297	165,139	5.2%	
Total Expenditures	8,023,728	8,446,870	8,096,589	496,003	3.1%	
Total Ongoing	8,023,728	8,160,066	8,096,589	209,199	1.3%	
Total One-Time-Only		286,804		286,804	0.0%	

Agency Description

The Governor's Office oversees the activities of the Executive Branch of Montana state government, consistent with statutory and constitutional mandates.

The Office of the Governor exists under authority granted in Article VI of the Montana Constitution. The Governor has constitutional and statutory authority to administer the affairs of the State of Montana. The Governor appoints all military and civil officers of the state whose appointments are provided for by statute or the constitution, grants reprieves and pardons, and serves on various boards and commissions. The Governor approves or vetoes legislation, reports to the legislature on the condition of the state and submits a biennial executive budget. The Governor also represents the state in relations with other governments and the public.

The Governor's Office is comprised of the following programs:

- Executive Office
- Executive Residence Operations
- Office of Budget and Program Planning
- Office of Indian Affairs
- Mental Disabilities Board of Visitors

The Mental Health Ombudsman is housed within the Mental Disabilities Board of Visitors Program.

Agency Highlights

Governor's Office Major Budget Highlights	
<ul style="list-style-type: none"> The Governor's Office 2027 biennium budget is approximately \$496,000 or 3.1% higher than the FY 2025 base budget. The majority of the biennial change adopted by the legislature is due to: <ul style="list-style-type: none"> An increase in general fund of approximately \$331,000 for personal services because of benefits, longevity, and pay rate changes An increase of approximately \$287,000 for a federal single audit contingency fund 	

Agency Actuals and Budget Comparison

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

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	5,827,545	6,090,678	6,441,766	6,601,104	6,613,292
Operating Expenses	1,277,481	1,645,308	1,581,962	1,845,766	1,483,297
Total Expenditures	\$7,105,026	\$7,735,986	\$8,023,728	\$8,446,870	\$8,096,589
General Fund	7,082,813	7,685,986	7,973,728	8,212,935	8,046,589
State/Other Special Rev. Funds	22,213	50,000	50,000	101,760	50,000
Federal Spec. Rev. Funds	0	0	0	79,332	0
Proprietary Funds	0	0	0	52,843	0
Total Funds	\$7,105,026	\$7,735,986	\$8,023,728	\$8,446,870	\$8,096,589
Total Ongoing	\$7,105,026	\$7,735,986	\$8,023,728	\$8,160,066	\$8,096,589
Total OTO	\$0	\$0	\$0	\$286,804	\$0

Summary of Legislative Action

The legislature adopted an increase of 3.1% or approximately \$496,000 in the 2027 biennium when compared to FY 2025 base appropriations. The increase is primarily due to the approval of an additional general fund, state special revenue, federal special revenue, and proprietary funds for a federal single audit contingency fund. This funding can be transferred to state agencies when actual hours for the federal single audit at state agencies are greater than the number of hours budgeted. Additionally, there was an increase in the statewide present law adjustment for personal services due to increase in benefits, longevity, and pay rate changes. These increases were partially offset by a decrease in fixed costs for insurance and information technology.

Funding

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

Total Governor's Office Funding by Source of Authority 2027 Biennium Budget						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	16,156,655	102,869		16,500,000	32,759,524	99.1%
02038 Governor's Office SSR	100,000	51,760			151,760	0.5%
State Special Revenue Total	100,000	51,760	-	-	151,760	0.5%
03001 Governor's Office FSR		79,332			79,332	0.2%
Federal Special Revenue Total	-	79,332	-	-	79,332	0.2%
06510 Governor's Office Proprietary Fund		52,843			52,843	0.2%
Proprietary Fund Total	-	52,843	-	-	52,843	0.2%
Total of All Funds	16,256,655	286,804	-	16,500,000	33,043,459	
Percent of All Sources of Authority	49.2%	0.9%	0.0%	49.9%		

HB 2 Appropriations

The Governor's Office has historically been primarily funded with general fund. The Office of Indian Affairs has also received state special revenue funding for tribal relations training provided by the office.

For the 2027 biennium, the budget includes additional general fund, state special revenue, federal special revenue, and proprietary fund appropriations in HB 2. These appropriations are for a contingency fund for legislative audit costs related to the federal single audit.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Governor's Office 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	7,973,728	50,000	0	8,023,728	95.0%	7,973,728	50,000	0	8,023,728	99.1%
Statewide PL										
Personal Services	159,338	0	0	159,338	1.9%	171,526	0	0	171,526	2.1%
Fixed Costs	(31,507)	0	0	(31,507)	(0.4%)	(108,120)	0	0	(108,120)	(1.3%)
Inflation Deflation	(2,048)	0	0	(2,048)	(0.0%)	(1,383)	0	0	(1,383)	(0.0%)
Total Statewide PL	125,783	0	0	125,783	1.5%	62,023	0	0	62,023	0.8%
Present Law (PL)	110,924	51,760	79,332	294,859	3.5%	8,338	0	0	8,338	0.1%
New Proposals	2,500	0	0	2,500	0.0%	2,500	0	0	2,500	0.0%
Total HB 2 Adjustments	239,207	51,760	79,332	423,142	5.0%	72,861	0	0	72,861	0.9%
Total Budget	8,212,935	101,760	79,332	8,446,870		8,046,589	50,000	0	8,096,589	

Other Legislation

HB 863 – This legislation appropriates \$26.2 million to the Office of Budget and Program Planning for two studies and a recruitment and retention contingency fund, and includes:

- The Office of Budget and Program Planning is directed to conduct a study of market wages and actual wages of Executive Branch employees and OBPP may increase wages where there is a differential between market and actual wages. An appropriation of \$25.8 million is available to address recruitment and retention issues and any funding allocated to state agencies must be approved by the Governor's Office Budget Director. Additionally, any funding transferred to state agencies will be part of the receiving agency's base budget for the purpose of determining the base budget for the 2029 biennium
- The Office of Budget and Program planning is directed to conduct a study of principle departments of the state as defined in 2-15-104, MCA. This study must include a review of the operations and administration of state-owned healthcare facilities. OBPP received an appropriation of \$350,000 to conduct this study

HB 924 – This legislation adjusted the functions and uses of the debt and liability free account. The uses of the fund were extended to include (1) replacement of federal funding that has been rescinded by the federal government from remaining American Recue Plan Act funds; (2) mitigation of general fund supplemental appropriations; (3) replacement of federal funds that have been reduced or rescinded by the federal government. Additionally, if the unobligated ending fund balance in the debt and liability free account is less than \$12.5 million, up to 50.0% of volatile revenue (but no more than \$12.5 million) may be transferred into this account.

SB 393 – This legislation provides an appropriation of \$6.0 million general fund to the Office of Budget and Program Planning for reimbursing expenditures resulting from the enforcement of felony criminal jurisdiction on the Flathead Indian reservation.

Executive Budget Comparison

The following table compares the legislative budget for the biennium to the budget requested by the Governor by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2025	Executive Budget Fiscal 2026	Legislative Budget Fiscal 2026	Leg — Exec. Difference Fiscal 2026	Executive Budget Fiscal 2027	Legislative Budget Fiscal 2027	Leg — Exec. Difference Fiscal 2027	Biennium Difference Fiscal 26-27
Personal Services	6,441,766	29,601,104	6,601,104	(23,000,000)	29,613,292	6,613,292	(23,000,000)	(46,000,000)
Operating Expenses	1,581,962	1,846,251	1,845,766	(485)	1,483,782	1,483,297	(485)	(970)
Grants	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0
Total Costs	\$8,023,728	\$31,447,355	\$8,446,870	(\$23,000,485)	\$31,097,074	\$8,096,589	(\$23,000,485)	(\$46,000,970)
General Fund	7,973,728	20,213,420	8,212,935	(12,000,485)	20,047,074	8,046,589	(12,000,485)	(24,000,970)
State/other Special Rev. Funds	50,000	7,101,760	101,760	(7,000,000)	7,050,000	50,000	(7,000,000)	(14,000,000)
Federal Spec. Rev. Funds	0	3,579,332	79,332	(3,500,000)	3,500,000	0	(3,500,000)	(7,000,000)
Other	0	552,843	52,843	(500,000)	500,000	0	(500,000)	(1,000,000)
Total Funds	\$8,023,728	\$31,447,355	\$8,446,870	(\$23,000,485)	\$31,097,074	\$8,096,589	(\$23,000,485)	(\$46,000,970)
Total Ongoing	\$8,023,728	\$31,447,355	\$8,160,066	(\$23,287,289)	\$31,097,074	\$8,096,589	(\$23,000,485)	(\$46,287,774)
Total OTO	\$0	\$0	\$286,804	\$286,804	\$0	\$0	\$0	\$286,804

The legislature adopted appropriations that are approximately \$46.0 million lower than the proposed appropriations for the 2027 biennium. The significant biennial differences in the legislative budget compared to the proposed budget is because the legislature did not adopt an executive proposal of \$46.0 million for a recruitment and retention contingency fund within the Governor's Office HB 2 budget.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget FY 2026 FY 2027		Biennium Change from Base Amount Percent	
PB	29.00	29.00	29.00	0.00	0.0%
General Fund	3,655,878	3,730,253	3,733,092	151,589	2.1%
Total Funds	3,655,878	3,730,253	3,733,092	151,589	2.1%
Personal Services	3,059,362	3,139,936	3,140,654	161,866	2.6%
Operating Expenses	596,516	590,317	592,438	(10,277)	(0.9%)
Total Expenditures	3,655,878	3,730,253	3,733,092	151,589	2.1%
Total Ongoing	3,655,878	3,730,253	3,733,092	151,589	2.1%
Total One-Time-Only					0.0%

Program Description

The Executive Office Program aids the Governor in overseeing and coordinating the activities of the Executive Branch of Montana state government. The program includes the Office of the Lieutenant Governor which is responsible for carrying out duties prescribed by statute established by Article VI, Section 4 of the Montana Constitution, as well as those delegated by the Governor.

Statutory authority is Title 2, Chapter 15, Part 3, MCA. The program provides administrative, legal, and press support for the Office of the Governor. The Executive Office Program also administers programs with special impact on the citizens and governmental concerns of Montana. Special programs include the Office of Economic Development, which was created to strengthen the foundations of the state's business environment and diversify and expand existing economic endeavors to achieve long-term economic stability, and the Office of the Citizens' Advocate.

Program Highlights

Executive Office Program Major Budget Highlights	
<ul style="list-style-type: none"> The Executive Office Program's 2027 biennium appropriations are approximately \$152,000 or 2.1% higher than the FY 2025 base budget. Significant biennial changes in general fund include: <ul style="list-style-type: none"> An increase of approximately \$162,000 for personal services because of benefits, longevity, and pay rate changes 	

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	2,682,951	2,934,415	3,059,362	3,139,936	3,140,654
Operating Expenses	470,530	575,484	596,516	590,317	592,438
Total Expenditures	\$3,153,481	\$3,509,899	\$3,655,878	\$3,730,253	\$3,733,092
General Fund	3,153,481	3,509,899	3,655,878	3,730,253	3,733,092
Total Funds	\$3,153,481	\$3,509,899	\$3,655,878	\$3,730,253	\$3,733,092
Total Ongoing	\$3,153,481	\$3,509,899	\$3,655,878	\$3,730,253	\$3,733,092
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Governor's Office, 01-Executive Office Program Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	7,463,345	0	0	7,463,345	100.00 %
State Special Total	\$0	\$0	\$0	\$0	0.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$7,463,345	\$0	\$0	\$7,463,345	

HB 2 Appropriations

The Executive Office is entirely funded with general fund.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Executive Office Program 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	3,655,878	0	0	3,655,878	98.0%	3,655,878	0	0	3,655,878	97.9%
Statewide PL										
Personal Services	80,574	0	0	80,574	2.2%	81,292	0	0	81,292	2.2%
Fixed Costs	(5,102)	0	0	(5,102)	(0.1%)	(3,260)	0	0	(3,260)	(0.1%)
Inflation Deflation	(859)	0	0	(859)	(0.0%)	(580)	0	0	(580)	(0.0%)
Total Statewide PL	74,613	0	0	74,613	2.0%	77,452	0	0	77,452	2.1%
Present Law (PL)	(238)	0	0	(238)	(0.0%)	(238)	0	0	(238)	(0.0%)
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	74,375	0	0	74,375	2.0%	77,214	0	0	77,214	2.1%
Total Budget	3,730,253	0	0	3,730,253		3,733,092	0	0	3,733,092	

Present Law Adjustments

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

Present Law Adjustments										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	80,574	0	0	80,574	0.00	81,292	0	0	81,292
DP 2 - Fixed Costs	0.00	(5,102)	0	0	(5,102)	0.00	(3,260)	0	0	(3,260)
DP 3 - Inflation Deflation	0.00	(859)	0	0	(859)	0.00	(580)	0	0	(580)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	(238)	0	0	(238)	0.00	(238)	0	0	(238)
Grand Total All Present Law Adjustments	0.00	\$74,375	\$0	\$0	\$74,375	0.00	\$77,214	\$0	\$0	\$77,214

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

Program Base Budget Comparison

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

Program Base Budget Comparison						
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base		
		FY 2026	FY 2027	Amount	Percent	
PB	1.57	1.57	1.57	0.00	0.0%	
General Fund	142,049	132,279	132,266	(19,553)	(6.9%)	
Total Funds	142,049	132,279	132,266	(19,553)	(6.9%)	
Personal Services	92,108	84,412	84,410	(15,394)	(8.4%)	
Operating Expenses	49,941	47,867	47,856	(4,159)	(4.2%)	
Total Expenditures	142,049	132,279	132,266	(19,553)	(6.9%)	
Total Ongoing	142,049	132,279	132,266	(19,553)	(6.9%)	
Total One-Time-Only					0.0%	

Program Description

The Executive Residence Operations Program provides for the day-to-day operations of the official state executive residence.

Program Highlights

Executive Residence Operations Major Budget Highlights	
<ul style="list-style-type: none"> The Executive Residence Operations Program's 2027 biennium appropriations are approximately \$20,000 or 6.9% lower than the FY 2025 base budget. General fund changes for the biennium include: <ul style="list-style-type: none"> A decrease of \$15,000 primarily due to the pay plan in HB 13 not being used because the 1.57 PB were vacant during the 2025 biennium A decrease of \$4,000 mainly due to a reduction in the fixed costs for messenger services and insurance 	

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	0	5,521	92,108	84,412	84,410
Operating Expenses	29,522	49,093	49,941	47,867	47,856
Total Expenditures	\$29,522	\$54,614	\$142,049	\$132,279	\$132,266
General Fund	29,522	54,614	142,049	132,279	132,266
Total Funds	\$29,522	\$54,614	\$142,049	\$132,279	\$132,266
Total Ongoing	\$29,522	\$54,614	\$142,049	\$132,279	\$132,266
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Governor's Office, 02-Executive Residence Operations Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	264,545	0	0	264,545	100.00 %
State Special Total	\$0	\$0	\$0	\$0	0.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$264,545	\$0	\$0	\$264,545	

HB 2 Appropriations

The Executive Residence Operations Program is entirely funded with general fund.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Executive Residence Operations 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	142,049	0	0	142,049	107.4%	142,049	0	0	142,049	107.4%
Statewide PL										
Personal Services	(7,696)	0	0	(7,696)	(5.8%)	(7,698)	0	0	(7,698)	(5.8%)
Fixed Costs	(2,074)	0	0	(2,074)	(1.6%)	(2,085)	0	0	(2,085)	(1.6%)
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Statewide PL	(9,770)	0	0	(9,770)	(7.4%)	(9,783)	0	0	(9,783)	(7.4%)
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	(9,770)	0	0	(9,770)	(7.4%)	(9,783)	0	0	(9,783)	(7.4%)
Total Budget	132,279	0	0	132,279		132,266	0	0	132,266	

Present Law Adjustments

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

Present Law Adjustments										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(7,696)	0	0	(7,696)	0.00	(7,698)	0	0	(7,698)
DP 2 - Fixed Costs	0.00	(2,074)	0	0	(2,074)	0.00	(2,085)	0	0	(2,085)
Grand Total All Present Law Adjustments	0.00	(\$9,770)	\$0	\$0	(\$9,770)	0.00	(\$9,783)	\$0	\$0	(\$9,783)

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget FY 2026 FY 2027		Biennium Change from Base Amount Percent	
PB	23.00	23.00	23.00	0.00	0.0%
General Fund	3,434,883	3,603,849	3,432,141	166,224	2.4%
State/Other Special Rev. Funds		51,760		51,760	0.0%
Federal Spec. Rev. Funds		79,332		79,332	0.0%
Proprietary Funds		52,843		52,843	0.0%
Total Funds	3,434,883	3,787,784	3,432,141	350,159	5.1%
Personal Services	2,639,970	2,726,358	2,735,799	182,217	3.5%
Operating Expenses	794,913	1,061,426	696,342	167,942	10.6%
Total Expenditures	3,434,883	3,787,784	3,432,141	350,159	5.1%
Total Ongoing	3,434,883	3,500,980	3,432,141	63,355	0.9%
Total One-Time-Only		286,804		286,804	0.0%

Program Description

The Office of Budget and Program Planning (OBPP) assists the Governor in preparing the Governor's executive budget request and administering the state government budget. In addition, the OBPP prepares and monitors revenue estimates and collections, prepares and publishes fiscal notes on proposed legislation and initiatives, and acts as the approving authority for operational plan changes, program transfers, and budget amendments in the Executive Branch, in accordance with Title 17, Chapter 7, MCA. The OBPP acts as the lead Executive Branch agency for compliance with the federal Single Audit Act. The office also provides accounting, budgeting, human resource, procurement, safety, and information technology support for the entire Governor's Office.

Program Highlights

Office of Budget and Program Planning Major Budget Highlights
<ul style="list-style-type: none"> The Office of Budget and Program Planning's 2027 biennium appropriations are approximately \$350,000 or 5.1% higher than the FY 2025 base budget. The majority of the change is due to: <ul style="list-style-type: none"> An increase in general fund of approximately \$287,000 for a federal single audit contingency fund

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	2,552,963	2,529,522	2,639,970	2,726,358	2,735,799
Operating Expenses	696,431	882,646	794,913	1,061,426	696,342
Total Expenditures	\$3,249,394	\$3,412,168	\$3,434,883	\$3,787,784	\$3,432,141
General Fund	3,249,394	3,412,168	3,434,883	3,603,849	3,432,141
State/Other Special Rev. Funds	0	0	0	51,760	0
Federal Spec. Rev. Funds	0	0	0	79,332	0
Proprietary Funds	0	0	0	52,843	0
Total Funds	\$3,249,394	\$3,412,168	\$3,434,883	\$3,787,784	\$3,432,141
Total Ongoing	\$3,249,394	\$3,412,168	\$3,434,883	\$3,500,980	\$3,432,141
Total OTO	\$0	\$0	\$0	\$286,804	\$0

Funding

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

Governor's Office, 04-Office of Budget and Program Planning Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	7,035,990	0	16,500,000	23,535,990	99.22 %
02038 Governor's Office SSR	51,760	0	0	51,760	100.00 %
State Special Total	\$51,760	\$0	\$0	\$51,760	0.22 %
03001 Governor's Office FSR	79,332	0	0	79,332	100.00 %
Federal Special Total	\$79,332	\$0	\$0	\$79,332	0.33 %
06510 Governor's Office Proprietary Fund	52,843	0	0	52,843	100.00 %
Proprietary Total	\$52,843	\$0	\$0	\$52,843	0.22 %
Total All Funds	\$7,219,925	\$0	\$16,500,000	\$23,719,925	

HB 2 Appropriations

The Office of Budget and Program Planning (OBPP) has historically been entirely funded with general fund. For the 2027 biennium, the budget includes additional general fund, state special revenue, federal special revenue, and proprietary fund appropriations in HB 2. These appropriations are for legislative audit costs related to the federal single audit.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Office of Budget and Program Planning 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	3,434,883	0	0	3,434,883	90.7%	3,434,883	0	0	3,434,883	100.1%
Statewide PL										
Personal Services	86,388	0	0	86,388	2.3%	95,829	0	0	95,829	2.8%
Fixed Costs	(23,622)	0	0	(23,622)	(0.6%)	(102,192)	0	0	(102,192)	(3.0%)
Inflation Deflation	(20)	0	0	(20)	(0.0%)	(13)	0	0	(13)	(0.0%)
Total Statewide PL	62,746	0	0	62,746	1.7%	(6,376)	0	0	(6,376)	(0.2%)
Present Law (PL)	106,220	51,760	79,332	290,155	7.7%	3,634	0	0	3,634	0.1%
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	168,966	51,760	79,332	352,901	9.3%	(2,742)	0	0	(2,742)	(0.1%)
Total Budget	3,603,849	51,760	79,332	3,787,784		3,432,141	0	0	3,432,141	

Present Law Adjustments

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

Present Law Adjustments										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	86,388	0	0	86,388	0.00	95,829	0	0	95,829
DP 2 - Fixed Costs	0.00	(23,622)	0	0	(23,622)	0.00	(102,192)	0	0	(102,192)
DP 3 - Inflation Deflation	0.00	(20)	0	0	(20)	0.00	(13)	0	0	(13)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	(189)	0	0	(189)	0.00	(189)	0	0	(189)
DP 24 - Legislative Audit Division Federal Single Audit (RST/BIEN/OTO)	0.00	102,869	51,760	79,332	286,804	0.00	0	0	0	0
DP 401 - OBPP Operating Increase	0.00	3,540	0	0	3,540	0.00	3,823	0	0	3,823
Grand Total All Present Law Adjustments	0.00	\$168,966	\$51,760	\$79,332	\$352,901	0.00	(\$2,742)	\$0	\$0	(\$2,742)

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

DP 24 - Legislative Audit Division Federal Single Audit (RST/BIEN/OTO) -

The legislature adopted general fund, state special revenue, federal special revenue, and proprietary fund appropriations in FY 2026 for a federal single audit contingency fund. Certain individual agencies have federal single audit costs included in their budgets based on projected hours; however, there can be volatility between the projected hours and the hours spent at an agency. The contingency funding in OBPP allows them to transfer restricted audit appropriations to an agency if the actual hours are greater than the projected hours the Legislative Audit Division is working on the federal single audit in that agency.

DP 401 - OBPP Operating Increase -

The legislature adopted general fund appropriations for subscription costs related to economic data. The Office of Budget and Program Planning maintains a contract for an economic data service on behalf of the OBPP, Legislative Fiscal Division, and several other state agencies. An annual increase of 8.0% in the cost of this service is anticipated.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget FY 2026 FY 2027		Biennium Change from Base Amount Percent	
PB	2.00	2.00	2.00	0.00	0.0%
General Fund	224,607	234,287	234,722	19,795	4.4%
State/Other Special Rev. Funds	50,000	50,000	50,000		0.0%
Total Funds	274,607	284,287	284,722	19,795	3.6%
Personal Services	181,418	192,227	192,226	21,617	6.0%
Operating Expenses	93,189	92,060	92,496	(1,822)	(1.0%)
Total Expenditures	274,607	284,287	284,722	19,795	3.6%
Total Ongoing	274,607	284,287	284,722	19,795	3.6%
Total One-Time-Only					0.0%

Program Description

The Director of Indian Affairs serves as the Governor's liaison with state Indian tribes, provides information and policy support on issues confronting the Indians of Montana, and advises and makes recommendations on these issues to the Legislative and Executive Branches. The director also serves the Montana congressional delegation as an advisor and intermediary in the field of Indian affairs and acts as spokesperson for representative Native American organizations and groups, both public and private, whenever that support is requested. The program is mandated by 2-15-217 and 90-11-101, MCA.

Program Highlights

Office of Indian Affairs Major Budget Highlights
<ul style="list-style-type: none"> The Office of Indian Affairs' 2027 biennium appropriations are approximately \$20,000 or 3.6% higher than the FY 2025 base budget. Significant biennial changes in general fund include: <ul style="list-style-type: none"> An increase of \$20,000 related to pay rate increases for an exempt position

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	154,218	172,766	181,418	192,227	192,226
Operating Expenses	46,524	92,027	93,189	92,060	92,496
Total Expenditures	\$200,742	\$264,793	\$274,607	\$284,287	\$284,722
General Fund	178,529	214,793	224,607	234,287	234,722
State/Other Special Rev. Funds	22,213	50,000	50,000	50,000	50,000
Total Funds	\$200,742	\$264,793	\$274,607	\$284,287	\$284,722
Total Ongoing	\$200,742	\$264,793	\$274,607	\$284,287	\$284,722
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Governor's Office, 05-Office of Indian Affairs Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	469,009	0	0	469,009	82.43 %
02038 Governor's Office SSR	100,000	0	0	100,000	100.00 %
State Special Total	\$100,000	\$0	\$0	\$100,000	17.57 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$569,009	\$0	\$0	\$569,009	

HB 2 Appropriations

The majority of the Office of Indian Affairs is funded with general fund. The remaining funding is comprised of state special revenue funds generated by fees associated with tribal relations training administered by the Office of Indian Affairs.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Office of Indian Affairs 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	224,607	50,000	0	274,607	96.6%	224,607	50,000	0	274,607	96.4%
Statewide PL										
Personal Services	10,809	0	0	10,809	3.8%	10,808	0	0	10,808	3.8%
Fixed Costs	38	0	0	38	0.0%	101	0	0	101	0.0%
Inflation Deflation	(1,150)	0	0	(1,150)	(0.4%)	(777)	0	0	(777)	(0.3%)
Total Statewide PL	9,697	0	0	9,697	3.4%	10,132	0	0	10,132	3.6%
Present Law (PL)	(17)	0	0	(17)	(0.0%)	(17)	0	0	(17)	(0.0%)
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	9,680	0	0	9,680	3.4%	10,115	0	0	10,115	3.6%
Total Budget	234,287	50,000	0	284,287		234,722	50,000	0	284,722	

Present Law Adjustments

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

Present Law Adjustments										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	10,809	0	0	10,809	0.00	10,808	0	0	10,808
DP 2 - Fixed Costs	0.00	38	0	0	38	0.00	101	0	0	101
DP 3 - Inflation Deflation	0.00	(1,150)	0	0	(1,150)	0.00	(777)	0	0	(777)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	(17)	0	0	(17)	0.00	(17)	0	0	(17)
Grand Total All Present Law Adjustments	0.00	\$9,680	\$0	\$0	\$9,680	0.00	\$10,115	\$0	\$0	\$10,115

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

31010 - Governor's Office20-Mental Disabilities Board of Visitors and Mental Health Ombudsman

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	5.00	5.00	5.00	0.00	0.0%
General Fund	516,311	512,267	514,368	(5,987)	(0.6%)
Total Funds	516,311	512,267	514,368	(5,987)	(0.6%)
Personal Services	468,908	458,171	460,203	(19,442)	(2.1%)
Operating Expenses	47,403	54,096	54,165	13,455	14.2%
Total Expenditures	516,311	512,267	514,368	(5,987)	(0.6%)
Total Ongoing	516,311	512,267	514,368	(5,987)	(0.6%)
Total One-Time-Only					0.0%

Program Description

The Mental Disabilities Board of Visitors is charged with formally reviewing patient care and assisting people who have complaints about services at Montana's licensed mental health centers, community hospital psychiatric units, children's residential treatment programs, and at the state facilities that serve people with mental illnesses and developmental disabilities. The board provides legal services to patients at Montana State Hospital. The Governor appoints six board members who represent recipients of services and their families, and the mental health and developmental disability professions. The board employs administrative and legal staff and contracts with mental health and developmental disability professionals to carry out its responsibilities for patient representation and facility review. The Mental Disabilities Board of Visitors Program was created by the Developmental Disabilities Act of 1975 and the Mental Commitment and Treatment Act of 1975 and exists as a state mandate.

The Mental Health Ombudsman is statutorily directed to "represent the interests of individuals with regard to need for public mental health services". The office functions with 2.00 PB responding to statewide requests for service. The Office of the Ombudsman was created by the legislature in 1999 and is appointed by the Governor for a four-year term.

Program Highlights

Mental Disabilities Board of Visitors and Mental Health Ombudsman Major Budget Highlights	
<ul style="list-style-type: none"> The Mental Disabilities Board of Visitors and Mental Health Ombudsman's 2027 biennium appropriations are approximately \$6,000 or 0.6% lower than the FY 2025 base budget. Significant biennial general fund changes include: <ul style="list-style-type: none"> A decrease in personal services of \$19,000 primarily due to the consolidation of two part-time positions into 1.00 PB, which decreased health insurance benefits An increase in operating expense of \$10,000 for increased travel expenses for the Mental Health Ombudsman An increase in operating expenses of \$5,000 for increasing reimbursements to the Mental Disabilities Board of Visitors members to \$100 per day 	

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	437,413	448,454	468,908	458,171	460,203
Operating Expenses	34,474	46,058	47,403	54,096	54,165
Total Expenditures	\$471,887	\$494,512	\$516,311	\$512,267	\$514,368
General Fund	471,887	494,512	516,311	512,267	514,368
Total Funds	\$471,887	\$494,512	\$516,311	\$512,267	\$514,368
Total Ongoing	\$471,887	\$494,512	\$516,311	\$512,267	\$514,368
Total OTO	\$0	\$0	\$0	\$0	\$0

31010 - Governor's Office20-Mental Disabilities Board of Visitors and Mental Health Ombudsman

Funding

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

Governor's Office, 20-Mental Disabilities Board of Visitors and Mental Health Ombudsman Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	1,026,635	0	0	1,026,635	100.00 %
State Special Total	\$0	\$0	\$0	\$0	0.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$1,026,635	\$0	\$0	\$1,026,635	

HB 2 Appropriations

The Mental Disabilities Board of Visitors and Mental Health Ombudsman is entirely funded with general fund.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Mental Disabilities Board of Visitors and Mental Health Ombudsman 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	516,311	0	0	516,311	100.8%	516,311	0	0	516,311	100.4%
Statewide PL										
Personal Services	(10,737)	0	0	(10,737)	(2.1%)	(8,705)	0	0	(8,705)	(1.7%)
Fixed Costs	(747)	0	0	(747)	(0.1%)	(684)	0	0	(684)	(0.1%)
Inflation Deflation	(19)	0	0	(19)	(0.0%)	(13)	0	0	(13)	(0.0%)
Total Statewide PL	(11,503)	0	0	(11,503)	(2.2%)	(9,402)	0	0	(9,402)	(1.8%)
Present Law (PL)	4,959	0	0	4,959	1.0%	4,959	0	0	4,959	1.0%
New Proposals	2,500	0	0	2,500	0.5%	2,500	0	0	2,500	0.5%
Total HB 2 Adjustments	(4,044)	0	0	(4,044)	(0.8%)	(1,943)	0	0	(1,943)	(0.4%)
Total Budget	512,267	0	0	512,267		514,368	0	0	514,368	

31010 - Governor's Office20-Mental Disabilities Board of Visitors and Mental Health Ombudsman

Present Law Adjustments

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

Present Law Adjustments										
-----Fiscal 2026-----						-----Fiscal 2027-----				
PB	General Fund	State Special	Federal Special	Total Funds		PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services										
0.00	(10,737)	0	0	(10,737)		0.00	(8,705)	0	0	(8,705)
DP 2 - Fixed Costs										
0.00	(747)	0	0	(747)		0.00	(684)	0	0	(684)
DP 3 - Inflation Deflation										
0.00	(19)	0	0	(19)		0.00	(13)	0	0	(13)
DP 22 - Fixed Cost Adjustment for Robert's Rules										
0.00	(41)	0	0	(41)		0.00	(41)	0	0	(41)
DP 2001 - MHOB Travel Increase										
0.00	5,000	0	0	5,000		0.00	5,000	0	0	5,000
Grand Total All Present Law Adjustments										
0.00	(\$6,544)	\$0	\$0	(\$6,544)		0.00	(\$4,443)	\$0	\$0	(\$4,443)

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

DP 2001 - MHOB Travel Increase -

The legislature adopted an increase in general fund for travel expenses for the Mental Health Ombudsman. This increase will allow for travel across the state for outreach and training in local communities. Currently, the Mental Health Ombudsman is providing trainings online or travel expenses are reimbursed by other entities as part of events they host, which are typically in larger cities. This funding is intended to allow for the Mental Health Ombudsman to travel to smaller communities to provide training and resource materials. The budget is anticipated to allow for outreach to 13 locations statewide.

31010 - Governor's Office20-Mental Disabilities Board of Visitors and Mental Health Ombudsman

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals										
	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 2002 - BOV Operating Increase	0.00	2,500	0	0	2,500	0.00	2,500	0	0	2,500
Total	0.00	\$2,500	\$0	\$0	\$2,500	0.00	\$2,500	\$0	\$0	\$2,500

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

DP 2002 - BOV Operating Increase -

The legislature adopted an increase in general fund for travel expenses and increasing reimbursements to the Mental Disabilities Board members to \$100 for each day in which the member is engaged in the performance of board duties.

Agency Base Budget Comparison

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

Agency Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget FY 2026 FY 2027		Biennium Change from Base Amount Percent	
PB	7.00	8.00	8.00	1.00	7.1%
General Fund	930,662	1,069,590	1,064,937	273,203	14.7%
Total Funds	930,662	1,069,590	1,064,937	273,203	14.7%
Personal Services	633,769	781,986	784,152	298,600	23.6%
Operating Expenses	296,893	287,604	280,785	(25,397)	(4.3%)
Total Expenditures	930,662	1,069,590	1,064,937	273,203	14.7%
Total Ongoing	930,662	953,627	951,774	44,077	2.4%
Total One-Time-Only		115,963	113,163	229,126	0.0%

Agency Description

The Commissioner of Political Practices (COPP) is an independent and nonpartisan office, whose mission is to monitor and to enforce, in a fair and impartial manner:

- Campaign practices and campaign finance disclosure
- Lobbying disclosure
- Business interest disclosure of:
 - Statewide and state district candidates
 - Elected state officials
 - State department directors
 - Ethical standards of conduct for legislators
 - Public officers
 - State employees
- Investigate complaints that arise concerning any of the foregoing

The Commissioner of Political Practices has responsibilities that were defined by a legislative initiative in 1980 requiring disclosure of acts by lobbyists and business interests of elected officials. COPP also has responsibility for the ethical standards of conduct for legislators, public officers, and state employees pursuant to Title 2, Chapter 2, MCA.

Agency Highlights

Commissioner of Political Practices Major Budget Highlights	
<ul style="list-style-type: none"> The legislature adopted a 2027 biennium budget for the Commissioner of Political Practices that is approximately 14.7% or \$273,000 greater than the FY 2025 base budget. Significant changes include: <ul style="list-style-type: none"> One-time-only funding of \$229,000 over the biennium for 1.00 position budgeted (PB) to increase public access to lobbying information Increases in personal services funding of \$84,000 over the next biennium because of increases for benefits and pay rates for positions Operating expenses decrease by \$40,000 in the next two fiscal years primarily due to decreases in information technology costs 	

Agency Actuals and Budget Comparison

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

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	541,201	604,854	633,769	781,986	784,152
Operating Expenses	145,527	292,134	296,893	287,604	280,785
Total Expenditures	\$686,728	\$896,988	\$930,662	\$1,069,590	\$1,064,937
General Fund	686,728	896,988	930,662	1,069,590	1,064,937
Total Funds	\$686,728	\$896,988	\$930,662	\$1,069,590	\$1,064,937
Total Ongoing	\$686,728	\$896,988	\$930,662	\$953,627	\$951,774
Total OTO	\$0	\$0	\$0	\$115,963	\$113,163

Summary of Legislative Action

The legislature adopted the proposed budget from the executive, with the addition of 1.00 PB. This position budgeted is to be used towards recommendations given in the "Public Access to Lobbying Information" Legislative Audit Report. The uses of this one-time-only appropriation are outlined through the intent language provided in HB 2.

Funding

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

Total Commissioner of Political Practices Funding by Source of Authority 2027 Biennium Budget						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	1,905,401	229,126			2,134,527	100.0%
State Special Revenue Total	-	-	-	-	-	0.0%
Federal Special Revenue Total	-	-	-	-	-	0.0%
Proprietary Fund Total	-	-	-	-	-	0.0%
Total of All Funds	1,905,401	229,126	-	-	2,134,527	
Percent of All Sources of Authority	89.3%	10.7%	0.0%	0.0%		

HB 2 Appropriations

All of the Commissioner of Political Practices funding is from the general fund.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Commissioner of Political Practices 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	930,662	0	0	930,662	87.0%	930,662	0	0	930,662	87.4%
Statewide PL										
Personal Services	41,054	0	0	41,054	3.8%	43,220	0	0	43,220	4.1%
Fixed Costs	(18,050)	0	0	(18,050)	(1.7%)	(22,082)	0	0	(22,082)	(2.1%)
Inflation Deflation	(39)	0	0	(39)	(0.0%)	(26)	0	0	(26)	(0.0%)
Total Statewide PL	22,965	0	0	22,965	2.1%	21,112	0	0	21,112	2.0%
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	115,963	0	0	115,963	10.8%	113,163	0	0	113,163	10.6%
Total HB 2 Adjustments	138,928	0	0	138,928	13.0%	134,275	0	0	134,275	12.6%
Total Budget	1,069,590	0	0	1,069,590		1,064,937	0	0	1,064,937	

Executive Budget Comparison

The following table compares the legislative budget for the biennium to the budget requested by the Governor by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2025	Executive Budget Fiscal 2026	Legislative Budget Fiscal 2026	Leg — Exec. Difference Fiscal 2026	Executive Budget Fiscal 2027	Legislative Budget Fiscal 2027	Leg — Exec. Difference Fiscal 2027	Biennium Difference Fiscal 26-27
Personal Services	633,769	674,823	781,986	107,163	676,989	784,152	107,163	214,326
Operating Expenses	296,893	278,804	287,604	8,800	274,785	280,785	6,000	14,800
Transfers	0	0	0	0	0	0	0	0
Total Costs	\$930,662	\$953,627	\$1,069,590	\$115,963	\$951,774	\$1,064,937	\$113,163	\$229,126
General Fund	930,662	953,627	1,069,590	115,963	951,774	1,064,937	113,163	229,126
Other	0	0	0	0	0	0	0	0
Total Funds	\$930,662	\$953,627	\$1,069,590	\$115,963	\$951,774	\$1,064,937	\$113,163	\$229,126
Total Ongoing	\$930,662	\$953,627	\$953,627	\$0	\$951,774	\$951,774	\$0	\$0
Total OTO	\$0	\$0	\$115,963	\$115,963	\$0	\$113,163	\$113,163	\$229,126

The legislature adopted one change to the executive proposed budget for the 2027 biennium in the Commissioner of Political Practices. This change adopted appropriations to support 1.00 PB for the purpose of implementing the recommendations of the “Public Access to Lobbying Information” report published by the Legislative Audit Division. This included personal services and operating expense appropriation authority.

Language

It is the intent of the Legislature that the Public Access to Lobbying Information PB line item be used to address Legislative Audit Division recommendations, including the hiring of a person to assist the commissioner with exercising the office's audit authority and make other expenditures pursuant to the “Public Access to Lobbying Information” report published November 2024.

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	541,201	604,854	633,769	781,986	784,152
Operating Expenses	145,527	292,134	296,893	287,604	280,785
Total Expenditures	\$686,728	\$896,988	\$930,662	\$1,069,590	\$1,064,937
General Fund	686,728	896,988	930,662	1,069,590	1,064,937
Total Funds	\$686,728	\$896,988	\$930,662	\$1,069,590	\$1,064,937
Total Ongoing	\$686,728	\$896,988	\$930,662	\$953,627	\$951,774
Total OTO	\$0	\$0	\$0	\$115,963	\$113,163

Present Law Adjustments

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

Present Law Adjustments										
-----Fiscal 2026-----						-----Fiscal 2027-----				
PB	General Fund	State Special	Federal Special	Total Funds		PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	41,054	0	0	41,054	0.00	43,220	0	0	43,220
DP 2 - Fixed Costs	0.00	(18,050)	0	0	(18,050)	0.00	(22,082)	0	0	(22,082)
DP 3 - Inflation Deflation	0.00	(39)	0	0	(39)	0.00	(26)	0	0	(26)
Grand Total All Present Law Adjustments	0.00	\$22,965	\$0	\$0	\$22,965	0.00	\$21,112	\$0	\$0	\$21,112

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals										
	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 4 - Public Access to Lobbying Information PB (RST/BIEN/OTO)	1.00	115,963	0	0	115,963	1.00	113,163	0	0	113,163
Total	1.00	\$115,963	\$0	\$0	\$115,963	1.00	\$113,163	\$0	\$0	\$113,163

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

DP 4 - Public Access to Lobbying Information PB (RST/BIEN/OTO) -

The legislature adopted an increase in general fund appropriations for 1.00 PB for the purpose of hiring an auditor. This includes personal services funding for this position as well as a portion of operating expenses. The operating expenses are to be used for initial onboarding expenses, as well as travel expenses for this position.

Agency Base Budget Comparison

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

Agency Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	72.50	72.50	72.50	0.00	0.0%
General Fund	157,393			(314,786)	(100.0%)
State/Other Special Rev. Funds	19,963,567	11,519,251	11,557,969	(16,849,914)	(42.2%)
Federal Spec. Rev. Funds	34,100,000	45,028,466	50,000,000	26,828,466	39.3%
Total Funds	54,220,960	56,547,717	61,557,969	9,663,766	8.9%
Personal Services	7,615,321	7,552,086	7,564,468	(114,088)	(0.7%)
Operating Expenses	1,856,991	3,248,126	3,245,996	2,780,140	74.9%
Equipment & Intangible Assets	7,994	37,994	37,994	60,000	375.3%
Grants	44,031,143	45,000,000	50,000,000	6,937,714	7.9%
Benefits & Claims	157,393	157,393	157,393		0.0%
Debt Service	552,118	552,118	552,118		0.0%
Total Expenditures	54,220,960	56,547,717	61,557,969	9,663,766	8.9%
Total Ongoing	54,220,960	56,547,717	61,557,969	9,663,766	8.9%
Total One-Time-Only	1,470,000			(2,940,000)	(100.0%)

Agency Description

The Office of the State Auditor operates under the authority of Article VI of the Montana Constitution. The State Auditor serves as the ex-officio Commissioner of Securities and Insurance (CSI), tasked with regulating and licensing insurance companies and agents, as well as registering and overseeing securities firms and representatives conducting business within or related to Montana. The commissioner has the power to adopt rules and enforce laws governing both the insurance and securities industries. In addition, the commissioner serves as a member of the Land Board and the Crop Hail Insurance Board.

The commissioner also administers pass-through funding for various local police and firefighter retirement programs, including the Municipal Police Officers' Retirement System, Firefighters' Unified Retirement System, Volunteer Firefighters' Compensation Act, local fire department relief associations, municipalities with police department trust funds, and local police pension funds for supplemental benefits. These programs are funded through general insurance premium taxes (33-2-705, MCA) and fire insurance premium taxes (50-3-109, MCA). Since these funds are statutorily appropriated, their expenditures are excluded from the general appropriations act.

Agency Highlights

State Auditor's Office Major Budget Highlights	
<ul style="list-style-type: none"> The legislature adopted an increase to the State Auditor's Office's 2027 biennium ongoing budget of approximately \$9.7 million or 8.9% compared to the FY 2025 base budget. The legislature's adopted budget includes: <ul style="list-style-type: none"> Increased federal special revenue for the Montana Reinsurance Program for increased grants Decreased state special revenue for the Montana Reinsurance Program due to the passage and approval of HB 281, which changed the state special revenue to be statutorily appropriated Increased state special revenue for contract costs for insurer examinations and long-term care, health, property, and casualty rate filings 	

Agency Actuals and Budget Comparison

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

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	6,465,819	7,100,646	7,615,321	7,552,086	7,564,468
Operating Expenses	2,637,790	3,336,445	3,326,991	3,248,126	3,245,996
Equipment & Intangible Assets	100,000	107,994	7,994	37,994	37,994
Grants	46,157,546	46,457,467	44,031,143	45,000,000	50,000,000
Benefits & Claims	8,754	20,000	157,393	157,393	157,393
Debt Service	502,224	552,118	552,118	552,118	552,118
Total Expenditures	\$55,872,133	\$57,574,670	\$55,690,960	\$56,547,717	\$61,557,969
General Fund	8,754	20,000	157,393	0	0
State/Other Special Rev. Funds	22,063,300	23,454,670	21,433,567	11,519,251	11,557,969
Federal Spec. Rev. Funds	33,800,079	34,100,000	34,100,000	45,028,466	50,000,000
Total Funds	\$55,872,133	\$57,574,670	\$55,690,960	\$56,547,717	\$61,557,969
Total Ongoing	\$54,796,746	\$56,204,670	\$54,220,960	\$56,547,717	\$61,557,969
Total OTO	\$1,075,387	\$1,370,000	\$1,470,000	\$0	\$0

Summary of Legislative Action

The legislature adopted an increase to the State Auditor's Office's total biennial appropriation of approximately \$9.7 million or 8.9% compared to the 2025 biennium base appropriation. The legislature adopted an increase to the federal special revenue portion of the Montana Reinsurance Program to meet the needs of increased grant awards. The legislature also adopted a decrease to HB 2 state special revenue appropriation for the Montana Reinsurance Program due to the passage of HB 281, which changed the appropriation authority to statutory.

Funding

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

Total State Auditor's Office Funding by Source of Authority 2027 Biennium Budget						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund				105,201,283	105,201,283	40.2%
02323 Reinsurance Assessment SB 125				37,862,286	37,862,286	14.5%
02235 Insurance Fee Account	17,420,066				17,420,066	6.7%
02283 Securities Fee Account	4,452,890				4,452,890	1.7%
02528 Captive Account	1,204,264				1,204,264	0.5%
02091 Securities Restitution Fund				300,000	300,000	0.1%
State Special Revenue Total	23,077,220	-	-	38,162,286	61,239,506	23.4%
03543 Reinsurance Federal SB 125	95,028,466				95,028,466	36.3%
Federal Special Revenue Total	95,028,466	-	-	-	95,028,466	36.3%
Proprietary Fund Total	-	-	-	-	-	0.0%
Total of All Funds	118,105,686	-	-	143,363,569	261,469,255	
Percent of All Sources of Authority	45.2%	0.0%	0.0%	54.8%		

HB 2 Authority**State Special Revenue**

All of the State Auditor's Office HB 2 authority is funded with state special revenue. State special revenue comes from the insurance fee account, securities fee account, and the captive account.

Federal Special Revenue

Federal special revenues are received for the Montana Reinsurance Program. Under the Affordable Care and Patient Protection Act (ACA), states can apply for a section 1332 waiver. The State Auditor's Office was granted this waiver in August 2019, allowing the state to utilize annual assessments on health insurance plan premiums to be used with federal funds to offset expenses of qualifying health insurers associated with high-cost individuals who generally incur higher medical claims.

Statutory Authority**General Fund**

The State Auditor's Office is responsible for passing through funding for local police and firefighter retirement programs. The retirement programs are funded from general insurance (33-2-705, MCA) and firefighter insurance premium taxes (50-3-109, MCA). The premium taxes are deposited into the general fund and then a portion is transferred to the State Auditor's Office for distribution to local governments. Because these funds are statutorily appropriated, the appropriations are not included in the general appropriations act (HB 2).

State Special Revenue

There are two statutorily appropriated state special revenue accounts. The securities restitution fund is for payments to victims of security crimes. The reinsurance assessment SB 125 fund is for the state portion of the Montana Reinsurance Program.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

State Auditor's Office 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	157,393	19,963,567	34,100,000	54,220,960	95.9%	157,393	19,963,567	34,100,000	54,220,960	88.1%
Statewide PL										
Personal Services	0	(63,235)	0	(63,235)	(0.1%)	0	(50,853)	0	(50,853)	(0.1%)
Fixed Costs	0	137,880	28,466	166,346	0.3%	0	139,147	0	139,147	0.2%
Inflation Deflation	0	(211)	0	(211)	(0.0%)	0	(142)	0	(142)	(0.0%)
Total Statewide PL	0	74,434	28,466	102,900	0.2%	0	88,152	0	88,152	0.1%
Present Law (PL)	0	8,325,000	10,900,000	19,225,000	34.0%	0	11,350,000	15,900,000	27,250,000	44.3%
New Proposals	(157,393)	(16,843,750)	0	(17,001,143)	(30.1%)	(157,393)	(19,843,750)	0	(20,001,143)	(32.5%)
Total HB 2 Adjustments	(157,393)	(8,444,316)	10,928,466	2,326,757	4.1%	(157,393)	(8,405,598)	15,900,000	7,337,009	11.9%
Total Budget	0	11,519,251	45,028,466	56,547,717		0	11,557,969	50,000,000	61,557,969	

Executive Budget Comparison

The following table compares the legislative budget for the biennium to the budget requested by the Governor by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2025	Executive Budget Fiscal 2026	Legislative Budget Fiscal 2026	Leg — Exec. Difference Fiscal 2026	Executive Budget Fiscal 2027	Legislative Budget Fiscal 2027	Leg — Exec. Difference Fiscal 2027	Biennium Difference Fiscal 26-27
Personal Services	7,615,321	7,552,086	7,552,086	0	7,564,468	7,564,468	0	0
Operating Expenses	3,326,991	3,198,126	3,248,126	50,000	3,195,996	3,245,996	50,000	100,000
Equipment & Intangible Assets	7,994	37,994	37,994	0	37,994	37,994	0	0
Grants	44,031,143	62,431,143	45,000,000	(17,431,143)	70,431,143	50,000,000	(20,431,143)	(37,862,286)
Benefits & Claims	157,393	157,393	157,393	0	157,393	157,393	0	0
Transfers	0	0	0	0	0	0	0	0
Debt Service	552,118	552,118	552,118	0	552,118	552,118	0	0
Total Costs	\$55,690,960	\$73,928,860	\$56,547,717	(\$17,381,143)	\$81,939,112	\$61,557,969	(\$20,381,143)	(\$37,762,286)
General Fund	157,393	157,393	0	(157,393)	157,393	0	(157,393)	(314,786)
State/other Special Rev. Funds	21,433,567	28,743,001	11,519,251	(17,223,750)	31,781,719	11,557,969	(20,223,750)	(37,447,500)
Federal Spec. Rev. Funds	34,100,000	45,028,466	45,028,466	0	50,000,000	50,000,000	0	0
Total Funds	\$55,690,960	\$73,928,860	\$56,547,717	(\$17,381,143)	\$81,939,112	\$61,557,969	(\$20,381,143)	(\$37,762,286)
Total Ongoing	\$54,220,960	\$73,928,860	\$56,547,717	(\$17,381,143)	\$81,939,112	\$61,557,969	(\$20,381,143)	(\$37,762,286)
Total OTO	\$1,470,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0

The legislature adopted ongoing appropriations that are \$37.8 million less than the proposed appropriations for the 2027 biennium. Significant changes include:

- The legislature adopted HB 281, which changed the state special revenue portion of the Montana Reinsurance Program to be statutorily appropriated. Within the bill was language that voided all state special HB 2 authority if HB 281 and HB 2 were both passed and approved. This change is reflected by DP 1801
- The legislature adopted DP 9, which increased state special revenue authority by \$50,000 each fiscal year of the 2027 biennium for consumer outreach and fraud prevention education expenses in the Central Management Division
- The legislature adopted DP 10, which moved all general fund authority for defrayal benefit services to state special revenue in the Insurance Division

Language

If HB 607 is passed and approved, the State Auditor's Office is increased by \$507,712 general fund in FY 2027.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	17.00	17.00	17.00	0.00	0.0%
State/Other Special Rev. Funds	2,415,347	2,873,556	2,925,006	967,868	20.0%
Total Funds	2,415,347	2,873,556	2,925,006	967,868	20.0%
Personal Services	1,730,629	1,759,107	1,761,631	59,480	1.7%
Operating Expenses	556,235	985,966	1,034,892	908,388	81.7%
Equipment & Intangible Assets	1,683	1,683	1,683		0.0%
Debt Service	126,800	126,800	126,800		0.0%
Total Expenditures	2,415,347	2,873,556	2,925,006	967,868	20.0%
Total Ongoing	2,415,347	2,873,556	2,925,006	967,868	20.0%
Total One-Time-Only					0.0%

Program Description

The Central Management Division is responsible for the administrative, personnel, budgeting, and accounting functions for the office. The division also provides support to the commissioner in fulfilling the duties as a member of the Land Board and Crop Hail Insurance Board.

Program Highlights

Central Management Division Major Budget Highlights	
<ul style="list-style-type: none"> The legislature adopted an increase to the Central Management Division's 2027 biennium budget of approximately \$968,000 or 20.0% compared to the FY 2025 base budget. Changes adopted by the legislature include: <ul style="list-style-type: none"> A state special revenue increase for enhanced information technology systems and business processes Increased state special revenue for fixed costs and personal services statewide present law adjustments Increased state special revenue for consumer outreach and fraud prevention 	

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	1,453,293	1,592,994	1,730,629	1,759,107	1,761,631
Operating Expenses	436,249	564,708	556,235	985,966	1,034,892
Equipment & Intangible Assets	0	1,683	1,683	1,683	1,683
Debt Service	110,204	126,800	126,800	126,800	126,800
Total Expenditures	\$1,999,746	\$2,286,185	\$2,415,347	\$2,873,556	\$2,925,006
State/Other Special Rev. Funds	1,999,746	2,286,185	2,415,347	2,873,556	2,925,006
Total Funds	\$1,999,746	\$2,286,185	\$2,415,347	\$2,873,556	\$2,925,006
Total Ongoing	\$1,999,746	\$2,286,185	\$2,415,347	\$2,873,556	\$2,925,006
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

State Auditor's Office, 01-Central Management Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	0	0	0	0	0.00 %	
02235 Insurance Fee Account	4,582,188	0	0	4,582,188	79.02 %	
02283 Securities Fee Account	1,216,374	0	0	1,216,374	20.98 %	
State Special Total	\$5,798,562	\$0	\$0	\$5,798,562	100.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$5,798,562	\$0	\$0	\$5,798,562		

HB 2 Authority

The Central Management Division is entirely funded with HB 2 state special revenue. Insurance and securities fees are the two sources of funding, with the insurance fee account supporting the majority of the appropriations for the division.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Central Management 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	0	2,415,347	0	2,415,347	84.1%	0	2,415,347	0	2,415,347	82.6%
Statewide PL										
Personal Services	0	28,478	0	28,478	1.0%	0	31,002	0	31,002	1.1%
Fixed Costs	0	79,755	0	79,755	2.8%	0	128,673	0	128,673	4.4%
Inflation Deflation	0	(24)	0	(24)	(0.0%)	0	(16)	0	(16)	(0.0%)
Total Statewide PL	0	108,209	0	108,209	3.8%	0	159,659	0	159,659	5.5%
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	0	350,000	0	350,000	12.2%	0	350,000	0	350,000	12.0%
Total HB 2 Adjustments	0	458,209	0	458,209	15.9%	0	509,659	0	509,659	17.4%
Total Budget	0	2,873,556	0	2,873,556		0	2,925,006	0	2,925,006	

Present Law Adjustments

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

Present Law Adjustments										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	28,478	0	28,478	0.00	0	31,002	0	31,002
DP 2 - Fixed Costs	0.00	0	79,755	0	79,755	0.00	0	128,673	0	128,673
DP 3 - Inflation Deflation	0.00	0	(24)	0	(24)	0.00	0	(16)	0	(16)
Grand Total All Present Law Adjustments	0.00	\$0	\$108,209	\$0	\$108,209	0.00	\$0	\$159,659	\$0	\$159,659

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 4 - Systems and Business Modernization	0.00	0	300,000	0	300,000	0.00	0	300,000	0	300,000
DP 9 - Consumer Outreach and Fraud Prevention Education	0.00	0	50,000	0	50,000	0.00	0	50,000	0	50,000
Total	0.00	\$0	\$350,000	\$0	\$350,000	0.00	\$0	\$350,000	\$0	\$350,000

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

DP 4 - Systems and Business Modernization -

The legislature adopted an increase in state special revenue to enhance IT systems and streamline business processes through targeted improvements. Due to limited staffing at the State Auditor's Office, an experienced process consulting and technology vendor has been engaged to provide specialized analysis and IT support over specific project phases.

DP 9 - Consumer Outreach and Fraud Prevention Education -

The legislature adopted an increase in state special revenue for consumer outreach and fraud prevention education.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	44.00	44.00	44.00	0.00	0.0%
General Fund	157,393			(314,786)	(100.0%)
State/Other Special Rev. Funds	15,970,533	7,023,346	7,018,588	(17,899,132)	(56.0%)
Federal Spec. Rev. Funds	34,100,000	45,028,466	50,000,000	26,828,466	39.3%
Total Funds	50,227,926	52,051,812	57,018,588	8,614,548	8.6%
Personal Services	4,485,865	4,440,379	4,449,304	(82,047)	(0.9%)
Operating Expenses	1,205,948	2,106,463	2,064,314	1,758,881	72.9%
Equipment & Intangible Assets	5,109	5,109	5,109		0.0%
Grants	44,031,143	45,000,000	50,000,000	6,937,714	7.9%
Benefits & Claims	157,393	157,393	157,393		0.0%
Debt Service	342,468	342,468	342,468		0.0%
Total Expenditures	50,227,926	52,051,812	57,018,588	8,614,548	8.6%
Total Ongoing	50,227,926	52,051,812	57,018,588	8,614,548	8.6%
Total One-Time-Only	1,470,000			(2,940,000)	(100.0%)

Program Description

The Insurance Division regulates the insurance industry in Montana. This division has several bureaus, which include:

- The Insurance Consumer Services Bureau is responsible for resolving insurance consumer inquiries and complaints involving agents, coverage, and companies
- The Examinations Bureau is responsible for monitoring the financial solvency of insurance companies, collecting premium taxes and company fees, and auditing insurance company annual statements. Also housed in this bureau is the Captive Insurance Program, which promotes Montana as a captive domicile and regulates captive insurers in the state
- The Rates Bureau and the Forms Bureau are responsible for reviewing rate and form filings, respectively, to ensure compliance with the applicable insurance code
- The Insurance Services Bureau is responsible for licensing and providing continuing education to insurance agents, agencies, and adjusters
- The Legal Bureau, which serves both the Insurance and Securities Divisions, provides legal support to the divisions
- The Investigations Bureau investigates code and rule violations, including possible criminal violations and recommends referral of cases to county attorneys for prosecution

Program Highlights

Insurance Division Major Budget Highlights	
<ul style="list-style-type: none"> The legislature adopted an increase to the Insurance Division's 2027 biennium budget of approximately \$8.6 million or 8.6% compared to the FY 2025 base budget. Changes adopted by the legislature include: <ul style="list-style-type: none"> Increased federal special revenue for the Montana Reinsurance Program for increased grants Decreased state special revenue for the Montana Reinsurance Program due to the passage and approval of HB 281, which made the state special revenue portion of the Montana Reinsurance Program into a statutory appropriation Increased state special revenue for contract costs for insurer examinations and long-term care, health, property, and casualty rate filings 	

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	3,852,133	4,103,751	4,485,865	4,440,379	4,449,304
Operating Expenses	2,156,154	2,670,883	2,675,948	2,106,463	2,064,314
Equipment & Intangible Assets	0	5,109	5,109	5,109	5,109
Grants	46,157,546	46,457,467	44,031,143	45,000,000	50,000,000
Benefits & Claims	8,754	20,000	157,393	157,393	157,393
Debt Service	311,144	342,468	342,468	342,468	342,468
Total Expenditures	\$52,485,731	\$53,599,678	\$51,697,926	\$52,051,812	\$57,018,588
General Fund	8,754	20,000	157,393	0	0
State/Other Special Rev. Funds	18,676,898	19,479,678	17,440,533	7,023,346	7,018,588
Federal Spec. Rev. Funds	33,800,079	34,100,000	34,100,000	45,028,466	50,000,000
Total Funds	\$52,485,731	\$53,599,678	\$51,697,926	\$52,051,812	\$57,018,588
Total Ongoing	\$51,510,344	\$52,329,678	\$50,227,926	\$52,051,812	\$57,018,588
Total OTO	\$975,387	\$1,270,000	\$1,470,000	\$0	\$0

Funding

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

State Auditor's Office, 03-Insurance Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	0	0	0	0	0.00 %	
02235 Insurance Fee Account	12,837,878	0	0	12,837,878	24.73 %	
02283 Securities Fee Account	(208)	0	0	(208)	(0.00)%	
02323 Reinsurance Assessment SB 125	0	0	37,862,286	37,862,286	72.95 %	
02528 Captive Account	1,204,264	0	0	1,204,264	2.32 %	
State Special Total	\$14,041,934	\$0	\$37,862,286	\$51,904,220	35.33 %	
03543 Reinsurance Federal SB 125	95,028,466	0	0	95,028,466	100.00 %	
Federal Special Total	\$95,028,466	\$0	\$0	\$95,028,466	64.67 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$109,070,400	\$0	\$37,862,286	\$146,932,686		

HB 2 Authority

State Special Revenue

State special revenue is the only HB 2 authority for the Insurance Division. Funding is from the insurance fee account, which is supported by insurance licensure fees, examination fees, and penalties. The Insurance Division also is appropriated funds from the captive account, which supports the administration of the Captive Insurance Program. Fees and assessments from captive insurance providers are deposited into the state special revenue fund while fines and penalties are deposited into the general fund. At the end of the fiscal year, the balance of the captive account is transferred to the general fund.

Federal Special Revenue

Federal special revenue is received for the Montana Reinsurance Program. Under the Affordable Care and Patient Protection Act (ACA), states can apply for a section 1332 waiver. The State Auditor's Office was granted this waiver in 2019 for a five-year period, allowing the state to utilize annual assessments on health insurance plan premiums to be used as a match for federal funds to offset expenses of health insurers associated with high-cost individuals who incur high-cost medical claims. The State Auditor's Office applied for an extension and was approved on September 17, 2024, for another five-year period.

Statutory

State Special Revenue

The 2019 Legislature established the reinsurance program account within the state special revenue funds in SB 125. The account is supported by an assessment of 1.2% of total premium volume for members of the Montana Reinsurance Program, interest and income earned on the account, and any other funds accepted for the benefit of the account.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Insurance 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	157,393	15,970,533	34,100,000	50,227,926	96.5%	157,393	15,970,533	34,100,000	50,227,926	88.1%
Statewide PL										
Personal Services	0	(45,486)	0	(45,486)	(0.1%)	0	(36,561)	0	(36,561)	(0.1%)
Fixed Costs	0	47,173	28,466	75,639	0.1%	0	8,450	0	8,450	0.0%
Inflation Deflation	0	(124)	0	(124)	(0.0%)	0	(84)	0	(84)	(0.0%)
Total Statewide PL	0	1,563	28,466	30,029	0.1%	0	(28,195)	0	(28,195)	(0.0%)
Present Law (PL)	0	8,325,000	10,900,000	19,225,000	36.9%	0	11,350,000	15,900,000	27,250,000	47.8%
New Proposals	(157,393)	(17,273,750)	0	(17,431,143)	(33.5%)	(157,393)	(20,273,750)	0	(20,431,143)	(35.8%)
Total HB 2 Adjustments	(157,393)	(8,947,187)	10,928,466	1,823,886	3.5%	(157,393)	(8,951,945)	15,900,000	6,790,662	11.9%
Total Budget	0	7,023,346	45,028,466	52,051,812		0	7,018,588	50,000,000	57,018,588	

Present Law Adjustments

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

Present Law Adjustments										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	(45,486)	0	(45,486)	0.00	0	(36,561)	0	(36,561)
DP 2 - Fixed Costs	0.00	0	47,173	28,466	75,639	0.00	0	8,450	0	8,450
DP 3 - Inflation Deflation	0.00	0	(124)	0	(124)	0.00	0	(84)	0	(84)
DP 5 - Insurer Examination & Rate Review	0.00	0	825,000	0	825,000	0.00	0	850,000	0	850,000
DP 6 - Montana Reinsurance Program	0.00	0	7,500,000	10,900,000	18,400,000	0.00	0	10,500,000	15,900,000	26,400,000
Grand Total All Present Law Adjustments	0.00	\$0	\$8,326,563	\$10,928,466	\$19,255,029	0.00	\$0	\$11,321,805	\$15,900,000	\$27,221,805

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 5 - Insurer Examination & Rate Review -

The legislature adopted increased state special revenue to cover rising contract costs for required examinations. By statute, the State Auditor's Office (SAO) must examine each authorized insurer and captive risk retention group at least every five years and may also conduct market conduct exams as needed. To perform these examinations, the SAO retains specialized professionals such as attorneys, actuaries, and accountants, with costs borne by the examined companies. Additionally, the SAO reviews rate filings for long-term care, health, and property and casualty insurance annually. Due to limited internal expertise, the SAO anticipates continuing to contract these services, which have also increased in cost.

DP 6 - Montana Reinsurance Program -

The legislature adopted increased federal and state special revenue for the Montana Reinsurance Program, established under SB 125 in 2019 (Title 33, Chapter 22, part 13, MCA). Funding comes from federal pass-through funds and a 1.2% assessment on member insurers' premiums, with the Centers for Medicare & Medicaid Services providing an annual award. Unused funds may carry over to subsequent years if the program remains active, and the latest federal award increased by 26.0%. The table below shows the fund balance for the Montana Reinsurance Program state special revenue fund through FY 2024 and estimates through FY 2027.

Montana Reinsurance Assessment State Special Revenue Fund						
	Actuals			Estimates		
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Beginning Balance	\$ 10,038,804	\$ 14,680,745	\$ 13,029,155	\$ 12,458,545	\$ 12,458,545	\$ 12,458,545
Total Revenue	10,348,777	10,303,212	11,786,857	9,931,143	17,431,143	20,431,143
Grant Expenditures	<u>5,706,836</u>	<u>11,954,802</u>	<u>12,357,467</u>	<u>9,931,143</u>	<u>17,431,143</u>	<u>20,431,143</u>
Ending Fund Balance	\$ 14,680,745	\$ 13,029,155	\$ 12,458,545	\$ 12,458,545	\$ 12,458,545	\$ 12,458,545

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 10 - Defrayal Benefit Fund Switch	0.00	(157,393)	157,393	0	0	0.00	(157,393)	157,393	0	0
DP 1801 - HB 281	0.00	0	(17,431,143)	0	(17,431,143)	0.00	0	(20,431,143)	0	(20,431,143)
Total	0.00	(\$157,393)	(\$17,273,750)	\$0	(\$17,431,143)	0.00	(\$157,393)	(\$20,273,750)	\$0	(\$20,431,143)

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

DP 10 - Defrayal Benefit Fund Switch -

The legislature adopted a fund switch which transferred all authority for defrayal benefit services from general fund to state special revenue.

DP 1801 - HB 281 -

The legislature adopted HB 281, which changed the state special revenue authority of the Montana Reinsurance Program from HB 2 to statutorily appropriated. Within the bill was language stating, "If both House Bill No. 2 and [this act] are passed and approved and if [this act] contains a statutory appropriation for 33-22-1321, then the appropriations to the commissioner to be used for Montana reinsurance association member assessments in House Bill No. 2 are void."

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	11.50	11.50	11.50	0.00	0.0%
State/Other Special Rev. Funds	1,577,687	1,622,349	1,614,375	81,350	2.6%
Total Funds	1,577,687	1,622,349	1,614,375	81,350	2.6%
Personal Services	1,398,827	1,352,600	1,353,533	(91,521)	(3.3%)
Operating Expenses	94,808	155,697	146,790	112,871	59.5%
Equipment & Intangible Assets	1,202	31,202	31,202	60,000	2,495.8%
Debt Service	82,850	82,850	82,850		0.0%
Total Expenditures	1,577,687	1,622,349	1,614,375	81,350	2.6%
Total Ongoing	1,577,687	1,622,349	1,614,375	81,350	2.6%
Total One-Time-Only					0.0%

Program Description

The Securities Division is responsible for the administration and enforcement of the Securities Act of Montana and the registration of securities issuers, salespeople, broker-dealers, investment advisers, investment adviser representatives and multi-level marketing companies. The division is also responsible for the investigation of unregistered and fraudulent securities transactions. The division has sole jurisdiction for investment advisor firms with assets of under \$100.0 million. The division investigates securities code and rule violations, including possible criminal violations, takes appropriate administrative action and refers criminal cases to either federal authorities or county attorneys for prosecution.

Program Highlights

Securities Division Major Budget Highlights
<ul style="list-style-type: none"> The legislature adopted an increase to the Securities Division's 2027 biennium ongoing budget of approximately \$81,000 or 2.6% compared to the FY 2025 base budget. Changes adopted by the legislature include: <ul style="list-style-type: none"> Increased state special revenue for investor education and outreach Increased state special revenue for an investigations workflow management system subscription

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	1,160,393	1,403,901	1,398,827	1,352,600	1,353,533
Operating Expenses	45,387	100,854	94,808	155,697	146,790
Equipment & Intangible Assets	100,000	101,202	1,202	31,202	31,202
Debt Service	80,876	82,850	82,850	82,850	82,850
Total Expenditures	\$1,386,656	\$1,688,807	\$1,577,687	\$1,622,349	\$1,614,375
State/Other Special Rev. Funds	1,386,656	1,688,807	1,577,687	1,622,349	1,614,375
Total Funds	\$1,386,656	\$1,688,807	\$1,577,687	\$1,622,349	\$1,614,375
Total Ongoing	\$1,286,656	\$1,588,807	\$1,577,687	\$1,622,349	\$1,614,375
Total OTO	\$100,000	\$100,000	\$0	\$0	\$0

Funding

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

State Auditor's Office, 04-Securities Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
02091 Securities Restitution Fund	0	0	300,000	300,000	8.48 %
02283 Securities Fee Account	3,236,724	0	0	3,236,724	91.52 %
State Special Total	\$3,236,724	\$0	\$300,000	\$3,536,724	100.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$3,236,724	\$0	\$300,000	\$3,536,724	

HB 2 Authority

The Securities Division is entirely funded through state special revenue in HB 2. This state special revenue comes from the securities fee account, which is supported by portfolio notice filing fees and examination charges. The Securities Division pays for expenses associated with the regulation of portfolio activities.

Statutory Appropriations

A small portion of the Securities Division's total appropriation authority comes from statutory sources. Statute requires that 3.0% of portfolio fees be transferred to the security restitution fund to reimburse victims of securities fraud.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Securities 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	0	1,577,687	0	1,577,687	97.2%	0	1,577,687	0	1,577,687	97.7%
Statewide PL										
Personal Services	0	(46,227)	0	(46,227)	(2.8%)	0	(45,294)	0	(45,294)	(2.8%)
Fixed Costs	0	10,952	0	10,952	0.7%	0	2,024	0	2,024	0.1%
Inflation Deflation	0	(63)	0	(63)	(0.0%)	0	(42)	0	(42)	(0.0%)
Total Statewide PL	0	(35,338)	0	(35,338)	(2.2%)	0	(43,312)	0	(43,312)	(2.7%)
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	0	80,000	0	80,000	4.9%	0	80,000	0	80,000	5.0%
Total HB 2 Adjustments	0	44,662	0	44,662	2.8%	0	36,688	0	36,688	2.3%
Total Budget	0	1,622,349	0	1,622,349		0	1,614,375	0	1,614,375	

Present Law Adjustments

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

Present Law Adjustments										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	(46,227)	0	(46,227)	0.00	0	(45,294)	0	(45,294)
DP 2 - Fixed Costs	0.00	0	10,952	0	10,952	0.00	0	2,024	0	2,024
DP 3 - Inflation Deflation	0.00	0	(63)	0	(63)	0.00	0	(42)	0	(42)
Grand Total All Present Law Adjustments	0.00	\$0	(\$35,338)	\$0	(\$35,338)	0.00	\$0	(\$43,312)	\$0	(\$43,312)

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 7 - Investigations Tracking and Management System	0.00	0	30,000	0	30,000	0.00	0	30,000	0	30,000
DP 8 - Outreach and Education	0.00	0	50,000	0	50,000	0.00	0	50,000	0	50,000
Total	0.00	\$0	\$80,000	\$0	\$80,000	0.00	\$0	\$80,000	\$0	\$80,000

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

DP 7 - Investigations Tracking and Management System -

The legislature adopted an increase in state special revenue for a subscription-based cloud investigations workflow management system. This system automates and centralizes activities that had previously been performed manually. The system is also used to automate and centralize processes and information related to other Securities Division workflows, including registration of securities, examinations of broker-dealers and investment advisor firms, and the handling of deficient notice of filings.

The system also provides staff and management better visibility into current investigation status, investigator workloads, and enables consistent approaches to storing and managing information. In addition, as the system is populated with data, it will enable greater visibility and linking of various investigations to identify trends, pinpoint fraud hotspots, and assist investigators in identifying and investigating fraud that is increasingly more sophisticated and harder to detect.

DP 8 - Outreach and Education -

The legislature adopted increased state special revenue for investor education and outreach. The Securities Division provides investor education and outreach to consumers throughout Montana through live presentations, a symposium, and a summit. The target audiences include senior citizens, veterans, and Native American communities. The live presentation outreach events provide education to investors regarding financial literacy to prevent exploitation and encourage the public to contact the Securities Division with questions regarding investments or fraud. The symposium is open to and intended for state registered investment advisors to provide education on examination trends, marketplace and regulatory developments, and other topics aimed at providing education to protect their investment clients. The summit is designed to bring capital investors together to help grow the business economy in Montana and provides education on raising capital, trademarks, patents, trade secrets and intellectual property. The investor education and outreach had previously been funded through a grant from a nonprofit organization which stopped accepting new grant applications at the end of calendar year 2023.

Agency Base Budget Comparison

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

Agency Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	668.92	670.56	671.56	2.64	0.2%
General Fund	66,890,920	69,454,516	70,996,100	6,668,776	5.0%
State/Other Special Rev. Funds	98,549,795	98,636,562	98,672,273	209,245	0.1%
Federal Spec. Rev. Funds	503,023	503,023	503,023		0.0%
Proprietary Funds	224,030,446	224,531,518	224,547,989	1,018,615	0.2%
Total Funds	389,974,184	393,125,619	394,719,385	7,896,636	1.0%
Personal Services	56,603,989	58,178,550	59,029,412	3,999,984	3.5%
Operating Expenses	159,377,905	160,954,779	161,697,683	3,896,652	1.2%
Equipment & Intangible Assets	153,154	153,154	153,154		0.0%
Local Assistance	2,000,000	2,000,000	2,000,000		0.0%
Transfers	170,601,500	170,601,500	170,601,500		0.0%
Debt Service	1,237,636	1,237,636	1,237,636		0.0%
Total Expenditures	389,974,184	393,125,619	394,719,385	7,896,636	1.0%
Total Ongoing	389,974,184	393,125,619	394,719,385	7,896,636	1.0%
Total One-Time-Only	135,000			(270,000)	(100.0%)

Agency Description

The Department of Revenue administers about 40 Montana taxes and fees. The department:

- Values all property as accurately as possible and supervises Montana's property tax system
- Administers liquor and cannabis laws to protect public health and safety
- Receives abandoned property and seeks to return it to its rightful Montana owners
- Administers unlocatable mineral trusts
- Informs and advises the Governor, the Legislature, and the public on tax trends and issues
- Cooperates with local, state, tribal, and federal governments to advance the public interest under the law

Agency Highlights

Department of Revenue Major Budget Highlights
<ul style="list-style-type: none"> • The Department of Revenue's 2027 biennium HB 2 appropriations are \$7.9 million or 1.0% higher than the FY 2025 base budget. Significant biennial changes include: <ul style="list-style-type: none"> ◦ Increases of \$1.1 million for software operating and maintenance costs primarily for GenTax and liquor warehouse software ◦ Increases of \$3.4 million across the Director's Office, Information Management and Collections Division, and Property Assessment Division for personal services and operating expenses to implement HB 231 ◦ Increases of \$730,000 for temporary staff, overtime, and termination payouts in the Alcoholic Beverage and Control Division

Agency Actuals and Budget Comparison

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

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	53,482,112	53,616,317	56,738,989	58,178,550	59,029,412
Operating Expenses	135,060,268	156,773,164	159,377,905	160,954,779	161,697,683
Equipment & Intangible Assets	2,774,829	2,775,198	153,154	153,154	153,154
Local Assistance	0	2,000,000	2,000,000	2,000,000	2,000,000
Transfers	108,204,085	161,207,720	170,601,500	170,601,500	170,601,500
Debt Service	1,274,044	1,274,072	1,237,636	1,237,636	1,237,636
Total Expenditures	\$300,795,338	\$377,646,471	\$390,109,184	\$393,125,619	\$394,719,385
General Fund	62,068,379	64,349,841	66,890,920	69,454,516	70,996,100
State/Other Special Rev. Funds	60,558,320	88,824,420	98,549,795	98,636,562	98,672,273
Federal Spec. Rev. Funds	502,175	502,175	503,023	503,023	503,023
Proprietary Funds	177,666,464	223,970,035	224,165,446	224,531,518	224,547,989
Total Funds	\$300,795,338	\$377,646,471	\$390,109,184	\$393,125,619	\$394,719,385
Total Ongoing	\$299,988,675	\$376,718,854	\$389,974,184	\$393,125,619	\$394,719,385
Total OTO	\$806,663	\$927,617	\$135,000	\$0	\$0

Summary of Legislative Action

The legislature adopted a 2027 biennium budget for the Department of Revenue of \$7.9 million or 1.0% greater than that of the FY 2025 base budget. Significant changes adopted include:

- Increases in operating expenses due to the statewide present law adjustment for fixed cost. Over the 2027 biennium, this increase is \$1.2 million primarily in general fund
- General fund and state special revenue appropriations increase of \$320,000 in operating expenses. This is to be used towards rental space in Livingston, Butte, and Boulder to support staff across the Director's Office, Cannabis Control Division, Business and Income Taxes Division, and Property Assessment Division
- Increased appropriations of \$1.1 million for service software agreements and maintenance contracts with this primarily going towards GenTax and liquor warehouse software systems. Of this increase, 75.0% is within general fund, with the remaining appropriations being in state special revenue and proprietary funds
- Proprietary funding increase of \$730,000 in the Alcoholic Beverage Control Division for overtime, temporary staff and termination payouts
- A general fund increase of \$3.4 million in the Property Assessment Division for the implementation of property tax revisions, specially relating to HB 231

Funding

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

Total Department of Revenue Funding by Source of Authority 2027 Biennium Budget						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	140,450,616			352,583,000	493,033,616	38.1%
02442 Cannabis	195,227,427				195,227,427	15.1%
02168 MT Oil Production Tax				130,606,005	130,606,005	10.1%
02083 Oil & Gas Local Assistance				10,242,000	10,242,000	0.8%
02008 Tobacco And Cig. Tribal Agree.				6,159,910	6,159,910	0.5%
02966 Tribal Agreement - Alcohol				2,018,000	2,018,000	0.2%
Other State Special Revenue	2,081,408			3,912,037	5,993,445	0.5%
State Special Revenue Total	197,308,835	-	-	152,937,952	350,246,787	27.1%
03928 Royalty Audit - NRCT	1,006,046				1,006,046	0.1%
Federal Special Revenue Total	1,006,046	-	-	-	1,006,046	0.1%
06005 Liquor Division	449,079,507				449,079,507	34.7%
06554 Bad Debt Collection Services			700,666		700,666	0.1%
Proprietary Fund Total	449,079,507	-	700,666	-	449,780,173	34.8%
Total of All Funds	787,845,004	-	700,666	505,520,952	1,294,066,622	
Percent of All Sources of Authority	60.9%	0.0%	0.1%	39.1%		

HB 2 Appropriations**General Fund**

The Department of Revenue (DOR) is partially funded by general fund in HB 2. More detail on the general fund appropriations is provided at the division level.

State Special Revenue

Within the Cannabis Control Division, state special revenue is the primary source of funding. Revenues in this fund are generated from taxes collected on cannabis purchases and fees for licensing and cardholder registration.

Federal Special Revenue

Within DOR, federal special revenue supports federal mineral royalty audits.

Proprietary

The liquor division proprietary fund is the only HB 2 proprietary fund within this agency and supports the operation of the Alcoholic Beverage Control Division and other divisions that support alcoholic beverage control functions and the staff of the division.

Non-Budgeted Proprietary Funds

The bad debt collection services are funded with non-budgeted proprietary funds, which will be discussed in the Non-Budgeted Proprietary report.

Statutory Appropriations**General Fund**

Statutory appropriations out of the general fund are in the Director's Office. The Director's Office manages a pass-through general fund appropriation for the state entitlement share and is responsible for the statutorily appropriated distributions of various tax revenues to local and tribal governments. These statutory appropriations are described in more detail at the program level.

State Special Revenue

State special revenue funds that are statutorily appropriated are primarily within the Director's Office. These appropriations include oil and natural gas production tax, tribal alcohol and cigarette cooperative agreements, as well as others. Further detail on these appropriations can be found at the program level.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

	Department of Revenue 2027 Biennium HB 2 Base Budget and Adjustments									
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	66,890,920	98,549,795	503,023	389,974,184	99.2%	66,890,920	98,549,795	503,023	389,974,184	98.8%
Statewide PL										
Personal Services	34,125	23,323	0	42,947	0.0%	169,836	28,345	0	190,599	0.0%
Fixed Costs	593,219	(13,577)	0	558,384	0.1%	687,532	(10,015)	0	658,556	0.2%
Inflation Deflation	(27,526)	(3,479)	0	(31,174)	(0.0%)	(18,603)	(2,352)	0	(21,069)	(0.0%)
Total Statewide PL	599,818	6,267	0	570,157	0.1%	838,765	15,978	0	828,086	0.2%
Present Law (PL)	470,978	544,215	0	1,066,193	0.3%	878,479	657,197	0	1,587,876	0.4%
New Proposals	1,492,800	(463,715)	0	1,515,085	0.4%	2,387,936	(550,697)	0	2,329,239	0.6%
Total HB 2 Adjustments	2,563,596	86,767	0	3,151,435	0.8%	4,105,180	122,478	0	4,745,201	1.2%
Total Budget	69,454,516	98,636,562	503,023	393,125,619		70,996,100	98,672,273	503,023	394,719,385	

Other Legislation

HB 10 – This legislation provides \$500,000 in appropriations from the Long-Range Information Technology Projects fund to the Department of Revenue. This appropriation will be used to move the GenTax system and data.

HB 56 – This legislation gives the Department of Revenue general appropriations to implement the ambulance provider assessment fee program established within the bill. The appropriations from this bill are \$637,828 in general fund at the beginning of FY 2026 for initial start-up and operating costs with an additional \$131,000 appropriated from the general fund in FY 2026 and FY 2027 for personal services in the implementation of this legislation.

HB 231 – This legislation, in coordination with HB 863, provides the Department of Revenue with \$90.0 million in appropriations from the property tax assistance account established in the bill. This funding would be used towards property tax rebates, as outlined in the bill.

SB 253 – This legislation establishes a one-time-only appropriation from the general fund of \$206,000 for the 2027 biennium. These funds will be used to implement this legislation because of increased reporting requirements and certification for student scholarship organizations.

SB 326 – This legislation increases the annual cap for the film tax credit, while also extending the expiration date and splitting the credit amount into categories.

SB 534 – This legislation creates a property tax exemption for wireless infrastructure to add onto the exemption created for fiber optic and coaxial cable created in SB 51 of the 2021 Session.

Executive Budget Comparison

The following table compares the legislative budget for the biennium to the budget requested by the Governor by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2025	Executive Budget Fiscal 2026	Legislative Budget Fiscal 2026	Leg — Exec. Difference Fiscal 2026	Executive Budget Fiscal 2027	Legislative Budget Fiscal 2027	Leg — Exec. Difference Fiscal 2027	Biennium Difference Fiscal 26-27
Personal Services	56,738,989	58,816,616	58,178,550	(638,066)	59,582,409	59,029,412	(552,997)	(1,191,063)
Operating Expenses	159,377,905	161,660,552	160,954,779	(705,773)	162,481,972	161,697,683	(784,289)	(1,490,062)
Equipment & Intangible Assets	153,154	153,154	153,154	0	153,154	153,154	0	0
Capital Outlay	0	0	0	0	0	0	0	0
Local Assistance	2,000,000	2,000,000	2,000,000	0	2,000,000	2,000,000	0	0
Transfers	170,601,500	170,601,500	170,601,500	0	170,601,500	170,601,500	0	0
Debt Service	1,237,636	1,237,636	1,237,636	0	1,237,636	1,237,636	0	0
Total Costs	\$390,109,184	\$394,469,458	\$393,125,619	(\$1,343,839)	\$396,056,671	\$394,719,385	(\$1,337,286)	(\$2,681,125)
General Fund	66,890,920	69,378,119	69,454,516	76,397	70,845,180	70,996,100	150,920	227,317
State/other Special Rev. Funds	98,549,795	100,056,798	98,636,562	(1,420,236)	100,160,479	98,672,273	(1,488,206)	(2,908,442)
Federal Spec. Rev. Funds	503,023	503,023	503,023	0	503,023	503,023	0	0
Other	224,165,446	224,531,518	224,531,518	0	224,547,989	224,547,989	0	0
Total Funds	\$390,109,184	\$394,469,458	\$393,125,619	(\$1,343,839)	\$396,056,671	\$394,719,385	(\$1,337,286)	(\$2,681,125)
Total Ongoing	\$389,974,184	\$394,469,458	\$393,125,619	(\$1,343,839)	\$396,056,671	\$394,719,385	(\$1,337,286)	(\$2,681,125)
Total OTO	\$135,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0

The legislature adopted multiple changes to the executive budget in both general fund and state special revenue funds. Significant changes include:

- Increases in general fund appropriations of \$230,000 for the implementation of HB 29, HB 920, and SB 337. These appropriations support an increase in 0.50 positions budgeted (PB) in both years of the biennium and an increase of 1.00 PB in FY 2027 (HB 920)
- A reduction in the Cannabis Control Division of state special revenue to support 7.00 PB. This appropriation was reduced from \$1.8 million, to support 7.00 PB, to \$1.0 million, supporting 4.00 PB, by the legislature with language added into HB 2. This language removed the appropriation from the Cannabis Control Division if a bill was passed which extended the moratorium on new cannabis licensees beyond the June 30, 2025, expiration. With the passage and approval of SB 27, the moratorium was extended, removing the appropriation completely
- Included within the executive budget was \$1.1 million in state special revenue appropriations in the Cannabis Control Division for seed-to-sale software costs; this appropriation was line item vetoed by the Governor

Language

If HB 2 is passed and approved and contains (1) \$514,870 in FY 2026 and \$503,434 in FY 2027 and (2) 4.00 PB in FY 2026 and 4.00 PB in FY 2027 in the Cannabis Control Division of the Department of Revenue for the purpose of increased compliance resources regarding new marijuana licensees being accepted by the Department of Revenue and a bill is passed that extends the date that new marijuana licensees may be accepted by the Department of Revenue to July 1, 2027, or later pursuant to section 16-12-201, MCA, then: (1) state special revenue appropriations to the Cannabis Control Division of the Department of Revenue are decreased by \$514,870 in FY 2026 and \$503,434 in FY 2027; and (2) PB for the division are decreased by 4.00 in FY 2026 and FY 2027.

If HB 231 is not passed and approved, then the appropriations for "Property Tax Revision Implementation" in the Director's Office, Information Management and Collections Division, and Property Assessment Division are void.

If HB 154 is not passed and approved, then the appropriations for HB 154 - Property Tax Revision Implementation are void.

If HB 155 is not passed and approved, then the appropriations for HB 155 - Property Tax Revision Implementation are void.

If HB 29 is passed and approved, the Department of Revenue is increased by \$96,688 general fund in FY 2027, and the Department of Revenue may increase positions budgeted authorized in HB 2 by 1.00 in FY 2027.

If HB 920 is passed and approved, the Department of Revenue is increased by \$20,000 general fund in FY 2026.

If SB 253 is passed and approved, the Department of Revenue is increased by \$72,699 general fund in FY 2026 and \$66,783 general fund in FY 2027, and the Department of Revenue may increase positions budgeted authorized in HB 2 by 0.50 PB in FY 2026 and 0.50 PB in FY 2027.

If SB 337 is passed and approved, the Department of Revenue is increased by \$57,632 general fund in FY 2026 and \$55,467 general fund in FY 2027, and the Department of Revenue may increase positions budgeted authorized in HB 2 by 0.50 PB in FY 2026 and 0.50 PB in FY 2027.

If SB 424 is passed and approved, the Department of Revenue is increased by \$77,231 general fund in FY 2026 and \$48,730 general fund in FY 2027, and the Department of Revenue may increase positions budgeted authorized in HB 2 by 1.00 PB in FY 2026 and 0.50 PB in FY 2027.

If SB 321 is passed and approved, the Department of Revenue is increased by \$116,211 general fund in FY 2027, and the Department of Revenue may increase positions budgeted authorized in HB 2 by 1.50 PB in FY 2027.

Program Base Budget Comparison

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

Program Base Budget Comparison						
Budget Item	Base Budget	Adopted Budget		Biennium Change from Base		Percent
	FY 2025	FY 2026	FY 2027	Amount		
PB	65.19	65.19	65.19	0.00		0.0%
General Fund	10,123,168	10,522,687	10,545,973	822,324		4.1%
State/Other Special Rev. Funds	348,540	368,540	368,540	40,000		5.7%
Proprietary Funds	155,750	155,750	155,750			0.0%
Total Funds	10,627,458	11,046,977	11,070,263	862,324		4.1%
Personal Services	6,496,111	6,765,543	6,780,727	554,048		4.3%
Operating Expenses	2,119,434	2,269,521	2,277,623	308,276		7.3%
Local Assistance	2,000,000	2,000,000	2,000,000			0.0%
Transfers	1,500	1,500	1,500			0.0%
Debt Service	10,413	10,413	10,413			0.0%
Total Expenditures	10,627,458	11,046,977	11,070,263	862,324		4.1%
Total Ongoing	10,627,458	11,046,977	11,070,263	862,324		4.1%
Total One-Time-Only						0.0%

Program Description

The Director's Office (DO) supports the agency's director, provides guidance and oversight for the department, and coordinates the department's legislative efforts. The DO is comprised of the following offices:

- The Financial Services Office manages the department's centralized accounting, budgeting, and asset management functions
- The Citizen Outreach Office communicates with internal and external stakeholders and is responsible for media relations, digital communications, design and branding, public education and outreach, and training and employee development. In addition, this office also oversees the department's call center
- The Taxpayer Advocate works independently from the department's divisions to ensure citizens have an impartial advocate to hear their concerns and questions
- The Executive Office provides administrative support services for the work units within the Director's Office as well as support for e-Stop business licensing
- The Human Resources Office manages organization and workforce development, policy and practice interpretation, employee and labor relations, staffing, employment law, performance reviews, and compensation
- The Legal Services Office supervises the overall legal efforts of the department, including rules, policies, and bankruptcy
- The Office of Dispute Resolution independently hears and/or mediates cases between the department and taxpayers, liquor licensees, and other members of the public. The office provides an accessible, cost-effective means for taxpayers and licensees to appeal agency determinations or proposed department actions
- The Procurement, Contracts, and Facilities Office manages the planning, procurement, contract negotiation, creation, execution, performance measurement, contract resolution and invoice verification for the department
- The Tax Policy and Research Office provides accurate and timely information for the Governor, the legislature, and Montana citizens. This includes the compilation of basic tax data and the publication of the statutory biennial report
- The Professional Development Program provides mission-centric and adaptive professional development opportunities specific to the department's administration of taxes, property valuation, liquor control, and cannabis regulation

Program Highlights

Director's Office Major Budget Highlights	
<ul style="list-style-type: none"> The Director's Office 2027 biennium appropriations are approximately \$862,000 or 4.1% higher than the FY 2025 base budget. Significant changes include: <ul style="list-style-type: none"> Appropriations for personal services increase by \$291,000 over the biennium due to increases in pay rates and benefits Operating expense increased \$129,000 in the 2027 biennium due to increases in fixed costs, primarily for information technology costs and Capitol complex rent An increase of \$375,000 over the biennium for personal services and related operating expenses towards the implementation of HB 231 	

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	6,327,153	6,328,595	6,496,111	6,765,543	6,780,727
Operating Expenses	1,523,708	1,656,928	2,119,434	2,269,521	2,277,623
Local Assistance	0	2,000,000	2,000,000	2,000,000	2,000,000
Transfers	0	1,500	1,500	1,500	1,500
Debt Service	8,364	8,364	10,413	10,413	10,413
Total Expenditures	\$7,859,225	\$9,995,387	\$10,627,458	\$11,046,977	\$11,070,263
General Fund	7,082,948	9,218,610	10,123,168	10,522,687	10,545,973
State/Other Special Rev. Funds	620,519	621,018	348,540	368,540	368,540
Proprietary Funds	155,758	155,759	155,750	155,750	155,750
Total Funds	\$7,859,225	\$9,995,387	\$10,627,458	\$11,046,977	\$11,070,263
Total Ongoing	\$7,783,459	\$9,919,621	\$10,627,458	\$11,046,977	\$11,070,263
Total OTO	\$75,766	\$75,766	\$0	\$0	\$0

Funding

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

Department of Revenue, 01-Director's Office Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	21,068,660	0	352,583,000	373,651,660	70.82 %
02008 Tobacco And Cig. Tribal Agree.	0	0	6,159,910	6,159,910	4.01 %
02011 THC Tribal Coop Tax Agreements	0	0	592,000	592,000	0.39 %
02083 Oil & Gas Local Assistance	0	0	10,242,000	10,242,000	6.67 %
02088 SSR Administrative Funds	75,128	0	0	75,128	0.05 %
02168 MT Oil Production Tax	0	0	130,606,005	130,606,005	85.03 %
02169 Bentonite Production Tax	0	0	1,600,000	1,600,000	1.04 %
02442 Cannabis	576,628	0	0	576,628	0.38 %
02511 Oil and Gas Natural Resource	0	0	1,652,995	1,652,995	1.08 %
02790 6901-Statewide Tobacco Sttlmnt	85,324	0	0	85,324	0.06 %
02966 Tribal Agreement - Alcohol	0	0	2,018,000	2,018,000	1.31 %
State Special Total	\$737,080	\$0	\$152,870,910	\$153,607,990	29.12 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
06005 Liquor Division	311,500	0	0	311,500	100.00 %
Proprietary Total	\$311,500	\$0	\$0	\$311,500	0.06 %
Total All Funds	\$22,117,240	\$0	\$505,453,910	\$527,571,150	

*HB 2 Appropriations*General Fund

Funding for the Director's Office HB 2 budget is primarily from the general fund. General fund supports staff salary and benefit expenditures as well as operational expenses.

State Special Revenue

Within the Director's Office, HB 2 state special revenue funds include the administrative funds, tobacco settlement fund, and the cannabis fund. The tobacco settlement fund is used towards the attorney that supports tobacco tax compliance activities. The cannabis fund was established during the 2021 Legislative Session and is used for attorney costs in the Director's Office. The administrative fund is used for a small portion of personal services and operating expenses within the program.

Proprietary

Proprietary funding is from a direct appropriation of Alcoholic Beverage Control Division proprietary fund and is for the Alcoholic Beverage Control Division's share of Director's Office support costs. The allocation is calculated as a percentage of the program's budget. Alcoholic Beverage Control Division proprietary funds are an indirect use of general fund because net liquor revenues are deposited in the general fund after operating costs are deducted.

*Statutory Appropriations*General Fund

Funding for the Director's Office also includes two general fund statutory appropriations. The largest of the statutory appropriations is a pass-through general fund appropriation for the state entitlement share, as provided in 15-1-121, MCA. This distribution resulted from HB 124 in the 2001 Legislative Session, which reallocated revenue received by local governments, school districts, and some state special revenue accounts (from alcohol, vehicle, and gambling taxes as well as district court fees for local governments) to the general fund and replaced foregone revenue with permanent state entitlement grants to counties and cities. A second general fund statutory appropriation included in the Director's Office is a direct use by the department for out of state debt collection services as provided for in 15-1-218, MCA.

State Special Revenue

The Director's Office is responsible for the statutorily appropriated distributions of various tax revenues to local and tribal governments, including the following:

- Tribal alcohol, cigarette, and cannabis cooperative agreement (18-11-101 through 18-11-121, MCA) - the State of Montana has taxation agreements with tribal nations for alcohol, cigarette, and cannabis sales to prevent possibilities of dual taxation while promoting state, local and tribal economic development
- Oil and natural gas production tax (15-36-331 through 15-36-332, MCA) - all oil and natural gas producers are required to file an oil and natural gas production tax quarterly return where they are taxed on the gross value of oil or natural gas sold. Local governments receive a portion of this revenue. Additionally, local governments distribute the revenue to various school retirement funds, countywide transportation funds, school districts, and community colleges
- Metal mines distribution (15-37-117, MCA) - individuals who operate any mine or mining property are required to pay a license tax based on the gross value of production. A portion of this revenue is distributed semiannually to local governments where the mine is located or a county that is experiencing fiscal impacts from the mine
- Bentonite production tax distribution (15-39-110, MCA) - all bentonite producers must file a bentonite production tax return every six months. Revenue is distributed semi-annually to local governments where the production occurred: Carter County and Carbon County

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

	Director's Office 2027 Biennium HB 2 Base Budget and Adjustments									
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	10,123,168	348,540	0	10,627,458	96.2%	10,123,168	348,540	0	10,627,458	96.0%
Statewide PL										
Personal Services	138,615	0	0	138,615	1.3%	152,028	0	0	152,028	1.4%
Fixed Costs	59,557	0	0	59,557	0.5%	69,042	0	0	69,042	0.6%
Inflation Deflation	(846)	0	0	(846)	(0.0%)	(571)	0	0	(571)	(0.0%)
Total Statewide PL	197,326	0	0	197,326	1.8%	220,499	0	0	220,499	2.0%
Present Law (PL)	(1,235)	0	0	(1,235)	(0.0%)	(1,235)	0	0	(1,235)	(0.0%)
New Proposals	203,428	20,000	0	223,428	2.0%	203,541	20,000	0	223,541	2.0%
Total HB 2 Adjustments	399,519	20,000	0	419,519	3.8%	422,805	20,000	0	442,805	4.0%
Total Budget	10,522,687	368,540	0	11,046,977		10,545,973	368,540	0	11,070,263	

Present Law Adjustments

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

Present Law Adjustments										
-----Fiscal 2026-----						-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	138,615	0	0	138,615	0.00	152,028	0	0	152,028
DP 2 - Fixed Costs	0.00	59,557	0	0	59,557	0.00	69,042	0	0	69,042
DP 3 - Inflation Deflation	0.00	(846)	0	0	(846)	0.00	(571)	0	0	(571)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	(1,235)	0	0	(1,235)	0.00	(1,235)	0	0	(1,235)
Grand Total All Present Law Adjustments	0.00	\$196,091	\$0	\$0	\$196,091	0.00	\$219,264	\$0	\$0	\$219,264

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 15 - DO, CCD, BITD, PAD Administrative Resources	0.00	15,500	0	0	15,500	0.00	16,500	0	0	16,500
DP 101 - DO E-Stop Budget Increase	0.00	0	20,000	0	20,000	0.00	0	20,000	0	20,000
DP 801 - PAD Property Tax Revision Implementation (BIEN)	0.00	187,928	0	0	187,928	0.00	187,041	0	0	187,041
Total	0.00	\$203,428	\$20,000	\$0	\$223,428	0.00	\$203,541	\$20,000	\$0	\$223,541

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

DP 15 - DO, CCD, BITD, PAD Administrative Resources -

The legislature adopted an increase in general fund appropriation in the 2027 biennium. This will be utilized towards rental space in Livingston, Boulder, and Butte for staff of various divisions. As the agency experiences challenges in recruitment and training in high cost-of-living locations, this allows for staff of multiple divisions to work in one location to limit the need for travel.

DP 101 - DO E-Stop Budget Increase -

The legislature adopted an increase in state special revenue authority for the upcoming biennium. This authority will be used towards general operating expenses within the e-Stop Program.

DP 801 - PAD Property Tax Revision Implementation (BIEN) -

The legislature adopted an increase in general fund authority to fund 1.00 modified PB within this program, as well as operating expenses for rent, communications, and supplies.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget FY 2026 FY 2027		Biennium Change from Base Amount Percent	
PB	43.00	43.00	43.00	0.00	0.0%
General Fund	10,043,848	10,364,314	10,700,241	976,859	4.9%
State/Other Special Rev. Funds	166,639	186,639	186,639	40,000	12.0%
Proprietary Funds	264,439	385,439	391,439	248,000	46.9%
Total Funds	10,474,926	10,936,392	11,278,319	1,264,859	6.0%
Personal Services	4,408,539	4,367,225	4,377,371	(72,482)	(0.8%)
Operating Expenses	5,943,787	6,446,567	6,778,348	1,337,341	11.2%
Equipment & Intangible Assets	122,600	122,600	122,600		0.0%
Total Expenditures	10,474,926	10,936,392	11,278,319	1,264,859	6.0%
Total Ongoing	10,474,926	10,936,392	11,278,319	1,264,859	6.0%
Total One-Time-Only					0.0%

Program Description

The Technology Services Division (TSD) serves as the technological foundation for the department, leveraging IT systems and services to increase internal business operations efficiencies and optimize citizen services. TSD consists of two bureaus and three units:

- The Applications Development Services Bureau provides software development and maintenance support for the department's core systems and business and individual income tax and property assessment software applications
- The Technical Operations Bureau provides server and computer support for department hardware and software systems, as well as oversight on new system implementation and system upgrades and endpoint support
- The Information Protection Office provides access control to systems, data protection, audit services, and security training to staff
- The Miscellaneous Applications Development Unit provides software development and maintenance support for the department's miscellaneous applications, workflow tools, and customer web applications
- The Business Services Unit provides business analysis, testing support, and project coordination, facilitation, and management to the department

Program Highlights

Technology Services Division Major Budget Highlights	
<ul style="list-style-type: none"> The Technology Services Division's 2027 biennium appropriations are approximately \$1.3 million or 6.0% higher than the FY 2025 base budget The largest portion of the increase is in general fund with appropriations increasing \$977,000, or 4.9%. Significant general fund changes include: <ul style="list-style-type: none"> An increase of \$865,000 for contracted maintenance and service agreements for software systems, which is primarily for the GenTax system Proprietary funding increases \$248,000 or 46.9% over the biennium for maintenance of new software at the liquor warehouse 	

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	4,201,010	4,287,304	4,408,539	4,367,225	4,377,371
Operating Expenses	4,592,255	4,602,251	5,943,787	6,446,567	6,778,348
Equipment & Intangible Assets	2,705,390	2,705,759	122,600	122,600	122,600
Transfers	706,220	706,220	0	0	0
Total Expenditures	\$12,204,875	\$12,301,534	\$10,474,926	\$10,936,392	\$11,278,319
General Fund	11,323,548	11,419,838	10,043,848	10,364,314	10,700,241
State/Other Special Rev. Funds	516,656	516,656	166,639	186,639	186,639
Proprietary Funds	364,671	365,040	264,439	385,439	391,439
Total Funds	\$12,204,875	\$12,301,534	\$10,474,926	\$10,936,392	\$11,278,319
Total Ongoing	\$12,190,990	\$12,201,534	\$10,474,926	\$10,936,392	\$11,278,319
Total OTO	\$13,885	\$100,000	\$0	\$0	\$0

Funding

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

Department of Revenue, 02-Technology Services Division Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	21,064,555	0	0	21,064,555	94.82 %	
02442 Cannabis	160,000	0	0	160,000	42.86 %	
02790 6901-Statewide Tobacco Sttlmnt	173,278	0	0	173,278	46.42 %	
02950 Agriculture-GenTax	40,000	0	0	40,000	10.72 %	
State Special Total	\$373,278	\$0	\$0	\$373,278	1.68 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
06005 Liquor Division	776,878	0	0	776,878	100.00 %	
Proprietary Total	\$776,878	\$0	\$0	\$776,878	3.50 %	
Total All Funds	\$22,214,711	\$0	\$0	\$22,214,711		

*HB 2 Appropriations*General Fund

The Technology Services Division is almost entirely funded from the general fund. These appropriations are used to support technology requirements and business operations.

State Special Revenue

The Technology Services Division receives state special revenue appropriations from the tobacco settlement and cannabis funds for technology support provided to the Business Income Taxes Division. The agriculture-GenTax state special revenue fund provides maintenance for the tax software, GenTax. Revenues into this fund are provided through a Memorandum of Understanding (MOU with the Department of Agriculture.

Proprietary

Appropriations from the liquor enterprise fund supports technology services for the Alcoholic Beverage Control Division.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Technology Services Division 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	10,043,848	166,639	0	10,474,926	95.8%	10,043,848	166,639	0	10,474,926	92.9%
Statewide PL										
Personal Services	(41,314)	0	0	(41,314)	(0.4%)	(31,168)	0	0	(31,168)	(0.3%)
Fixed Costs	49,311	0	0	49,311	0.5%	71,582	0	0	71,582	0.6%
Inflation Deflation	(31)	0	0	(31)	(0.0%)	(21)	0	0	(21)	(0.0%)
Total Statewide PL	7,966	0	0	7,966	0.1%	40,393	0	0	40,393	0.4%
Present Law (PL)	312,500	0	0	312,500	2.9%	616,000	0	0	616,000	5.5%
New Proposals	0	20,000	0	141,000	1.3%	0	20,000	0	147,000	1.3%
Total HB 2 Adjustments	320,466	20,000	0	461,466	4.2%	656,393	20,000	0	803,393	7.1%
Total Budget	10,364,314	186,639	0	10,936,392		10,700,241	186,639	0	11,278,319	

Present Law Adjustments

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

Present Law Adjustments										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(41,314)	0	0	(41,314)	0.00	(31,168)	0	0	(31,168)
DP 2 - Fixed Costs	0.00	49,311	0	0	49,311	0.00	71,582	0	0	71,582
DP 3 - Inflation Deflation	0.00	(31)	0	0	(31)	0.00	(21)	0	0	(21)
DP 16 - TSD, PAD, and IMCD - Administrative Cost Adjustment	0.00	26,000	0	0	26,000	0.00	38,000	0	0	38,000
DP 201 - TSD Hardware and Software Maintenance	0.00	286,500	0	0	286,500	0.00	578,000	0	0	578,000
Grand Total All Present Law Adjustments	0.00	\$320,466	\$0	\$0	\$320,466	0.00	\$656,393	\$0	\$0	\$656,393

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 16 - TSD, PAD, and IMCD - Administrative Cost Adjustment -

The legislature adopted an increase in general fund appropriations in the 2027 biennium. This increase is due to the increase in parking costs at the Donovan building in downtown Helena. This increase also includes a possible increase in leasing expenses as the current lease expires on December 30, 2026.

DP 201 - TSD Hardware and Software Maintenance -

The legislature adopted an increase in general fund appropriations in the 2027 biennium for contracted maintenance and service software agreements. The largest portion of this increase is within the agency's tax processing software, GenTax.

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 202 - TSD Agriculture Fee Collection	0.00	0	20,000	0	20,000	0.00	0	20,000	0	20,000
DP 203 - TSD Liquor Warehouse Software Maintenance	0.00	0	0	0	121,000	0.00	0	0	0	127,000
Total	0.00	\$0	\$20,000	\$0	\$141,000	0.00	\$0	\$20,000	\$0	\$147,000

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

DP 202 - TSD Agriculture Fee Collection -

The legislature adopted an increase in state special revenue authority. This increase is related to operating and maintenance fees for integrated tax software that is specified in a memorandum of understanding (MOU) between the Department of Agriculture and the Department of Revenue. Through a MOU between these two agencies, signed in FY 2023, the Department of Agriculture is to pay DOR for the cost of maintenance.

DP 203 - TSD Liquor Warehouse Software Maintenance -

The legislature adopted an increase in proprietary funds for the upcoming biennium. This authority will be utilized towards contracted support services and maintenance for the new liquor warehouse automated storage and retrieval system and management software.

Program Base Budget Comparison

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

Program Base Budget Comparison						
Budget Item	Base Budget FY 2025	Adopted Budget FY 2026 FY 2027		Biennium Change from Base Amount Percent		
PB	33.00	33.00	33.00	0.00		0.0%
Proprietary Funds	223,593,367	223,973,439	223,983,910	770,615		0.2%
Total Funds	223,593,367	223,973,439	223,983,910	770,615		0.2%
Personal Services	2,851,925	3,202,424	3,209,343	707,917		12.4%
Operating Expenses	141,175,613	141,205,186	141,208,738	62,698		0.0%
Equipment & Intangible Assets	30,554	30,554	30,554			0.0%
Transfers	79,500,000	79,500,000	79,500,000			0.0%
Debt Service	35,275	35,275	35,275			0.0%
Total Expenditures	223,593,367	223,973,439	223,983,910	770,615		0.2%
Total Ongoing	223,593,367	223,973,439	223,983,910	770,615		0.2%
Total One-Time-Only	135,000			(270,000)		(100.0%)

Program Description

The Alcoholic Beverage Control Division (ABCD) provides administration of the Montana alcoholic beverage code. The division includes two bureaus:

- The Licensing and Compliance Bureau protects the welfare and safety of the public by regulating alcoholic beverage licensing laws in a uniform and fair manner
- The Liquor Distribution Bureau maintains a regulated channel of distribution to fulfill the public's demand for distilled spirits and fortified wine through agency liquor stores

Program Highlights

Alcoholic Beverage Control Division Major Budget Highlights
<ul style="list-style-type: none"> • The Alcoholic Beverage Control Division's 2027 biennium appropriations are approximately \$771,000 or 0.2% higher than the FY 2025 base budget. Significant changes include: <ul style="list-style-type: none"> ◦ An increase of \$730,000 in personal services due to temporary staffing, overtime, and termination payouts

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	2,865,046	2,900,141	2,986,925	3,202,424	3,209,343
Operating Expenses	120,457,267	140,996,914	141,175,613	141,205,186	141,208,738
Equipment & Intangible Assets	10	10	30,554	30,554	30,554
Transfers	53,771,568	79,500,000	79,500,000	79,500,000	79,500,000
Debt Service	35,247	35,275	35,275	35,275	35,275
Total Expenditures	\$177,129,138	\$223,432,340	\$223,728,367	\$223,973,439	\$223,983,910
Proprietary Funds	177,129,138	223,432,340	223,728,367	223,973,439	223,983,910
Total Funds	\$177,129,138	\$223,432,340	\$223,728,367	\$223,973,439	\$223,983,910
Total Ongoing	\$177,028,736	\$223,297,340	\$223,593,367	\$223,973,439	\$223,983,910
Total OTO	\$100,402	\$135,000	\$135,000	\$0	\$0

Funding

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

Department of Revenue, 03-Alcoholic Beverage Control Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	0	0	0	0	0.00 %
State Special Total	\$0	\$0	\$0	\$0	0.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
06005 Liquor Division	447,957,349	0	0	447,957,349	100.00 %
Proprietary Total	\$447,957,349	\$0	\$0	\$447,957,349	100.00 %
Total All Funds	\$447,957,349	\$0	\$0	\$447,957,349	

HB 2 Appropriations**Proprietary**

The division is funded with a direct appropriation of Alcoholic Beverage Control Division proprietary funds. Net revenues from liquor sales are transferred to the general fund after operating costs are deducted from gross revenues.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Alcoholic Beverage Control Division 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	0	0	0	223,593,367	99.8%	0	0	0	223,593,367	99.8%
Statewide PL										
Personal Services	0	0	0	(14,501)	(0.0%)	0	0	0	(7,582)	(0.0%)
Fixed Costs	0	0	0	(21,258)	(0.0%)	0	0	0	(18,961)	(0.0%)
Inflation Deflation	0	0	0	(169)	(0.0%)	0	0	0	(114)	(0.0%)
Total Statewide PL	0	0	0	(35,928)	(0.0%)	0	0	0	(26,657)	(0.0%)
Present Law (PL)	0	0	0	51,000	0.0%	0	0	0	52,200	0.0%
New Proposals	0	0	0	365,000	0.2%	0	0	0	365,000	0.2%
Total HB 2 Adjustments	0	0	0	380,072	0.2%	0	0	0	390,543	0.2%
Total Budget	0	0	0	223,973,439		0	0	0	223,983,910	

Present Law Adjustments

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

Present Law Adjustments										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	0	(14,501)	0.00	0	0	0	(7,582)
DP 2 - Fixed Costs	0.00	0	0	0	(21,258)	0.00	0	0	0	(18,961)
DP 3 - Inflation Deflation	0.00	0	0	0	(169)	0.00	0	0	0	(114)
DP 301 - ABCD Warehouse Administrative Resources	0.00	0	0	0	51,000	0.00	0	0	0	52,200
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$0	\$15,072	0.00	\$0	\$0	\$0	\$25,543

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 301 - ABCD Warehouse Administrative Resources -

The legislature adopted an increase in proprietary authority for the 2027 biennium. This increase will be used towards operating and maintenance costs associated with the liquor warehouse expansion.

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 302 - ABCD Overtime, Temp Staff, and Termination Payouts (BIEN)	0.00	0	0	0	365,000	0.00	0	0	0	365,000
Total	0.00	\$0	\$0	\$0	\$365,000	0.00	\$0	\$0	\$0	\$365,000

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

DP 302 - ABCD Overtime, Temp Staff, and Termination Payouts (BIEN) -

The legislature adopted an increase in proprietary funding in the 2027 biennium to pay personal services expenditures. These expenditures are primarily for overtime, temporary staff costs during seasons of increased demand, and payouts of accrued leave balances for employees retiring or otherwise leaving the agency.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	35.00	35.00	35.00	0.00	0.0%
State/Other Special Rev. Funds	96,943,985	96,965,752	96,976,463	54,245	0.0%
Total Funds	96,943,985	96,965,752	96,976,463	54,245	0.0%
Personal Services	3,203,049	3,226,372	3,231,394	51,668	0.8%
Operating Expenses	2,565,936	2,564,380	2,570,069	2,577	0.1%
Transfers	91,100,000	91,100,000	91,100,000		0.0%
Debt Service	75,000	75,000	75,000		0.0%
Total Expenditures	96,943,985	96,965,752	96,976,463	54,245	0.0%
Total Ongoing	96,943,985	96,965,752	96,976,463	54,245	0.0%
Total One-Time-Only					0.0%

Program Description

The Cannabis Control Division (CCD) is responsible for administration of the Montana Marijuana Regulation and Taxation Act. The division provides customer service, data analysis, and support to individuals, medical marijuana cardholders, and industry employees seeking a worker permit. The division is also responsible for licensing and regulatory oversight of cultivators, dispensaries, manufacturers, transporters, and testing laboratories of marijuana products for the medical and adult-use marijuana markets. The division consists of two bureaus, three regulatory support units, and the Cannabis Laboratory Program:

- The Licensing Bureau is responsible for approving registered cardholders, licensing marijuana businesses such as cultivators, manufacturers, dispensaries, testing laboratories, transporters, and issuing worker permits. The bureau's focus is to protect the welfare and safety of the public by ensuring those who apply for a license meet the legal criteria for the cultivation, sale, and use of marijuana products in a uniform and fair manner
- The Compliance Bureau is responsible for inspection, education, and enforcement of the marijuana laws of Montana and consists of the Inspection, Synthetic Marijuana Inspection, Resolution, and Education and Outreach units
 - The Inspection Unit is responsible for the health and safety of the public through the tracking of all products from seed-to-sale and holding licensees accountable for any violations of the marijuana laws
 - The Synthetic Marijuana Inspection Unit works to prevent synthetic products from being sold in the state and is responsible for inspecting unlicensed businesses and educating and enforcing the prohibition on all synthetic cannabinoids
 - The Resolution Unit assures that appropriate resolutions are made with licensees who are in violation of the law. This is done through a review of deficiencies found at inspection and assigns potential civil penalties, suspensions and/or revocations based on severity. This unit also entertains settlement negotiations in coordination with legal. The Education and Outreach Unit provides education to internal and external stakeholders
- The Cannabis Laboratory Program is responsible for auditing third party testing laboratories to ensure product safety and consumer protection. This is achieved through onsite laboratory audits and continuous offsite seed-to-sale monitoring of testing activities, test results, and sampling. This unit is also responsible for staying current with the latest in cannabis science, public health, and laboratory science along with providing technical expertise for the department

Program Highlights

Cannabis Control Division Major Budget Highlights	
<ul style="list-style-type: none"> The Cannabis Control Division's 2027 biennium appropriations are approximately \$54,000 or 0.0% higher than the FY 2025 base budget. Significant changes include: <ul style="list-style-type: none"> An increase in state special revenue appropriations attributed to the statewide present law adjustment for personal services Operating expenses increase for rental space in new locations to help with recruitment in high cost-of-living areas 	

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	2,995,750	2,996,251	3,203,049	3,226,372	3,231,394
Operating Expenses	991,437	1,952,352	2,565,936	2,564,380	2,570,069
Transfers	53,726,297	81,000,000	91,100,000	91,100,000	91,100,000
Debt Service	75,000	75,000	75,000	75,000	75,000
Total Expenditures	\$57,788,484	\$86,023,603	\$96,943,985	\$96,965,752	\$96,976,463
State/Other Special Rev. Funds	57,788,484	86,023,603	96,943,985	96,965,752	96,976,463
Total Funds	\$57,788,484	\$86,023,603	\$96,943,985	\$96,965,752	\$96,976,463
Total Ongoing	\$57,788,484	\$86,023,603	\$96,943,985	\$96,965,752	\$96,976,463
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Revenue, 04-Cannabis Control Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
02442 Cannabis	193,942,215	0	0	193,942,215	100.00 %
State Special Total	\$193,942,215	\$0	\$0	\$193,942,215	100.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$193,942,215	\$0	\$0	\$193,942,215	

*HB 2 Appropriations*State Special Revenue

The Cannabis Control Division is entirely funded with state special revenue generated from taxes collected on cannabis purchases as well as from fees for licensing and cardholder registration.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Cannabis Control Division 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	0	96,943,985	0	96,943,985	100.0%	0	96,943,985	0	96,943,985	100.0%
Statewide PL										
Personal Services	0	23,323	0	23,323	0.0%	0	28,345	0	28,345	0.0%
Fixed Costs	0	(13,577)	0	(13,577)	(0.0%)	0	(10,015)	0	(10,015)	(0.0%)
Inflation Deflation	0	(3,479)	0	(3,479)	(0.0%)	0	(2,352)	0	(2,352)	(0.0%)
Total Statewide PL	0	6,267	0	6,267	0.0%	0	15,978	0	15,978	0.0%
Present Law (PL)	0	519,215	0	519,215	0.5%	0	607,197	0	607,197	0.6%
New Proposals	0	(503,715)	0	(503,715)	(0.5%)	0	(590,697)	0	(590,697)	(0.6%)
Total HB 2 Adjustments	0	21,767	0	21,767	0.0%	0	32,478	0	32,478	0.0%
Total Budget	0	96,965,752	0	96,965,752		0	96,976,463	0	96,976,463	

Present Law Adjustments

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

Present Law Adjustments										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	23,323	0	23,323	0.00	0	28,345	0	28,345
DP 2 - Fixed Costs	0.00	0	(13,577)	0	(13,577)	0.00	0	(10,015)	0	(10,015)
DP 3 - Inflation Deflation	0.00	0	(3,479)	0	(3,479)	0.00	0	(2,352)	0	(2,352)
DP 402 - CCD Contract Increase (RST/BIEN)	0.00	0	519,215	0	519,215	0.00	0	607,197	0	607,197
Grand Total All Present Law Adjustments	0.00	\$0	\$525,482	\$0	\$525,482	0.00	\$0	\$623,175	\$0	\$623,175

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 402 - CCD Contract Increase (RST/BIEN) -

The legislature adopted a restricted, biennial increase in state special revenue authority for the 2027 biennium to pay for seed-to-sale software. The department pays a variety of fees, including program and support fees and monthly cloud hosting fees. Some fees are based on the number of cannabis licensees, and the division anticipated up to 500 additional licensees would have entered the recreational cannabis market beginning July 1, 2025, if the moratorium on cannabis licensees expired. However, through the passage and approval of SB 27, this moratorium was extended through the 2027 biennium. This appropriation was restricted so the department can only spend the appropriation on costs related to this software.

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 15 - DO, CCD, BITD, PAD Administrative Resources	0.00	0	15,500	0	15,500	0.00	0	16,500	0	16,500
DP 2400 - Line Item Veto	0.00	0	(519,215)	0	(519,215)	0.00	0	(607,197)	0	(607,197)
Total	0.00	\$0	(\$503,715)	\$0	(\$503,715)	0.00	\$0	(\$590,697)	\$0	(\$590,697)

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

DP 15 - DO, CCD, BITD, PAD Administrative Resources -

The legislature adopted an increase in state special revenue appropriation authority in the upcoming biennium. This will be utilized towards rental space in Livingston, Boulder, and Butte for staff of various divisions. As the agency experiences challenges in recruitment and training in high cost-of-living locations, this allows for staff of multiple divisions to work in one location to limit the need for travel.

DP 2400 - Line Item Veto -

The Governor line item vetoed state special revenue appropriations included in DP 402 for seed-to-sale software costs.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget FY 2026 FY 2027		Biennium Change from Base Amount Percent	
PB	70.95	70.95	70.95	0.00	0.0%
General Fund	7,252,044	7,399,280	7,598,518	493,710	3.4%
State/Other Special Rev. Funds	146,597	146,597	146,597		0.0%
Proprietary Funds	16,890	16,890	16,890		0.0%
Total Funds	7,415,531	7,562,767	7,762,005	493,710	3.3%
Personal Services	5,159,108	5,161,496	5,173,755	17,035	0.2%
Operating Expenses	2,000,168	2,145,016	2,331,995	476,675	11.9%
Debt Service	256,255	256,255	256,255		0.0%
Total Expenditures	7,415,531	7,562,767	7,762,005	493,710	3.3%
Total Ongoing	7,415,531	7,562,767	7,762,005	493,710	3.3%
Total One-Time-Only					0.0%

Program Description

The Information Management and Collections Division (IMCD) is responsible for processing tax returns, refunds, and payments timely and accurately; integrating improved technology to enhance the user experience; increasing electronic filings, resolving overdue debt, and collecting of other state debt. IMCD consists of two bureaus and four units:

- The Collections Bureau is responsible for administering collection activities associated with delinquent taxes statutorily administered by the department. These activities include contacting taxpayers by phone and/or letter to establish payment arrangements, filing warrants for distraint to secure the state's interest on outstanding tax liabilities, and initiating wage and fund levies to secure payment of debts
- The Information Management Bureau processes tax information, returns, and payments, and ensures the integrity and security of that data. The bureau also maintains and advances electronic alternatives for submission of data to meet the changing demands of tax compliance. The bureau is organized into three units: the Digitization Unit, the Information Governance Unit, and the Customer and Payment Management Unit
- The Statewide Collections and Program Planning Unit coordinates the offset of payments from state agencies against debts owed to other state agencies, local governments entities, and universities that are considered uncollectible

Program Highlights

Information Management and Collections Major Budget Highlights
<ul style="list-style-type: none"> • The Information Management and Collections Division's 2027 biennium appropriations are approximately \$494,000 or 3.3% higher than the FY 2025 base budget. Significant changes include: <ul style="list-style-type: none"> ◦ Operating expenses increase by \$120,000 in the upcoming biennium due to increases in printing, postage, and information technology costs ◦ An increase in operating expenses of \$228,000 related to mailing costs to implement HB 231

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	4,263,818	4,264,329	5,159,108	5,161,496	5,173,755
Operating Expenses	1,864,461	1,901,202	2,000,168	2,145,016	2,331,995
Equipment & Intangible Assets	69,429	69,429	0	0	0
Debt Service	265,400	265,400	256,255	256,255	256,255
Total Expenditures	\$6,463,108	\$6,500,360	\$7,415,531	\$7,562,767	\$7,762,005
General Fund	6,326,346	6,336,854	7,252,044	7,399,280	7,598,518
State/Other Special Rev. Funds	119,865	146,610	146,597	146,597	146,597
Proprietary Funds	16,897	16,896	16,890	16,890	16,890
Total Funds	\$6,463,108	\$6,500,360	\$7,415,531	\$7,562,767	\$7,762,005
Total Ongoing	\$6,463,108	\$6,500,360	\$7,415,531	\$7,562,767	\$7,762,005
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Revenue, 05-Information Management and Collections Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	14,997,798	0	0	14,997,798	93.59 %
02025 Unclaimed Property	52,630	0	0	52,630	17.95 %
02088 SSR Administrative Funds	55,404	0	0	55,404	18.90 %
02442 Cannabis	185,160	0	0	185,160	63.15 %
State Special Total	\$293,194	\$0	\$0	\$293,194	1.83 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
06005 Liquor Division	33,780	0	0	33,780	4.60 %
06554 Bad Debt Collection Services	0	700,666	0	700,666	95.40 %
Proprietary Total	\$33,780	\$700,666	\$0	\$734,446	4.58 %
Total All Funds	\$15,324,772	\$700,666	\$0	\$16,025,438	

HB 2 Appropriations**General Fund**

The majority of the Information Management and Collections Division's total appropriation authority comes from general fund and supports personal service and operational expenditures of the division.

State Special Revenue

State special revenue funds the division's administration of the livestock per capita fee, medical marijuana tax, recreational marijuana tax, and unclaimed property program. Further explanation for the unclaimed property fund is done in the Business and Income Taxes Division.

Proprietary

Appropriations from the liquor enterprise fund supports tax and revenue data collections for the Information Management and Collections Divisions.

Non-Budgeted Proprietary Funds

The bad debt collection services are funded with non-budgeted proprietary funds, which will be discussed in the Non-Budgeted Proprietary report.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Information Management and Collections Division 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	7,252,044	146,597	0	7,415,531	98.1%	7,252,044	146,597	0	7,415,531	95.5%
Statewide PL										
Personal Services	2,388	0	0	2,388	0.0%	14,647	0	0	14,647	0.2%
Fixed Costs	37,848	0	0	37,848	0.5%	45,227	0	0	45,227	0.6%
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Statewide PL	40,236	0	0	40,236	0.5%	59,874	0	0	59,874	0.8%
Present Law (PL)	51,000	0	0	51,000	0.7%	115,000	0	0	115,000	1.5%
New Proposals	56,000	0	0	56,000	0.7%	171,600	0	0	171,600	2.2%
Total HB 2 Adjustments	147,236	0	0	147,236	1.9%	346,474	0	0	346,474	4.5%
Total Budget	7,399,280	146,597	0	7,562,767		7,598,518	146,597	0	7,762,005	

Present Law Adjustments

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

Present Law Adjustments										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	2,388	0	0	2,388	0.00	14,647	0	0	14,647
DP 2 - Fixed Costs	0.00	37,848	0	0	37,848	0.00	45,227	0	0	45,227
DP 16 - TSD, PAD, and IMCD - Administrative Cost Adjustment	0.00	11,000	0	0	11,000	0.00	35,000	0	0	35,000
DP 501 - IMCD Administrative Resources	0.00	40,000	0	0	40,000	0.00	80,000	0	0	80,000
Grand Total All Present Law Adjustments	0.00	\$91,236	\$0	\$0	\$91,236	0.00	\$174,874	\$0	\$0	\$174,874

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 16 - TSD, PAD, and IMCD - Administrative Cost Adjustment -

The legislature adopted an increase in general fund appropriation authority for the upcoming biennium. This increase is due to the increase in parking costs at the Donovan building in downtown Helena. This increase also includes a possible increase in leasing expenses as the current lease expires on December 30, 2026.

DP 501 - IMCD Administrative Resources -

The legislature adopted an increase of general fund appropriations for the upcoming biennium for an increase in printing and postage costs due to inflation.

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 801 - PAD Property Tax Revision Implementation (BIEN)	0.00	56,000	0	0	56,000	0.00	171,600	0	0	171,600
Total	0.00	\$56,000	\$0	\$0	\$56,000	0.00	\$171,600	\$0	\$0	\$171,600

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

DP 801 - PAD Property Tax Revision Implementation (BIEN) -

The legislature adopted an increase in general fund authority regarding mailing communications for property tax revisions, specifically in reference to HB 231.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget FY 2026 FY 2027		Biennium Change from Base Amount Percent	
PB	134.36	135.50	135.50	1.14	0.4%
General Fund	12,436,572	12,778,037	12,842,075	746,968	3.0%
State/Other Special Rev. Funds	926,758	951,758	976,758	75,000	4.0%
Federal Spec. Rev. Funds	503,023	503,023	503,023		0.0%
Total Funds	13,866,353	14,232,818	14,321,856	821,968	3.0%
Personal Services	11,731,091	11,837,433	11,897,874	273,125	1.2%
Operating Expenses	2,127,704	2,387,827	2,416,424	548,843	12.9%
Debt Service	7,558	7,558	7,558		0.0%
Total Expenditures	13,866,353	14,232,818	14,321,856	821,968	3.0%
Total Ongoing	13,866,353	14,232,818	14,321,856	821,968	3.0%
Total One-Time-Only					0.0%

Program Description

The Business and Income Taxes Division (BITD) is responsible for the administration and collection of roughly 40 Montana taxes and fees. BITD also determines valuation of all centrally assessed property in the state.

BITD is responsible for equal tax administration, tax type expertise, taxpayer education and outreach, auditing, identification of non-filers, and overall tax compliance.

BITD is comprised of numerous division and units, which include:

- The Analytics and Planning Bureau houses the division's management analysts and tax specialists. These employees focus on the division's compliance efforts, forms and administrative rule development, and finding and implementing efficiencies
- The Audits and Pass-through Bureau is responsible for administering certain aspects of Montana's individual income tax laws found in Title 15, Chapter 30. To facilitate this work, the bureau is organized into two units:
 - The Pass-through Unit processes, analyzes, and audits the pass-through returns filed with the department. The unit is also responsible for managing the Montana Economic Development Industry Advancement (MEDIA) Act Tax Credit
 - The Field Audit Unit performs compliance activities related to complex income tax issues found on Montana's individual income tax form
- The Business Taxes and Fees Bureau manages over 25 taxes and fees. The bureau is organized into three units:
 - Business Tax Unit
 - Unclaimed Property/Contractor Gross Receipts Unit
 - Centrally Assessed Property Unit
- The Income and Withholding Tax Bureau is responsible for the daily management and compliance of individual and withholding taxes. The bureau is organized into three units:
 - Compliance Unit
 - Withholding Unit
 - Taxpayer Accounting Unit
- The Natural Resources and Corporate Taxes Bureau is organized into two units:
 - The Natural Resources Unit administers the state's natural resource taxes, which includes the federal royalty program
 - The Corporate Income Tax Unit ensures compliance with Montana's corporate income tax code

Program Highlights

Business and Income Taxes Division Major Budget Highlights	
<ul style="list-style-type: none"> The Business and Income Taxes Division's 2027 biennium appropriations are approximately \$822,000 or 3.0% higher than the FY 2025 base budget. Significant changes include: <ul style="list-style-type: none"> Operating expenses to increase 12.9%, or \$549,000, primarily due to an increase in fixed costs related to information technology and administrative service costs 	

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	11,336,344	11,343,799	11,731,091	11,837,433	11,897,874
Operating Expenses	2,198,127	2,207,512	2,127,704	2,387,827	2,416,424
Debt Service	8,122	8,122	7,558	7,558	7,558
Total Expenditures	\$13,542,593	\$13,559,433	\$13,866,353	\$14,232,818	\$14,321,856
General Fund	11,541,905	11,558,001	12,436,572	12,778,037	12,842,075
State/Other Special Rev. Funds	1,498,513	1,499,257	926,758	951,758	976,758
Federal Spec. Rev. Funds	502,175	502,175	503,023	503,023	503,023
Total Funds	\$13,542,593	\$13,559,433	\$13,866,353	\$14,232,818	\$14,321,856
Total Ongoing	\$12,925,983	\$12,942,582	\$13,866,353	\$14,232,818	\$14,321,856
Total OTO	\$616,610	\$616,851	\$0	\$0	\$0

Funding

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

Department of Revenue, 07-Business and Income Taxes Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	25,620,112	0	0	25,620,112	89.51 %
02020 Cigarette Tax Stamps	0	0	60,000	60,000	3.01 %
02025 Unclaimed Property	920,710	0	0	920,710	46.14 %
02110 Accommodation Tax Admin	264,236	0	0	264,236	13.24 %
02293 Film Applications Credit	0	0	7,042	7,042	0.35 %
02442 Cannabis	363,424	0	0	363,424	18.21 %
02790 6901-Statewide Tobacco Sttlmnt	380,146	0	0	380,146	19.05 %
State Special Total	\$1,928,516	\$0	\$67,042	\$1,995,558	6.97 %
03928 Royalty Audit - NRCT	1,006,046	0	0	1,006,046	100.00 %
Federal Special Total	\$1,006,046	\$0	\$0	\$1,006,046	3.52 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$28,554,674	\$0	\$67,042	\$28,621,716	

HB 2 Appropriations

General Fund

The Business and Income Taxes Division is primarily funded with general fund authority. General fund supports most of the division's personal services and operating expenses.

State Special Revenue

State special revenue from the unclaimed property fund is used for program support, tobacco tax compliance activities, and cannabis tax compliance activities. State special revenue from the accommodations tax funds expenses related to administering the tax.

Federal Special Revenue

Federal special revenue comes from reimbursements for performing mineral royalty audits.

Statutory Appropriations

The Business and Income Taxes Division has statutory authority for the Montana Economic Development Industry Advancement (MEDIA) Act film tax credit fee and the cigarette tax stamps. The Montana Legislature established the MEDIA Act (2019 Legislative Session) that provides a transferable income tax credit to eligible film production companies. To determine a company's eligibility, they must apply with both the Department of Commerce and the Department of Revenue. Statutory authority for the cigarette tax stamps results from the State of Montana charging a tax on cigarettes sold by selling tax decals to wholesalers who attach the decal to each pack of cigarettes sold in Montana.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Business and Income Taxes Division 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	12,436,572	926,758	503,023	13,866,353	97.4%	12,436,572	926,758	503,023	13,866,353	96.8%
Statewide PL										
Personal Services	22,629	0	0	22,629	0.2%	58,069	0	0	58,069	0.4%
Fixed Costs	244,739	0	0	244,739	1.7%	272,298	0	0	272,298	1.9%
Inflation Deflation	(116)	0	0	(116)	(0.0%)	(78)	0	0	(78)	(0.0%)
Total Statewide PL	267,252	0	0	267,252	1.9%	330,289	0	0	330,289	2.3%
Present Law (PL)	58,713	25,000	0	83,713	0.6%	58,714	50,000	0	108,714	0.8%
New Proposals	15,500	0	0	15,500	0.1%	16,500	0	0	16,500	0.1%
Total HB 2 Adjustments	341,465	25,000	0	366,465	2.6%	405,503	50,000	0	455,503	3.2%
Total Budget	12,778,037	951,758	503,023	14,232,818		12,842,075	976,758	503,023	14,321,856	

Present Law Adjustments

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

Present Law Adjustments										
	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	22,629	0	0	22,629	0.00	58,069	0	0	58,069
DP 2 - Fixed Costs	0.00	244,739	0	0	244,739	0.00	272,298	0	0	272,298
DP 3 - Inflation Deflation	0.00	(116)	0	0	(116)	0.00	(78)	0	0	(78)
DP 701 - BITD Cannabis Local-Option Tax Administration	0.00	0	25,000	0	25,000	0.00	0	50,000	0	50,000
DP 702 - BITD Administrative Resources	1.14	58,713	0	0	58,713	1.14	58,714	0	0	58,714
Grand Total All Present Law Adjustments	1.14	\$325,965	\$25,000	\$0	\$350,965	1.14	\$389,003	\$50,000	\$0	\$439,003

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 701 - BITD Cannabis Local-Option Tax Administration -

The legislature adopted an increase in state special revenue appropriations authority for the 2027 biennium for the administration of the cannabis local-option tax. This increase is all within the cannabis state special revenue fund. In 16-12-310, MCA, the department is required to retain a percentage of the cannabis local-option tax collected. The budget authority will be spent on administering the cannabis local-option tax in BITD. These duties include estimating, auditing, and adjusting tax returns as needed.

DP 702 - BITD Administrative Resources -

The legislature adopted an increase in general fund appropriation authority, as well as an increase of 1.14 PB for the upcoming biennium. Currently, the division has three auditing technician positions that are budgeted for 0.41, 0.75, and 0.70 PB, respectively. This PB will fill these to 1.00 PB each to more accurately represent the work these employees are doing. The division currently uses modified positions to make these positions 1.00 PB each.

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals										
-----Fiscal 2026-----						-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds		PB	General Fund	State Special	Total Funds
DP 15 - DO, CCD, BITD, PAD Administrative Resources	0.00	15,500	0	0	15,500		0.00	16,500	0	16,500
Total	0.00	\$15,500	\$0	\$0	\$15,500		0.00	\$16,500	\$0	\$16,500

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

DP 15 - DO, CCD, BITD, PAD Administrative Resources -

The legislature adopted an increase in general fund appropriation authority in the upcoming biennium. This would be utilized towards rental space in Livingston, Boulder, and Butte for staff of various divisions. As the agency experiences challenges in recruitment and training in high cost-of-living locations, this allows for staff of multiple divisions to work in one location to limit the need for travel.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	287.42	287.92	288.92	1.50	0.3%
General Fund	27,035,288	28,390,198	29,309,293	3,628,915	6.7%
State/Other Special Rev. Funds	17,276	17,276	17,276		0.0%
Total Funds	27,052,564	28,407,474	29,326,569	3,628,915	6.7%
Personal Services	22,754,166	23,618,057	24,358,948	2,468,673	5.4%
Operating Expenses	3,445,263	3,936,282	4,114,486	1,160,242	16.8%
Debt Service	853,135	853,135	853,135		0.0%
Total Expenditures	27,052,564	28,407,474	29,326,569	3,628,915	6.7%
Total Ongoing	27,052,564	28,407,474	29,326,569	3,628,915	6.7%
Total One-Time-Only					0.0%

Program Description

The Property Assessment Division (PAD) is responsible for Montana's property tax laws, including the valuation of all taxable property for property tax purposes. The division ensures that property classes for agricultural and forest land, residential and commercial property, and business equipment are valued uniformly and equally throughout the state. The division provides each tax jurisdiction with the total taxable value of property in the jurisdiction and local governments use these certified values to determine property taxes used to fund community services such as public schools and road construction.

Program Highlights

Property Assessment Division Major Budget Highlights
<ul style="list-style-type: none"> The Property Assessment Division's 2027 biennium appropriations are approximately \$3.6 million or 6.7% higher than the FY 2025 base budget. Significant changes include: <ul style="list-style-type: none"> \$2.8 million in personal services and related operating expenses for implementation of revisions in property taxes An increase of \$431,000 in appropriations for fixed costs with this mainly due to information technology costs An increase of \$230,000 over the biennium for the implementation of HB 29, HB 920, and SB 337 An increase in appropriations of \$224,000 due to rental space expenses for staffing needs in Livingston, Butte, and Boulder

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	21,492,991	21,495,898	22,754,166	23,618,057	24,358,948
Operating Expenses	3,433,013	3,456,005	3,445,263	3,936,282	4,114,486
Debt Service	881,911	881,911	853,135	853,135	853,135
Total Expenditures	\$25,807,915	\$25,833,814	\$27,052,564	\$28,407,474	\$29,326,569
General Fund	25,793,632	25,816,538	27,035,288	28,390,198	29,309,293
State/Other Special Rev. Funds	14,283	17,276	17,276	17,276	17,276
Total Funds	\$25,807,915	\$25,833,814	\$27,052,564	\$28,407,474	\$29,326,569
Total Ongoing	\$25,807,915	\$25,833,814	\$27,052,564	\$28,407,474	\$29,326,569
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Revenue, 08-Property Assessment Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	57,699,491	0	0	57,699,491	99.94 %
02088 SSR Administrative Funds	28,552	0	0	28,552	82.63 %
02320 Property Value. Improv. Fund	6,000	0	0	6,000	17.37 %
State Special Total	\$34,552	\$0	\$0	\$34,552	0.06 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$57,734,043	\$0	\$0	\$57,734,043	

HB 2 Appropriations

General Fund

The Property Assessment Division is almost entirely funded through general fund appropriations to support its business operations.

State Special Revenue

There is a small portion from state special revenue for the livestock per capita fee and the property valuation improvement fund. The livestock per capita fee fund is funded through fees placed on various livestock to impose livestock laws. The appropriations from this fund within the division are a percentage of the total fund used to help collect the fee. The property valuation improvement fund charges a photocopy fee in the county offices throughout the state. This fee is used to reimburse the cost of developing and maintaining the property valuation database.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Property Assessment Division 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	27,035,288	17,276	0	27,052,564	95.2%	27,035,288	17,276	0	27,052,564	92.2%
Statewide PL										
Personal Services	(88,193)	0	0	(88,193)	(0.3%)	(23,740)	0	0	(23,740)	(0.1%)
Fixed Costs	201,764	0	0	201,764	0.7%	229,383	0	0	229,383	0.8%
Inflation Deflation	(26,533)	0	0	(26,533)	(0.1%)	(17,933)	0	0	(17,933)	(0.1%)
Total Statewide PL	87,038	0	0	87,038	0.3%	187,710	0	0	187,710	0.6%
Present Law (PL)	50,000	0	0	50,000	0.2%	90,000	0	0	90,000	0.3%
New Proposals	1,217,872	0	0	1,217,872	4.3%	1,996,295	0	0	1,996,295	6.8%
Total HB 2 Adjustments	1,354,910	0	0	1,354,910	4.8%	2,274,005	0	0	2,274,005	7.8%
Total Budget	28,390,198	17,276	0	28,407,474		29,309,293	17,276	0	29,326,569	

Present Law Adjustments

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

Present Law Adjustments										
	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(88,193)	0	0	(88,193)	0.00	(23,740)	0	0	(23,740)
DP 2 - Fixed Costs	0.00	201,764	0	0	201,764	0.00	229,383	0	0	229,383
DP 3 - Inflation Deflation	0.00	(26,533)	0	0	(26,533)	0.00	(17,933)	0	0	(17,933)
DP 16 - TSD, PAD, and IMCD - Administrative Cost Adjustment	0.00	50,000	0	0	50,000	0.00	90,000	0	0	90,000
Grand Total All Present Law Adjustments	0.00	\$137,038	\$0	\$0	\$137,038	0.00	\$277,710	\$0	\$0	\$277,710

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 16 - TSD, PAD, and IMCD - Administrative Cost Adjustment -

The legislature adopted an increase in general fund appropriations for the upcoming biennium. This increase is due to the increase in parking costs at the Donovan building in downtown Helena. This increase also includes a possible increase in leasing expenses as the current lease expires on December 30, 2026.

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 15 - DO, CCD, BITD, PAD Administrative Resources	0.00	108,500	0	0	108,500	0.00	115,500	0	0	115,500
DP 801 - PAD Property Tax Revision Implementation (BIEN)	0.00	1,031,740	0	0	1,031,740	0.00	1,728,640	0	0	1,728,640
DP 1800 - HB 920	0.00	20,000	0	0	20,000	0.00	0	0	0	0
DP 1801 - HB 29	0.00	0	0	0	0	1.00	96,688	0	0	96,688
DP 1802 - SB 337	0.50	57,632	0	0	57,632	0.50	55,467	0	0	55,467
Total	0.50	\$1,217,872	\$0	\$0	\$1,217,872	1.50	\$1,996,295	\$0	\$0	\$1,996,295

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

DP 15 - DO, CCD, BITD, PAD Administrative Resources -

The legislature adopted an increase in general fund appropriation authority in the upcoming biennium. This would be utilized towards rental space in Livingston, Boulder, and Butte for staff of various divisions. As the agency experiences challenges in recruitment and training in high cost-of-living locations, this allows for staff of multiple divisions to work in one location to limit the need for travel.

DP 801 - PAD Property Tax Revision Implementation (BIEN) -

The legislature adopted an increase in general fund authority for personal services and operating expenses in the upcoming biennium. The personal services requested funds 13.00 modified PB in FY 2026 and 23.00 modified PB in FY 2027. The operating expenses are for network and supplies costs. This appropriation is to implement HB 231.

DP 1800 - HB 920 -

The legislature adopted an increase in general fund appropriations in FY 2026 for the implementation of HB 920. This bill creates a property tax exemption for new senior care and housing developments by non-profit entities. The department will use this appropriation for contracted services related to application development and changes to the current system to track and implement this exemption.

DP 1801 - HB 29 -

The legislature adopted an increase in general fund appropriations to support 1.00 PB in FY 2027 for the implementation of HB 29. This bill requires the department to periodically review tax-exempt properties. Along with this, the department is also required to report on this review to the Revenue Interim Committee.

DP 1802 - SB 337 -

The legislature adopted an increase in general fund appropriations to support 0.50 PB for the implementation of SB 337. This bill provides a temporary property tax exemption, up to five years, for property that is being developed into a new subdivision.

Agency Base Budget Comparison

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

Agency Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	143.92	144.92	144.92	1.00	0.3%
General Fund	40,438,885	57,963,011	57,244,632	34,329,873	42.4%
State/Other Special Rev. Funds	8,098,255	8,776,021	8,784,415	1,363,926	8.4%
Federal Spec. Rev. Funds	18,535	28,535	28,535	20,000	54.0%
Proprietary Funds	6,729,573	6,924,026	6,780,165	245,045	1.8%
Total Funds	55,285,248	73,691,593	72,837,747	35,958,844	32.5%
Personal Services	14,499,936	14,864,380	14,908,128	772,636	2.7%
Operating Expenses	6,836,169	8,684,999	7,353,977	2,366,638	17.3%
Equipment & Intangible Assets	50,000	50,000	50,000		0.0%
Local Assistance	28,979	38,979	38,979	20,000	34.5%
Transfers	33,441,889	49,744,535	50,177,963	33,038,720	49.4%
Debt Service	428,275	308,700	308,700	(239,150)	(27.9%)
Total Expenditures	55,285,248	73,691,593	72,837,747	35,958,844	32.5%
Total Ongoing	55,285,248	73,691,593	72,837,747	35,958,844	32.5%
Total One-Time-Only					0.0%

Agency Description

The Department of Administration (DOA) is a customer service organization providing centralized enterprise services to Montana state agencies and local governments.

Key services include:

- Financial Management: Treasury, accounting, financial reporting, Social Security Section 218 administration, and bonded indebtedness oversight
- Technology Services: IT planning, security, and management of enterprise systems for accounting, payroll, budgeting, and human resources
- Facilities & Operations: Capitol complex security, facilities and grounds maintenance, leasing, surplus property, recycling, and centralized printing
- Procurement & Human Resources: Procurement oversight, workforce development, labor relations, employee benefits, safety programs, and workers' compensation
- Insurance & Risk Management: Property/casualty insurance, risk management, and Tort Claims Act administration
- Public Service: Management of American Rescue Plan Act (ARPA) and Infrastructure Investment and Jobs Act (IIJA) broadband grants, local government audit compliance, and state financial institution regulation

Attached agencies include:

- Montana Lottery
- Montana Tax Appeal Board
- Montana Teachers' Retirement System
- Montana Public Employee Retirement Administration
- Office of State Public Defender
- State Compensation Insurance Fund

Attached boards & councils include:

- Board of Examiners
- Burial Preservation Board
- Capitol Complex Advisory Council
- Information Technology Board
- Education and Workforce Data Governing Board
- Montana Land Information Advisory Council
- State Board of County Printing
- State Employee Group Benefits Advisory Council

Agency Highlights

Department of Administration Major Budget Highlights
<ul style="list-style-type: none">• The legislature adopted an increase to the Department of Administration's 2027 biennium budget of approximately \$36.0 million or 32.5% compared to the FY 2025 base budget. Changes adopted by the legislature include:<ul style="list-style-type: none">◦ An approximate \$33.0 million increase due to a general fund transfer to the Long-Range Building Program capital development account and major repair and maintenance account, as included in statute◦ Increased authority due to statewide present law adjustments for personal services and fixed costs, the majority of which takes place in FY 2026 for biennial legislative audit costs◦ Funding for 1.00 position budgeted (PB) to support the work of the Education and Workforce Data Governance Board

Agency Actuals and Budget Comparison

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

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	13,475,783	13,815,770	14,499,936	14,864,380	14,908,128
Operating Expenses	7,144,595	7,545,362	6,836,169	8,684,999	7,353,977
Equipment & Intangible Assets	77,090	85,000	50,000	50,000	50,000
Local Assistance	30,854	28,979	28,979	38,979	38,979
Transfers	31,632,606	31,632,606	33,441,889	49,744,535	50,177,963
Debt Service	828,907	828,908	428,275	308,700	308,700
Total Expenditures	\$53,189,835	\$53,936,625	\$55,285,248	\$73,691,593	\$72,837,747
General Fund	39,092,268	39,342,813	40,438,885	57,963,011	57,244,632
State/Other Special Rev. Funds	7,688,212	7,863,100	8,098,255	8,776,021	8,784,415
Federal Spec. Rev. Funds	13,650	5,828	18,535	28,535	28,535
Proprietary Funds	6,395,705	6,724,884	6,729,573	6,924,026	6,780,165
Total Funds	\$53,189,835	\$53,936,625	\$55,285,248	\$73,691,593	\$72,837,747
Total Ongoing	\$53,189,835	\$53,936,625	\$55,285,248	\$73,691,593	\$72,837,747
Total OTO	\$0	\$0	\$0	\$0	\$0

Summary of Legislative Action

The legislature adopted an increase to the Department of Administration's total biennial appropriation of approximately \$36.0 million or 32.5% compared to the 2025 biennium base appropriation. The legislature adopted an additional \$9.1 million each fiscal year of the 2027 biennium to be transferred from the general fund to the capital development account. The legislature also adopted an additional \$7.2 million in FY 2026 and \$7.7 million in FY 2027 to be transferred from the general fund to the major maintenance repair account. Additionally, the legislature adopted \$1.3 million in FY 2026 in biennial legislative audit fees.

Funding

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

Total Department of Administration Funding by Source of Authority 2027 Biennium Budget						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	115,207,643			182,795,928	298,003,571	20.9%
02858 Mineral Impact				16,908,187	16,908,187	1.2%
02077 Financial Institutions Div	10,240,659				10,240,659	0.7%
02030 Arch & Engin Construction	6,112,000				6,112,000	0.4%
02211 Procurement Special Revenue	1,207,777				1,207,777	0.1%
02098 Insurance Proceeds - State Bld				91,000	91,000	0.0%
State Special Revenue Total	17,560,436	-	-	16,999,187	34,559,623	2.4%
03425 Forest Reserve Shared Revenue				9,760,900	9,760,900	0.7%
03095 Taylor Grazing Act Dist.				250,000	250,000	0.0%
03369 Flood Control Payments	45,414				45,414	0.0%
03320 CMIA Funds	11,656				11,656	0.0%
Federal Special Revenue Total	57,070	-	-	10,010,900	10,067,970	0.7%
06559 Group Benefits Claims A/C			521,459,403		521,459,403	36.5%
06001 State Lottery Fund	13,528,435			207,292,700	220,821,135	15.5%
06522 ISD Proprietary			158,946,255		158,946,255	11.1%
06532 Agency Insurance Int. Svc.			76,433,266		76,433,266	5.4%
06528 Rent And Maintenance			27,384,352		27,384,352	1.9%
Other Proprietary Fund	175,756		80,668,258		80,844,014	5.7%
Proprietary Fund Total	13,704,191	-	864,891,534	207,292,700	1,085,888,425	76.0%
Total of All Funds	146,529,340	-	864,891,534	417,098,715	1,428,519,589	
Percent of All Sources of Authority	10.3%	0.0%	60.5%	29.2%		

The majority of the Department of Administration is funded with non-budgeted proprietary funds. These funds support the operations of the Director's Office, State Financial Services Division, General Services Division, State Information Technology Services Division, Healthcare and Benefits Division, State Human Resource Division, and Risk Management and Tort Defense Division.

Statutory appropriations also comprise a significant portion of appropriations for the Department of Administration. These primarily include appropriations related to a transfer to the teacher's retirement and public employee's retirement system, and lottery prizes.

HB 2 appropriations of general fund, state special revenue funds, federal special revenue funds, and proprietary funds will be discussed in further detail at the program level.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Department of Administration 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	40,438,885	8,098,255	18,535	55,285,248	75.0%	40,438,885	8,098,255	18,535	55,285,248	75.9%
Statewide PL										
Personal Services	101,686	144,270	0	269,805	0.4%	116,129	162,642	0	313,552	0.4%
Fixed Costs	1,191,882	62,158	0	1,421,723	1.9%	23,797	47,862	0	84,565	0.1%
Inflation Deflation	(151)	(6,119)	0	(6,276)	(0.0%)	(102)	(4,136)	0	(4,242)	(0.0%)
Total Statewide PL	1,293,417	200,309	0	1,685,252	2.3%	139,824	206,368	0	393,875	0.5%
Present Law (PL)	16,321,280	289,247	10,000	16,623,454	22.6%	16,754,685	293,390	10,000	17,060,984	23.4%
New Proposals	(90,571)	188,210	0	97,639	0.1%	(88,762)	186,402	0	97,640	0.1%
Total HB 2 Adjustments	17,524,126	677,766	10,000	18,406,345	25.0%	16,805,747	686,160	10,000	17,552,499	24.1%
Total Budget	57,963,011	8,776,021	28,535	73,691,593		57,244,632	8,784,415	28,535	72,837,747	

Other Legislation

HB 13 – In addition to implementing the state employee pay plan, HB 13 appropriated \$75,000 general fund to the Department of Administration for a labor-management training initiative.

Executive Budget Comparison

The following table compares the legislative budget for the biennium to the budget requested by the Governor by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2025	Executive Budget Fiscal 2026	Legislative Budget Fiscal 2026	Leg — Exec. Difference Fiscal 2026	Executive Budget Fiscal 2027	Legislative Budget Fiscal 2027	Leg — Exec. Difference Fiscal 2027	Biennium Difference Fiscal 26-27
Personal Services	14,499,936	14,855,030	14,864,380	9,350	14,898,778	14,908,128	9,350	18,700
Operating Expenses	6,836,169	8,688,486	8,684,999	(3,487)	7,359,816	7,353,977	(5,839)	(9,326)
Equipment & Intangible Assets	50,000	50,000	50,000	0	50,000	50,000	0	0
Local Assistance	28,979	38,979	38,979	0	38,979	38,979	0	0
Transfers	33,441,889	49,744,535	49,744,535	0	50,177,963	50,177,963	0	0
Debt Service	428,275	308,700	308,700	0	308,700	308,700	0	0
Total Costs	\$55,285,248	\$73,685,730	\$73,691,593	\$5,863	\$72,834,236	\$72,837,747	\$3,511	\$9,374
General Fund	40,438,885	57,954,872	57,963,011	8,139	57,237,343	57,244,632	7,289	15,428
State/other Special Rev. Funds	8,098,255	8,777,396	8,776,021	(1,375)	8,786,700	8,784,415	(2,285)	(3,660)
Federal Spec. Rev. Funds	18,535	28,535	28,535	0	28,535	28,535	0	0
Other	6,729,573	6,924,927	6,924,026	(901)	6,781,658	6,780,165	(1,493)	(2,394)
Total Funds	\$55,285,248	\$73,685,730	\$73,691,593	\$5,863	\$72,834,236	\$72,837,747	\$3,511	\$9,374
Total Ongoing	\$55,285,248	\$73,685,730	\$73,691,593	\$5,863	\$72,834,236	\$72,837,747	\$3,511	\$9,374
Total OTO	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

The legislature adopted ongoing appropriations that are \$9,000 greater than the executive proposed appropriations for the 2027 biennium. Significant changes include:

- The legislature adopted adjustments to fixed costs which removed the newly proposed Robert's Rules of Order training from the budget
- The legislature adopted an adjustment to the Department of Administrations human resources rate charged to internal divisions
- The legislature passed HB 632, which increased board member compensation for the Burial Preservation Board. This bill increased general fund appropriation authority by \$1,650 each fiscal year of the 2027 biennium
- The legislature passed SB 5, which increased board member compensation for the Montana Tax Appeal Board. This bill increased general fund appropriation authority by \$7,700 each fiscal year of the 2027 biennium

Language

If the Montana State Lottery Division does not conduct a request for proposal to obtain its contract for gambling services the division's proprietary authority will be reduced by \$500,000 in both fiscal years of the 2027 biennium.

The Legislative Audit Division will conduct a performance audit in the 2027 biennium of the Montana State Lottery contract procurement process.

It is the intent of the Legislature in each fiscal year of the 2027 biennium that if the Department of Administration is not able to deliver draft statewide financial statements to the Legislative Auditor by November 30, the Director of the Department of Administration shall make a written report to the Legislative Audit Committee explaining the reasons for any delay and identifying whether any specific agencies or component units have not provided information to the department in a timely manner.

It is the intent of the Legislature that the gambling services contract require the new contract winner to pay up to \$50,000 a year for problem gambling addiction services.

If [an act] is passed and approved to require the Board of Investments to operate as a fiduciary, then the State Financial Services Division's general fund is increased by \$87,878 in each fiscal year of the 2027 biennium and proprietary funds are decreased by the same amount in each fiscal year of the 2027 biennium.

If HB 722 is not passed and approved, general fund appropriations in the State Information Technology Services Division are reduced by \$250,000 in FY 2026 and \$250,000 in FY 2027.

If HB 632 is passed and approved, the Department of Administration is increased by \$1,650 general fund in FY 2026 and \$1,650 general fund in FY 2027.

If SB 5 is passed and approved, the Department of Administration is increased by \$7,700 general fund in FY 2026 and \$7,700 general fund in FY 2027.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	2.50	3.50	3.50	1.00	20.0%
General Fund	33,884,609	50,296,198	50,731,015	33,257,995	49.1%
Federal Spec. Rev. Funds	12,707	22,707	22,707	20,000	78.7%
Total Funds	33,897,316	50,318,905	50,753,722	33,277,995	49.1%
Personal Services	336,129	397,533	399,802	125,077	18.6%
Operating Expenses	105,002	152,541	151,661	94,198	44.9%
Local Assistance	14,296	24,296	24,296	20,000	69.9%
Transfers	33,441,889	49,744,535	50,177,963	33,038,720	49.4%
Total Expenditures	33,897,316	50,318,905	50,753,722	33,277,995	49.1%
Total Ongoing	33,897,316	50,318,905	50,753,722	33,277,995	49.1%
Total One-Time-Only					0.0%

Program Description

The Director's Office provides leadership and management support to the Department of Administration (DOA) and its attached boards and commissions. It serves as a key liaison between DOA divisions, the cabinet, legislature, and Governor's Office, ensuring coordination and efficient operations. The Director's Office is supported by a mix of 2.50 PB funded through HB 2 and 21.51 PB funded by internal fees charged to DOA divisions and attached agencies. The office includes:

- Office of Legal Services: Advises divisions on legal matters
- Office of Human Resources: Supports agency performance through strategic HR programs
- Office of Finance & Budget: Manages budgets, compliance, and financial reporting
- Communications Director: Handles internal and external communication strategies
- Chief Data Office: Drives digital transformation and data modernization for state government, focusing on data quality, analytics, governance, and performance measures
- Office of Public Information Requests (OPIR): Centralizes public records management, coordinating intake, cost estimates, legal reviews, and responses for complex or multi-agency requests. OPIR also manages tools for tracking and preparing records for release

Program Highlights

Director's Office Major Budget Highlights
<ul style="list-style-type: none"> • The legislature adopted an increase to the Director's Office 2027 biennium budget of approximately \$33.3 million or 49.1% compared to the FY 2025 base budget. Changes adopted by the legislature include: <ul style="list-style-type: none"> ◦ A general fund transfer to the Long-Range Building Program capital development account and major repair and maintenance account ◦ 1.00 new PB for the Education and Workforce Development Board

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	295,181	349,507	336,129	397,533	399,802
Operating Expenses	902,058	1,036,020	105,002	152,541	151,661
Local Assistance	12,707	14,296	14,296	24,296	24,296
Transfers	31,632,606	31,632,606	33,441,889	49,744,535	50,177,963
Total Expenditures	\$32,842,552	\$33,032,429	\$33,897,316	\$50,318,905	\$50,753,722
General Fund	32,829,845	33,032,429	33,884,609	50,296,198	50,731,015
Federal Spec. Rev. Funds	12,707	0	12,707	22,707	22,707
Total Funds	\$32,842,552	\$33,032,429	\$33,897,316	\$50,318,905	\$50,753,722
Total Ongoing	\$32,842,552	\$33,032,429	\$33,897,316	\$50,318,905	\$50,753,722
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Administration, 01-Director's Office Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	101,027,213	0	177,921,474	278,948,687	88.79 %
02858 Mineral Impact	0	0	16,908,187	16,908,187	100.00 %
State Special Total	\$0	\$0	\$16,908,187	\$16,908,187	5.38 %
03095 Taylor Grazing Act Dist.	0	0	250,000	250,000	2.49 %
03369 Flood Control Payments	45,414	0	0	45,414	0.45 %
03425 Forest Reserve Shared Revenue	0	0	9,760,900	9,760,900	97.06 %
Federal Special Total	\$45,414	\$0	\$10,010,900	\$10,056,314	3.20 %
06020 Office of Public Information R	0	878,761	0	878,761	10.62 %
06504 Chief Data Office	0	1,219,288	0	1,219,288	14.74 %
06534 Management Services	0	6,172,903	0	6,172,903	74.63 %
Proprietary Total	\$0	\$8,270,952	\$0	\$8,270,952	2.63 %
Total All Funds	\$101,072,627	\$8,270,952	\$204,840,561	\$314,184,140	

*HB 2 Appropriations*General Fund

General fund provides the majority of the funding for HB 2 authority. General fund authority is primarily for the transfer to the long-range building program capital development account and the major repair account. Other general fund supports the Office of Legal Services, Burial Board, and the Office of Finance and Budget.

Federal Special Revenue

Federal special revenue provides the remaining funding in HB 2 and supports the allocation of federal flood control payments. These funds are received by the department from the U.S. Army Corporation of Engineers. Funds are directed to specific counties for reimbursement for 75.0% of receipts from the leasing of lands acquired for flood control, navigation, and allied purposes pursuant to 33 U.S.C. 701c-3.

Non-Budgeted Proprietary Appropriations

A small portion of the Director's Office functions are supported by non-budgeted proprietary funds. These funds are discussed in the Non-Budgeted Proprietary report.

Statutory Appropriations

In the Director's Office, statutory appropriations account for the majority of appropriations from all sources of authority. The figure below provides FY 2024 actual expenditures, FY 2025 appropriations, and current HJ 2 estimates for FY 2026 and FY 2027.

Department of Administration Director's Office Statutory Appropriations				
	FY 2024 Actual	FY 2025 Estimated	FY 2026 Estimated	FY 2027 Estimated
General Fund				
Debt Service	\$ 73,319	\$ 97,965	\$ 207,750	\$ 207,750
Local Government PERD Contribution	662,124	1,343,615	705,862	728,802
School District PERD Contribution	714,149	743,445	761,323	786,066
TRS GABA	1,079,927	1,142,000	1,151,263	1,188,679
TRS Supplemental Contribution	47,768,291	49,837,000	49,018,339	49,655,578
State Fund Division	745,286	539,000	535,000	535,000
Public Employees Retirement Transfers	35,329,705	35,683,002	36,039,832	36,400,230
Lodging Tax	118,778	186,000	-	-
Total General Fund	86,491,579	89,572,027	88,419,369	89,502,105
State Special Revenues				
Mineral Impact	11,923,593	6,764,000	8,518,514	8,389,673
Total State Special Revenue	11,923,593	6,764,000	8,518,514	8,389,673
Federal Special Revenue				
Taylor Grazing Act Fees	125,000	125,000	125,000	125,000
Forest Reserve Funds	13,396,642	4,682,450	4,802,450	4,958,450
Total Federal Special Revenue	13,521,642	4,807,450	4,927,450	5,083,450
Total Statutory Appropriations	\$ 111,936,815	\$ 101,143,477	\$ 101,865,333	\$ 102,975,228

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Director's Office 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	33,884,609	0	12,707	33,897,316	67.4%	33,884,609	0	12,707	33,897,316	66.8%
Statewide PL										
Personal Services	(25,535)	0	0	(25,535)	(0.1%)	(23,267)	0	0	(23,267)	(0.0%)
Fixed Costs	34,587	0	0	34,587	0.1%	33,707	0	0	33,707	0.1%
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Statewide PL	9,052	0	0	9,052	0.0%	10,440	0	0	10,440	0.0%
Present Law (PL)	16,312,598	0	10,000	16,322,598	32.4%	16,746,026	0	10,000	16,756,026	33.0%
New Proposals	89,939	0	0	89,939	0.2%	89,940	0	0	89,940	0.2%
Total HB 2 Adjustments	16,411,589	0	10,000	16,421,589	32.6%	16,846,406	0	10,000	16,856,406	33.2%
Total Budget	50,296,198	0	22,707	50,318,905		50,731,015	0	22,707	50,753,722	

Present Law Adjustments

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

Present Law Adjustments										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(25,535)	0	0	(25,535)	0.00	(23,267)	0	0	(23,267)
DP 2 - Fixed Costs	0.00	34,587	0	0	34,587	0.00	33,707	0	0	33,707
DP 4 - Allocate Department Indirect/Administrative Costs	0.00	10,012	0	0	10,012	0.00	10,052	0	0	10,052
DP 5 - Management Services HR Rate Adjustment	0.00	(32)	0	0	(32)	0.00	(72)	0	0	(72)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	(28)	0	0	(28)	0.00	(28)	0	0	(28)
DP 103 - GF Transfer to Capital Development Authority	0.00	9,062,901	0	0	9,062,901	0.00	9,062,901	0	0	9,062,901
DP 104 - GF Transfer Min Funding to Major Maintenance Repair	0.00	7,239,745	0	0	7,239,745	0.00	7,673,173	0	0	7,673,173
DP 107 - Increase Flood Control Appropriation	0.00	0	0	10,000	10,000	0.00	0	0	10,000	10,000
Grand Total All Present Law Adjustments	0.00	\$16,321,650	\$0	\$10,000	\$16,331,650	0.00	\$16,756,466	\$0	\$10,000	\$16,766,466

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 4 - Allocate Department Indirect/Administrative Costs -

The legislature adopted an adjustment to provide the funding to pay the Department of Administration's indirect costs. These costs are charged to the department's programs for services provided by DOA employees, including accounting, human resources, and legal issues.

DP 5 - Management Services HR Rate Adjustment -

The legislature adopted an adjustment to the human resources rate charged to the department's programs for centralized services.

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

DP 103 - GF Transfer to Capital Development Authority -

The legislature adopted a transfer of general fund to the capital development Long-Range Building Program account, as included in 17-7-208, MCA.

DP 104 - GF Transfer Min Funding to Major Maintenance Repair -

The legislature adopted a transfer of general fund to the major repair Long-Range Building Program account, as included in 17-7-222, MCA.

DP 107 - Increase Flood Control Appropriation -

The legislature adopted additional federal special revenue authority in the 2027 biennium. Section 17-3-231, MCA, requires the distribution of federal flood control funds to the counties. The legislature adopted an increase in appropriation to facilitate the distribution of these federal funds.

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 102 - Education Workforce Data Governing Board	1.00	88,289	0	0	88,289	1.00	88,290	0	0	88,290
DP 1801 - HB 632	0.00	1,650	0	0	1,650	0.00	1,650	0	0	1,650
Total	1.00	\$89,939	\$0	\$0	\$89,939	1.00	\$89,940	\$0	\$0	\$89,940

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

DP 102 - Education Workforce Data Governing Board -

The legislature adopted general fund appropriations for 1.00 PB to support and facilitate the work of the Education and Workforce Data Governance Board, established during the 2023 Legislature, 20-7-138, MCA, that is administratively attached to the Department of Administration. The board is responsible for developing and implementing policies and procedures for the linking and sharing of education and workforce data among contributing agencies; facilitating the use of the data to inform decision making by entities to maximize the operational efficiency of the state's education and workforce systems; and ensuring compliance with federal and state privacy laws.

DP 1801 - HB 632 -

The legislature adopted HB 632, which increased board member compensation for the Burial Preservation Board.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	16.67	16.67	16.67	0.00	0.0%
General Fund	1,798,057	3,017,252	1,861,947	1,283,085	35.7%
Federal Spec. Rev. Funds	5,828	5,828	5,828		0.0%
Proprietary Funds	87,878	87,878	87,878		0.0%
Total Funds	1,891,763	3,110,958	1,955,653	1,283,085	33.9%
Personal Services	1,624,979	1,659,059	1,663,383	72,484	2.2%
Operating Expenses	266,784	1,451,899	292,270	1,210,601	226.9%
Total Expenditures	1,891,763	3,110,958	1,955,653	1,283,085	33.9%
Total Ongoing	1,891,763	3,110,958	1,955,653	1,283,085	33.9%
Total One-Time-Only					0.0%

Program Description

The State Financial Services Division provides centralized services and administers state and federal programs for agencies, local governments, and Montana citizens and businesses. It consists of three bureaus:

1. Statewide Accounting Bureau (SAB): Manages the financial modules of the Statewide Accounting Budgeting & Human Resources System (SABHRS), supports state agencies, ensures compliance with accounting policies, publishes the state's annual comprehensive financial report (ACFR), and oversees daily treasury operations and payment processing
2. Local Government Services Bureau (LGSB): Supports local governments with financial accountability and compliance with statutory reporting, including the Montana Single Audit Act. It also manages public access to financial and audit reports and oversees the State Social Security Administrator Program
3. SABHRS Financial Services Technology Bureau (FSTB): Provides system support, development, and maintenance for the state's enterprise accounting and budgeting systems, collaborating with key state entities to meet business requirements

The Division Strategies and Solutions Team (DSST) focuses on operational strategies and technology solutions to support division-wide initiatives.

Program Highlights

State Financial Services Division Major Budget Highlights
<ul style="list-style-type: none"> • The legislature adopted an increase to the State Financial Services Division's 2027 biennium budget of approximately \$1.3 million or 33.9% compared to the FY 2025 base budget. Changes adopted by the legislature include: <ul style="list-style-type: none"> ◦ Statewide present law adjustments for fixed costs including audit fees in FY 2026 ◦ A general fund transfer from the State Procurement Services Division

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	1,514,467	1,551,128	1,624,979	1,659,059	1,663,383
Operating Expenses	282,675	272,510	266,784	1,451,899	292,270
Debt Service	21,613	0	0	0	0
Total Expenditures	\$1,818,755	\$1,823,638	\$1,891,763	\$3,110,958	\$1,955,653
General Fund	1,733,703	1,733,702	1,798,057	3,017,252	1,861,947
Federal Spec. Rev. Funds	943	5,828	5,828	5,828	5,828
Proprietary Funds	84,109	84,108	87,878	87,878	87,878
Total Funds	\$1,818,755	\$1,823,638	\$1,891,763	\$3,110,958	\$1,955,653
Total Ongoing	\$1,818,755	\$1,823,638	\$1,891,763	\$3,110,958	\$1,955,653
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Administration, 03-State Financial Services Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	4,879,199	0	4,874,454	9,753,653	39.36 %
State Special Total	\$0	\$0	\$0	\$0	0.00 %
03320 CMIA Funds	11,656	0	0	11,656	100.00 %
Federal Special Total	\$11,656	\$0	\$0	\$11,656	0.05 %
06042 Local Govt Svcs AuditRptng	0	1,914,802	0	1,914,802	12.75 %
06511 SABHRS	0	10,715,343	0	10,715,343	71.37 %
06527 Investment Division	175,756	0	0	175,756	1.17 %
06564 Warrant Writing	0	2,208,343	0	2,208,343	14.71 %
Proprietary Total	\$175,756	\$14,838,488	\$0	\$15,014,244	60.59 %
Total All Funds	\$5,066,611	\$14,838,488	\$4,874,454	\$24,779,553	

HB 2 Appropriations

General Fund

General fund is the primary source for the functions approved in HB 2 and supports the development of statewide accounting standards, treasury functions, accounting assistance for local government, and the State Social Security Administrator function.

Federal Special Revenue

Federal special revenues provide for cash management services related to the federal Cash Management Improvement Act (CMIA). These funds are deposited into the general fund.

Proprietary Fund

Proprietary funding in HB 2 is a direct appropriation from the Board of Investments (BOI) proprietary fund for services the Treasury Unit provides to the BOI.

Non-Budgeted Proprietary Appropriations

Non-budgeted proprietary funds include Local Government Services Audit Reporting, the State Accounting, Budgeting, and Human Resources System (SABHRS), and Warrant Writing. These funds are discussed in the Non-Budgeted Proprietary report.

Statutory Appropriations

The state treasurer may contract with a financial institution to provide general depository banking services. The cost of contracting for banking services is statutorily appropriated from the general fund (17-6-101, MCA). In addition, the state treasurer has statutory authority to return any federal funds, and interest earned on the funds that may not be retained by the state according to federal law or the terms of the federal grant (17-3-106, MCA).

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

State Financial Services Division 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	1,798,057	0	5,828	1,891,763	60.8%	1,798,057	0	5,828	1,891,763	96.7%
Statewide PL										
Personal Services	34,080	0	0	34,080	1.1%	38,404	0	0	38,404	2.0%
Fixed Costs	1,168,315	0	0	1,168,315	37.6%	8,669	0	0	8,669	0.4%
Inflation Deflation	(74)	0	0	(74)	(0.0%)	(50)	0	0	(50)	(0.0%)
Total Statewide PL	1,202,321	0	0	1,202,321	38.6%	47,023	0	0	47,023	2.4%
Present Law (PL)	16,874	0	0	16,874	0.5%	16,867	0	0	16,867	0.9%
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	1,219,195	0	0	1,219,195	39.2%	63,890	0	0	63,890	3.3%
Total Budget	3,017,252	0	5,828	3,110,958		1,861,947	0	5,828	1,955,653	

Present Law Adjustments

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

Present Law Adjustments										
-----Fiscal 2026-----					-----Fiscal 2027-----					
PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds	
DP 1 - Personal Services	0.00	34,080	0	0	34,080	0.00	38,404	0	0	38,404
DP 2 - Fixed Costs	0.00	1,168,315	0	0	1,168,315	0.00	8,669	0	0	8,669
DP 3 - Inflation Deflation	0.00	(74)	0	0	(74)	0.00	(50)	0	0	(50)
DP 4 - Allocate Department Indirect/Administrative Costs	0.00	2,871	0	0	2,871	0.00	3,130	0	0	3,130
DP 5 - Management Services HR Rate Adjustment	0.00	(217)	0	0	(217)	0.00	(483)	0	0	(483)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	(134)	0	0	(134)	0.00	(134)	0	0	(134)
DP 302 - General Fund Transfer to Correct SFSD and SPSP Starting Point	0.00	14,354	0	0	14,354	0.00	14,354	0	0	14,354
Grand Total All Present Law Adjustments	0.00	\$1,219,195	\$0	\$0	\$1,219,195	0.00	\$63,890	\$0	\$0	\$63,890

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 4 - Allocate Department Indirect/Administrative Costs -

The legislature adopted an adjustment to provide the funding to pay the Department of Administration's indirect costs. These costs are charged to the department's programs for services provided by DOA employees, including accounting, human resources, and legal issues.

DP 5 - Management Services HR Rate Adjustment -

The legislature adopted an adjustment to the human resources rate charged to the department's programs for centralized services.

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

DP 302 - General Fund Transfer to Correct SFSD and SPSD Starting Point -

The legislature adopted a general fund transfer from the State Procurement Services Division to the State Financial Services Division to adjust starting points due to a budget change document (BCD) not processing in time to correct the starting points.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	18.00	18.00	18.00	0.00	0.0%
State/Other Special Rev. Funds	2,832,783	3,053,205	3,058,795	446,434	7.9%
Total Funds	2,832,783	3,053,205	3,058,795	446,434	7.9%
Personal Services	2,035,563	2,154,363	2,159,709	242,946	6.0%
Operating Expenses	797,220	898,842	899,086	203,488	12.8%
Total Expenditures	2,832,783	3,053,205	3,058,795	446,434	7.9%
Total Ongoing	2,832,783	3,053,205	3,058,795	446,434	7.9%
Total One-Time-Only					0.0%

Program Description

The Architecture and Engineering Division manages remodeling and construction of state buildings and implementation of the ConnectMT broadband program. Its functions include planning new projects and remodeling projects; advertising, bidding, and awarding construction contracts; administering contracts with architects, engineers, and contractors; disbursing building construction payments; and providing design services for small projects. The division maintains the statewide, state-owned building inventory, directs the statewide facility condition assessment effort, and formulates a long-range building plan for legislative consideration each session. For ConnectMT, the division provides all grant management, reporting, and compliance functions. This division operates under the authority found in Titles 17 and 18, MCA, and Title 90, Chapter 1, Part 6, as well as other state mandates.

Program Highlights

Architecture & Engineering Division Major Budget Highlights
<ul style="list-style-type: none"> The legislature adopted an increase to the Architecture & Engineering Division's 2027 biennium budget of approximately \$446,000 or 7.9% compared to the FY 2025 base budget. Changes adopted by the legislature include: <ul style="list-style-type: none"> Statewide present law adjustments for personal services and fixed costs An increase in operating expenses for rent increases

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	1,999,129	1,950,281	2,035,563	2,154,363	2,159,709
Operating Expenses	669,738	836,096	797,220	898,842	899,086
Total Expenditures	\$2,668,867	\$2,786,377	\$2,832,783	\$3,053,205	\$3,058,795
State/Other Special Rev. Funds	2,668,867	2,786,377	2,832,783	3,053,205	3,058,795
Total Funds	\$2,668,867	\$2,786,377	\$2,832,783	\$3,053,205	\$3,058,795
Total Ongoing	\$2,668,867	\$2,786,377	\$2,832,783	\$3,053,205	\$3,058,795
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Administration, 04-Architecture and Engineering Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
02030 Arch & Engin Construction	6,112,000	0	0	6,112,000	100.00 %
State Special Total	\$6,112,000	\$0	\$0	\$6,112,000	100.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$6,112,000	\$0	\$0	\$6,112,000	

HB 2 Authority

The Architecture & Engineering Division is entirely funded with HB 2 state special revenue authority. The majority of this authority comes from funds transferred from the long-range building major repairs fund to the Architecture & Engineering state special revenue fund, which was established for administrative expenses related to the support of the state Long-Range Building Program.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Architecture and Engineering Division 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	0	2,832,783	0	2,832,783	92.8%	0	2,832,783	0	2,832,783	92.6%
Statewide PL										
Personal Services	0	118,800	0	118,800	3.9%	0	124,146	0	124,146	4.1%
Fixed Costs	0	14,812	0	14,812	0.5%	0	10,185	0	10,185	0.3%
Inflation Deflation	0	(2,178)	0	(2,178)	(0.1%)	0	(1,472)	0	(1,472)	(0.0%)
Total Statewide PL	0	131,434	0	131,434	4.3%	0	132,859	0	132,859	4.3%
Present Law (PL)	0	88,988	0	88,988	2.9%	0	93,153	0	93,153	3.0%
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	0	220,422	0	220,422	7.2%	0	226,012	0	226,012	7.4%
Total Budget	0	3,053,205	0	3,053,205		0	3,058,795	0	3,058,795	

Present Law Adjustments

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

Present Law Adjustments										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	118,800	0	118,800	0.00	0	124,146	0	124,146
DP 2 - Fixed Costs	0.00	0	14,812	0	14,812	0.00	0	10,185	0	10,185
DP 3 - Inflation Deflation	0.00	0	(2,178)	0	(2,178)	0.00	0	(1,472)	0	(1,472)
DP 4 - Allocate Department Indirect/Administrative Costs	0.00	0	1,847	0	1,847	0.00	0	2,126	0	2,126
DP 5 - Management Services HR Rate Adjustment	0.00	0	(256)	0	(256)	0.00	0	(570)	0	(570)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	0	(203)	0	(203)	0.00	0	(203)	0	(203)
DP 401 - Rental Expense Increase	0.00	0	87,600	0	87,600	0.00	0	91,800	0	91,800
Grand Total All Present Law Adjustments	0.00	\$0	\$220,422	\$0	\$220,422	0.00	\$0	\$226,012	\$0	\$226,012

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 4 - Allocate Department Indirect/Administrative Costs -

The legislature adopted an adjustment to provide the funding to pay the Department of Administration's indirect costs. These costs are charged to the department's programs for services provided by DOA employees, including accounting, human resources, and legal issues.

DP 5 - Management Services HR Rate Adjustment -

The legislature adopted an adjustment to the human resources rate charged to the department's programs for centralized services.

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

DP 401 - Rental Expense Increase -

The legislature adopted an increase in the Architecture & Engineering Division's operating budget to pay rental costs for the division's new location.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	12.25	12.25	12.25	0.00	0.0%
General Fund	1,673,615	1,439,976	1,441,171	(466,083)	(13.9%)
State/Other Special Rev. Funds	213,662	604,999	602,778	780,453	182.6%
Total Funds	1,887,277	2,044,975	2,043,949	314,370	8.3%
Personal Services	1,160,102	1,203,418	1,205,524	88,738	3.8%
Operating Expenses	727,175	841,557	838,425	225,632	15.5%
Total Expenditures	1,887,277	2,044,975	2,043,949	314,370	8.3%
Total Ongoing	1,887,277	2,044,975	2,043,949	314,370	8.3%
Total One-Time-Only					0.0%

Program Description

The State Procurement Services Division (SPSD) provides professional procurement services to all state agencies for the acquisition of supplies and services. SPSP oversees compliance of state agencies with all state statutes and procurement requirements, establishes statewide contracts for commonly used goods and services, manages the state's fuel and procurement card programs and offers procurement and contract management training to state agencies. Also, the SPSP monitors compliance with the Montana Procurement Act (MCA Title 18-4) and is the business process owner of the eMACS procurement software.

Program Highlights

State Procurement Services Division Major Budget Highlights	
<ul style="list-style-type: none"> The legislature adopted an increase to the State Procurement Services Division's 2027 biennium budget of approximately \$314,000 or 8.3% compared to the FY 2025 base budget. Changes adopted by the legislature include: <ul style="list-style-type: none"> Increased state special revenue for increased operation costs A funding shift from general fund to state special revenue for 2.00 PB Statewide present law adjustments for personal services and fixed costs 	

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	1,190,980	1,168,122	1,160,102	1,203,418	1,205,524
Operating Expenses	352,052	363,623	727,175	841,557	838,425
Debt Service	381,119	402,733	0	0	0
Total Expenditures	\$1,924,151	\$1,934,478	\$1,887,277	\$2,044,975	\$2,043,949
General Fund	1,599,625	1,608,880	1,673,615	1,439,976	1,441,171
State/Other Special Rev. Funds	324,526	325,598	213,662	604,999	602,778
Total Funds	\$1,924,151	\$1,934,478	\$1,887,277	\$2,044,975	\$2,043,949
Total Ongoing	\$1,924,151	\$1,934,478	\$1,887,277	\$2,044,975	\$2,043,949
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Administration, 05-State Procurement Services Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	2,881,147	0	0	2,881,147	70.46 %
02211 Procurement Special Revenue	1,207,777	0	0	1,207,777	100.00 %
State Special Total	\$1,207,777	\$0	\$0	\$1,207,777	29.54 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$4,088,924	\$0	\$0	\$4,088,924	

HB 2 Authority

The State Procurement Services Division is entirely funded with HB 2 authority. General fund supports the majority of the division's general operational expenses.

The procurement state special revenue fund receives revenue from all rebates credited to the department from using state procurement cards and term contracts. The revenue must be used to administer the state's procurement card programs, administer term contracts established by the department, and reimburse applicable funds to the federal government. The unreserved, unexpended balance of funds collected must be deposited in the general fund by the end of the fiscal year.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

State Procurement Services Division 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	1,673,615	213,662	0	1,887,277	92.3%	1,673,615	213,662	0	1,887,277	92.3%
Statewide PL										
Personal Services	43,309	7	0	43,316	2.1%	45,119	303	0	45,422	2.2%
Fixed Costs	(74,044)	6,943	0	(67,101)	(3.3%)	(76,461)	6,234	0	(70,227)	(3.4%)
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Statewide PL	(30,735)	6,950	0	(23,785)	(1.2%)	(31,342)	6,537	0	(24,805)	(1.2%)
Present Law (PL)	(14,694)	196,177	0	181,483	8.9%	(14,700)	196,177	0	181,477	8.9%
New Proposals	(188,210)	188,210	0	0	0.0%	(186,402)	186,402	0	0	0.0%
Total HB 2 Adjustments	(233,639)	391,337	0	157,698	7.7%	(232,444)	389,116	0	156,672	7.7%
Total Budget	1,439,976	604,999	0	2,044,975		1,441,171	602,778	0	2,043,949	

Present Law Adjustments

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

Present Law Adjustments										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	43,309	7	0	43,316	0.00	45,119	303	0	45,422
DP 2 - Fixed Costs	0.00	(74,044)	6,943	0	(67,101)	0.00	(76,461)	6,234	0	(70,227)
DP 4 - Allocate Department Indirect/Administrative Costs	0.00	(68)	3,922	0	3,854	0.00	122	3,938	0	4,060
DP 5 - Management Services HR Rate Adjustment	0.00	(159)	(13)	0	(172)	0.00	(355)	(29)	0	(384)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	(113)	(25)	0	(138)	0.00	(113)	(25)	0	(138)
DP 302 - General Fund Transfer to Correct SFSD and SPSP Starting Point	0.00	(14,354)	0	0	(14,354)	0.00	(14,354)	0	0	(14,354)
DP 502 - Increase in SSR Operations	0.00	0	192,293	0	192,293	0.00	0	192,293	0	192,293
Grand Total All Present Law Adjustments	0.00	(\$45,429)	\$203,127	\$0	\$157,698	0.00	(\$46,042)	\$202,714	\$0	\$156,672

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 4 - Allocate Department Indirect/Administrative Costs -

The legislature adopted an adjustment to provide the funding to pay the Department of Administration's indirect costs. These costs are charged to the department's programs for services provided by DOA employees, including accounting, human resources, and legal issues.

DP 5 - Management Services HR Rate Adjustment -

The legislature adopted an adjustment to the human resources rate charged to the department's programs for centralized services.

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

DP 302 - General Fund Transfer to Correct SFSD and SPSD Starting Point -

The legislature adopted a general fund transfer from the State Procurement Services Division to the State Financial Services Division to adjust starting points due to a budget change document (BCD) not processing in time to correct the starting points.

DP 502 - Increase in SSR Operations -

The legislature adopted funding for additional state special revenue for overall operations of the division due to increased contract costs.

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 503 - General Fund/SSR FTE Funding	0.00	(188,210)	188,210	0	0	0.00	(186,402)	186,402	0	0
Total	0.00	(\$188,210)	\$188,210	\$0	\$0	0.00	(\$186,402)	\$186,402	\$0	\$0

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

DP 503 - General Fund/SSR FTE Funding -

The legislature adopted a funding switch for 2.00 PB from general fund to state special revenue. The state special revenue is generated by term contract rebates and administrative fees as allowed in 18-4-227, MCA. This statute allows the division to use money in the procurement and term rebate account to administer term contracts established by the department. The division has identified the term contract area for strategic contracting opportunities for potential growth for contracts to reach across the enterprise and reduce duplicate services.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget FY 2026 FY 2027		Biennium Change from Base Amount Percent	
PB	36.00	36.00	36.00	0.00	0.0%
State/Other Special Rev. Funds	5,051,810	5,117,817	5,122,842	137,039	1.4%
Total Funds	5,051,810	5,117,817	5,122,842	137,039	1.4%
Personal Services	3,891,164	3,916,627	3,929,357	63,656	0.8%
Operating Expenses	998,351	1,158,470	1,150,765	312,533	15.7%
Debt Service	162,295	42,720	42,720	(239,150)	(73.7%)
Total Expenditures	5,051,810	5,117,817	5,122,842	137,039	1.4%
Total Ongoing	5,051,810	5,117,817	5,122,842	137,039	1.4%
Total One-Time-Only					0.0%

Program Description

The Division of Banking and Financial Institutions licenses, supervises, regulates, and examines financial institutions doing business in Montana. Those institutions include 35 banks and trust companies with \$75.0 billion in total assets, 9 credit unions with \$3.0 billion in total assets, 236 consumer finance companies, 136 sales finance companies, and 9 escrow businesses. The division also licenses and examines residential mortgage loan service providers which includes 347 mortgage brokers, 290 mortgage lenders, 206 mortgage servicers and 4,344 mortgage loan originators. All program functions are statutorily mandated in Title 32, Chapters 1-11, and Title 31, Chapter 1, Parts 2 & 7, MCA.

Program Highlights

Banking & Financial Institutions Division Major Budget Highlights	
<ul style="list-style-type: none"> The legislature adopted an increase to the Banking and Financial Institutions Division's 2027 biennium budget of approximately \$137,000 or 1.4% compared to the FY 2025 base budget. Changes adopted by the legislature include: <ul style="list-style-type: none"> Increased statewide present law adjustments for personal services and fixed costs An expenditure authority switch due to new accounting standards on rent 	

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	3,578,837	3,602,627	3,891,164	3,916,627	3,929,357
Operating Expenses	953,687	986,203	998,351	1,158,470	1,150,765
Debt Service	162,295	162,295	162,295	42,720	42,720
Total Expenditures	\$4,694,819	\$4,751,125	\$5,051,810	\$5,117,817	\$5,122,842
State/Other Special Rev. Funds	4,694,819	4,751,125	5,051,810	5,117,817	5,122,842
Total Funds	\$4,694,819	\$4,751,125	\$5,051,810	\$5,117,817	\$5,122,842
Total Ongoing	\$4,694,819	\$4,751,125	\$5,051,810	\$5,117,817	\$5,122,842
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Administration, 14-Banking and Financial Institutions Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
02077 Financial Institutions Div	10,240,659	0	0	10,240,659	100.00 %
State Special Total	\$10,240,659	\$0	\$0	\$10,240,659	100.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$10,240,659	\$0	\$0	\$10,240,659	

HB 2 Authority

The Banking and Financial Institutions Division is entirely funded with state special revenues generated from assessments, application fees, and examination fees paid by the regulated financial institutions.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Banking and Financial Institutions Division 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	0	5,051,810	0	5,051,810	98.7%	0	5,051,810	0	5,051,810	98.6%
Statewide PL										
Personal Services	0	25,463	0	25,463	0.5%	0	38,193	0	38,193	0.7%
Fixed Costs	0	40,403	0	40,403	0.8%	0	31,443	0	31,443	0.6%
Inflation Deflation	0	(3,941)	0	(3,941)	(0.1%)	0	(2,664)	0	(2,664)	(0.1%)
Total Statewide PL	0	61,925	0	61,925	1.2%	0	66,972	0	66,972	1.3%
Present Law (PL)	0	4,082	0	4,082	0.1%	0	4,060	0	4,060	0.1%
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	0	66,007	0	66,007	1.3%	0	71,032	0	71,032	1.4%
Total Budget	0	5,117,817	0	5,117,817		0	5,122,842	0	5,122,842	

Present Law Adjustments

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

Present Law Adjustments										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	25,463	0	25,463	0.00	0	38,193	0	38,193
DP 2 - Fixed Costs	0.00	0	40,403	0	40,403	0.00	0	31,443	0	31,443
DP 3 - Inflation Deflation	0.00	0	(3,941)	0	(3,941)	0.00	0	(2,664)	0	(2,664)
DP 4 - Allocate Department Indirect/Administrative Costs	0.00	0	4,960	0	4,960	0.00	0	5,518	0	5,518
DP 5 - Management Services HR Rate Adjustment	0.00	0	(471)	0	(471)	0.00	0	(1,051)	0	(1,051)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	0	(407)	0	(407)	0.00	0	(407)	0	(407)
DP 1401 - Adjust BFID Debt Service Budget	0.00	0	0	0	0	0.00	0	0	0	0
Grand Total All Present Law Adjustments	0.00	\$0	\$66,007	\$0	\$66,007	0.00	\$0	\$71,032	\$0	\$71,032

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 4 - Allocate Department Indirect/Administrative Costs -

The legislature adopted an adjustment to provide the funding to pay the Department of Administration's indirect costs. These costs are charged to the department's programs for services provided by DOA employees, including accounting, human resources, and legal issues.

DP 5 - Management Services HR Rate Adjustment -

The legislature adopted an adjustment to the human resources rate charged to the department's programs for centralized services.

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

DP 1401 - Adjust BFID Debt Service Budget -

The legislature adopted moving debt services authority to operating expense authority. The Banking and Financial Institutions Division, Helena office, recently moved into a state-owned property and no longer occupies the space that was previously leased. This expense is now recorded as rent, rather than lease payments, requiring budget authority to be moved from debt service to operating expense. No additional authority was adopted.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	36.75	36.75	36.75	0.00	0.0%
Proprietary Funds	6,641,695	6,836,148	6,692,287	245,045	1.8%
Total Funds	6,641,695	6,836,148	6,692,287	245,045	1.8%
Personal Services	3,127,461	3,151,310	3,162,242	58,630	0.9%
Operating Expenses	3,247,418	3,418,022	3,263,229	186,415	2.9%
Equipment & Intangible Assets	50,000	50,000	50,000		0.0%
Debt Service	216,816	216,816	216,816		0.0%
Total Expenditures	6,641,695	6,836,148	6,692,287	245,045	1.8%
Total Ongoing	6,641,695	6,836,148	6,692,287	245,045	1.8%
Total One-Time-Only					0.0%

Program Description

The Montana State Lottery was created in November 1986 by a referendum vote of the people of Montana. The general purpose is to allow lottery games for purchase from the state, through the administration of the lottery, a chance to win a prize. A five-member Lottery Commission, appointed by the Governor, sets policy, and oversees program activities and procedures. Lottery's operations are accounted for in an enterprise fund. The Lottery is required to transfer the first \$2.25 million of net revenue to the STEM scholarship program each fiscal year.

Net revenue is transferred to the STEM Scholarship program in quarterly payments, and any additional revenue is placed in the general fund. The Montana State Lottery is attached to the Department of Administration for administrative purposes only.

Program Highlights

Montana State Lottery Major Budget Highlights
<ul style="list-style-type: none"> The legislature adopted an increase to the Montana State Lottery's 2027 biennium budget of approximately \$245,000 or 1.8% compared to the FY 2025 base budget This increase is primarily due to statewide present law adjustments for personal services and fixed costs

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	2,978,675	2,968,668	3,127,461	3,151,310	3,162,242
Operating Expenses	3,039,015	3,370,292	3,247,418	3,418,022	3,263,229
Equipment & Intangible Assets	77,090	85,000	50,000	50,000	50,000
Debt Service	216,816	216,816	216,816	216,816	216,816
Total Expenditures	\$6,311,596	\$6,640,776	\$6,641,695	\$6,836,148	\$6,692,287
Proprietary Funds	6,311,596	6,640,776	6,641,695	6,836,148	6,692,287
Total Funds	\$6,311,596	\$6,640,776	\$6,641,695	\$6,836,148	\$6,692,287
Total Ongoing	\$6,311,596	\$6,640,776	\$6,641,695	\$6,836,148	\$6,692,287
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Administration, 15-Montana State Lottery Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	0	0	0	0	0.00 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
06001 State Lottery Fund	13,528,435	0	207,292,700	220,821,135	100.00 %	
Proprietary Total	\$13,528,435	\$0	\$207,292,700	\$220,821,135	100.00 %	
Total All Funds	\$13,528,435	\$0	\$207,292,700	\$220,821,135		

HB 2 Appropriations

The Montana State Lottery is funded entirely with an enterprise proprietary fund derived from lottery game revenues. Net revenue is transferred quarterly to the general fund.

Statutory Appropriations

The Montana State Lottery has statutory appropriations for expenditures in three main areas:

- Lottery prizes
- Commissions paid to lottery ticket or chance sales agents
- Lottery contractor fees

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Montana State Lottery 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	0	0	0	6,641,695	97.2%	0	0	0	6,641,695	99.2%
Statewide PL										
Personal Services	0	0	0	23,849	0.3%	0	0	0	34,781	0.5%
Fixed Costs	0	0	0	167,683	2.5%	0	0	0	12,906	0.2%
Inflation Deflation	0	0	0	(6)	(0.0%)	0	0	0	(4)	(0.0%)
Total Statewide PL	0	0	0	191,526	2.8%	0	0	0	47,683	0.7%
Present Law (PL)	0	0	0	2,927	0.0%	0	0	0	2,909	0.0%
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	0	0	0	194,453	2.8%	0	0	0	50,592	0.8%
Total Budget	0	0	0	6,836,148		0	0	0	6,692,287	

Present Law Adjustments

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

Present Law Adjustments										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	0	23,849	0.00	0	0	0	34,781
DP 2 - Fixed Costs	0.00	0	0	0	167,683	0.00	0	0	0	12,906
DP 3 - Inflation Deflation	0.00	0	0	0	(6)	0.00	0	0	0	(4)
DP 4 - Allocate Department Indirect/Administrative Costs	0.00	0	0	0	3,828	0.00	0	0	0	4,402
DP 5 - Management Services HR Rate Adjustment	0.00	0	0	0	(482)	0.00	0	0	0	(1,074)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	0	0	0	(419)	0.00	0	0	0	(419)
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$0	\$194,453	0.00	\$0	\$0	\$0	\$50,592

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 4 - Allocate Department Indirect/Administrative Costs -

The legislature adopted an adjustment to provide the funding to pay the Department of Administration's indirect costs. These costs are charged to the department's programs for services provided by DOA employees, including accounting, human resources, and legal issues.

DP 5 - Management Services HR Rate Adjustment -

The legislature adopted an adjustment to the human resources rate charged to the department's programs for centralized services.

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

Program Base Budget Comparison

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

Program Base Budget Comparison						
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base		
		FY 2026	FY 2027	Amount	Percent	
PB	16.25	16.25	16.25	0.00	0.0%	
General Fund	2,318,359	2,404,105	2,403,753	171,140	3.7%	
Total Funds	2,318,359	2,404,105	2,403,753	171,140	3.7%	
Personal Services	1,779,689	1,815,294	1,818,724	74,640	2.1%	
Operating Expenses	538,670	588,811	585,029	96,500	9.0%	
Total Expenditures	2,318,359	2,404,105	2,403,753	171,140	3.7%	
Total Ongoing	2,318,359	2,404,105	2,403,753	171,140	3.7%	
Total One-Time-Only					0.0%	

Program Description

The State Human Resources Division provides statewide human resource services and programs under the authority of Title 2, Chapter 18, and 39-31-301, MCA. The division houses:

- The Human Resources Policy and Programs Bureau, which establishes the human resource rules, policies, and standards for Montana's Executive Branch
- The Human Resources Information Systems Bureau, which processes the biweekly payroll, and administers other human resources information systems, for all branches of state government
- Enterprise Learning and Development Bureau, which coordinates professional development and leadership training for the enterprise

Program Highlights

State Human Resources Division Major Budget Highlights	
<ul style="list-style-type: none"> • The legislature adopted an increase to the State Human Resources Division's 2027 biennium budget of approximately \$171,000 or 3.7% compared to the FY 2025 base budget. Changes adopted by the legislature include: <ul style="list-style-type: none"> ◦ Statewide present law adjustments for personal services and fixed costs ◦ Indirect administrative cost adjustments for support services 	

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	1,365,642	1,704,407	1,779,689	1,815,294	1,818,724
Operating Expenses	834,265	525,940	538,670	588,811	585,029
Total Expenditures	\$2,199,907	\$2,230,347	\$2,318,359	\$2,404,105	\$2,403,753
General Fund	2,199,907	2,230,347	2,318,359	2,404,105	2,403,753
Total Funds	\$2,199,907	\$2,230,347	\$2,318,359	\$2,404,105	\$2,403,753
Total Ongoing	\$2,199,907	\$2,230,347	\$2,318,359	\$2,404,105	\$2,403,753
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Administration, 23-State Human Resources Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	4,807,858	0	0	4,807,858	30.65 %
State Special Total	\$0	\$0	\$0	\$0	0.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
06525 Enterprise Learning and Develo	0	1,211,745	0	1,211,745	11.14 %
06559 Group Benefits Claims A/C	0	695,978	0	695,978	6.40 %
06563 HR Info Services	0	8,969,080	0	8,969,080	82.46 %
Proprietary Total	\$0	\$10,876,803	\$0	\$10,876,803	69.35 %
Total All Funds	\$4,807,858	\$10,876,803	\$0	\$15,684,661	

HB 2 Appropriations

The State Human Resources Division receives general fund appropriations in HB 2 for support of the Human Resources Policy and Programs Bureau. This bureau establishes the human resource rules, policies, and standards for Montana's executive branch.

Non-Budgeted Proprietary Appropriations

The majority of the State Human Resources Division's operations are supported by proprietary funds. The Human Resource Information Services Bureau (HRIS) is funded through a fee charged to state agencies for each employee payroll processed in a pay period. This fund is considered and approved as rates charged to other state agencies is discussed in greater detail in the Non-Budgeted Proprietary report.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

State Human Resources Division 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	2,318,359	0	0	2,318,359	96.4%	2,318,359	0	0	2,318,359	96.4%
Statewide PL										
Personal Services	35,605	0	0	35,605	1.5%	39,035	0	0	39,035	1.6%
Fixed Costs	43,935	0	0	43,935	1.8%	40,142	0	0	40,142	1.7%
Inflation Deflation	(59)	0	0	(59)	(0.0%)	(40)	0	0	(40)	(0.0%)
Total Statewide PL	79,481	0	0	79,481	3.3%	79,137	0	0	79,137	3.3%
Present Law (PL)	6,265	0	0	6,265	0.3%	6,257	0	0	6,257	0.3%
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	85,746	0	0	85,746	3.6%	85,394	0	0	85,394	3.6%
Total Budget	2,404,105	0	0	2,404,105		2,403,753	0	0	2,403,753	

Present Law Adjustments

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

Present Law Adjustments										
-----Fiscal 2026-----						-----Fiscal 2027-----				
PB	General Fund	State Special	Federal Special	Total Funds		PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services										
0.00	35,605	0	0	35,605		0.00	39,035	0	0	39,035
DP 2 - Fixed Costs										
0.00	43,935	0	0	43,935		0.00	40,142	0	0	40,142
DP 3 - Inflation Deflation										
0.00	(59)	0	0	(59)		0.00	(40)	0	0	(40)
DP 4 - Allocate Department Indirect/Administrative Costs										
0.00	6,659	0	0	6,659		0.00	6,911	0	0	6,911
DP 5 - Management Services HR Rate Adjustment										
0.00	(211)	0	0	(211)		0.00	(471)	0	0	(471)
DP 22 - Fixed Cost Adjustment for Robert's Rules										
0.00	(183)	0	0	(183)		0.00	(183)	0	0	(183)
Grand Total All Present Law Adjustments										
0.00	\$85,746	\$0	\$0	\$85,746		0.00	\$85,394	\$0	\$0	\$85,394

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 4 - Allocate Department Indirect/Administrative Costs -

The legislature adopted adjustments to provide the funding to pay the Department of Administration's indirect costs. These costs are charged to the department's programs for services provided by DOA employees, including accounting, human resources, and legal issues.

DP 5 - Management Services HR Rate Adjustment -

The legislature adopted an adjustment to the human resources rate charged to the department's programs for centralized services.

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

Program Base Budget Comparison

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

Program Base Budget Comparison						
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base		
		FY 2026	FY 2027	Amount	Percent	
PB	5.50	5.50	5.50	0.00	0.0%	
General Fund	764,245	805,480	806,746	83,736	5.5%	
Total Funds	764,245	805,480	806,746	83,736	5.5%	
Personal Services	544,849	566,776	569,387	46,465	4.3%	
Operating Expenses	155,549	174,857	173,512	37,271	12.0%	
Local Assistance	14,683	14,683	14,683		0.0%	
Debt Service	49,164	49,164	49,164		0.0%	
Total Expenditures	764,245	805,480	806,746	83,736	5.5%	
Total Ongoing	764,245	805,480	806,746	83,736	5.5%	
Total One-Time-Only					0.0%	

Program Description

The Montana Tax Appeal Board (MTAB) was established by Article VIII, Section 7 of the Montana Constitution and operates under MCA 15-2-101. Independent of the Montana Department of Revenue, MTAB consists of three Governor-appointed, full-time board members serving staggered six-year terms, confirmed by the Montana Senate. MTAB is Montana's sole state-level tax appeal system, enabling citizens to challenge actions by the Department of Revenue and other state agencies with taxing authority. The board holds formal hearings, issuing opinions appealable to Montana District Courts, and reviews appeals from county tax boards, primarily concerning property valuations. MTAB also hears cases on income, corporate, severance, and motor fuels taxes, among others.

Additionally, MTAB funds, administers, and trains the 56 County Tax Appeal Boards, reimbursing counties for associated expenses, such as secretary wages, office supplies, and board member travel, from its legislatively approved budget.

Program Highlights

Montana Tax Appeal Board Major Budget Highlights
<ul style="list-style-type: none"> The legislature adopted an increase to the Montana Tax Appeal Board's 2027 biennium budget of approximately \$84,000 or 5.5% compared to the FY 2025 base budget This increase is primarily attributed to statewide present law adjustments for personal services and fixed costs

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	552,872	521,030	544,849	566,776	569,387
Operating Expenses	111,105	154,678	155,549	174,857	173,512
Local Assistance	18,147	14,683	14,683	14,683	14,683
Debt Service	47,064	47,064	49,164	49,164	49,164
Total Expenditures	\$729,188	\$737,455	\$764,245	\$805,480	\$806,746
General Fund	729,188	737,455	764,245	805,480	806,746
Total Funds	\$729,188	\$737,455	\$764,245	\$805,480	\$806,746
Total Ongoing	\$729,188	\$737,455	\$764,245	\$805,480	\$806,746
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Administration, 37-Montana Tax Appeal Board Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	1,612,226	0	0	1,612,226	100.00 %
State Special Total	\$0	\$0	\$0	\$0	0.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$1,612,226	\$0	\$0	\$1,612,226	

HB 2 Appropriations

The Montana Tax Appeal Board is fully funded with general fund. General fund provides support for travel expenses, compensation, and all other incidental expenses of the county tax boards. Office space and equipment for the county tax appeal boards must be furnished by the county.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Montana Tax Appeal Board 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	764,245	0	0	764,245	94.9%	764,245	0	0	764,245	94.7%
Statewide PL										
Personal Services	14,227	0	0	14,227	1.8%	16,838	0	0	16,838	2.1%
Fixed Costs	19,089	0	0	19,089	2.4%	17,740	0	0	17,740	2.2%
Inflation Deflation	(18)	0	0	(18)	(0.0%)	(12)	0	0	(12)	(0.0%)
Total Statewide PL	33,298	0	0	33,298	4.1%	34,566	0	0	34,566	4.3%
Present Law (PL)	237	0	0	237	0.0%	235	0	0	235	0.0%
New Proposals	7,700	0	0	7,700	1.0%	7,700	0	0	7,700	1.0%
Total HB 2 Adjustments	41,235	0	0	41,235	5.1%	42,501	0	0	42,501	5.3%
Total Budget	805,480	0	0	805,480		806,746	0	0	806,746	

Present Law Adjustments

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

Present Law Adjustments										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	14,227	0	0	14,227	0.00	16,838	0	0	16,838
DP 2 - Fixed Costs	0.00	19,089	0	0	19,089	0.00	17,740	0	0	17,740
DP 3 - Inflation Deflation	0.00	(18)	0	0	(18)	0.00	(12)	0	0	(12)
DP 4 - Allocate Department Indirect/Administrative Costs	0.00	371	0	0	371	0.00	457	0	0	457
DP 5 - Management Services HR Rate Adjustment	0.00	(71)	0	0	(71)	0.00	(159)	0	0	(159)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	(63)	0	0	(63)	0.00	(63)	0	0	(63)
Grand Total All Present Law Adjustments	0.00	\$33,535	\$0	\$0	\$33,535	0.00	\$34,801	\$0	\$0	\$34,801

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 4 - Allocate Department Indirect/Administrative Costs -

The legislature adopted adjustments to provide the funding to pay the Department of Administration's indirect costs. These costs are charged to the department's programs for services provided by DOA employees, including accounting, human resources, and legal issues.

DP 5 - Management Services HR Rate Adjustment -

The legislature adopted an adjustment to the human resources rate charged to the department's programs for centralized services.

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1800 - SB 5	0.00	7,700	0	0	7,700	0.00	7,700	0	0	7,700
Total	0.00	\$7,700	\$0	\$0	\$7,700	0.00	\$7,700	\$0	\$0	\$7,700

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

DP 1800 - SB 5 -

The legislature adopted SB 5, which increased the compensation for the Montana Tax Appeal Board members.

Agency Base Budget Comparison

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

Agency Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	61.30	61.30	61.30	0.00	0.0%
General Fund	6,126,479	6,444,742	6,471,009	662,793	5.4%
State/Other Special Rev. Funds	10,391,489	10,952,799	11,011,212	1,181,033	5.7%
Federal Spec. Rev. Funds	19,830,377	21,889,314	21,801,888	4,030,448	10.2%
Total Funds	36,348,345	39,286,855	39,284,109	5,874,274	8.1%
Personal Services	5,939,238	5,598,844	5,617,630	(662,002)	(5.6%)
Operating Expenses	13,601,447	9,310,388	9,276,718	(8,615,788)	(31.7%)
Equipment & Intangible Assets	150,000	150,000	150,000		0.0%
Capital Outlay	300,000	300,000	300,000		0.0%
Local Assistance	46,000	46,000	46,000		0.0%
Grants	16,017,004	23,569,931	23,569,901	15,105,824	47.2%
Transfers	1,124	1,124	1,124		0.0%
Debt Service	293,532	310,568	322,736	46,240	7.9%
Total Expenditures	36,348,345	39,286,855	39,284,109	5,874,274	8.1%
Total Ongoing	36,348,345	39,286,855	39,284,109	5,874,274	8.1%
Total One-Time-Only	53,950			(107,900)	(100.0%)

Agency Description

The Department of Commerce works with statewide and local partners, private industry, and small businesses to provide the following services:

- Works to improve the state's economy through business creation, expansion, retention, and diversification of the state's economic base
- Provides direct technical assistance, grants and loans for Montana's entrepreneurs, businesses, and their employees
- Strengthens the economy through the promotion of tourism development, promoting and protecting historic sites, and marketing Montana as a travel and filmmaking destination
- Promotes access to new markets, both foreign and domestic, for Montana goods and services
- Provides financing for homeownership and rental assistance opportunities for Montana families
- Develops and improves public infrastructure and housing for Montana citizens by providing grants and technical assistance to Montana communities and counties

Agency Highlights

Department of Commerce Major Budget Highlights	
<ul style="list-style-type: none"> The legislature adopted an increase to the Department of Commerce's 2027 biennium ongoing appropriations of approximately \$5.9 million or 8.1% compared to the FY 2025 base budget. The legislature adopted budget includes: <ul style="list-style-type: none"> Approximately \$3.6 million biennial increase due to increased federal authority for the Housing Trust Fund (HTF) and HOME programs for increased grant authority Statewide present law adjustments for personal services, fixed costs, and inflation An administrative cost adjustment increase due to non-state building leases and indirect costs paid to the Director's Office for support services Increased state special revenue authority of \$618,000 in the 2027 biennium in accordance with SB 409 An increase of \$500,000 over the 2027 biennium for capital improvements in the Montana Heritage Commission 	

Agency Actuals and Budget Comparison

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

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	4,685,848	5,327,491	5,982,968	5,598,844	5,617,630
Operating Expenses	5,027,165	13,515,666	13,611,667	9,310,388	9,276,718
Equipment & Intangible Assets	0	0	150,000	150,000	150,000
Capital Outlay	697,835	750,000	300,000	300,000	300,000
Local Assistance	0	46,000	46,000	46,000	46,000
Grants	21,724,178	16,231,004	16,017,004	23,569,931	23,569,901
Transfers	0	1,124	1,124	1,124	1,124
Debt Service	229,834	279,532	293,532	310,568	322,736
Total Expenditures	\$32,364,860	\$36,150,817	\$36,402,295	\$39,286,855	\$39,284,109
General Fund	5,391,107	5,577,740	6,180,429	6,444,742	6,471,009
State/Other Special Rev. Funds	7,767,640	10,282,643	10,391,489	10,952,799	11,011,212
Federal Spec. Rev. Funds	19,206,113	20,290,434	19,830,377	21,889,314	21,801,888
Total Funds	\$32,364,860	\$36,150,817	\$36,402,295	\$39,286,855	\$39,284,109
Total Ongoing	\$32,344,621	\$36,094,582	\$36,348,345	\$39,286,855	\$39,284,109
Total OTO	\$20,239	\$56,235	\$53,950	\$0	\$0

Summary of Legislative Action

The legislature approved an increase of approximately \$5.9 million or 8.1% to the Department of Commerce's total biennial appropriation compared to the 2025 biennium base. This includes \$1.8 million in each fiscal year of the 2027 biennium to reflect higher federal housing appropriations for grant distribution. Additional increases primarily support present law administrative costs, including the restoration of base appropriation authority for the Business Attraction Program. The legislature also approved state special revenue appropriations for capital improvements to properties managed by the Montana Heritage Commission. Finally, Senate Bill 409 was passed and approved, increasing the Montana Heritage Commission's state special revenue authority by approximately \$618,000 in the 2027 biennium.

Funding

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

Total Department of Commerce Funding by Source of Authority 2027 Biennium Budget						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	12,915,751			3,600,000	16,515,751	4.3%
02116 Accommodation Tax Account	1,566,238			32,566,553	34,132,791	9.0%
02254 Regional Accommodation Tax				31,079,986	31,079,986	8.2%
02771 Big Sky Economic Dev Program	961,809			17,656,591	18,618,400	4.9%
02279 Accom. Tax - Tourism Grants				17,328,778	17,328,778	4.6%
02277 Accom. Tax - Rural Tourism				16,950,821	16,950,821	4.5%
Other State Special Revenue	19,435,964			10,984,645	30,420,609	8.0%
State Special Revenue Total	21,964,011	-	-	126,567,374	148,531,385	39.1%
03059 Community Development Block	15,065,588				15,065,588	4.0%
03585 HTF	12,576,671				12,576,671	3.3%
03300 Home Grants	11,560,034				11,560,034	3.0%
03092 Distressed Woods Federal				2,001,215	2,001,215	0.5%
03207 Small Business Dev. Centers	1,776,703				1,776,703	0.5%
Other Federal Special Revenue	2,712,206				2,712,206	0.7%
Federal Special Revenue Total	43,691,202	-	-	2,001,215	45,692,417	12.0%
06074 SEC 8 Project Based			57,291,001		57,291,001	15.1%
06054 Section 8 HAP			48,101,012		48,101,012	12.7%
06527 Investment Division			15,394,102		15,394,102	4.1%
06014 BOI Municipal Finance Programs			1,085,144	10,600,000	11,685,144	3.1%
06075 Section 8 Vouchers			8,264,967		8,264,967	2.2%
Other Proprietary Fund			28,552,994		28,552,994	7.5%
Proprietary Fund Total	-	-	158,689,220	10,600,000	169,289,220	44.5%
Total of All Funds	78,570,964	-	158,689,220	142,768,589	380,028,773	
Percent of All Sources of Authority	20.7%	0.0%	41.8%	37.6%		

Over 75.0% of the overall funding in the Department of Commerce is not budgeted through HB 2 but provided as either non-budgeted proprietary funding or as statutory appropriations. HB 2 appropriations of general fund, state special revenue, and federal special revenue comprise the remaining funding for the Department of Commerce and will be discussed in further detail at the program level. Non-budgeted proprietary funds are discussed in a separate report on non-budgeted proprietary funds.

Statutory appropriations are explained in further detail within each program receiving and spending those funds.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Department of Commerce 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	6,126,479	10,391,489	19,830,377	36,348,345	92.5%	6,126,479	10,391,489	19,830,377	36,348,345	92.5%
Statewide PL										
Personal Services	(8,005)	(335,975)	80,336	(263,644)	(0.7%)	4,002	(332,837)	84,779	(244,056)	(0.6%)
Fixed Costs	95,507	(1,471)	103,429	197,465	0.5%	99,442	434	8,560	108,436	0.3%
Inflation Deflation	(1,003)	(401)	(305)	(1,709)	(0.0%)	(677)	(271)	(206)	(1,154)	(0.0%)
Total Statewide PL	86,499	(337,847)	183,460	(67,888)	(0.2%)	102,767	(332,674)	93,133	(136,774)	(0.3%)
Present Law (PL)	231,764	370,075	1,875,477	2,477,316	6.3%	241,763	373,260	1,878,378	2,493,401	6.3%
New Proposals	0	529,082	0	529,082	1.3%	0	579,137	0	579,137	1.5%
Total HB 2 Adjustments	318,263	561,310	2,058,937	2,938,510	7.5%	344,530	619,723	1,971,511	2,935,764	7.5%
Total Budget	6,444,742	10,952,799	21,889,314	39,286,855		6,471,009	11,011,212	21,801,888	39,284,109	

Other Legislation

HB 409 – Revised the allocation of lodging facility use tax revenues, providing more detailed and targeted distributions for tourism-related activities and economic development. The bill repealed Section 90-1-122 of the Montana Code Annotated (MCA), which previously governed the use of these revenues, and replaced it with new provisions under Section 15-65-121, MCA, to establish updated funding priorities and structures.

HB 863 – This bill appropriates \$250,000 from the Montana-Ireland trade and development state special revenue account to the Department of Commerce to implement SB 320. SB 320 creates the Montana-Ireland Trade Commission to study bilateral trade and investments between Montana and Ireland.

HB 876 – This bill creates the sawmill revitalization state special revenue account to provide loans to parties with the capacity to revitalize a closed sawmill and return it to commercial operation. This bill appropriated \$6.0 million to provide these loans.

Executive Budget Comparison

The following table compares the legislative budget for the biennium to the budget requested by the Governor by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2025	Executive Budget Fiscal 2026	Legislative Budget Fiscal 2026	Leg — Exec. Difference Fiscal 2026	Executive Budget Fiscal 2027	Legislative Budget Fiscal 2027	Leg — Exec. Difference Fiscal 2027	Biennium Difference Fiscal 26-27
Personal Services	5,982,968	5,600,044	5,598,844	(1,200)	5,619,630	5,617,630	(2,000)	(3,200)
Operating Expenses	13,611,667	8,831,670	9,310,388	478,718	8,747,145	9,276,718	529,573	1,008,291
Equipment & Intangible Assets	150,000	150,000	150,000	0	150,000	150,000	0	0
Capital Outlay	300,000	300,000	300,000	0	300,000	300,000	0	0
Local Assistance	46,000	46,000	46,000	0	46,000	46,000	0	0
Grants	16,017,004	23,569,931	23,569,931	0	23,569,901	23,569,901	0	0
Benefits & Claims	0	0	0	0	0	0	0	0
Transfers	1,124	1,124	1,124	0	1,124	1,124	0	0
Debt Service	293,532	310,568	310,568	0	322,736	322,736	0	0
Total Costs	\$36,402,295	\$38,809,337	\$39,286,855	\$477,518	\$38,756,536	\$39,284,109	\$527,573	\$1,005,091
General Fund	6,180,429	6,445,549	6,444,742	(807)	6,471,816	6,471,009	(807)	(1,614)
State/other Special Rev. Funds	10,391,489	10,474,334	10,952,799	478,465	10,482,692	11,011,212	528,520	1,006,985
Federal Spec. Rev. Funds	19,830,377	21,889,454	21,889,314	(140)	21,802,028	21,801,888	(140)	(280)
Other	0	0	0	0	0	0	0	0
Total Funds	\$36,402,295	\$38,809,337	\$39,286,855	\$477,518	\$38,756,536	\$39,284,109	\$527,573	\$1,005,091
Total Ongoing	\$36,348,345	\$38,809,337	\$39,286,855	\$477,518	\$38,756,536	\$39,284,109	\$527,573	\$1,005,091
Total OTO	\$53,950	\$0	\$0	\$0	\$0	\$0	\$0	\$0

The legislature adopted ongoing appropriations that are approximately \$1.0 million greater than the proposed appropriations for the 2027 biennium. Significant changes include:

- The legislature adopted a reduction to decision package (DP) 5105 which is the administrative cost adjustment for the Business MT Division. This adjustment reduced the Big Sky Economic Development state special revenue appropriations requested by the executive by \$50,000 in each fiscal year of the 2027 biennium
- The legislature adopted a biennial, one-time-only appropriation of \$250,000 state special revenue in each fiscal year of the 2027 biennium for capital improvements at various state-owned historic properties managed by the Montana Heritage Commission
- The legislature adopted adjustments to fixed costs which removed the newly proposed Robert's Rules of Order training from the budget
- The legislature adopted a restricted general fund appropriation in FY 2026 of approximately \$29,000 to reimburse travel expenses that were overpaid by employees in previous biennia; this appropriation was later line item vetoed by the Governor
- SB 409 was passed and approved, which increased state special revenue in the Montana Heritage Commission by \$618,000 in the 2027 biennium due to the new distribution of the accommodations tax
- SB 116 was passed and approved, which reduced the required number of members on the Montana Heritage Commission. Authority for the Montana Heritage Commission was reduced by approximately \$10,000 over the 2027 biennium to account for this reduction

Language

All federal special revenue appropriations in the Housing MT Division are biennial.

It is the intent of the Legislature that the capital improvements authority in the Montana Heritage Commission will be used to replace and restore brickwork and water drainage in Reeder's Alley and stabilize, weatherize, and restore the Grace Methodist Church in Virginia City. The Montana Heritage Commission will report quarterly to the Section A Interim Budget Committee on the progress of these projects.

If [an act] is not passed and approved that authorizes the accommodations tax state special revenue fund to be used for the capital improvements projects, then the capital improvements is void.

The Travel Expense Reimbursement line item is to reimburse travel expenses that were overpaid by employees in previous biennia.

If HB 182 is passed and approved, the Department of Commerce is increased by \$95,650 one-time-only general fund in FY 2027, and the Department of Commerce may increase positions budgeted authorized in HB 2 by 1.00 PB in FY 2026 and 1.00 PB in FY 2027.

If HB 313 is passed and approved, the Department of Commerce is increased by \$54,123 one-time-only general fund in FY 2026 and \$55,477 one-time-only general fund in FY 2027, and the Department of Commerce may increase positions budgeted authorized in HB 2 by 0.50 PB in FY 2026 and 0.50 PB in FY 2027.

If SB 116 is passed and approved, the Department of Commerce is decreased by \$3,798 state special revenue in FY 2026 and \$6,330 state special revenue in FY 2027.

If SB 409 is passed and approved, the Department of Commerce is increased by \$282,880 state special revenue in FY 2026 and \$335,467 state special revenue in FY 2027.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	13.50	13.50	13.50	0.00	0.0%
General Fund	2,963,478	3,050,764	3,060,559	184,367	3.1%
State/Other Special Rev. Funds	2,441,077	2,429,321	2,430,335	(22,498)	(0.5%)
Federal Spec. Rev. Funds	870,678	887,795	888,908	35,347	2.0%
Total Funds	6,275,233	6,367,880	6,379,802	197,216	1.6%
Personal Services	1,609,566	1,287,413	1,291,753	(639,966)	(19.9%)
Operating Expenses	2,790,229	3,243,380	3,246,188	909,110	16.3%
Local Assistance	46,000	46,000	46,000		0.0%
Grants	1,714,825	1,669,752	1,669,722	(90,176)	(2.6%)
Transfers	1,124	1,124	1,124		0.0%
Debt Service	113,489	120,211	125,015	18,248	8.0%
Total Expenditures	6,275,233	6,367,880	6,379,802	197,216	1.6%
Total Ongoing	6,275,233	6,367,880	6,379,802	197,216	1.6%
Total One-Time-Only					0.0%

Program Description

The Business MT Division works to support a business environment that strengthens the economy, facilitates job creation and retention, and enhances community prosperity. The division provides outreach, incentives, training, counseling, technical assistance, and access to grants, loans, and market opportunities, both domestically and internationally. Through partnerships with companies, universities, tribes, nonprofits, and government leaders, the division aims to promote economic growth and community well-being. Funded by HB 2 and statutory appropriations, Business MT collaborates with state and local partners in areas such as Business Assistance, Export and International Trade, Indian Country Economic Development, Small Business Development Centers, Regional Economic Development, and Montana Manufacturing Centers.

Program Highlights

Business MT Division Major Budget Highlights
<ul style="list-style-type: none"> The legislature adopted an increase to the Business MT Division's 2027 biennium budget of approximately \$197,000 or 1.6% compared to the FY 2025 base budget. Changes adopted by the legislature include: <ul style="list-style-type: none"> Increased general fund, federal, and state special revenue for administrative cost adjustments, the largest of this adjustment is to reestablish base funding for the Business Attraction Program Increased statewide present law adjustments for fixed costs Decreased statewide present law adjustments for personal services and inflation

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	1,494,999	1,690,373	1,609,566	1,287,413	1,291,753
Operating Expenses	2,266,900	2,770,374	2,790,229	3,243,380	3,246,188
Local Assistance	0	46,000	46,000	46,000	46,000
Grants	1,044,249	1,714,825	1,714,825	1,669,752	1,669,722
Transfers	0	1,124	1,124	1,124	1,124
Debt Service	90,560	113,489	113,489	120,211	125,015
Total Expenditures	\$4,896,708	\$6,336,185	\$6,275,233	\$6,367,880	\$6,379,802
General Fund	2,930,266	3,038,702	2,963,478	3,050,764	3,060,559
State/Other Special Rev. Funds	1,198,874	2,435,334	2,441,077	2,429,321	2,430,335
Federal Spec. Rev. Funds	767,568	862,149	870,678	887,795	888,908
Total Funds	\$4,896,708	\$6,336,185	\$6,275,233	\$6,367,880	\$6,379,802
Total Ongoing	\$4,896,708	\$6,336,185	\$6,275,233	\$6,367,880	\$6,379,802
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Commerce, 51-Business M T Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	6,111,323	0	3,600,000	9,711,323	26.15 %
02090 Business Asst-Private	189,562	0	0	189,562	0.80 %
02100 Distressed Wood Products RLF	0	0	1,126,274	1,126,274	4.76 %
02116 Accommodation Tax Account	789,267	0	0	789,267	3.34 %
02212 Microbusiness Loan Acct	997,768	0	0	997,768	4.22 %
02229 MT SSBCI Servicing Fees	68,570	0	0	68,570	0.29 %
02344 Primary Sector Training	992,680	0	0	992,680	4.20 %
02672 GAP Financing Program	350,000	0	0	350,000	1.48 %
02771 Big Sky Economic Dev Program	961,809	0	17,656,591	18,618,400	78.75 %
02848 SBDC Private Revenue NonFed	10,000	0	0	10,000	0.04 %
02939 State-Tribal Economic Devel	500,000	0	0	500,000	2.11 %
State Special Total	\$4,859,656	\$0	\$18,782,865	\$23,642,521	63.67 %
03092 Distressed Woods Federal	0	0	2,001,215	2,001,215	52.97 %
03207 Small Business Dev. Centers	1,776,703	0	0	1,776,703	47.03 %
Federal Special Total	\$1,776,703	\$0	\$2,001,215	\$3,777,918	10.17 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$12,747,682	\$0	\$24,384,080	\$37,131,762	

HB 2 Authority

General Fund

HB 2 general fund authority includes funding for division administration, business assistance, Made-in-Montana Program, Small Business Development Centers (SBDC) and Small Business Innovation Research/Small Business Technology Transfer, State Tribal Economic Development Commission, Indian Country Economic Development, Export Trade Promotion Programs, and the Montana Manufacturing Extension Center.

State Special Revenue

State special revenue appropriations include authority for microbusiness loans, Made-in-Montana trade shows, business attraction, trade and diplomacy, GAP financing, and tribal tourism.

Federal Special Revenue

HB 2 federal special revenue is for small business development centers.

Statutory Appropriations

There are three statutorily appropriated funds in the Business MT Division. The Big Sky Economic Development Trust Fund Program is the largest statutory fund and is funded from interest earned on the coal severance tax trust fund to provide state funds to local communities to promote economic development and sustainability.

General fund statutory authority is from the coal severance tax distributions codified in 15-35-108, MCA. Authority is distributed each fiscal year as follows:

- \$325,000 for the Small Business Development Center
- \$50,000 for the Small Business Innovative Research Program
- \$625,000 for Certified Regional Development Corporations
- \$500,000 for the Montana Manufacturing Extension Center at Montana State University-Bozeman
- \$300,000 for export trade enhancement

The Distressed Wood Products Industry Revolving Loan Program (90-1-504, MCA) was created in 2009 by the Montana Legislature in response to the low demand for wood products. This program is a state and federally funded revolving loan program that provides financial assistance to create or retain jobs for wood products industry businesses.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Business M T 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	2,963,478	2,441,077	870,678	6,275,233	98.5%	2,963,478	2,441,077	870,678	6,275,233	98.4%
Statewide PL										
Personal Services	14,259	(348,433)	12,021	(322,153)	(5.1%)	18,375	(348,433)	12,245	(317,813)	(5.0%)
Fixed Costs	16,654	14,510	1,177	32,341	0.5%	17,649	14,910	1,353	33,912	0.5%
Inflation Deflation	(649)	(144)	(191)	(984)	(0.0%)	(438)	(97)	(129)	(664)	(0.0%)
Total Statewide PL	30,264	(334,067)	13,007	(290,796)	(4.6%)	35,586	(333,620)	13,469	(284,565)	(4.5%)
Present Law (PL)	57,022	322,311	4,110	383,443	6.0%	61,495	322,878	4,761	389,134	6.1%
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	87,286	(11,756)	17,117	92,647	1.5%	97,081	(10,742)	18,230	104,569	1.6%
Total Budget	3,050,764	2,429,321	887,795	6,367,880		3,060,559	2,430,335	888,908	6,379,802	

Present Law Adjustments

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

Present Law Adjustments										
-----Fiscal 2026-----						-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	14,259	(348,433)	12,021	(322,153)	0.00	18,375	(348,433)	12,245	(317,813)
DP 2 - Fixed Costs	0.00	16,654	14,510	1,177	32,341	0.00	17,649	14,910	1,353	33,912
DP 3 - Inflation Deflation	0.00	(649)	(144)	(191)	(984)	0.00	(438)	(97)	(129)	(664)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	(265)	(171)	0	(436)	0.00	(265)	(171)	0	(436)
DP 5105 - BIZMT ADMINISTRATIVE COSTS ADJUSTMENTS	0.00	57,287	322,482	4,110	383,879	0.00	61,760	323,049	4,761	389,570
Grand Total All Present Law Adjustments	0.00	\$87,286	(\$11,756)	\$17,117	\$92,647	0.00	\$97,081	(\$10,742)	\$18,230	\$104,569

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

DP 5105 - BIZMT ADMINISTRATIVE COSTS ADJUSTMENTS -

The legislature adopted adjustments for non-state rent increases per the terms of the negotiated lease and indirect costs paid to the Director's Office for support services provided to supported divisions, bureaus, and programs. Additional adjustments are for grants based on anticipated available funding and restoring base funding for the Business Attraction Program.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
State/Other Special Rev. Funds	210,157	210,157	210,157		0.0%
Total Funds	210,157	210,157	210,157		0.0%
Operating Expenses	210,157	210,157	210,157		0.0%
Total Expenditures	210,157	210,157	210,157		0.0%
Total Ongoing	210,157	210,157	210,157		0.0%
Total One-Time-Only					0.0%

Program Description

Brand MT provides grant funding and technical assistance for tourism development, as well as promotion of Montana’s nature, small towns, experiences, hospitality, and competitive business climate to promote the state as a place to visit and do business. The tourism development, film, and marketing/communications programs are all part of the Brand MT team that works to sustain and grow Montana’s economy. The programs help to create tourism economic opportunities, especially in rural areas, and resiliency through asset identification and data-driven marketing strategies and grant programs.

Brand MT is comprised of four bureaus funded by HB 2 and statutory appropriations:

- Budget and Operations
- Marketing/Communications
- Office of Tourism
- Film Office

Program Highlights

Brand MT Division Major Budget Highlights
<ul style="list-style-type: none">• The legislature adopted no change to the Brand MT Division's 2027 biennium budget compared to the 2025 biennium

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Operating Expenses	162,873	268,542	210,157	210,157	210,157
Total Expenditures	\$162,873	\$268,542	\$210,157	\$210,157	\$210,157
State/Other Special Rev. Funds	162,873	268,542	210,157	210,157	210,157
Total Funds	\$162,873	\$268,542	\$210,157	\$210,157	\$210,157
Total Ongoing	\$162,873	\$268,542	\$210,157	\$210,157	\$210,157
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Commerce, 52-Brand M T Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
02116 Accommodation Tax Account	0	0	32,566,553	32,566,553	30.44 %
02154 MT Promotion-Private	420,314	0	0	420,314	0.39 %
02254 Regional Accommodation Tax	0	0	31,079,986	31,079,986	29.05 %
02277 Accom. Tax - Rural Tourism	0	0	16,950,821	16,950,821	15.84 %
02279 Accom. Tax - Tourism Grants	0	0	17,328,778	17,328,778	16.20 %
02280 Accom. Tax - Revolving Loan	0	0	4,888,717	4,888,717	4.57 %
02293 Film Credit Applications	0	0	4,918	4,918	0.00 %
02298 Accom. Tax - Economic Develop	0	0	3,759,000	3,759,000	3.51 %
State Special Total	\$420,314	\$0	\$106,578,773	\$106,999,087	100.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$420,314	\$0	\$106,578,773	\$106,999,087	

HB 2 Authority**State Special Revenue**

Brand MT's HB 2 authority is funded by state special revenue from proceeds from the Governor's Tourism Conference. This funding accounts for less than 1.0% of the Brand MT's total appropriation authority.

Statutory Appropriations

The majority of Brand MT's funding comes from statutory appropriation authority. Statutory authority in this program includes funding from the lodging and facilities taxes used to support regional and state tourism, and film promotion. Brand MT also includes funding for the Montana Economic Development Industry Advancement (MEDIA) Act and the Lewis and Clark bicentennial licenses plates.

The lodging facility use tax provides funds to the Department of Commerce through a 4.0% tax imposed on guests of hotels, motels, bed and breakfasts, resorts, campgrounds, and any other lodging sites. As outlined in statute, the Department of Commerce receives 61.5% of the net tax proceeds for the following purposes:

- Tourism media, advertising film programs, the Made-In-Montana promotions, main street programs, wayfinding and signage, and support to trade offices
- Rural tourism, including under-visited area attraction projects, tribal tourism, tourism-related emergency services, marketing, and promotional activities
- Tourism grants, including agritourism grants and Montana-based film grants
- Revolving loan programs and regional tourism assistance
- Collaboration with the Office of Economic Development for new tourism attractions, other state business development programs, and support of other activities previously mentioned
- State-tribal economic development commission for Indian tourism
- Montana heritage preservation and development

The Department of Commerce also receives an additional 22.5% of the net tax proceeds to distribute to regional nonprofit tourism corporations.

The MEDIA Act film fee is a fee paid by production and post-production companies when they apply for certification with the Department of Commerce to claim the MEDIA Act transferable income tax credit. Therefore, expenditures are dependent on the revenue received from the total number of applications submitted. The use of these funds is to help pay for the implementation of the provisions of this act, including the presentation of a report on the economic impact of the tax credits created by an outside research organization called for by HB 293, enacted by the 2019 Legislature.

The Department of Commerce receives fees from Lewis & Clark bicentennial license plates sold through the Motor Vehicles Division at the Department of Justice. Three-fourths of the revenue from this source is placed in a state special revenue fund for the Department of Commerce for projects related to Lewis and Clark. The remaining one-fourth of revenue is placed in a state special revenue account for the Montana Historical Society.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

	Brand M T 2027 Biennium HB 2 Base Budget and Adjustments									
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	0	210,157	0	210,157	100.0%	0	210,157	0	210,157	100.0%
Statewide PL										
Personal Services	0	0	0	0	0.0%	0	0	0	0	0.0%
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Statewide PL	0	0	0	0	0.0%	0	0	0	0	0.0%
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Budget	0	210,157	0	210,157		0	210,157	0	210,157	

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	26.20	26.20	26.20	0.00	0.0%
General Fund	1,932,724	2,072,125	2,077,630	284,307	7.4%
State/Other Special Rev. Funds	4,904,956	4,899,938	4,905,079	(4,895)	(0.0%)
Federal Spec. Rev. Funds	8,220,702	8,287,648	8,290,146	136,390	0.8%
Total Funds	15,058,382	15,259,711	15,272,855	415,802	1.4%
Personal Services	2,461,957	2,430,445	2,436,854	(56,615)	(1.1%)
Operating Expenses	2,201,883	2,429,538	2,432,572	458,344	10.4%
Grants	10,302,179	10,302,179	10,302,179		0.0%
Debt Service	92,363	97,549	101,250	14,073	7.6%
Total Expenditures	15,058,382	15,259,711	15,272,855	415,802	1.4%
Total Ongoing	15,058,382	15,259,711	15,272,855	415,802	1.4%
Total One-Time-Only	53,950			(107,900)	(100.0%)

Program Description

The Community MT Division supports Montana's local and economic development needs through outreach, technical assistance, and funding. The division promotes sustainable growth by investing in infrastructure, affordable housing, and community facilities via state and federal grant programs, including the Community Development Block Grant, Montana Coal Endowment Program, Montana Historic Preservation Grant Program, and others. Community MT also administers the Montana Coal Board and Hard Rock Mining Impact Board.

Program Highlights

Community MT Division Major Budget Highlights
<ul style="list-style-type: none"> The legislature adopted an increase to the Community MT Division's 2027 biennium budget of approximately \$416,000 or 1.4% compared to the FY 2025 base budget. Changes adopted by the legislature include: <ul style="list-style-type: none"> Increased administrative costs for rent and indirect support service costs Increased statewide present law adjustments for fixed costs

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	1,644,074	1,964,265	2,505,687	2,430,445	2,436,854
Operating Expenses	895,395	2,179,436	2,212,103	2,429,538	2,432,572
Grants	11,498,861	11,570,147	10,302,179	10,302,179	10,302,179
Debt Service	70,135	92,363	92,363	97,549	101,250
Total Expenditures	\$14,108,465	\$15,806,211	\$15,112,332	\$15,259,711	\$15,272,855
General Fund	1,394,856	1,471,617	1,986,674	2,072,125	2,077,630
State/Other Special Rev. Funds	4,007,675	4,860,937	4,904,956	4,899,938	4,905,079
Federal Spec. Rev. Funds	8,705,934	9,473,657	8,220,702	8,287,648	8,290,146
Total Funds	\$14,108,465	\$15,806,211	\$15,112,332	\$15,259,711	\$15,272,855
Total Ongoing	\$14,088,226	\$15,749,976	\$15,058,382	\$15,259,711	\$15,272,855
Total OTO	\$20,239	\$56,235	\$53,950	\$0	\$0

Funding

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

Department of Commerce, 60-Community M T Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	4,149,755	0	0	4,149,755	13.40 %
02049 Hard Rock Mining	551,318	0	435,736	987,054	9.64 %
02116 Accommodation Tax Account	276,971	0	0	276,971	2.70 %
02270 MT Coal Endowment	1,624,712	0	0	1,624,712	15.87 %
02445 Coal Board	7,352,016	0	0	7,352,016	71.79 %
State Special Total	\$9,805,017	\$0	\$435,736	\$10,240,753	33.07 %
03059 Community Development Block	15,065,588	0	0	15,065,588	90.88 %
03061 EDA Revolving Loan Fund	945,974	0	0	945,974	5.71 %
03932 CDBG RLF	566,232	0	0	566,232	3.42 %
Federal Special Total	\$16,577,794	\$0	\$0	\$16,577,794	53.53 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$30,532,566	\$0	\$435,736	\$30,968,302	

HB 2 Authority

General Fund

General fund is used to provide matching funds for the Community Development Block Grant Program (CDBG) and support the Community Technical Assistance Program.

State Special Revenue

State special revenues are comprised of funding for the Coal Board, Montana Coal Endowment Program (MCEP), Montana Main Street Program, and the Hard Rock Mining Impact Board.

The Coal Board provides grants to governmental units to assist them in providing governmental services or facilities that are needed as a direct consequence of an increase or decrease in coal development or in the consumption of coal.

MCEP is a local government infrastructure-financing program funded by investment earnings on the coal severance tax funds. Revenue from the coal tax trust is transferred to the state special revenue fund for administrative costs (appropriated in HB 2) and grants (typically appropriated in HB 11).

Accommodations tax funds are used for the Montana Main Street Program to award competitive grants to communities focusing on planning and/or implementation projects directly related to downtown revitalization, development, and historic preservation. Additionally, these funds provide for the administration of the Montana Heritage Preservation Grant Program.

The Hard Rock Mining Impact Board provides technical assistance to local governments to mitigate local government services, facility, and fiscal impacts related to new large-scale hard rock mining developments. The Board is funded with metal mines license tax distributions for administrative costs (appropriated in HB 2) and community distributions (statutorily appropriated).

Federal Special Revenue

Federal special revenue is primarily for CDBG with the remaining portion being for the U.S. Economic Development Administration (EDA) revolving loan fund and the CDBG revolving loan fund. The CDBG provides funds to cities, towns, and counties with fewer than 50,000 residents. The purpose of these funds is to develop and preserve affordable housing, provide community services, and create and retain jobs.

Statutory Appropriations

Community MT has one statutory appropriation for the Hard Rock Mining Impact Board. As previously mentioned, the Hard Rock Mining Impact Board is administratively funded from HB 2 state special revenue, while community distributions are statutorily appropriated.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Community M T 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	1,932,724	4,904,956	8,220,702	15,058,382	98.7%	1,932,724	4,904,956	8,220,702	15,058,382	98.6%
Statewide PL										
Personal Services	(2,917)	(65,120)	36,525	(31,512)	(0.2%)	(70)	(63,066)	38,033	(25,103)	(0.2%)
Fixed Costs	18,913	7,532	541	26,986	0.2%	19,644	8,132	779	28,555	0.2%
Inflation Deflation	(302)	(257)	(31)	(590)	(0.0%)	(204)	(174)	(21)	(399)	(0.0%)
Total Statewide PL	15,694	(57,845)	37,035	(5,116)	(0.0%)	19,370	(55,108)	38,791	3,053	0.0%
Present Law (PL)	123,707	52,827	29,911	206,445	1.4%	125,536	55,231	30,653	211,420	1.4%
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	139,401	(5,018)	66,946	201,329	1.3%	144,906	123	69,444	214,473	1.4%
Total Budget	2,072,125	4,899,938	8,287,648	15,259,711		2,077,630	4,905,079	8,290,146	15,272,855	

Present Law Adjustments

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

Present Law Adjustments										
-----Fiscal 2026-----						-----Fiscal 2027-----				
PB	General Fund	State Special	Federal Special	Total Funds		PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(2,917)	(65,120)	36,525	(31,512)	0.00	(70)	(63,066)	38,033	(25,103)
DP 2 - Fixed Costs	0.00	18,913	7,532	541	26,986	0.00	19,644	8,132	779	28,555
DP 3 - Inflation Deflation	0.00	(302)	(257)	(31)	(590)	0.00	(204)	(174)	(21)	(399)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	(392)	(228)	0	(620)	0.00	(392)	(228)	0	(620)
DP 6005 - CMT ADMINISTRATIVE COSTS ADJUSTMENTS	0.00	124,099	53,055	29,911	207,065	0.00	125,928	55,459	30,653	212,040
Grand Total All Present Law Adjustments	0.00	\$139,401	(\$5,018)	\$66,946	\$201,329	0.00	\$144,906	\$123	\$69,444	\$214,473

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

DP 6005 - CMT ADMINISTRATIVE COSTS ADJUSTMENTS -

The legislature adopted adjustments for non-state rent increases per the terms of the negotiated lease and indirect costs paid to the Director's Office for support services provided to supported divisions, bureaus, and programs.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget FY 2026 FY 2027		Biennium Change from Base Amount Percent	
PB	6.00	6.00	6.00	0.00	0.0%
Federal Spec. Rev. Funds	10,138,997	12,113,871	12,022,834	3,858,711	19.0%
Total Funds	10,138,997	12,113,871	12,022,834	3,858,711	19.0%
Personal Services	500,888	532,678	535,389	66,291	6.6%
Operating Expenses	6,215,446	559,174	464,457	(11,407,261)	(91.8%)
Grants	3,400,000	10,998,000	10,998,000	15,196,000	223.5%
Debt Service	22,663	24,019	24,988	3,681	8.1%
Total Expenditures	10,138,997	12,113,871	12,022,834	3,858,711	19.0%
Total Ongoing	10,138,997	12,113,871	12,022,834	3,858,711	19.0%
Total One-Time-Only					0.0%

Program Description

The Housing MT Division supports Montana communities by facilitating access to safe, affordable, and sustainable housing for residents whose needs are unmet by the private market. The Division consists of three key units:

- **Board of Housing:** Serving as Montana's statewide Housing Finance Agency (HFA), established under the Montana Housing Act of 1975 and administratively attached to the Department of Commerce, the Board of Housing operates on enterprise fund revenues generated from fees on financed projects and mortgages. It is self-supporting and does not receive general fund allocations
- **Rental Assistance Bureau:** As the statewide Public Housing Authority (PHA), the bureau administers various Housing and Urban Development (HUD) funded programs, funded through HUD administrative fees and performance-based contracts
- **Community Housing:** This unit manages HUD Community Planning and Development (CPD) programs focused on the development and preservation of affordable housing, such as the HOME Investment Partnership Program and the National Housing Trust Fund. It also administers the one-time Emergency Shelter Facility grant funded through HB 5. Community housing programs are funded by federal and state special revenue, appropriated through HB 2 and HB 5

The division's responsibilities are defined under state statutes, executive orders, and federal regulations, primarily outlined in Montana Code Annotated Titles 2 and 90, and 24 CFR Parts 5, 91, 93, 245, 570, 792, 813, 882, 887, 891, 982, and 984.

Program Highlights

Housing MT Division Major Budget Highlights	
<ul style="list-style-type: none"> The legislature adopted an increase to the Housing MT Division's 2027 biennium budget of approximately \$3.9 million or 19.0% compared to the FY 2025 base budget. Changes adopted by the legislature include: <ul style="list-style-type: none"> Increased federal special revenue for increased housing trust fund (HTF) and HOME Investment Partnerships Program (HOME) grants Increased statewide present law adjustments for personal services and fixed costs 	

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	368,805	481,578	500,888	532,678	535,389
Operating Expenses	156,191	6,504,355	6,215,446	559,174	464,457
Grants	8,667,226	2,346,032	3,400,000	10,998,000	10,998,000
Debt Service	18,202	22,663	22,663	24,019	24,988
Total Expenditures	\$9,210,424	\$9,354,628	\$10,138,997	\$12,113,871	\$12,022,834
Federal Spec. Rev. Funds	9,210,424	9,354,628	10,138,997	12,113,871	12,022,834
Total Funds	\$9,210,424	\$9,354,628	\$10,138,997	\$12,113,871	\$12,022,834
Total Ongoing	\$9,210,424	\$9,354,628	\$10,138,997	\$12,113,871	\$12,022,834
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Commerce, 74-Housing M T Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
State Special Total	\$0	\$0	\$0	\$0	0.00 %
03300 Home Grants	11,560,034	0	0	11,560,034	47.89 %
03585 HTF	12,576,671	0	0	12,576,671	52.11 %
Federal Special Total	\$24,136,705	\$0	\$0	\$24,136,705	15.21 %
06028 Emergency Housing Vouchers-Adm	0	318,668	0	318,668	0.24 %
06029 Emergency Housing Vouchers-HAP	0	1,440,000	0	1,440,000	1.07 %
06030 BOH Financial Program Fund	0	7,756,611	0	7,756,611	5.76 %
06031 Housing Trust Fund	0	20,000	0	20,000	0.01 %
06032 Mortgage Loan Servicing	0	4,749,922	0	4,749,922	3.53 %
06037 Sect 8 Mod Rehab HAP	0	4,934,016	0	4,934,016	3.67 %
06044 Mainstream HCVP-Admin	0	150,000	0	150,000	0.11 %
06045 Mainstream HCVP-HAP	0	800,000	0	800,000	0.59 %
06054 Section 8 HAP	0	48,101,012	0	48,101,012	35.75 %
06074 SEC 8 Project Based	0	57,291,001	0	57,291,001	42.58 %
06075 Section 8 Vouchers	0	8,264,967	0	8,264,967	6.14 %
06078 Housing Montana Fund	0	20,000	0	20,000	0.01 %
06079 Revolving Loan Fund - TANF	0	20,000	0	20,000	0.01 %
06085 Section 8 Mod Rehab	0	690,868	0	690,868	0.51 %
Proprietary Total	\$0	\$134,557,065	\$0	\$134,557,065	84.79 %
Total All Funds	\$24,136,705	\$134,557,065	\$0	\$158,693,770	

HB 2 Authority

Federal Special Revenue

Federal funds are for the HOME Investment Partnerships (HOME) and Housing Trust Fund (HTF) programs. The HOME program is a federal block grant for the construction and creation of affordable housing for low-income households. The HOME Program is administered by the Housing MT Division, who also administers funds to local governments and nonprofits throughout the state. The HTF is an affordable housing production program. The Housing MT Division administers the HTF program and helps qualified recipients direct funds for construction, rehabilitation, and preservation of affordable rental housing.

Non-Budgeted Proprietary

The majority of the Housing MT Division's funding is from non-budgeted proprietary funds. These funds are discussed in the non-budgeted proprietary report.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Housing M T 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	0	0	10,138,997	10,138,997	83.7%	0	0	10,138,997	10,138,997	84.3%
Statewide PL										
Personal Services	0	0	31,790	31,790	0.3%	0	0	34,501	34,501	0.3%
Fixed Costs	0	0	101,711	101,711	0.8%	0	0	6,428	6,428	0.1%
Inflation Deflation	0	0	(83)	(83)	(0.0%)	0	0	(56)	(56)	(0.0%)
Total Statewide PL	0	0	133,418	133,418	1.1%	0	0	40,873	40,873	0.3%
Present Law (PL)	0	0	1,841,456	1,841,456	15.2%	0	0	1,842,964	1,842,964	15.3%
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	0	0	1,974,874	1,974,874	16.3%	0	0	1,883,837	1,883,837	15.7%
Total Budget	0	0	12,113,871	12,113,871		0	0	12,022,834	12,022,834	

Present Law Adjustments

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

Present Law Adjustments										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	31,790	31,790	0.00	0	0	34,501	34,501
DP 2 - Fixed Costs	0.00	0	0	101,711	101,711	0.00	0	0	6,428	6,428
DP 3 - Inflation Deflation	0.00	0	0	(83)	(83)	0.00	0	0	(56)	(56)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	0	0	(140)	(140)	0.00	0	0	(140)	(140)
DP 7405 - HMT ADMINISTRATIVE COSTS ADJUSTMENTS	0.00	0	0	1,841,596	1,841,596	0.00	0	0	1,843,104	1,843,104
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$1,974,874	\$1,974,874	0.00	\$0	\$0	\$1,883,837	\$1,883,837

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

DP 7405 - HMT ADMINISTRATIVE COSTS ADJUSTMENTS -

The legislature adopted adjustments for non-state rent increases per the terms of the negotiated lease, and indirect costs paid to the Director's Office for support services provided to supported divisions, bureaus, and programs. The decision package increases appropriations for grants in the HOME and HTF programs for the amount of federal funds projected to be available in the 2027 biennium.

Program Base Budget Comparison

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

Program Base Budget Comparison						
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base		
		FY 2026	FY 2027	Amount	Percent	
PB	1.25	1.25	1.25	0.00	0.0%	
General Fund	250,000	250,000	250,000		0.0%	
State/Other Special Rev. Funds	213,554	241,712	241,878	56,482	13.2%	
Total Funds	463,554	491,712	491,878	56,482	6.1%	
Personal Services	27,761	27,761	27,761		0.0%	
Operating Expenses	435,793	463,951	464,117	56,482	6.5%	
Total Expenditures	463,554	491,712	491,878	56,482	6.1%	
Total Ongoing	463,554	491,712	491,878	56,482	6.1%	
Total One-Time-Only					0.0%	

Program Description

Established in 1965, the Montana Board of Horse Racing regulates and monitors horse racing in Montana. Over the years, its role has expanded to include support and guidance for the industry, with the goal of fostering growth and sustainability. The board is funded through HB 2 and statutory appropriations, using revenue from licenses, fees, and a portion of wagering on live and remote races. Its work is mandated under Title 2, Chapter 15, and Title 23, Chapter 4 of the Montana Code Annotated.

Program Highlights

Board of Horse Racing Major Budget Highlights
<ul style="list-style-type: none"> The legislature adopted an increase to the Board of Horse Racing's 2027 biennium budget of approximately \$56,000 or 6.1% compared to the FY 2025 base budget. Changes adopted by the legislature include: <ul style="list-style-type: none"> Increased statewide present law adjustments for personal services and fixed cost The statewide present law adjustment to personal services is partially offset by removing appropriation authority for the executive secretary position that is contracted and paid out of operating expenses Increased administrative adjustment for greater indirect costs for support services as well as increased costs relating to laboratory testing

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	14,592	23,032	27,761	27,761	27,761
Operating Expenses	419,388	435,642	435,793	463,951	464,117
Total Expenditures	\$433,980	\$458,674	\$463,554	\$491,712	\$491,878
General Fund	250,000	250,000	250,000	250,000	250,000
State/Other Special Rev. Funds	183,980	208,674	213,554	241,712	241,878
Total Funds	\$433,980	\$458,674	\$463,554	\$491,712	\$491,878
Total Ongoing	\$433,980	\$458,674	\$463,554	\$491,712	\$491,878
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Commerce, 78-Board of Horse Racing Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	500,000	0	0	500,000	28.51 %
02029 BOHR Operation Fund	483,590	0	770,000	1,253,590	100.00 %
State Special Total	\$483,590	\$0	\$770,000	\$1,253,590	71.49 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$983,590	\$0	\$770,000	\$1,753,590	

HB 2 Authority

General Fund

The general fund authority is used for the Montana Breeders Incentive Program which provides money to all Montana bred horses that start at a Montana race facility. These funds are also used for capital improvements, equipment maintenance and replacements, and race purses.

State Special Revenue

The Board of Horse Racing is responsible for regulating, ensuring compliance, licensing, and auditing all horse racing in the State of Montana. The board is funded with state special revenue from a 1.0% tax on gross receipts from pari-mutuel betting (for simulcast facilities, the tax is greater than 1.0%).

Statutory Authority

Funds collected for live horse racing purses are deposited in the state special revenue account and are then statutorily appropriated to the board for disbursement of funds as authorized in 23-4-105, MCA.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Board of Horse Racing 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	250,000	213,554	0	463,554	94.3%	250,000	213,554	0	463,554	94.2%
Statewide PL										
Personal Services	0	75,550	0	75,550	15.4%	0	75,552	0	75,552	15.4%
Fixed Costs	0	6,387	0	6,387	1.3%	0	6,553	0	6,553	1.3%
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Statewide PL	0	81,937	0	81,937	16.7%	0	82,105	0	82,105	16.7%
Present Law (PL)	0	(53,779)	0	(53,779)	(10.9%)	0	(53,781)	0	(53,781)	(10.9%)
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	0	28,158	0	28,158	5.7%	0	28,324	0	28,324	5.8%
Total Budget	250,000	241,712	0	491,712		250,000	241,878	0	491,878	

Present Law Adjustments

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

Present Law Adjustments										
	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services										
0.00	0	75,550	0	75,550	0.00	0	75,552	0	75,552	
DP 2 - Fixed Costs										
0.00	0	6,387	0	6,387	0.00	0	6,553	0	6,553	
DP 22 - Fixed Cost Adjustment for Robert's Rules										
0.00	0	(30)	0	(30)	0.00	0	(30)	0	(30)	
DP 7805 - BOHR ADMINISTRATIVE COSTS ADJUSTMENTS										
0.00	0	(53,749)	0	(53,749)	0.00	0	(53,751)	0	(53,751)	
Grand Total All Present Law Adjustments	0.00	\$0	\$28,158	\$0	\$28,158	0.00	\$0	\$28,324	\$0	\$28,324

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

DP 7805 - BOHR ADMINISTRATIVE COSTS ADJUSTMENTS -

The legislature adopted a reduction to the Board of Horse Racing's 2027 biennium personal services budget to current estimates for the 2027 biennium. The Board of Horse Racing currently is contracting for its executive secretary, which is funded through an operating expense category. This decision package removes the 2027 biennium personal services funding for the position without removing the board's executive secretary position. This adjustment also includes adjustments for indirect costs paid to the Director's Office for support services provided to supported divisions, bureaus, and programs, as well as an increase based on the rising costs of laboratory testing.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	8.00	8.00	8.00	0.00	0.0%
State/Other Special Rev. Funds	2,612,770	3,162,696	3,214,788	1,151,944	22.0%
Total Funds	2,612,770	3,162,696	3,214,788	1,151,944	22.0%
Personal Services	688,658	689,486	689,768	1,938	0.1%
Operating Expenses	1,474,112	2,023,210	2,075,020	1,150,006	39.0%
Equipment & Intangible Assets	150,000	150,000	150,000		0.0%
Capital Outlay	300,000	300,000	300,000		0.0%
Total Expenditures	2,612,770	3,162,696	3,214,788	1,151,944	22.0%
Total Ongoing	2,612,770	3,162,696	3,214,788	1,151,944	22.0%
Total One-Time-Only					0.0%

Program Description

The Montana Heritage Preservation and Development Commission (MHC) was established by the 55th Montana Legislature in 1997 to acquire and manage historic properties for the state. Its initial acquisition included Virginia and Nevada City, comprising of 248 buildings and 1.2 million Americana artifacts across 260 acres. Since then, the Montana Board of Land Commissioners has approved additional acquisitions, including Reeder's Alley and the Pioneer Cabin in Helena, and Stonewall Hall with the Dudley Garage in Virginia City, primarily through private donations.

The MHC is legislatively authorized to preserve these heritage sites "in a manner that protects the properties and encourages economic stability" (MCA 22-3-1001). Its statutory mission is to manage properties with significant historical value that represent Montana's culture and history. The MHC oversees the maintenance, stabilization, artifact conservation, and preservation of these sites, while expanding their economic and educational potential for public benefit.

Program Highlights

Montana Heritage Commission Major Budget Highlights
<ul style="list-style-type: none"> The legislature adopted an increase to the Montana Heritage Commission's 2027 biennium budget of approximately \$1.2 million or 22.0% compared to the FY 2025 base budget. Changes adopted by the legislature include: <ul style="list-style-type: none"> Approximately \$618,000 over the 2027 biennium in accordance with SB 409 A biennial, one-time-only appropriation of \$250,000 each fiscal year of the 2027 biennium for capital improvements Increased administrative cost adjustments for indirect costs for support services Decreased statewide present law adjustments for fixed costs

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	691,738	693,212	688,658	689,486	689,768
Operating Expenses	824,665	1,056,969	1,474,112	2,023,210	2,075,020
Equipment & Intangible Assets	0	0	150,000	150,000	150,000
Capital Outlay	697,835	750,000	300,000	300,000	300,000
Total Expenditures	\$2,214,238	\$2,500,181	\$2,612,770	\$3,162,696	\$3,214,788
State/Other Special Rev. Funds	2,214,238	2,500,181	2,612,770	3,162,696	3,214,788
Total Funds	\$2,214,238	\$2,500,181	\$2,612,770	\$3,162,696	\$3,214,788
Total Ongoing	\$2,214,238	\$2,500,181	\$2,612,770	\$3,162,696	\$3,214,788
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Commerce, 80-Montana Heritage Commission Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
02102 Montana Heritage Commission	5,877,484	0	0	5,877,484	92.16 %
02116 Accommodation Tax Account	500,000	0	0	500,000	7.84 %
State Special Total	\$6,377,484	\$0	\$0	\$6,377,484	100.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$6,377,484	\$0	\$0	\$6,377,484	

*HB 2 Authority*State Special Revenue

The Montana Heritage Commission has been entirely funded with HB 2 state special revenue since the 2021 Legislative Session. Funding comes from revenues from Virginia City, Nevada City, and Reeder's Alley, as well as light vehicle registrations. The Commission also receives approximately \$1.1 million over the biennium from the lodging facility use tax.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Montana Heritage Commission 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	0	2,612,770	0	2,612,770	82.6%	0	2,612,770	0	2,612,770	81.3%
Statewide PL										
Personal Services	0	2,028	0	2,028	0.1%	0	3,110	0	3,110	0.1%
Fixed Costs	0	(29,900)	0	(29,900)	(0.9%)	0	(29,161)	0	(29,161)	(0.9%)
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Statewide PL	0	(27,872)	0	(27,872)	(0.9%)	0	(26,051)	0	(26,051)	(0.8%)
Present Law (PL)	0	48,716	0	48,716	1.5%	0	48,932	0	48,932	1.5%
New Proposals	0	529,082	0	529,082	16.7%	0	579,137	0	579,137	18.0%
Total HB 2 Adjustments	0	549,926	0	549,926	17.4%	0	602,018	0	602,018	18.7%
Total Budget	0	3,162,696	0	3,162,696		0	3,214,788	0	3,214,788	

Present Law Adjustments

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

Present Law Adjustments										
	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services										
0.00	0	2,028	0	2,028	0.00	0	3,110	0	3,110	
DP 2 - Fixed Costs										
0.00	0	(29,900)	0	(29,900)	0.00	0	(29,161)	0	(29,161)	
DP 22 - Fixed Cost Adjustment for Robert's Rules										
0.00	0	(188)	0	(188)	0.00	0	(188)	0	(188)	
DP 8005 - MHC ADMINISTRATIVE COSTS ADJUSTMENTS										
0.00	0	48,904	0	48,904	0.00	0	49,120	0	49,120	
Grand Total All Present Law Adjustments	0.00	\$0	\$20,844	\$0	\$20,844	0.00	\$0	\$22,881	\$0	\$22,881

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

DP 8005 - MHC ADMINISTRATIVE COSTS ADJUSTMENTS -

The legislature adopted adjustments for indirect costs paid to the Director's Office for support services provided to supported divisions, bureaus, and programs.

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1801 - SB 116	0.00	0	(3,798)	0	(3,798)	0.00	0	(6,330)	0	(6,330)
DP 1802 - SB 409	0.00	0	282,880	0	282,880	0.00	0	335,467	0	335,467
DP 8006 - Capital Improvements (Biennial/OTO)	0.00	0	250,000	0	250,000	0.00	0	250,000	0	250,000
Total	0.00	\$0	\$529,082	\$0	\$529,082	0.00	\$0	\$579,137	\$0	\$579,137

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

DP 1801 - SB 116 -

The legislature adopted SB 116, which reduced the required members of the Montana Heritage Preservation and Development Commission. This bill reduces the state special revenue appropriations to reflect reduced travel and per diem expenses.

DP 1802 - SB 409 -

The legislature adopted SB 409, which revised the distribution of the accommodations tax and increased state special revenue authority in the Montana Heritage Commission.

DP 8006 - Capital Improvements (Biennial/OTO) -

The legislature adopted a one-time-only, biennial appropriation to replace and restore brickwork and water drainage in Reeder's Alley and stabilize, weatherize, and restore the Grace Methodist Church in Virginia City.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget	Adopted Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
PB	6.35	6.35	6.35	0.00	0.0%
General Fund	980,277	1,071,853	1,082,820	194,119	9.9%
State/Other Special Rev. Funds	8,975	8,975	8,975		0.0%
Federal Spec. Rev. Funds	600,000	600,000	600,000		0.0%
Total Funds	1,589,252	1,680,828	1,691,795	194,119	6.1%
Personal Services	650,408	631,061	636,105	(33,650)	(2.6%)
Operating Expenses	273,827	380,978	384,207	217,531	39.7%
Grants	600,000	600,000	600,000		0.0%
Debt Service	65,017	68,789	71,483	10,238	7.9%
Total Expenditures	1,589,252	1,680,828	1,691,795	194,119	6.1%
Total Ongoing	1,589,252	1,680,828	1,691,795	194,119	6.1%
Total One-Time-Only					0.0%

Program Description**Director's Office:**

The Director's Office oversees the department's mission to promote economic and community development across the state. It provides support services, including accounting, budgeting, legal affairs, human resources, information technology, communications, marketing, and research. Additionally, the office establishes partnerships with private businesses, local governments, nonprofit organizations, the legislature, tribal entities, and other stakeholders. It offers centralized services to all divisions, programs, and administratively attached boards and commissions within the agency. The primary responsibilities of the Director's Office are set forth in Title 2, Chapter 15, and Title 90, Chapter 1 of the Montana Code Annotated.

Montana Council on Developmental Disabilities:

The Montana Council on Developmental Disabilities is a citizen-based advocacy organization appointed by the Governor, focused on supporting the independence, integration, and productivity of individuals with developmental disabilities. The council administers federal funds to support comprehensive services, assist with state planning activities, and create model programs in partnership with public and private agencies. These responsibilities are outlined in Title 53, Chapter 20 of the Montana Code Annotated.

Program Highlights

Director's Office Major Budget Highlights	
<ul style="list-style-type: none"> The legislature adopted an increase to the Director's Office's 2027 biennium budget of approximately \$194,000 or 6.1% compared to the FY 2025 base budget. Changes adopted by the legislature include: <ul style="list-style-type: none"> Increased statewide present law adjustments for fixed costs Increased administrative cost adjustments for building rent and indirect costs for support services 	

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	471,640	475,031	650,408	631,061	636,105
Operating Expenses	301,753	300,348	273,827	380,978	384,207
Grants	513,842	600,000	600,000	600,000	600,000
Debt Service	50,937	51,017	65,017	68,789	71,483
Total Expenditures	\$1,338,172	\$1,426,396	\$1,589,252	\$1,680,828	\$1,691,795
General Fund	815,985	817,421	980,277	1,071,853	1,082,820
State/Other Special Rev. Funds	0	8,975	8,975	8,975	8,975
Federal Spec. Rev. Funds	522,187	600,000	600,000	600,000	600,000
Total Funds	\$1,338,172	\$1,426,396	\$1,589,252	\$1,680,828	\$1,691,795
Total Ongoing	\$1,338,172	\$1,426,396	\$1,589,252	\$1,680,828	\$1,691,795
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Commerce, 81-Director's Office Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	2,154,673	0	0	2,154,673	23.47 %
02324 Community Reinvestment	17,950	0	0	17,950	100.00 %
State Special Total	\$17,950	\$0	\$0	\$17,950	0.20 %
03441 MCDD	1,200,000	0	0	1,200,000	100.00 %
Federal Special Total	\$1,200,000	\$0	\$0	\$1,200,000	13.07 %
06542 Commerce Centralized Services	0	5,806,113	0	5,806,113	100.00 %
Proprietary Total	\$0	\$5,806,113	\$0	\$5,806,113	63.26 %
Total All Funds	\$3,372,623	\$5,806,113	\$0	\$9,178,736	

*HB 2 Authority*General Fund

During the 2023 biennium, the Department of Commerce underwent a reorganization which transferred the Bureau of Research and Information to the Director's Office. This transferred 6.85 PB and associated general fund authority.

State Special Revenue

The reorganization also transferred authority for the census voting district project state special fund to the Director's Office. This is a small amount of state special revenue authority used as a holdover account for the state library grant called the community reinvestment fund.

Federal Special Revenue

The Montana Council on Developmental Disabilities is funded entirely with federal special revenue that pays for the contract for the nonprofit that carries out the responsibilities of the Developmental Disabilities Planning and Advisory Council.

Non-Budgeted Proprietary Funding

The Director's Office is also funded by an internal service type proprietary fund from indirect costs charged to programs in the Department of Commerce. This fund will be discussed in further detail in the non-budgeted proprietary report.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

	Director's Office 2027 Biennium HB 2 Base Budget and Adjustments									
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	980,277	8,975	600,000	1,589,252	94.6%	980,277	8,975	600,000	1,589,252	93.9%
Statewide PL										
Personal Services	(19,347)	0	0	(19,347)	(1.2%)	(14,303)	0	0	(14,303)	(0.8%)
Fixed Costs	59,940	0	0	59,940	3.6%	62,149	0	0	62,149	3.7%
Inflation Deflation	(52)	0	0	(52)	(0.0%)	(35)	0	0	(35)	(0.0%)
Total Statewide PL	40,541	0	0	40,541	2.4%	47,811	0	0	47,811	2.8%
Present Law (PL)	51,035	0	0	51,035	3.0%	54,732	0	0	54,732	3.2%
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	91,576	0	0	91,576	5.4%	102,543	0	0	102,543	6.1%
Total Budget	1,071,853	8,975	600,000	1,680,828		1,082,820	8,975	600,000	1,691,795	

Present Law Adjustments

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

Present Law Adjustments										
-----Fiscal 2026-----						-----Fiscal 2027-----				
PB	General Fund	State Special	Federal Special	Total Funds		PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services										
0.00	(19,347)	0	0	(19,347)		0.00	(14,303)	0	0	(14,303)
DP 2 - Fixed Costs										
0.00	59,940	0	0	59,940		0.00	62,149	0	0	62,149
DP 3 - Inflation Deflation										
0.00	(52)	0	0	(52)		0.00	(35)	0	0	(35)
DP 22 - Fixed Cost Adjustment for Robert's Rules										
0.00	(150)	0	0	(150)		0.00	(150)	0	0	(150)
DP 8105 - DO ADMINISTRATIVE COSTS ADJUSTMENTS										
0.00	51,185	0	0	51,185		0.00	54,882	0	0	54,882
Grand Total All Present Law Adjustments										
0.00	\$91,576	\$0	\$0	\$91,576		0.00	\$102,543	\$0	\$0	\$102,543

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

DP 8105 - DO ADMINISTRATIVE COSTS ADJUSTMENTS -

The legislature adopted adjustments for increased non-state building rent per the terms of the lease agreement, and indirect costs paid to the Director's Office's Centralized Services for support services provided to supported divisions, bureaus, and programs.

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals										
-----Fiscal 2026-----						-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 2400 - Line Item Veto	0.00	(29,702)	0	0	(29,702)	0.00	0	0	0	0
DP 8106 - Travel Expense Reimbursement (Restricted)	0.00	29,702	0	0	29,702	0.00	0	0	0	0
Total	0.00	\$0	\$0	\$0	\$0	0.00	\$0	\$0	\$0	\$0

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

DP 2400 - Line Item Veto -

The Governor line item vetoed DP 8106, which added general fund to reimburse travel expenses that were overpaid by employees in previous biennia.

DP 8106 - Travel Expense Reimbursement (Restricted) -

The legislature adopted restricted general fund authority in FY 2026 to reimburse travel expenses that were overpaid by employees in previous biennia.

Agency Base Budget Comparison

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

Agency Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	628.48	628.48	628.48	0.00	0.0%
General Fund	2,644,467	832,876	838,305	(3,617,753)	(68.4%)
State/Other Special Rev. Funds	57,879,887	65,089,458	63,890,746	13,220,430	11.4%
Federal Spec. Rev. Funds	34,700,239	37,308,695	37,381,257	5,289,474	7.6%
Total Funds	95,224,593	103,231,029	102,110,308	14,892,151	7.8%
Personal Services	54,016,386	55,824,021	55,953,435	3,744,684	3.5%
Operating Expenses	29,412,193	33,290,178	32,040,043	6,505,835	11.1%
Equipment & Intangible Assets	483,849	833,849	833,849	700,000	72.3%
Grants	9,415,792	11,386,608	11,386,608	3,941,632	20.9%
Benefits & Claims	100,389	100,389	100,389		0.0%
Transfers	447,333	447,333	447,333		0.0%
Debt Service	1,348,651	1,348,651	1,348,651		0.0%
Total Expenditures	95,224,593	103,231,029	102,110,308	14,892,151	7.8%
Total Ongoing	95,224,593	103,131,029	102,110,308	14,792,151	7.8%
Total One-Time-Only	57,551	100,000		(15,102)	(13.1%)

Agency Description

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

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

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

Agency Highlights

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

- The legislature adopted a 2027 biennium budget for the Department of Labor and Industry that is approximately \$14.9 million or 7.8% greater than the FY 2025 base budget. Significant changes include:
 - A funding switch of \$3.7 million from general fund to state special revenue for the Human Rights Bureau
 - An increase of personal services authority across all divisions of \$2.1 million for the statewide present law adjustment
 - An increase of \$1.4 million for anticipated federal funding awards in the Workforce Services Division
 - An increase of \$1.2 million in the Unemployment Insurance Division for software maintenance contracts related to the Montana Unemployment System Environment (MUSE)
 - An increase of \$1.7 million across various divisions within the agency for legal services provided internally
 - An increase of \$630,000 in operating expenses for job service kiosks located throughout the state
 - An increase of \$1.1 million of state special revenue authority and \$3.2 million of federal special revenue authority for adult basic education grants
 - An increase of \$1.0 million in state special revenue to support 3.00 PB for the Office of Reentry Services, established in HB 718
 - State special revenue appropriations increase \$500,000 in the Workers' Compensation Court, while also decreasing the program by 5.00 PB

Agency Actuals and Budget Comparison

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

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	47,943,995	49,869,402	54,063,620	55,824,021	55,953,435
Operating Expenses	28,661,367	31,510,442	29,422,510	33,290,178	32,040,043
Equipment & Intangible Assets	84,204	2,573,919	483,849	833,849	833,849
Grants	6,147,722	8,245,792	9,415,792	11,386,608	11,386,608
Benefits & Claims	16,800	100,389	100,389	100,389	100,389
Transfers	656,731	1,009,586	447,333	447,333	447,333
Debt Service	1,213,323	1,463,152	1,348,651	1,348,651	1,348,651
Total Expenditures	\$84,724,142	\$94,772,682	\$95,282,144	\$103,231,029	\$102,110,308
General Fund	2,546,999	2,646,116	2,702,018	832,876	838,305
State/Other Special Rev. Funds	53,449,858	57,963,280	57,879,887	65,089,458	63,890,746
Federal Spec. Rev. Funds	28,727,285	34,163,286	34,700,239	37,308,695	37,381,257
Total Funds	\$84,724,142	\$94,772,682	\$95,282,144	\$103,231,029	\$102,110,308
Total Ongoing	\$84,568,823	\$92,370,034	\$95,224,593	\$103,131,029	\$102,110,308
Total OTO	\$155,319	\$2,402,648	\$57,551	\$100,000	\$0

Summary of Legislative Action

The legislature adopted a 2027 biennium budget for the Department of Labor and Industry that is \$14.9 million or 7.8% greater than that of the FY 2025 base budget. Changes adopted within this budget include:

- An increase of \$2.1 million in personal services appropriations related to the statewide present law adjustment for personal services. This funding is split between general fund, state special revenue, and federal special revenue with state special revenue being the largest portion of this
- A decrease of \$585,000 attributed to the statewide present law adjustment for fixed costs, with the majority of this decrease being in federal special revenue
- Federal special revenue increases amounting to \$1.7 million across the Workforce Services and Employment Standards Division. This increase is to account for an anticipated increase in federal awards in these two divisions
- An increase in both state special (\$1.1 million) and federal special (\$3.2 million) revenue appropriations for the administration of the adult basic education portion of Workforce Innovation and Opportunity Act grants. The state special revenue provided is the state matching to receive the federal portion of this appropriation
- State special revenue increases of \$540,000 in FY 2026 and \$90,000 in FY 2027 for the implementation of job services kiosks throughout the state
- Increased appropriations in general fund and state special revenue of \$1.7 million across multiple divisions associated with an increase in internal legal services
- State special revenue appropriations increase \$700,000 in the Employment Standards Division. This appropriation is specifically regarding the Weights and Measures Program for equipment replacement and to set up a regular maintenance schedule
- A decrease of \$3.7 million in general fund, with a subsequent increase in state special revenue, for a fund switch for the Human Rights Bureau in the Employment Standards Division
- An increase of state special revenue appropriations of \$1.0 million for the implementation of HB 718 and the creation of the Office of Reentry Services within the Workforce Services Division

Funding

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

Total Department of Labor and Industry Funding by Source of Authority 2027 Biennium Budget						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	1,671,181				1,671,181	0.3%
02258 Employment Security Account	56,590,735	100,000			56,690,735	10.7%
02448 Building Codes State Spec Rev	13,105,382				13,105,382	2.5%
02455 Workers' Comp Regulation	12,790,327				12,790,327	2.4%
02347 Safety Administration Fund	5,019,319				5,019,319	0.9%
02805 Weights & Measures Bureau	4,421,971				4,421,971	0.8%
Other State Special Revenue	36,952,470			1,407,247	38,359,717	7.2%
State Special Revenue Total	128,880,204	100,000	-	1,407,247	130,387,451	24.5%
03954 UI Administrative Grants	21,889,398				21,889,398	4.1%
03124 Employment Trng Grants	18,851,159				18,851,159	3.5%
03682 Wagner Peyser	12,301,441				12,301,441	2.3%
03322 MT Community Service FSR	8,091,201				8,091,201	1.5%
03982 RESEA	2,133,719				2,133,719	0.4%
Other Federal Special Revenue	11,423,034				11,423,034	2.1%
Federal Special Revenue Total	74,689,952	-	-	-	74,689,952	14.0%
06069 UI Tax Benefit Fund			280,619,927		280,619,927	52.8%
06578 Technical Services Direct			14,633,532		14,633,532	2.8%
06546 Commissioner's Office/CSD			10,338,091		10,338,091	1.9%
06552 Legal Admin Services			7,882,590		7,882,590	1.5%
06568 Technical Services			7,761,942		7,761,942	1.5%
Other Proprietary Fund			3,060,252	614,578	3,674,830	0.7%
Proprietary Fund Total	-	-	324,296,334	614,578	324,910,912	61.1%
Total of All Funds	205,241,337	100,000	324,296,334	2,021,825	531,659,496	
Percent of All Sources of Authority	38.6%	0.0%	61.0%	0.4%		

HB 2 Appropriations

General Fund

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

State Special Revenue

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

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

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

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

Federal Special Revenue

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

Non-Budgeted Proprietary Funds

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

Statutory Appropriations

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

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Department of Labor and Industry 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	2,644,467	57,879,887	34,700,239	95,224,593	92.2%	2,644,467	57,879,887	34,700,239	95,224,593	93.3%
Statewide PL										
Personal Services	18,807	574,082	376,785	969,674	0.9%	24,640	634,636	445,118	1,104,394	1.1%
Fixed Costs	17,585	(12,641)	(297,125)	(292,181)	(0.3%)	17,181	(13,498)	(295,976)	(292,293)	(0.3%)
Inflation Deflation	0	(29,384)	(9,507)	(38,891)	(0.0%)	0	(19,859)	(6,427)	(26,286)	(0.0%)
Total Statewide PL	36,392	532,057	70,153	638,602	0.6%	41,821	601,279	142,715	785,815	0.8%
Present Law (PL)	(168)	970,760	938,000	1,908,592	1.8%	(168)	970,760	938,000	1,908,592	1.9%
New Proposals	(1,847,815)	5,706,754	1,600,303	5,459,242	5.3%	(1,847,815)	4,438,820	1,600,303	4,191,308	4.1%
Total HB 2 Adjustments	(1,811,591)	7,209,571	2,608,456	8,006,436	7.8%	(1,806,162)	6,010,859	2,681,018	6,885,715	6.7%
Total Budget	832,876	65,089,458	37,308,695	103,231,029		838,305	63,890,746	37,381,257	102,110,308	

Other Legislation

HB 656 – This legislation allows for new uses of the employment security account, the largest state special revenue fund in the Department of Labor and Industry. With the passage and approval of this bill, general fund appropriations are decreased and state special revenue appropriations are increased in the Human Rights Bureau. Additionally, a decrease of \$ 590,000 in general fund and an equal amount increased of state special revenue appropriations are able to be used towards the state share of the Office of Community Services AmeriCorps federal funding.

HB 832 – This legislation establishes a provider training grant program for posttraumatic stress disorder therapies with the Department of Labor and Industry awarding these grants. This bill appropriates \$600,000 in general fund to the Department of Labor and Industry for the administration of this program.

HB 872 – This legislation revises licensing laws, primarily as it relates to real property. This bill appropriates \$1,000 to the Department of Labor and Industry to implement the rulemaking changes outlined in the legislation.

SB 326 – This legislation revises the Montana Economic Development Industry Advancement (MEDIA) Act film tax credit and splits the credit into specific categories. With this, the bill creates a media manufacturing industry workforce account within the Department of Labor and Industry.

Executive Budget Comparison

The following table compares the legislative budget for the biennium to the budget requested by the Governor by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2025	Executive Budget Fiscal 2026	Legislative Budget Fiscal 2026	Leg — Exec. Difference Fiscal 2026	Executive Budget Fiscal 2027	Legislative Budget Fiscal 2027	Leg — Exec. Difference Fiscal 2027	Biennium Difference Fiscal 26-27
Personal Services	54,063,620	55,110,506	55,824,021	713,515	55,246,976	55,953,435	706,459	1,419,974
Operating Expenses	29,422,510	32,309,854	33,290,178	980,324	31,770,597	32,040,043	269,446	1,249,770
Equipment & Intangible Assets	483,849	833,849	833,849	0	833,849	833,849	0	0
Grants	9,415,792	9,940,792	11,386,608	1,445,816	9,940,792	11,386,608	1,445,816	2,891,632
Benefits & Claims	100,389	100,389	100,389	0	100,389	100,389	0	0
Transfers	447,333	447,333	447,333	0	447,333	447,333	0	0
Debt Service	1,348,651	1,348,651	1,348,651	0	1,348,651	1,348,651	0	0
Total Costs	\$95,282,144	\$100,091,374	\$103,231,029	\$3,139,655	\$99,688,587	\$102,110,308	\$2,421,721	\$5,561,376
General Fund	2,702,018	833,044	832,876	(168)	838,473	838,305	(168)	(336)
State/other Special Rev. Funds	57,879,887	63,545,938	65,089,458	1,543,520	63,065,160	63,890,746	825,586	2,369,106
Federal Spec. Rev. Funds	34,700,239	35,712,392	37,308,695	1,596,303	35,784,954	37,381,257	1,596,303	3,192,606
Other	0	0	0	0	0	0	0	0
Total Funds	\$95,282,144	\$100,091,374	\$103,231,029	\$3,139,655	\$99,688,587	\$102,110,308	\$2,421,721	\$5,561,376
Total Ongoing	\$95,224,593	\$99,991,374	\$103,131,029	\$3,139,655	\$99,688,587	\$102,110,308	\$2,421,721	\$5,561,376
Total OTO	\$57,551	\$100,000	\$100,000	\$0	\$0	\$0	\$0	\$0

The legislature adopted ongoing appropriations for the 2027 biennium that are approximately \$5.6 million higher than the executive proposed budget. Significant changes include:

- An increase in federal special revenue for the adoption of Workforce Innovation and Opportunity Act (WIOA) adult basic education funding
- An increase in state special revenue appropriations to fund 1.00 PB and other operating expenses which will fulfill the workforce component in the career and technical education portion of HB 252
- State special revenue appropriations increased for the implementation of HB 718 for the creation of the Office of Reentry Services
- A decrease of 5.00 PB in the Workers' Compensation Court. Through HB 516, the Workers' Compensation Court moves to the Judicial Branch and the Department of Labor and Industry transfers funding to the Judicial Branch each year for this program

Language

If HB 2 and HB 656 are not both passed and approved, then appropriations to the Employment Standards Division of the Department of Labor and Industry in HB 2 are to change as follows: general fund appropriations to increase \$1,859,421 in FY 2026 and increase \$1,859,421 in FY 2027, and state special revenue appropriations to decrease \$1,859,421 in FY 2026 and decrease \$1,859,421 in FY 2027.

If HB 2 and HB 656 are not both passed and approved, then state special revenue appropriations in HB 2 for the Office of Community Services within the Department of Labor and Industry are to decrease \$295,000 in FY 2026 and \$295,000 in FY 2027.

If HB 2 and HB 656 are both passed and approved, then general fund appropriations in HB 2 for the Office of Community Services within the Department of Labor and Industry are to decrease \$295,000 in FY 2026 and \$295,000 in FY 2027.

If HB 2 and HB 656 are not both passed and approved, then appropriations to the Workforce Services Division of the Department of Labor and Industry in HB 2 are to change as follows: state special revenue appropriations to decrease \$525,000 in FY 2026 and decrease \$525,000 in FY 2027, and federal special revenue appropriations to decrease \$1,600,303 in FY 2026 and decrease \$1,600,303 in FY 2027.

If HB 2 and HB 252 are not both passed and approved, then the appropriations for Career and Technical Education –HB 252 within the Workforce Services Division are void.

If HB 210 is passed and approved, the Department of Labor and Industry is increased by \$18,000 state special revenue in FY 2026.

If HB 226 is passed and approved, the Department of Labor and Industry is increased by \$23,599 state special revenue in FY 2026 and \$20,799 state special revenue in FY 2027.

If HB 241 is passed and approved, the Department of Labor and Industry is increased by \$13,080 state special revenue in FY 2026.

If HB 447 is passed and approved, the Department of Labor and Industry is increased by \$13,080 state special revenue in FY 2026.

If HB 516 is passed and approved, the Department of Labor and Industry is increased by \$500,000 state special revenue in FY 2026, and the Department of Labor and Industry shall decrease positions budgeted authorized in HB 2 by 5.00 PB in FY 2026 and 5.00 PB in FY 2027.

If HB 686 is passed and approved, the Department of Labor and Industry is increased by \$3,200 state special revenue in FY 2026 and \$3,200 state special revenue in FY 2027.

If HB 718 and HB 656 are both passed and approved, the Department of Labor and Industry is increased by \$510,773 state special revenue in FY 2026 and \$502,373 in FY 2027, and the Department of Labor and Industry may increase positions budgeted authorized in HB 2 by 3.00 PB in FY 2026 and 3.00 PB in FY 2027.

If HB 806 is passed and approved, the Department of Labor and Industry is increased by \$20,200 state special revenue in FY 2026.

If HB 850 is passed and approved, the Department of Labor and Industry is increased by \$38,500 state special revenue in FY 2026.

If SB 33 is passed and approved, the Department of Labor and Industry is increased by \$91,829 state special revenue in FY 2026 and \$90,429 in FY 2027, and the Department of Labor and Industry may increase positions budgeted authorized in HB 2 by 1.00 PB in FY 2026 and 1.00 PB in FY 2027.

If SB 233 is passed and approved, the Department of Labor and Industry is increased by \$13,080 state special revenue in FY 2026.

If SB 279 is passed and approved, the Department of Labor and Industry is increased by \$13,080 state special revenue in FY 2026.

If SB 518 is passed and approved, the Department of Labor and Industry is increased by \$58,600 state special revenue in FY 2026.

If SB 867 is passed and approved, the Department of Labor and Industry is increased by \$29,000 state special revenue in FY 2026 and \$29,000 state special revenue in FY 2027.

If HB 929 is passed and approved, the Department of Labor and Industry is increased by \$20,200 state special revenue in FY 2026.

If SB 535 is passed and approved, the Department of Labor and Industry is increased by \$13,080 state special revenue in FY 2026.

If SB 319 is passed and approved, the Department of Labor and Industry is increased by \$18,100 state special revenue in FY 2026.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	222.00	226.00	226.00	4.00	0.9%
General Fund	271,895	277,897	278,175	12,282	2.3%
State/Other Special Rev. Funds	14,292,551	16,559,368	16,093,707	4,067,973	14.2%
Federal Spec. Rev. Funds	17,241,940	19,798,265	19,821,964	5,136,349	14.9%
Total Funds	31,806,386	36,635,530	36,193,846	9,216,604	14.5%
Personal Services	17,742,780	19,089,949	19,118,854	2,723,243	7.7%
Operating Expenses	7,271,814	8,782,973	8,312,384	2,551,729	17.5%
Equipment & Intangible Assets	12,908	12,908	12,908		0.0%
Grants	6,316,070	8,286,886	8,286,886	3,941,632	31.2%
Transfers	101,814	101,814	101,814		0.0%
Debt Service	361,000	361,000	361,000		0.0%
Total Expenditures	31,806,386	36,635,530	36,193,846	9,216,604	14.5%
Total Ongoing	31,806,386	36,635,530	36,193,846	9,216,604	14.5%
Total One-Time-Only					0.0%

Program Description

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

Program Highlights

Workforce Services Division Major Budget Highlights	
<ul style="list-style-type: none"> The Workforce Services Division's 2027 biennium appropriations are approximately \$9.2 million or 14.5% higher than the FY 2025 base budget Operating expenses are to increase by 17.5%, or \$2.6 million, in the upcoming biennium due to: <ul style="list-style-type: none"> Increases of \$1.4 million for anticipated federal funding awards Increases of \$630,000 for job service kiosks located throughout the state There is also an increase of \$4.3 million in state special revenue and federal special revenue for the administration of WIOA Adult Basic Education grants The Office of Reentry Services is also established through HB 718 with an increase of \$1.0 million in state special revenue appropriations to support 3.00 PB 	

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	15,323,090	15,568,093	17,742,780	19,089,949	19,118,854
Operating Expenses	8,310,782	9,003,289	7,271,814	8,782,973	8,312,384
Equipment & Intangible Assets	0	8	12,908	12,908	12,908
Grants	4,238,498	5,716,070	6,316,070	8,286,886	8,286,886
Transfers	0	96,914	101,814	101,814	101,814
Debt Service	206,014	401,050	361,000	361,000	361,000
Total Expenditures	\$28,078,384	\$30,785,424	\$31,806,386	\$36,635,530	\$36,193,846
General Fund	172,847	271,895	271,895	277,897	278,175
State/Other Special Rev. Funds	12,918,933	13,775,583	14,292,551	16,559,368	16,093,707
Federal Spec. Rev. Funds	14,986,604	16,737,946	17,241,940	19,798,265	19,821,964
Total Funds	\$28,078,384	\$30,785,424	\$31,806,386	\$36,635,530	\$36,193,846
Total Ongoing	\$28,078,384	\$30,785,424	\$31,806,386	\$36,635,530	\$36,193,846
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Labor and Industry, 01-Workforce Services Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	556,072	0	0	556,072	0.76 %
02067 Montana HELP Act	1,350,000	0	0	1,350,000	4.13 %
02258 Employment Security Account	31,303,075	0	0	31,303,075	95.87 %
State Special Total	\$32,653,075	\$0	\$0	\$32,653,075	44.83 %
03124 Employment Trng Grants	18,851,159	0	0	18,851,159	47.58 %
03128 L & I Federal Funding	685,498	0	0	685,498	1.73 %
03194 Research & Analysis BLS	1,537,411	0	0	1,537,411	3.88 %
03297 Labor and Industry Veteran Gra	1,597,549	0	0	1,597,549	4.03 %
03660 SAA	246,555	0	0	246,555	0.62 %
03682 Wagner Peyser	12,301,441	0	0	12,301,441	31.05 %
03692 Alien Labor Certification(ALC)	981,071	0	0	981,071	2.48 %
03693 Wrk Opportunities Tx Crdt/WOTC	189,051	0	0	189,051	0.48 %
03694 Trade Adjustment Assist/NAFTA	1,049,473	0	0	1,049,473	2.65 %
03954 UI Administrative Grants	47,302	0	0	47,302	0.12 %
03982 RESEA	2,133,719	0	0	2,133,719	5.39 %
Federal Special Total	\$39,620,229	\$0	\$0	\$39,620,229	54.40 %
06051 Montana Career Info System	0	3,500	0	3,500	100.00 %
Proprietary Total	\$0	\$3,500	\$0	\$3,500	0.00 %
Total All Funds	\$72,829,376	\$3,500	\$0	\$72,832,876	

HB 2 Appropriations**General Fund**

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

State Special Revenue

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

Federal Special Revenue

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

Non-Budgeted Proprietary Funds

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

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Workforce Services Division 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	271,895	14,292,551	17,241,940	31,806,386	86.8%	271,895	14,292,551	17,241,940	31,806,386	87.9%
Statewide PL										
Personal Services	5,746	373,016	338,700	717,462	2.0%	6,011	388,496	360,516	755,023	2.1%
Fixed Costs	256	(40,799)	(72,435)	(112,978)	(0.3%)	269	(41,391)	(73,223)	(114,345)	(0.3%)
Inflation Deflation	0	(8,898)	(8,243)	(17,141)	(0.0%)	0	(6,013)	(5,572)	(11,585)	(0.0%)
Total Statewide PL	6,002	323,319	258,022	587,343	1.6%	6,280	341,092	281,721	629,093	1.7%
Present Law (PL)	0	(4,147)	698,000	693,853	1.9%	0	(4,147)	698,000	693,853	1.9%
New Proposals	0	1,947,645	1,600,303	3,547,948	9.7%	0	1,464,211	1,600,303	3,064,514	8.5%
Total HB 2 Adjustments	6,002	2,266,817	2,556,325	4,829,144	13.2%	6,280	1,801,156	2,580,024	4,387,460	12.1%
Total Budget	277,897	16,559,368	19,798,265	36,635,530		278,175	16,093,707	19,821,964	36,193,846	

Present Law Adjustments

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

Present Law Adjustments										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	5,746	373,016	338,700	717,462	0.00	6,011	388,496	360,516	755,023
DP 2 - Fixed Costs	0.00	256	(40,799)	(72,435)	(112,978)	0.00	269	(41,391)	(73,223)	(114,345)
DP 3 - Inflation Deflation	0.00	0	(8,898)	(8,243)	(17,141)	0.00	0	(6,013)	(5,572)	(11,585)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	0	(4,147)	(2,000)	(6,147)	0.00	0	(4,147)	(2,000)	(6,147)
DP 101 - WSD Increase Federal Long-term Authority	0.00	0	0	700,000	700,000	0.00	0	0	700,000	700,000
Grand Total All Present Law Adjustments	0.00	\$6,002	\$319,172	\$956,022	\$1,281,196	0.00	\$6,280	\$336,945	\$979,721	\$1,322,946

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

DP 101 - WSD Increase Federal Long-term Authority -

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

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 102 - Job Service Kiosks	0.00	0	540,000	0	540,000	0.00	0	90,000	0	90,000
DP 105 - Career and Technical Education - HB 252	1.00	0	218,059	0	218,059	1.00	0	193,025	0	193,025
DP 302 - Legal Adjustment	0.00	0	153,813	0	153,813	0.00	0	153,813	0	153,813
DP 1044 - WIOA Adult Basic Education	0.00	0	525,000	1,600,303	2,125,303	0.00	0	525,000	1,600,303	2,125,303
DP 1816 - HB 718	3.00	0	510,773	0	510,773	3.00	0	502,373	0	502,373
Total	4.00	\$0	\$1,947,645	\$1,600,303	\$3,547,948	4.00	\$0	\$1,464,211	\$1,600,303	\$3,064,514

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

DP 102 - Job Service Kiosks -

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

DP 105 - Career and Technical Education - HB 252 -

The legislature adopted an increase in state special revenue authority to support a 1.00 PB increase, along with other operating expenses. This appropriation will implement the workforce component of HB 252, specifically in reference to the career and technical education.

DP 302 - Legal Adjustment -

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

DP 1044 - WIOA Adult Basic Education -

The legislature adopted an increase in state special revenue and federal special revenue appropriation authority. This appropriation will be used to provide grants to schools for adult basic education programs.

DP 1816 - HB 718 -

The legislature adopted an increase in state special revenue appropriations to support 3.00 PB established in HB 718. This legislation creates the Office of Reentry Services to serve individuals that are exiting, or preparing to exit, incarceration through various job and workforce services.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget FY 2026 FY 2027		Biennium Change from Base Amount Percent	
PB	137.61	137.61	137.61	0.00	0.0%
State/Other Special Rev. Funds	7,327,377	7,936,103	7,907,740	1,189,089	8.1%
Federal Spec. Rev. Funds	11,493,224	11,372,013	11,416,006	(198,429)	(0.9%)
Total Funds	18,820,601	19,308,116	19,323,746	990,660	2.6%
Personal Services	11,134,224	11,204,070	11,232,901	168,523	0.8%
Operating Expenses	7,649,872	8,067,541	8,054,340	822,137	5.4%
Debt Service	36,505	36,505	36,505		0.0%
Total Expenditures	18,820,601	19,308,116	19,323,746	990,660	2.6%
Total Ongoing	18,820,601	19,308,116	19,323,746	990,660	2.6%
Total One-Time-Only					0.0%

Program Description

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

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

Program Highlights

Unemployment Insurance Division Major Budget Highlights
<ul style="list-style-type: none"> • The Unemployment Insurance Division's 2027 biennium appropriations are approximately \$991,000 or 2.6% higher than the FY 2025 base budget. Changes include: <ul style="list-style-type: none"> ◦ A decrease of \$968,000 over the upcoming biennium of fixed costs with this mainly due to decreases in information technology costs ◦ State special revenue funds increase by 8.1% or \$1.2 million. Significant increases include: <ul style="list-style-type: none"> ▪ An increase of \$1.2 million for software maintenance contracts associated with the Montana Unemployment Service Environment System (MUSE) ▪ An increase of \$404,000 in legal services provided by the agency

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	9,355,748	10,492,432	11,134,224	11,204,070	11,232,901
Operating Expenses	7,178,314	8,331,362	7,649,872	8,067,541	8,054,340
Debt Service	68,161	78,495	36,505	36,505	36,505
Total Expenditures	\$16,602,223	\$18,902,289	\$18,820,601	\$19,308,116	\$19,323,746
State/Other Special Rev. Funds	7,342,186	7,403,974	7,327,377	7,936,103	7,907,740
Federal Spec. Rev. Funds	9,260,037	11,498,315	11,493,224	11,372,013	11,416,006
Total Funds	\$16,602,223	\$18,902,289	\$18,820,601	\$19,308,116	\$19,323,746
Total Ongoing	\$16,602,223	\$18,902,289	\$18,820,601	\$19,308,116	\$19,323,746
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Labor and Industry, 02-Unemployment Insurance Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
02067 Montana HELP Act	652,763	0	0	652,763	4.12 %
02258 Employment Security Account	15,191,080	0	0	15,191,080	95.88 %
State Special Total	\$15,843,843	\$0	\$0	\$15,843,843	4.96 %
03278 UI Penalty & Interest	2,088,695	0	0	2,088,695	9.17 %
03954 UI Administrative Grants	20,699,324	0	0	20,699,324	90.83 %
Federal Special Total	\$22,788,019	\$0	\$0	\$22,788,019	7.14 %
06069 UI Tax Benefit Fund	0	280,619,927	0	280,619,927	100.00 %
Proprietary Total	\$0	\$280,619,927	\$0	\$280,619,927	87.90 %
Total All Funds	\$38,631,862	\$280,619,927	\$0	\$319,251,789	

HB 2 Appropriations

State Special Revenue

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

Federal Special Revenue

The majority of HB 2 funding comes from federal special revenue. Unemployment insurance administrative grants are federal funds that Montana receives for the administration of the Unemployment Insurance Division.

Non-Budgeted Proprietary Funds

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

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Unemployment Insurance Division 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	0	7,327,377	11,493,224	18,820,601	97.5%	0	7,327,377	11,493,224	18,820,601	97.4%
Statewide PL										
Personal Services	0	42,607	27,239	69,846	0.4%	0	30,051	68,626	98,677	0.5%
Fixed Costs	0	(258,928)	(227,382)	(486,310)	(2.5%)	0	(256,735)	(225,122)	(481,857)	(2.5%)
Inflation Deflation	0	0	(1,068)	(1,068)	(0.0%)	0	0	(722)	(722)	(0.0%)
Total Statewide PL	0	(216,321)	(201,211)	(417,532)	(2.2%)	0	(226,684)	(157,218)	(383,902)	(2.0%)
Present Law (PL)	0	604,985	80,000	684,985	3.5%	0	604,985	80,000	684,985	3.5%
New Proposals	0	220,062	0	220,062	1.1%	0	202,062	0	202,062	1.0%
Total HB 2 Adjustments	0	608,726	(121,211)	487,515	2.5%	0	580,363	(77,218)	503,145	2.6%
Total Budget	0	7,936,103	11,372,013	19,308,116		0	7,907,740	11,416,006	19,323,746	

Present Law Adjustments

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

Present Law Adjustments										
	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	42,607	27,239	69,846	0.00	0	30,051	68,626	98,677
DP 2 - Fixed Costs	0.00	0	(258,928)	(227,382)	(486,310)	0.00	0	(256,735)	(225,122)	(481,857)
DP 3 - Inflation Deflation	0.00	0	0	(1,068)	(1,068)	0.00	0	0	(722)	(722)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	0	(2,015)	(2,000)	(4,015)	0.00	0	(2,015)	(2,000)	(4,015)
DP 201 - UID Software Maintenance Contract Operations	0.00	0	607,000	0	607,000	0.00	0	607,000	0	607,000
DP 303 - Postage & Mailing Inflation	0.00	0	0	82,000	82,000	0.00	0	0	82,000	82,000
Grand Total All Present Law Adjustments	0.00	\$0	\$388,664	(\$121,211)	\$267,453	0.00	\$0	\$378,301	(\$77,218)	\$301,083

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

DP 201 - UID Software Maintenance Contract Operations -

The legislature adopted an increase in state special revenue funding in each fiscal year of the 2027 biennium. This funding will be used towards ongoing contracted costs regarding software maintenance of the Montana Unemployment Services Environment system (MUSE).

DP 303 - Postage & Mailing Inflation -

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

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 302 - Legal Adjustment	0.00	0	202,062	0	202,062	0.00	0	202,062	0	202,062
DP 1800 - HB 210	0.00	0	18,000	0	18,000	0.00	0	0	0	0
Total	0.00	\$0	\$220,062	\$0	\$220,062	0.00	\$0	\$202,062	\$0	\$202,062

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

DP 302 - Legal Adjustment -

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

DP 1800 - HB 210 -

The legislature adopted an increase in state special revenue appropriations for the implementation of HB 210. This legislation changes the Unemployment Insurance Program collection rates, while also adding cross-matching authority with the Department of Motor Vehicles regarding claimant data. This appropriation will be used to establish a database for this purpose.

Program Base Budget Comparison

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

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

Program Description

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

Program Highlights

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

Program Actuals and Budget Comparison

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

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

Funding

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

Department of Labor and Industry, 03-Commissioner's Office & C.s.d. Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	691,011	0	0	691,011	3.17 %
02233 BSD Hearings	151,223	0	0	151,223	9.07 %
02258 Employment Security Account	1,495,405	0	0	1,495,405	89.69 %
02315 DLI Info Exchange/Rental	2,142	0	0	2,142	0.13 %
02941 Uninsured Employer Fund	18,568	0	0	18,568	1.11 %
State Special Total	\$1,667,338	\$0	\$0	\$1,667,338	7.65 %
03122 EEOC	63,288	0	0	63,288	5.25 %
03954 UI Administrative Grants	1,142,772	0	0	1,142,772	94.75 %
Federal Special Total	\$1,206,060	\$0	\$0	\$1,206,060	5.54 %
06546 Commissioner's Office/CSD	0	10,338,091	0	10,338,091	56.74 %
06552 Legal Admin Services	0	7,882,590	0	7,882,590	43.26 %
Proprietary Total	\$0	\$18,220,681	\$0	\$18,220,681	83.64 %
Total All Funds	\$3,564,409	\$18,220,681	\$0	\$21,785,090	

HB 2 Appropriations**General Fund**

Appropriation authority from the general fund is utilized towards the Office of Administrative Hearing's Program.

State Special Revenue

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

Federal Special Revenue

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

Non-Budgeted Proprietary Funds

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

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

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

Present Law Adjustments

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

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

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

New Proposals

The "New Proposals" table shows new changes to spending.

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

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

DP 301 - Operations Resources (BIEN/OTO) -

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

DP 302 - Legal Adjustment -

The legislature adopted an increase in general fund and state special revenue authority to account for the anticipated increase in usage of legal services in the agency.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	248.87	249.87	249.87	1.00	0.2%
General Fund	1,860,556	38,317	41,978	(3,640,817)	(97.8%)
State/Other Special Rev. Funds	34,772,745	38,189,279	38,083,070	6,726,859	9.7%
Federal Spec. Rev. Funds	1,318,200	1,490,977	1,493,466	348,043	13.2%
Total Funds	37,951,501	39,718,573	39,618,514	3,434,085	4.5%
Personal Services	23,114,697	23,340,661	23,404,939	516,206	1.1%
Operating Expenses	13,320,905	14,512,013	14,347,676	2,217,879	8.3%
Equipment & Intangible Assets	470,941	820,941	820,941	700,000	74.3%
Grants	5,000	5,000	5,000		0.0%
Benefits & Claims	100,389	100,389	100,389		0.0%
Transfers	44,869	44,869	44,869		0.0%
Debt Service	894,700	894,700	894,700		0.0%
Total Expenditures	37,951,501	39,718,573	39,618,514	3,434,085	4.5%
Total Ongoing	37,951,501	39,718,573	39,618,514	3,434,085	4.5%
Total One-Time-Only					0.0%

Program Description

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

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

Program Highlights

**Employment Standards Division
Major Budget Highlights**

- The Employment Standards Division's 2027 biennium appropriations are approximately \$3.4 million or 4.5% higher than the FY 2025 base budget. Significant biennial changes include:
 - A funding switch of \$3.7 million from general fund to state special revenue for the Human Rights Bureau
 - An increase of \$647,000 in fixed costs in the biennium, mainly due to an increase in information technology costs
 - An increase of \$960,000 for legal services provided by the agency
 - An increase of \$700,000 for equipment in the Weights and Measures Program
 - An increase in state special revenue appropriations of \$453,000 over the biennium for the implementation of various pieces of legislation passed in the 2025 Session

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	21,444,298	21,831,733	23,114,697	23,340,661	23,404,939
Operating Expenses	12,572,481	13,217,660	13,320,905	14,512,013	14,347,676
Equipment & Intangible Assets	84,204	2,573,911	470,941	820,941	820,941
Grants	0	5,000	5,000	5,000	5,000
Benefits & Claims	16,800	100,389	100,389	100,389	100,389
Transfers	79,312	87,022	44,869	44,869	44,869
Debt Service	886,667	928,934	894,700	894,700	894,700
Total Expenditures	\$35,083,762	\$38,744,649	\$37,951,501	\$39,718,573	\$39,618,514
General Fund	1,785,595	1,785,607	1,860,556	38,317	41,978
State/Other Special Rev. Funds	32,173,438	35,626,826	34,772,745	38,189,279	38,083,070
Federal Spec. Rev. Funds	1,124,729	1,332,216	1,318,200	1,490,977	1,493,466
Total Funds	\$35,083,762	\$38,744,649	\$37,951,501	\$39,718,573	\$39,618,514
Total Ongoing	\$35,031,087	\$36,444,649	\$37,951,501	\$39,718,573	\$39,618,514
Total OTO	\$52,675	\$2,300,000	\$0	\$0	\$0

Funding

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

Department of Labor and Industry, 05-Employment Standards Division						
Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	80,295	0	0	80,295	0.10 %	
02024 Blasters	48,074	0	0	48,074	0.06 %	
02078 Occupational Therapists	162,135	0	0	162,135	0.21 %	
02079 Fire Prevention	124,976	0	0	124,976	0.16 %	
02080 Prescription Drug Registry	686,852	0	0	686,852	0.88 %	
02109 Outfitters	938,657	0	0	938,657	1.21 %	
02155 Boilers	1,545,782	0	0	1,545,782	1.99 %	
02207 Cranes Operators	427,021	0	0	427,021	0.55 %	
02258 Employment Security Account	8,111,175	0	0	8,111,175	10.44 %	
02263 Subsequent Injury Admin	152,845	0	0	152,845	0.20 %	
02315 DLI Info Exchange/Rental	12,178	0	0	12,178	0.02 %	
02346 Contractor Registration	4,275,300	0	0	4,275,300	5.50 %	
02347 Safety Administration Fund	5,019,319	0	0	5,019,319	6.46 %	
02446 Psychologists	240,284	0	0	240,284	0.31 %	
02448 Building Codes State Spec Rev	13,105,382	0	0	13,105,382	16.87 %	
02455 Workers' Comp Regulation	10,836,728	0	0	10,836,728	13.95 %	
02460 Underground Facility Protect	0	0	256,879	256,879	0.33 %	
02580 Athletic Trainers	59,852	0	0	59,852	0.08 %	
02679 Massage Therapists	370,516	0	0	370,516	0.48 %	
02767 Elevators	1,603,693	0	0	1,603,693	2.06 %	
02805 Weights & Measures Bureau	4,421,971	0	0	4,421,971	5.69 %	
02809 Speech Pathologists	228,110	0	0	228,110	0.29 %	
02810 Radiologic Technologists	405,686	0	0	405,686	0.52 %	
02811 Clinical Laboratory Practition	196,658	0	0	196,658	0.25 %	
02812 Physical Therapists	394,211	0	0	394,211	0.51 %	
02813 Nursing Home Admin	123,370	0	0	123,370	0.16 %	
02814 Hearing Aid Dispensers	77,886	0	0	77,886	0.10 %	
02816 Sanitarians	72,489	0	0	72,489	0.09 %	
02818 Electrical	1,004,846	0	0	1,004,846	1.29 %	
02819 Realty Regulations	1,275,822	0	0	1,275,822	1.64 %	
02820 Architects/Landscape Architect	373,018	0	0	373,018	0.48 %	
02821 Funeral Service	396,230	0	0	396,230	0.51 %	
02822 Chiropractors	219,229	0	0	219,229	0.28 %	
02823 Professional Engineers	602,097	0	0	602,097	0.78 %	
02824 Medical Examiners	3,074,619	0	0	3,074,619	3.96 %	
02826 Barbers & Cosmetologists	2,613,115	0	0	2,613,115	3.36 %	
02828 Plumbers	667,350	0	0	667,350	0.86 %	
02829 Private Investigator	533,187	0	0	533,187	0.69 %	
02830 Dentistry	748,238	0	0	748,238	0.96 %	
02831 Optometrists	94,683	0	0	94,683	0.12 %	
02832 Pharmacy	1,855,032	0	0	1,855,032	2.39 %	
02833 Nursing	4,005,280	0	0	4,005,280	5.16 %	
02834 Veterinarians	422,328	0	0	422,328	0.54 %	
02840 Behavioral Health	1,825,350	0	0	1,825,350	2.35 %	
02852 Alternative Health Care	130,168	0	0	130,168	0.17 %	
02854 Real Estate Appraisers	444,572	0	200,000	644,572	0.83 %	
02855 Respiratory Care	226,060	0	0	226,060	0.29 %	
02859 Genetic Counselors	71,723	0	0	71,723	0.09 %	
02870 Property Manager Licensing	259,083	0	0	259,083	0.33 %	
02941 Uninsured Employer Fund	1,789,169	0	950,368	2,739,537	3.53 %	
State Special Total	\$76,272,349	\$0	\$1,407,247	\$77,679,596	92.02 %	
03122 EEOC	506,173	0	0	506,173	16.96 %	
03130 Coal Mine Safety	450,500	0	0	450,500	15.09 %	
03131 OSHA Stat Prgm Fed.St Sdy	280,717	0	0	280,717	9.41 %	
03195 On-Site Consultation	1,392,751	0	0	1,392,751	46.67 %	
03293 Country of Origin Labeling	41,344	0	0	41,344	1.39 %	
03985 Data Management Unit Grant	312,958	0	0	312,958	10.49 %	
Federal Special Total	\$2,984,443	\$0	\$0	\$2,984,443	3.54 %	
06040 Subsequent Injury-Trust Fund	0	3,056,752	0	3,056,752	83.26 %	
06086 Public Accountants	0	0	614,578	614,578	16.74 %	
Proprietary Total	\$0	\$3,056,752	\$614,578	\$3,671,330	4.35 %	
Total All Funds	\$79,337,087	\$3,056,752	\$2,021,825	\$84,415,664		

*HB 2 Appropriations*General Fund

Appropriations from the general fund account for a relatively small portion of total HB 2 appropriations for this division. This funding supports a small portion of the administration of the Employment Standards Division (ESD) as a whole.

State Special Revenue

Of the total HB 2 appropriations for this division, state special revenue funds are the largest portion of this for the upcoming biennium. The legislature adopted appropriations for the Human Rights Bureau in state special revenue due to changes included in HB 656. This has previously been appropriated through the general fund.

Other state special revenue funds within this division include:

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

Federal Special Revenue

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

Non-Budgeted Proprietary

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

Statutory Appropriations

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

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

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

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Employment Standards Division 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	1,860,556	34,772,745	1,318,200	37,951,501	95.6%	1,860,556	34,772,745	1,318,200	37,951,501	95.8%
Statewide PL										
Personal Services	9,123	127,052	5,981	142,156	0.4%	13,149	183,066	8,619	204,834	0.5%
Fixed Costs	18,457	299,893	6,796	325,146	0.8%	18,092	297,585	6,647	322,324	0.8%
Inflation Deflation	0	(20,316)	0	(20,316)	(0.1%)	0	(13,731)	0	(13,731)	(0.0%)
Total Statewide PL	27,580	406,629	12,777	446,986	1.1%	31,241	466,920	15,266	513,427	1.3%
Present Law (PL)	0	370,061	160,000	530,061	1.3%	0	370,061	160,000	530,061	1.3%
New Proposals	(1,849,819)	2,639,844	0	790,025	2.0%	(1,849,819)	2,473,344	0	623,525	1.6%
Total HB 2 Adjustments	(1,822,239)	3,416,534	172,777	1,767,072	4.4%	(1,818,578)	3,310,325	175,266	1,667,013	4.2%
Total Budget	38,317	38,189,279	1,490,977	39,718,573		41,978	38,083,070	1,493,466	39,618,514	

Present Law Adjustments

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

Present Law Adjustments										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	9,123	127,052	5,981	142,156	0.00	13,149	183,066	8,619	204,834
DP 2 - Fixed Costs	0.00	18,457	299,893	6,796	325,146	0.00	18,092	297,585	6,647	322,324
DP 3 - Inflation Deflation	0.00	0	(20,316)	0	(20,316)	0.00	0	(13,731)	0	(13,731)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	0	(6,939)	0	(6,939)	0.00	0	(6,939)	0	(6,939)
DP 303 - Postage & Mailing Inflation	0.00	0	27,000	0	27,000	0.00	0	27,000	0	27,000
DP 501 - Equipment for Weights & Measures	0.00	0	350,000	0	350,000	0.00	0	350,000	0	350,000
DP 502 - ESD Increase Federal Long-term Authority	0.00	0	0	160,000	160,000	0.00	0	0	160,000	160,000
Grand Total All Present Law Adjustments	0.00	\$27,580	\$776,690	\$172,777	\$977,047	0.00	\$31,241	\$836,981	\$175,266	\$1,043,488

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

DP 303 - Postage & Mailing Inflation -

The legislature adopted an increase in state special revenue authority for the upcoming biennium. This is an inflationary adjustment to be utilized within postage and mailing costs in the division.

DP 501 - Equipment for Weights & Measures -

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

DP 502 - ESD Increase Federal Long-term Authority -

The legislature adopted an increase in federal special revenue authority in each year of the upcoming biennium. As the ESD has experienced an increase in annual federal grants, this adjusts the level of appropriations to the anticipated awards.

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 302 - Legal Adjustment	0.00	9,602	470,495	0	480,097	0.00	9,602	470,495	0	480,097
DP 503 - Human Rights Bureau Funding Switch	0.00	(1,859,421)	1,859,421	0	0	0.00	(1,859,421)	1,859,421	0	0
DP 1801 - HB 226	0.00	0	23,599	0	23,599	0.00	0	20,799	0	20,799
DP 1802 - HB 241	0.00	0	13,080	0	13,080	0.00	0	0	0	0
DP 1803 - HB 447	0.00	0	13,080	0	13,080	0.00	0	0	0	0
DP 1804 - HB 686	0.00	0	3,200	0	3,200	0.00	0	3,200	0	3,200
DP 1805 - HB 806	0.00	0	20,200	0	20,200	0.00	0	0	0	0
DP 1807 - SB 233	0.00	0	13,080	0	13,080	0.00	0	0	0	0
DP 1808 - SB 279	0.00	0	13,080	0	13,080	0.00	0	0	0	0
DP 1809 - SB 518	0.00	0	58,600	0	58,600	0.00	0	0	0	0
DP 1811 - SB 535	0.00	0	13,080	0	13,080	0.00	0	0	0	0
DP 1812 - SB 319	0.00	0	18,100	0	18,100	0.00	0	0	0	0
DP 1813 - HB 867	0.00	0	29,000	0	29,000	0.00	0	29,000	0	29,000
DP 1815 - SB 33	1.00	0	91,829	0	91,829	1.00	0	90,429	0	90,429
Total	1.00	(\$1,849,819)	\$2,639,844	\$0	\$790,025	1.00	(\$1,849,819)	\$2,473,344	\$0	\$623,525

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

DP 302 - Legal Adjustment -

The legislature adopted an increase in general fund and state special revenue authority to account for the anticipated increase in usage of legal services in the agency.

DP 503 - Human Rights Bureau Funding Switch -

The legislature adopted a fund source switch for the Human Rights Bureau from general fund to state special revenue. This switch in the funding source to the employment security account is due to changes included in HB 656.

DP 1801 - HB 226 -

The legislature adopted state special revenue appropriations to support the implementation of HB 226. These appropriations are to go towards operating costs associated with the verification process for employers related to legal ability to work in the United States.

DP 1802 - HB 241 -

The legislature adopted state special revenue appropriations to support the implementation of HB 241. Appropriations for this will go towards initial information technology cost, including the development and implementation of a licensure information system.

DP 1803 - HB 447 -

The legislature adopted state special revenue appropriations to support the implementation of HB 447. Appropriations for this will go towards initial information technology cost, specifically towards an analysis of the compact and development of a data system for the compact.

DP 1804 - HB 686 -

The legislature adopted an increase in state special revenue appropriations for the implementation of HB 686 to account for an increase in per diem costs associated with two additional members of the Board of Medical Examiners.

DP 1805 - HB 806 -

The legislation adopted an increase in state special revenue appropriations to support the implementation of HB 806. Appropriations for this will go towards rulemaking costs, as well as website updates.

DP 1807 - SB 233 -

The legislature adopted state special revenue appropriations to support the implementation of SB 233. Appropriations for this will go towards the analysis, development, and implementation of technology changes through the Interstate Massage Compact.

DP 1808 - SB 279 -

The legislature adopted state special revenue appropriations to support the implementation of SB 279. Appropriations for this will go towards initial information technology cost, specifically in reference to the development and implementation of this compact.

DP 1809 - SB 518 -

The legislature adopted an increase in state special revenue appropriations for the implementation of SB 518. Funding is for rulemaking revisions as well as the creation of a licensing database for emergency care providers. Along with this, there is a small decrease in state special revenue due to one member of the Board of Medical Examiners being eliminated, thus decreasing per diem costs.

DP 1811 - SB 535 -

The legislature adopted state special revenue appropriations to support the implementation of SB 535. Appropriations for this will go towards the development and implementation of changes to the licensing board.

DP 1812 - SB 319 -

The legislature adopted an increase in state special revenue appropriations to support the implementation of SB 319. Appropriations for this will go towards initial rulemaking expenditures, along with information technology costs regarding the licensing and application process.

DP 1813 - HB 867 -

The legislature adopted an increase in state special revenue appropriations to support the implementation of HB 867. Appropriations for this bill will go towards the addition of two boards, the Board of Chiropractors and Board of Veterinarians, to the medical assistance program.

DP 1815 - SB 33 -

The legislature adopted an increase in state special revenue appropriations for the implementation of SB 33. This bill requires state-owned buildings to be included within building code inspections. Appropriations support 1.00 PB for a building code inspector, along with operating expenses.

Program Base Budget Comparison

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

Program Base Budget Comparison						
Budget Item	Base Budget	Adopted Budget		Biennium Change from Base		
	FY 2025	FY 2026	FY 2027	Amount	Percent	
PB	5.00	5.00	5.00	0.00	0.0%	
General Fund	167,318	171,777	172,026	9,167	2.7%	
State/Other Special Rev. Funds		295,000	295,000	590,000	0.0%	
Federal Spec. Rev. Funds	4,037,455	4,045,224	4,045,977	16,291	0.2%	
Total Funds	4,204,773	4,512,001	4,513,003	615,458	7.3%	
Personal Services	456,678	580,341	583,108	250,093	27.4%	
Operating Expenses	401,551	585,116	583,351	365,365	45.5%	
Grants	3,094,722	3,094,722	3,094,722		0.0%	
Transfers	250,650	250,650	250,650		0.0%	
Debt Service	1,172	1,172	1,172		0.0%	
Total Expenditures	4,204,773	4,512,001	4,513,003	615,458	7.3%	
Total Ongoing	4,204,773	4,512,001	4,513,003	615,458	7.3%	
Total One-Time-Only	57,551			(115,102)	(100.0%)	

Program Description

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

Program Highlights

Office of Community Services Major Budget Highlights
<ul style="list-style-type: none"> The Office of Community Service's 2027 biennium appropriations, as approved by the legislature, are approximately \$615,000 or 7.3% higher than the FY 2025 base budget. Significant changes to appropriations in the division are: <ul style="list-style-type: none"> The establishment of state special revenue authority of \$590,000 for the purpose of a federal funding match

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	482,248	516,029	503,912	580,341	583,108
Operating Expenses	197,496	421,053	411,868	585,116	583,351
Grants	1,909,224	2,524,722	3,094,722	3,094,722	3,094,722
Transfers	577,419	820,650	250,650	250,650	250,650
Debt Service	1,009	1,010	1,172	1,172	1,172
Total Expenditures	\$3,167,396	\$4,283,464	\$4,262,324	\$4,512,001	\$4,513,003
General Fund	263,789	263,796	224,869	171,777	172,026
State/Other Special Rev. Funds	0	0	0	295,000	295,000
Federal Spec. Rev. Funds	2,903,607	4,019,668	4,037,455	4,045,224	4,045,977
Total Funds	\$3,167,396	\$4,283,464	\$4,262,324	\$4,512,001	\$4,513,003
Total Ongoing	\$3,064,752	\$4,180,816	\$4,204,773	\$4,512,001	\$4,513,003
Total OTO	\$102,644	\$102,648	\$57,551	\$0	\$0

Funding

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

Department of Labor and Industry, 07-Office of Community Services Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	343,803	0	0	343,803	3.81 %
02258 Employment Security Account	590,000	0	0	590,000	100.00 %
State Special Total	\$590,000	\$0	\$0	\$590,000	6.54 %
03322 MT Community Service FSR	8,091,201	0	0	8,091,201	100.00 %
Federal Special Total	\$8,091,201	\$0	\$0	\$8,091,201	89.65 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$9,025,004	\$0	\$0	\$9,025,004	

HB 2 Appropriations**General Fund**

The Office of Community Services Division (OCS) has a small portion of general fund within its HB 2 appropriations. This funding is used for the division's administrative expenses.

State Special Revenue

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

Federal Special Revenue

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

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Office of Community Services 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	167,318	0	4,037,455	4,204,773	93.2%	167,318	0	4,037,455	4,204,773	93.2%
Statewide PL										
Personal Services	(188)	0	(595)	(783)	(0.0%)	56	0	178	234	0.0%
Fixed Costs	4,815	0	8,478	13,293	0.3%	4,820	0	8,421	13,241	0.3%
Inflation Deflation	0	0	(114)	(114)	(0.0%)	0	0	(77)	(77)	(0.0%)
Total Statewide PL	4,627	0	7,769	12,396	0.3%	4,876	0	8,522	13,398	0.3%
Present Law (PL)	(168)	0	0	(168)	(0.0%)	(168)	0	0	(168)	(0.0%)
New Proposals	0	295,000	0	295,000	6.5%	0	295,000	0	295,000	6.5%
Total HB 2 Adjustments	4,459	295,000	7,769	307,228	6.8%	4,708	295,000	8,522	308,230	6.8%
Total Budget	171,777	295,000	4,045,224	4,512,001		172,026	295,000	4,045,977	4,513,003	

Present Law Adjustments

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

Present Law Adjustments										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(188)	0	(595)	(783)	0.00	56	0	178	234
DP 2 - Fixed Costs	0.00	4,815	0	8,478	13,293	0.00	4,820	0	8,421	13,241
DP 3 - Inflation Deflation	0.00	0	0	(114)	(114)	0.00	0	0	(77)	(77)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	(168)	0	0	(168)	0.00	(168)	0	0	(168)
Grand Total All Present Law Adjustments	0.00	\$4,459	\$0	\$7,769	\$12,228	0.00	\$4,708	\$0	\$8,522	\$13,230

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

New Proposals

The "New Proposals" table shows new changes to spending.

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

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

DP 701 - OCS State Special Revenue Fund Match -

The legislature adopted state special revenue appropriations in the 2027 biennium. This will be used as the agency portion of the federal AmeriCorps funding match to support grants administered by the program. This authority will support personal services and operating expenses.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	5.00	0.00	0.00	(5.00)	(50.0%)
State/Other Special Rev. Funds	781,594	1,226,421	727,178	390,411	25.0%
Total Funds	781,594	1,226,421	727,178	390,411	25.0%
Personal Services	594,555	548,278	549,092	(91,740)	(7.7%)
Operating Expenses	135,124	626,228	126,171	482,151	178.4%
Debt Service	51,915	51,915	51,915		0.0%
Total Expenditures	781,594	1,226,421	727,178	390,411	25.0%
Total Ongoing	781,594	1,226,421	727,178	390,411	25.0%
Total One-Time-Only					0.0%

Program Description

The Workers' Compensation Court (WCC) provides a forum for Montana employees, employers, and insurers to resolve disputes arising from work-related injuries and occupational diseases. HB 516 from the 2025 Session transferred the Workers' Compensation Court to the Judicial Branch. This legislation provides a transfer of appropriations from the Department of Labor and Industry to the Judicial Branch as it also established a new state special revenue fund to fund the court in the Judicial Branch.

Program Highlights

Workers Compensation Court Major Budget Highlights
<ul style="list-style-type: none"> The Workers Compensation Court's 2027 biennium appropriations are approximately \$390,000 or 25.0% higher than the FY 2025 base budget. Significant changes include: <ul style="list-style-type: none"> HB 516 transferred the Workers' Compensation Court to the Judicial Branch A decrease of 5.00 PB within the program for the implementation of HB 516 An increase of \$500,000 in appropriations to transfer to the Judicial Branch for initial information technology costs

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	540,973	562,155	594,555	548,278	549,092
Operating Expenses	116,370	135,491	135,124	626,228	126,171
Debt Service	50,824	50,965	51,915	51,915	51,915
Total Expenditures	\$708,167	\$748,611	\$781,594	\$1,226,421	\$727,178
State/Other Special Rev. Funds	708,167	748,611	781,594	1,226,421	727,178
Total Funds	\$708,167	\$748,611	\$781,594	\$1,226,421	\$727,178
Total Ongoing	\$708,167	\$748,611	\$781,594	\$1,226,421	\$727,178
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Labor and Industry, 09-Workers' Compensation Court Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
02455 Workers' Comp Regulation	1,953,599	0	0	1,953,599	100.00 %
State Special Total	\$1,953,599	\$0	\$0	\$1,953,599	100.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$1,953,599	\$0	\$0	\$1,953,599	

*HB 2 Appropriations*State Special Revenue

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

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Workers' Compensation Court 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	0	781,594	0	781,594	63.7%	0	781,594	0	781,594	107.5%
Statewide PL										
Personal Services	0	(46,277)	0	(46,277)	(3.8%)	0	(45,463)	0	(45,463)	(6.3%)
Fixed Costs	0	(8,985)	0	(8,985)	(0.7%)	0	(9,097)	0	(9,097)	(1.3%)
Inflation Deflation	0	(170)	0	(170)	(0.0%)	0	(115)	0	(115)	(0.0%)
Total Statewide PL	0	(55,432)	0	(55,432)	(4.5%)	0	(54,675)	0	(54,675)	(7.5%)
Present Law (PL)	0	(139)	0	(139)	(0.0%)	0	(139)	0	(139)	(0.0%)
New Proposals	0	500,398	0	500,398	40.8%	0	398	0	398	0.1%
Total HB 2 Adjustments	0	444,827	0	444,827	36.3%	0	(54,416)	0	(54,416)	(7.5%)
Total Budget	0	1,226,421	0	1,226,421		0	727,178	0	727,178	

Present Law Adjustments

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

Present Law Adjustments										
	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services										
0.00	0	(46,277)	0	(46,277)	0.00	0	(45,463)	0	(45,463)	
DP 2 - Fixed Costs										
0.00	0	(8,985)	0	(8,985)	0.00	0	(9,097)	0	(9,097)	
DP 3 - Inflation Deflation										
0.00	0	(170)	0	(170)	0.00	0	(115)	0	(115)	
DP 22 - Fixed Cost Adjustment for Robert's Rules										
0.00	0	(139)	0	(139)	0.00	0	(139)	0	(139)	
Grand Total All Present Law Adjustments	0.00	\$0	(\$55,571)	\$0	(\$55,571)	0.00	\$0	(\$54,814)	\$0	(\$54,814)

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 302 - Legal Adjustment	0.00	0	398	0	398	0.00	0	398	0	398
DP 1814 - HB 516	(5.00)	0	500,000	0	500,000	(5.00)	0	0	0	0
Total	(5.00)	\$0	\$500,398	\$0	\$500,398	(5.00)	\$0	\$398	\$0	\$398

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

DP 302 - Legal Adjustment -

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

DP 1814 - HB 516 -

The legislature adopted changes related to HB 516, which included an increase in state special revenue appropriations for information technology expenditures, while also decreasing the positions budgeted within this program by 5.00 PB.

**LFD
COMMENT**

HB 2 included language for implementing the provisions included in HB 5 16 in both the Department of Labor and Industry and the Judicial Branch. The Department of Labor and Industry included an increase of \$500,000 for information technology costs and a reduction of 5.00 PB. The Judicial Branch included an increase of the operational costs of the Workers' Compensation Court (\$726,421 in FY 2026 and \$727,178 in FY 2027) and an increase in 5.00 PB, but did not include the increase of \$500,000 for information technology costs.

When implementing the appropriations in the accounting system, the executive established the \$500,000 appropriation for information technology and reduced the operational appropriations of approximately \$727,000 each fiscal year in the Department of Labor and Industry. While this follows the intent of the legislation, the language included in HB 2 for the Department of Labor and Industry does not include a reduction to the operational appropriations for the Workers' Compensation Court. Therefore, the Legislative Fiscal Division has not included the reductions to the personal services, operating, and debt services appropriations like the Executive Branch.

Agency Base Budget Comparison

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

Agency Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	234.66	252.66	252.66	18.00	3.8%
General Fund	9,113,675	11,499,235	11,505,631	4,777,516	26.2%
State/Other Special Rev. Funds	1,175,587	1,550,880	1,504,702	704,408	30.0%
Federal Spec. Rev. Funds	48,822,301	49,994,111	50,128,847	2,478,356	2.5%
Total Funds	59,111,563	63,044,226	63,139,180	7,960,280	6.7%
Personal Services	21,514,133	23,362,102	23,548,843	3,882,679	9.0%
Operating Expenses	22,174,153	23,704,347	23,611,560	2,967,601	6.7%
Equipment & Intangible Assets	150,536	225,536	225,536	150,000	49.8%
Grants	13,240,681	13,446,181	13,446,181	411,000	1.6%
Benefits & Claims	800	800	800		0.0%
Transfers	1,617,260	1,867,260	1,867,260	500,000	15.5%
Debt Service	414,000	438,000	439,000	49,000	5.9%
Total Expenditures	59,111,563	63,044,226	63,139,180	7,960,280	6.7%
Total Ongoing	59,111,563	62,894,226	62,989,180	7,660,280	6.5%
Total One-Time-Only		150,000	150,000	300,000	0.0%

Agency Description

The Department of Military Affairs oversees all activities of the Army and Air National Guard, Disaster and Emergency Services Division, and provides administrative support to the Veterans' Affairs Division, which is administratively attached to the department.

Agency Highlights

Department of Military Affairs Major Budget Highlights
<ul style="list-style-type: none"> The legislature adopted a 2027 biennium budget for the Department of Military Affairs' that is approximately \$8.0 million or 6.7% higher than the FY 2025 base budget. Significant changes adopted by the legislature include: <ul style="list-style-type: none"> An increase in general fund appropriations of \$3.8 million in the Veterans' Affairs Division to support 14.00 PB and operations of the Veteran Services Offices Federal special revenue appropriations of \$428,000, funding for 3.00 PB for case managers within the Youth ChalleNGe Program An increase of \$1.4 million to be used towards firefighter overtime pay within the Air National Guard Program An increase of \$685,000 in state special revenue in the Veterans' Affairs Division for Veteran Service Office and Veterans' Affairs Cemetery operational costs

Agency Actuals and Budget Comparison

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

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	19,923,538	20,625,097	21,514,133	23,362,102	23,548,843
Operating Expenses	19,791,109	21,395,184	22,174,153	23,704,347	23,611,560
Equipment & Intangible Assets	296,563	348,764	150,536	225,536	225,536
Grants	12,746,019	13,192,933	13,240,681	13,446,181	13,446,181
Benefits & Claims	1,501	2,953	800	800	800
Transfers	1,039,252	1,233,176	1,617,260	1,867,260	1,867,260
Debt Service	342,219	414,000	414,000	438,000	439,000
Total Expenditures	\$54,140,201	\$57,212,107	\$59,111,563	\$63,044,226	\$63,139,180
General Fund	8,192,118	8,688,043	9,113,675	11,499,235	11,505,631
State/Other Special Rev. Funds	984,594	1,008,218	1,175,587	1,550,880	1,504,702
Federal Spec. Rev. Funds	44,963,489	47,515,846	48,822,301	49,994,111	50,128,847
Total Funds	\$54,140,201	\$57,212,107	\$59,111,563	\$63,044,226	\$63,139,180
Total Ongoing	\$54,115,330	\$57,187,107	\$59,111,563	\$62,894,226	\$62,989,180
Total OTO	\$24,871	\$25,000	\$0	\$150,000	\$150,000

Summary of Legislative Action

The legislature adopted an increase in appropriations for the Department of Military Affairs for the 2027 biennium of \$8.0 million, or 6.7%. Appropriations in the Veterans' Affairs Division increased \$4.5 million, and primarily from an increase of \$3.8 million to support additional 14.00 PB. These PB will be used to staff Veteran Services Offices throughout the state.

Other notable increases include:

- An increase of \$1.4 million in federal special revenue to re-establish firefighter overtime appropriations in the Air National Guard Division
- An increase of \$428,000, split between general fund and federal special revenue, to support 3.00 PB within the Montana Youth Challenge. These positions will work as case managers for the program
- Federal special revenue increasing by \$913,000 in the STARBASE Program to provide for outreach within the division, as well as expenses related to contracted teachers
- Increased appropriations of \$685,000 in state special revenue within the Veterans' Affairs Division to support operational costs of Veteran Services Offices and the Veterans' Affairs Cemeteries

Funding

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

Total Department of Military Affairs Funding by Source of Authority 2027 Biennium Budget						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	18,704,866	4,300,000		8,090,000	31,094,866	22.9%
02548 Veterans Affairs SB401	1,406,868				1,406,868	1.0%
02214 Veterans Affairs Cemeteries				1,182,419	1,182,419	0.9%
02457 Veterans Affairs HB701 SSR	1,046,096				1,046,096	0.8%
02170 SAR DES Off Road Vehicle	400,308				400,308	0.3%
02222 Patriotic License Plate Fees	160,266				160,266	0.1%
Other State Special Revenue	42,044			80,000	122,044	0.1%
State Special Revenue Total	3,055,582	-	-	1,262,419	4,318,001	3.2%
03132 National Guard	40,359,728				40,359,728	29.8%
03143 DES Homeland Security 97.067	15,302,576				15,302,576	11.3%
03453 Air National Guard	13,027,789				13,027,789	9.6%
03134 DES Emergency Mgmt Perf 97.042	10,946,741				10,946,741	8.1%
03410 Challenge NG Funding (4001)	9,647,132				9,647,132	7.1%
Other Federal Special Revenue	10,838,992				10,838,992	8.0%
Federal Special Revenue Total	100,122,958	-	-	-	100,122,958	73.9%
Proprietary Fund Total	-	-	-	-	-	0.0%
Total of All Funds	121,883,406	4,300,000	-	9,352,419	135,535,825	
Percent of All Sources of Authority	89.9%	3.2%	0.0%	6.9%		

HB 2 Appropriations

General Fund

General fund supports most programs within the agency, while also funding the National Guard Scholarship Program.

State Special Revenue

State special revenue funding provides a smaller piece of the total appropriation authority for the agency. This funding is mainly within the Disaster and Emergency Services and Veterans' Affairs programs. Further detail on each of these funds is provided at the program level.

Federal Special Revenue

When considering HB 2 appropriations, federal special revenue incorporates the largest amount of funding within the Department of Military Affairs. Funding requirements for federal special revenue are guided by federal government initiatives, programs, and objectives within the agency. Individual details on this can be found at the program level.

Statutory Appropriations

General Fund

Appropriations from general fund that are classified as statutory are primarily within the disaster resiliency fund with an additional portion for the Civil Air Patrol. Details regarding the disaster resiliency fund can be found within the Disaster and Emergency Services Program funding section of this report.

State Special Revenue Funds

The statutory state special revenue funding is primarily within the Veterans' Affairs Program, with the largest portion going towards Veterans' Affairs Cemeteries. More detail on this funding can be found at the program level.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Department of Military Affairs 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	9,113,675	1,175,587	48,822,301	59,111,563	93.8%	9,113,675	1,175,587	48,822,301	59,111,563	93.6%
Statewide PL										
Personal Services	113,162	(67,649)	(273,665)	(228,152)	(0.4%)	127,951	(63,613)	(225,344)	(161,006)	(0.3%)
Fixed Costs	45,878	4,809	2,826	53,513	0.1%	10,661	4,408	(52,658)	(37,589)	(0.1%)
Inflation Deflation	(3,428)	(576)	(3,630)	(7,634)	(0.0%)	(2,320)	(389)	(2,451)	(5,160)	(0.0%)
Total Statewide PL	155,612	(63,416)	(274,469)	(182,273)	(0.3%)	136,292	(59,594)	(280,453)	(203,755)	(0.3%)
Present Law (PL)	(105)	438,709	685,607	1,124,211	1.8%	(105)	388,709	701,494	1,090,098	1.7%
New Proposals	2,230,053	0	760,672	2,990,725	4.7%	2,255,769	0	885,505	3,141,274	5.0%
Total HB 2 Adjustments	2,385,560	375,293	1,171,810	3,932,663	6.2%	2,391,956	329,115	1,306,546	4,027,617	6.4%
Total Budget	11,499,235	1,550,880	49,994,111	63,044,226		11,505,631	1,504,702	50,128,847	63,139,180	

Other Legislation

HB 5 – This legislation includes appropriations for various long-range building projects within the Department of Military Affairs, as well as other agencies, for locations across the state. Also within this bill are appropriations for major repair projects, such as the statewide indoor firing range remediation (\$2.5 million) and the Army National Guard building repairs (\$2.0 million). Within capital development projects, these projects include \$20.0 million for the Army National Guard vehicle maintenance shop construction, \$10.5 million towards open bay barracks at Fort Harrison, and \$31.5 million for the capital reserve fund within the agency. Total appropriations for the agency from this legislation are \$107.5 million with the majority of this being federal special revenue authority.

Executive Budget Comparison

The following table compares the legislative budget for the biennium to the budget requested by the Governor by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2025	Executive Budget Fiscal 2026	Legislative Budget Fiscal 2026	Leg — Exec. Difference Fiscal 2026	Executive Budget Fiscal 2027	Legislative Budget Fiscal 2027	Leg — Exec. Difference Fiscal 2027	Biennium Difference Fiscal 26-27
Personal Services	21,514,133	23,163,901	23,362,102	198,201	23,350,077	23,548,843	198,766	396,967
Operating Expenses	22,174,153	23,706,227	23,704,347	(1,880)	23,613,440	23,611,560	(1,880)	(3,760)
Equipment & Intangible Assets	150,536	225,536	225,536	0	225,536	225,536	0	0
Grants	13,240,681	13,296,181	13,446,181	150,000	13,296,181	13,446,181	150,000	300,000
Benefits & Claims	800	800	800	0	800	800	0	0
Transfers	1,617,260	1,867,260	1,867,260	0	1,867,260	1,867,260	0	0
Debt Service	414,000	438,000	438,000	0	439,000	439,000	0	0
Total Costs	\$59,111,563	\$62,697,905	\$63,044,226	\$346,321	\$62,792,294	\$63,139,180	\$346,886	\$693,207
General Fund	9,113,675	11,151,139	11,499,235	348,096	11,156,970	11,505,631	348,661	696,757
State/other Special Rev. Funds	1,175,587	1,551,171	1,550,880	(291)	1,504,993	1,504,702	(291)	(582)
Federal Spec. Rev. Funds	48,822,301	49,995,595	49,994,111	(1,484)	50,130,331	50,128,847	(1,484)	(2,968)
Total Funds	\$59,111,563	\$62,697,905	\$63,044,226	\$346,321	\$62,792,294	\$63,139,180	\$346,886	\$693,207
Total Ongoing	\$59,111,563	\$62,697,905	\$62,894,226	\$196,321	\$62,792,294	\$62,989,180	\$196,886	\$393,207
Total OTO	\$0	\$0	\$150,000	\$150,000	\$0	\$150,000	\$150,000	\$300,000

The legislature adopted appropriations for the 2027 biennium that are approximately \$693,000 higher than the executive proposed budget. Significant changes adopted by the legislature include:

- An increase in appropriations to fund additional PB within the Veterans' Affairs Division for Veteran Service Offices
- Increased appropriations in the Veterans' Affairs Division for education and grants attributed to the safe storage of firearms

Language

If HB 944 is passed and approved and contains language for an exception in carryforward authority for this purpose, then any amount of the general fund appropriations for Contracted Services within the Army National Guard Program, \$418,337 in FY 2026 and \$439,253 in FY 2027, that is unexpended at the close of each corresponding fiscal year must revert back to the general fund.

If HB 252 is passed and approved, the Department of Military Affairs is increased by \$18,915 general fund in FY 2026 and \$19,480 general fund in FY 2027.

If SB 327 is passed and approved, the Department of Military Affairs is increased by \$706 state special revenue in FY 2026 and \$1,306 state special revenue in FY 2027.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget FY 2026 FY 2027		Biennium Change from Base Amount Percent	
PB	15.21	16.21	16.21	1.00	3.3%
General Fund	1,140,705	1,324,407	1,308,095	351,092	15.4%
Federal Spec. Rev. Funds	670,419	710,730	712,021	81,913	6.1%
Total Funds	1,811,124	2,035,137	2,020,116	433,005	12.0%
Personal Services	1,501,277	1,700,797	1,704,195	402,438	13.4%
Operating Expenses	259,092	283,585	265,166	30,567	5.9%
Benefits & Claims	100	100	100		0.0%
Transfers	50,655	50,655	50,655		0.0%
Total Expenditures	1,811,124	2,035,137	2,020,116	433,005	12.0%
Total Ongoing	1,811,124	2,035,137	2,020,116	433,005	12.0%
Total One-Time-Only					0.0%

Program Description

The Director's Office provides departmental administration through the Office of the Adjutant General and department-wide support for accounting, fiscal management, personnel, labor relations, and purchasing and property management oversight. The program operates in accordance with Title 2, Chapter 15, part 12 and Title 10, MCA.

Program Highlights

Director's Office Major Budget Highlights
<ul style="list-style-type: none"> The Director's Office's 2027 biennium appropriations that were adopted by the legislature are approximately \$433,000 or 12.0% higher than the FY 2025 base budget Of the overall increase in appropriations, \$402,000 of this is within personal services. Significant biennial changes include: <ul style="list-style-type: none"> An increase of \$187,000 for 1.00 PB for a human resources position An increase of \$216,000 for additional funding for a position that was transferred from the Army National Guard, as well as other pay rate changes

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	1,343,507	1,452,120	1,501,277	1,700,797	1,704,195
Operating Expenses	239,678	295,627	259,092	283,585	265,166
Benefits & Claims	0	100	100	100	100
Transfers	0	50,655	50,655	50,655	50,655
Total Expenditures	\$1,583,185	\$1,798,502	\$1,811,124	\$2,035,137	\$2,020,116
General Fund	1,040,684	1,147,632	1,140,705	1,324,407	1,308,095
Federal Spec. Rev. Funds	542,501	650,870	670,419	710,730	712,021
Total Funds	\$1,583,185	\$1,798,502	\$1,811,124	\$2,035,137	\$2,020,116
Total Ongoing	\$1,558,314	\$1,773,502	\$1,811,124	\$2,035,137	\$2,020,116
Total OTO	\$24,871	\$25,000	\$0	\$0	\$0

Funding

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

Department of Military Affairs, 01-Director's Office Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	2,632,502	0	0	2,632,502	64.92 %
State Special Total	\$0	\$0	\$0	\$0	0.00 %
03132 National Guard	614,309	0	0	614,309	43.18 %
03134 DES Emergency Mgmt Perf 97.042	162,304	0	0	162,304	11.41 %
03143 DES Homeland Security 97.067	41,722	0	0	41,722	2.93 %
03410 Challenge NG Funding (4001)	282,934	0	0	282,934	19.89 %
03411 Starbase NG Funding (4002)	64,312	0	0	64,312	4.52 %
03453 Air National Guard	257,170	0	0	257,170	18.08 %
Federal Special Total	\$1,422,751	\$0	\$0	\$1,422,751	35.08 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$4,055,253	\$0	\$0	\$4,055,253	

HB 2 Appropriations

General Fund

The majority of appropriations from HB 2 within the Director's Office come from general fund. General fund provides funding for federal-state matching requirements. General fund also provides funding for the General, Deputy Director, and information technology (IT staff positions in the Director's Office and all operating costs.

Federal Special Revenue

Federal funds within this program are utilized through a centralized personnel plan across the other divisions within the agency. Financial and human resource staff are allocated across the different divisions from a funding perspective through financial activity and human resources through the number of PB.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

	Director's Office 2027 Biennium HB 2 Base Budget and Adjustments									
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	1,140,705	0	670,419	1,811,124	89.0%	1,140,705	0	670,419	1,811,124	89.7%
Statewide PL										
Personal Services	65,771	0	40,311	106,082	5.2%	67,878	0	41,602	109,480	5.4%
Fixed Costs	1,817	0	0	1,817	0.1%	1,192	0	0	1,192	0.1%
Inflation Deflation	(19)	0	0	(19)	(0.0%)	(13)	0	0	(13)	(0.0%)
Total Statewide PL	67,569	0	40,311	107,880	5.3%	69,057	0	41,602	110,659	5.5%
Present Law (PL)	(105)	0	0	(105)	(0.0%)	(105)	0	0	(105)	(0.0%)
New Proposals	116,238	0	0	116,238	5.7%	98,438	0	0	98,438	4.9%
Total HB 2 Adjustments	183,702	0	40,311	224,013	11.0%	167,390	0	41,602	208,992	10.3%
Total Budget	1,324,407	0	710,730	2,035,137		1,308,095	0	712,021	2,020,116	

Present Law Adjustments

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

Present Law Adjustments										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	65,771	0	40,311	106,082	0.00	67,878	0	41,602	109,480
DP 2 - Fixed Costs	0.00	1,817	0	0	1,817	0.00	1,192	0	0	1,192
DP 3 - Inflation Deflation	0.00	(19)	0	0	(19)	0.00	(13)	0	0	(13)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	(105)	0	0	(105)	0.00	(105)	0	0	(105)
Grand Total All Present Law Adjustments	0.00	\$67,464	\$0	\$40,311	\$107,775	0.00	\$68,952	\$0	\$41,602	\$110,554

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals										
-----Fiscal 2026-----						-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1001 - DO HR Staffing	1.00	96,238	0	0	96,238	1.00	93,438	0	0	93,438
DP 1002 - DO IT Project Implementation	0.00	20,000	0	0	20,000	0.00	5,000	0	0	5,000
Total	1.00	\$116,238	\$0	\$0	\$116,238	1.00	\$98,438	\$0	\$0	\$98,438

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

DP 1001 - DO HR Staffing -

The legislature adopted an increase in PB with the associated personal services funding for an additional human resources (HR) staff. This position will aid in general HR workload, as well as assist in hiring efforts to decrease the time positions are not filled due to staff turnover.

DP 1002 - DO IT Project Implementation -

The legislature adopted an increase in general fund appropriations for the purpose of information technology (IT) project implementation and license costs. Specifically, this would provide for the purchase, implementation, and ongoing licensure costs for multi-factor authentication (MFA). The implementation of MFA is part of the agency's IT strategic plan to enhance security and be in compliance with various standards.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	54.15	57.15	57.15	3.00	2.8%
General Fund	1,415,421	1,536,139	1,535,390	240,687	8.5%
Federal Spec. Rev. Funds	4,405,221	4,708,416	4,704,916	602,890	6.8%
Total Funds	5,820,642	6,244,555	6,240,306	843,577	7.2%
Personal Services	4,010,866	4,416,482	4,422,575	817,325	10.2%
Operating Expenses	1,809,676	1,827,973	1,817,631	26,252	0.7%
Benefits & Claims	100	100	100		0.0%
Total Expenditures	5,820,642	6,244,555	6,240,306	843,577	7.2%
Total Ongoing	5,820,642	6,244,555	6,240,306	843,577	7.2%
Total One-Time-Only					0.0%

Program Description

The Montana National Guard Youth ChalleNGe Program is a volunteer program for youth ages 16 to 18 who have stopped attending secondary school before graduating. ChalleNGe is a 17-month, voluntary, two-phased military modeled training program targeting unemployed, drug-free, and crime-free high school dropouts. The program provides an opportunity for high school "at risk" youth to enhance their life skills and increase their educational levels and employment potential. Phase I of the program is a 22-week residential stay on the campus of Western Montana College of the University of Montana in Dillon focusing on physical training, classroom instruction, personal development, and life skills. Phase II is a year-long mentoring relationship with a specially trained member of the community where the youth reside to provide a positive role model and to assist the student in gaining employment or enrolling in post-secondary schooling.

Program Highlights

Youth ChalleNGe Program Major Budget Highlights
<ul style="list-style-type: none"> • The legislature adopted appropriations for the Youth ChalleNGe Program for the 2027 biennium that are 7.2% or \$844,000 higher than the 2025 base budget • General fund appropriations increased 8.5%, or \$241,000, and federal special revenue funds increased 6.8%, or \$603,000. Notable biennial changes include: <ul style="list-style-type: none"> ◦ \$419,000 of appropriations to fund 3.00 PB for new case managers within the program, along with \$8,000 in operating expenses for the same purpose ◦ An increase of \$359,000 for personal services benefits and pay rate changes made by the program

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	4,036,535	4,037,515	4,010,866	4,416,482	4,422,575
Operating Expenses	1,805,041	1,887,168	1,809,676	1,827,973	1,817,631
Equipment & Intangible Assets	0	23,114	0	0	0
Benefits & Claims	251	253	100	100	100
Total Expenditures	\$5,841,827	\$5,948,050	\$5,820,642	\$6,244,555	\$6,240,306
General Fund	1,344,919	1,346,867	1,415,421	1,536,139	1,535,390
Federal Spec. Rev. Funds	4,496,908	4,601,183	4,405,221	4,708,416	4,704,916
Total Funds	\$5,841,827	\$5,948,050	\$5,820,642	\$6,244,555	\$6,240,306
Total Ongoing	\$5,841,827	\$5,948,050	\$5,820,642	\$6,244,555	\$6,240,306
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Military Affairs, 02-Challenge Program Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	3,071,529	0	0	3,071,529	24.60 %
State Special Total	\$0	\$0	\$0	\$0	0.00 %
03132 National Guard	49,134	0	0	49,134	0.52 %
03410 Challenge NG Funding (4001)	9,364,198	0	0	9,364,198	99.48 %
Federal Special Total	\$9,413,332	\$0	\$0	\$9,413,332	75.40 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$12,484,861	\$0	\$0	\$12,484,861	

HB 2 Appropriations

General Fund

General fund appropriations account for approximately a quarter of the total appropriations within this program. Funding for the program is because of federal/state cooperative agreements which require a 25.0% state match. General fund is used to meet that state match requirement.

Federal Special Revenue

The remaining appropriations in the Youth ChalleNGe Program are centralized within federal special revenue funds. Most federal special revenues within federal/state cooperative agreements utilize the remaining 75.0% of funding that is not made up of general fund. Certain exceptions to this, such as special projects required by cooperative agreements, are entirely funded through federal funds.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Challenge Program 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	1,415,421	0	4,405,221	5,820,642	93.2%	1,415,421	0	4,405,221	5,820,642	93.3%
Statewide PL										
Personal Services	44,250	0	132,708	176,958	2.8%	45,650	0	136,836	182,486	2.9%
Fixed Costs	3,113	0	9,340	12,453	0.2%	2,459	0	7,379	9,838	0.2%
Inflation Deflation	(100)	0	(1,975)	(2,075)	(0.0%)	(70)	0	(1,332)	(1,402)	(0.0%)
Total Statewide PL	47,263	0	140,073	187,336	3.0%	48,039	0	142,883	190,922	3.1%
Present Law (PL)	0	0	(481)	(481)	(0.0%)	0	0	(481)	(481)	(0.0%)
New Proposals	73,455	0	163,603	237,058	3.8%	71,930	0	157,293	229,223	3.7%
Total HB 2 Adjustments	120,718	0	303,195	423,913	6.8%	119,969	0	299,695	419,664	6.7%
Total Budget	1,536,139	0	4,708,416	6,244,555		1,535,390	0	4,704,916	6,240,306	

Present Law Adjustments

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

Present Law Adjustments										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	44,250	0	132,708	176,958	0.00	45,650	0	136,836	182,486
DP 2 - Fixed Costs	0.00	3,113	0	9,340	12,453	0.00	2,459	0	7,379	9,838
DP 3 - Inflation Deflation	0.00	(100)	0	(1,975)	(2,075)	0.00	(70)	0	(1,332)	(1,402)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	0	0	(481)	(481)	0.00	0	0	(481)	(481)
Grand Total All Present Law Adjustments	0.00	\$47,263	\$0	\$139,592	\$186,855	0.00	\$48,039	\$0	\$142,402	\$190,441

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals										
	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1800 - HB 252	0.00	18,915	0	0	18,915	0.00	19,480	0	0	19,480
DP 2001 - MYCA Case Managers	3.00	54,540	0	163,603	218,143	3.00	52,450	0	157,293	209,743
Total	3.00	\$73,455	\$0	\$163,603	\$237,058	3.00	\$71,930	\$0	\$157,293	\$229,223

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

DP 1800 - HB 252 -

The legislature adopted an increase in general fund appropriations for personal services. This appropriation is to implement HB 252, or the STARS Act, for an increase in teacher compensation for Youth ChalleNGe Program instructors.

DP 2001 - MYCA Case Managers -

The legislature adopted an increase in general fund and federal special revenue for 3.00 PB. In March 2023, the federal National Guard Bureau changed the case manager per graduate ratio. This increase is to comply with the change and has a 75.0% federal funding and 25.0% general fund appropriation split.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
General Fund	250,000	250,000	250,000		0.0%
Total Funds	250,000	250,000	250,000		0.0%
Operating Expenses	250,000			(500,000)	(100.0%)
Transfers		250,000	250,000	500,000	0.0%
Total Expenditures	250,000	250,000	250,000		0.0%
Total Ongoing	250,000	250,000	250,000		0.0%
Total One-Time-Only					0.0%

Program Description

The Montana National Guard Scholarship Program provides scholarships to eligible Montana National Guard personnel enrolled as undergraduate students in Montana colleges, universities, or training programs. The program assists Montana in recruiting and retaining personnel in both the Army and Air National Guard and in enhancing its operational readiness to assume both state and federal active-duty missions. Scholarships also reward guard members for their service to the state by helping defray their educational costs at Montana post-secondary institutions.

Program Highlights

Scholarship Program Major Budget Highlights
<ul style="list-style-type: none">The National Guard Scholarship Program’s 2027 biennium appropriations, as adopted by the legislature, are the same as the 2025 base budget; with the exception being that these appropriations are now transfers, instead of operating expenses

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Operating Expenses	0	0	250,000	0	0
Transfers	250,000	250,000	0	250,000	250,000
Total Expenditures	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
General Fund	250,000	250,000	250,000	250,000	250,000
Total Funds	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Total Ongoing	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Military Affairs, 03-Scholarship Program Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	500,000	0	0	500,000	100.00 %
State Special Total	\$0	\$0	\$0	\$0	0.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$500,000	\$0	\$0	\$500,000	

*HB 2 Appropriations*General Fund

The Scholarship Program is entirely funded through general fund. The legislature adopted this funding within transfers for the upcoming biennium as this funding is transferred to the Office of the Commissioner of Higher Education each fiscal year.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Scholarship Program 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	250,000	0	0	250,000	100.0%	250,000	0	0	250,000	100.0%
Statewide PL										
Personal Services	0	0	0	0	0.0%	0	0	0	0	0.0%
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Statewide PL	0	0	0	0	0.0%	0	0	0	0	0.0%
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Budget	250,000	0	0	250,000		250,000	0	0	250,000	

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 3001 - NG Scholarship Adjustment	0.00	0	0	0	0	0.00	0	0	0	0
Total	0.00	\$0	\$0	\$0	\$0	0.00	\$0	\$0	\$0	\$0

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

DP 3001 - NG Scholarship Adjustment -

The legislature adopted the movement of appropriations from operating expenses into transfers expenditure authority because this funding is transferred to the Office of the Commissioner of Higher Education.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget FY 2026 FY 2027		Biennium Change from Base Amount Percent	
PB	7.00	7.00	7.00	0.00	0.0%
Federal Spec. Rev. Funds	1,221,124	1,665,393	1,694,758	917,903	37.6%
Total Funds	1,221,124	1,665,393	1,694,758	917,903	37.6%
Personal Services	602,930	597,513	599,031	(9,316)	(0.8%)
Operating Expenses	618,094	1,067,780	1,095,627	927,219	75.0%
Benefits & Claims	100	100	100		0.0%
Total Expenditures	1,221,124	1,665,393	1,694,758	917,903	37.6%
Total Ongoing	1,221,124	1,665,393	1,694,758	917,903	37.6%
Total One-Time-Only					0.0%

Program Description

STARBASE is the 100.0% federally funded youth outreach program of the Department of Defense. Currently, STARBASE has classrooms at Fort Harrison and the 120th Airlift Wing in Great Falls, providing 25 hours of hands-on science, technology, engineering, art, and math (STEAM) instruction to all fifth-grade classes within the Helena and Great Falls school districts, as well as afterschool programs and summer camps to students in grades 3-12 across Montana. STARBASE locations provide students the opportunity to interact with military personnel, foster familiarity with local military installations, nurture interest in STEAM careers, and empower Montana's youth for future success.

Program Highlights

STARBASE Program Major Budget Highlights	
<ul style="list-style-type: none"> The STARBASE Program's 2027 biennium appropriations, as adopted by the legislature, are approximately \$918,000 or 37.6% higher than the FY 2025 base budget. Significant changes include: <ul style="list-style-type: none"> An increase in operating expense authority of \$927,000 with notable changes being an increase of \$913,000 to accommodate a STARBASE location in Billings, as well as additional outreach for the program 	

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	322,949	397,507	602,930	597,513	599,031
Operating Expenses	786,967	790,674	618,094	1,067,780	1,095,627
Benefits & Claims	0	100	100	100	100
Total Expenditures	\$1,109,916	\$1,188,281	\$1,221,124	\$1,665,393	\$1,694,758
Federal Spec. Rev. Funds	1,109,916	1,188,281	1,221,124	1,665,393	1,694,758
Total Funds	\$1,109,916	\$1,188,281	\$1,221,124	\$1,665,393	\$1,694,758
Total Ongoing	\$1,109,916	\$1,188,281	\$1,221,124	\$1,665,393	\$1,694,758
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Military Affairs, 04-Starbase Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
State Special Total	\$0	\$0	\$0	\$0	0.00 %
03411 Starbase NG Funding (4002)	3,357,195	0	0	3,357,195	99.91 %
03453 Air National Guard	2,956	0	0	2,956	0.09 %
Federal Special Total	\$3,360,151	\$0	\$0	\$3,360,151	100.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$3,360,151	\$0	\$0	\$3,360,151	

HB 2 Appropriations

Federal Special Revenue

The STARBASE Program is entirely funded through federal special revenue funds. Appropriations are within two different funds. This funding supports all of the STARBASE operations and personnel in this division.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Starbase 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	0	0	1,221,124	1,221,124	73.3%	0	0	1,221,124	1,221,124	72.1%
Statewide PL										
Personal Services	0	0	(5,417)	(5,417)	(0.3%)	0	0	(3,899)	(3,899)	(0.2%)
Fixed Costs	0	0	7,359	7,359	0.4%	0	0	7,206	7,206	0.4%
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Statewide PL	0	0	1,942	1,942	0.1%	0	0	3,307	3,307	0.2%
Present Law (PL)	0	0	(27)	(27)	(0.0%)	0	0	(27)	(27)	(0.0%)
New Proposals	0	0	442,354	442,354	26.6%	0	0	470,354	470,354	27.8%
Total HB 2 Adjustments	0	0	444,269	444,269	26.7%	0	0	473,634	473,634	27.9%
Total Budget	0	0	1,665,393	1,665,393		0	0	1,694,758	1,694,758	

Present Law Adjustments

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

Present Law Adjustments										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	(5,417)	(5,417)	0.00	0	0	(3,899)	(3,899)
DP 2 - Fixed Costs	0.00	0	0	7,359	7,359	0.00	0	0	7,206	7,206
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	0	0	(27)	(27)	0.00	0	0	(27)	(27)
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$1,915	\$1,915	0.00	\$0	\$0	\$3,280	\$3,280

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 4001 - STARBASE Budget Authority Increase	0.00	0	0	442,354	442,354	0.00	0	0	470,354	470,354
Total	0.00	\$0	\$0	\$442,354	\$442,354	0.00	\$0	\$0	\$470,354	\$470,354

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

DP 4001 - STARBASE Budget Authority Increase -

The legislature adopted an increase in federal budget authority within this program. STARBASE has programs in Great Falls and Fort Harrison, with additional outreach provided to HiLine communities. This additional funding allows for another location in Billings. This increase in federal authority will be utilized towards staff and teacher salary increases, as well as costs associated with the STARBASE location in Billings. As the teachers within this program are contracted, these appropriations are considered operating expenses. Regarding the outreach provided in the HiLine communities, this is through multiple two-day summer camps to provide science, technology, engineering, art/design, and math (STEAM). These have been provided in numerous areas, including Hot Springs and Malta. With the additional Billings location, the agency expects to provide these opportunities to both the Crow and Northern Cheyenne reservations as well.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	55.30	55.30	55.30	0.00	0.0%
General Fund	2,079,242	2,077,036	2,067,221	(14,227)	(0.3%)
State/Other Special Rev. Funds	420	3,920	3,920	7,000	833.3%
Federal Spec. Rev. Funds	20,068,301	19,857,107	19,839,178	(440,317)	(1.1%)
Total Funds	22,147,963	21,938,063	21,910,319	(447,544)	(1.0%)
Personal Services	5,662,340	5,476,195	5,489,015	(359,470)	(3.2%)
Operating Expenses	15,919,887	15,896,132	15,855,568	(88,074)	(0.3%)
Equipment & Intangible Assets	150,536	150,536	150,536		0.0%
Benefits & Claims	200	200	200		0.0%
Transfers	25,000	25,000	25,000		0.0%
Debt Service	390,000	390,000	390,000		0.0%
Total Expenditures	22,147,963	21,938,063	21,910,319	(447,544)	(1.0%)
Total Ongoing	22,147,963	21,938,063	21,910,319	(447,544)	(1.0%)
Total One-Time-Only					0.0%

Program Description

The Army National Guard (ARNG), until federalized, is a state military organization that provides trained and equipped military units for use in the event of a state or national emergency. The federal/state cooperative agreement provides funding for facilities management, environmental, and communications support to the organization by:

- Providing professional and skilled personnel for the administration, planning, and execution of statewide repair and maintenance functions on facilities and training areas
- Planning, programming, contracting, and professional and skilled administration, planning and execution for construction
- Ensuring all activities and facilities comply with environmental regulations, state regulations, and federal regulations
- Providing statewide communication services, security contracts, and leases for buildings and land used by the Army National Guard

The program is mandated by the U.S. and Montana Constitutions and Title 10, Chapters 1-3, MCA.

Program Highlights

Army National Guard Program Major Budget Highlights	
<ul style="list-style-type: none"> The legislature adopted 2027 biennium appropriations for the Army National Guard that are \$448,000 or 1.0% less than the 2025 base budget. Significant changes include: <ul style="list-style-type: none"> A decrease of \$359,000 in personal services appropriations due to 1.00 PB being transferred to the Director's Office, as well as other statewide present law adjustments for personal services A decrease of \$94,000 in fixed costs primarily due to a decrease in insurance costs 	

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	5,279,761	5,330,922	5,662,340	5,476,195	5,489,015
Operating Expenses	14,037,766	14,906,463	15,919,887	15,896,132	15,855,568
Equipment & Intangible Assets	280,749	309,836	150,536	150,536	150,536
Benefits & Claims	1,000	2,000	200	200	200
Transfers	17,452	25,000	25,000	25,000	25,000
Debt Service	319,826	390,000	390,000	390,000	390,000
Total Expenditures	\$19,936,554	\$20,964,221	\$22,147,963	\$21,938,063	\$21,910,319
General Fund	1,951,507	2,024,815	2,079,242	2,077,036	2,067,221
State/Other Special Rev. Funds	0	420	420	3,920	3,920
Federal Spec. Rev. Funds	17,985,047	18,938,986	20,068,301	19,857,107	19,839,178
Total Funds	\$19,936,554	\$20,964,221	\$22,147,963	\$21,938,063	\$21,910,319
Total Ongoing	\$19,936,554	\$20,964,221	\$22,147,963	\$21,938,063	\$21,910,319
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Military Affairs, 12-Army National Guard Program Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	4,144,257	0	0	4,144,257	9.45 %
02343 Armory Rental Funds	7,840	0	0	7,840	100.00 %
State Special Total	\$7,840	\$0	\$0	\$7,840	0.02 %
03132 National Guard	39,696,285	0	0	39,696,285	100.00 %
Federal Special Total	\$39,696,285	\$0	\$0	\$39,696,285	90.53 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$43,848,382	\$0	\$0	\$43,848,382	

HB 2 Appropriations

General Fund

A small portion of the appropriations for the Army National Guard Program are from general fund. General fund is used to meet the federal/state match requirement for federal funds which are described in more detail in the federal special revenue section of this report.

State Special Revenue

State special revenue accounts for a fraction of the Army National Guard Program's total appropriation authority. This funding is for armory rentals. When armories are rented to groups, the state special revenue funds generated from the rental fees are used to pay for costs associated with the use of the facilities.

Federal Special Revenue

Federal special revenue accounts for the majority of the program's total appropriation authority. Generally, the federal/state match requirements are as follows:

- When a facility is owned by the state and located on state land, it qualifies to have their maintenance and utility costs covered by 50.0% federal special revenue and 50.0% state funds
- Facilities that are state owned, but located on federal lands qualify to have maintenance and utility costs covered 75.0% by federal special revenue and 25.0% by state funds
- Facilities that are classified as a logistic facility receive 100.0% federal special revenue funding
- Facilities that are owned federally, located on federal lands, and serve as a facility for training missions are 100.0% funded with federal special revenue unless the building is used as an armory
- Armories that are constructed with federal funds and located on federal land qualify for their maintenance and utility costs to be covered by 75.0% federal funds and 25.0% state funds

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Army National Guard Program 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	2,079,242	420	20,068,301	22,147,963	101.0%	2,079,242	420	20,068,301	22,147,963	101.1%
Statewide PL										
Personal Services	(9,300)	0	(176,845)	(186,145)	(0.8%)	(8,650)	0	(164,675)	(173,325)	(0.8%)
Fixed Costs	7,098	0	(33,870)	(26,772)	(0.1%)	(3,368)	0	(63,995)	(67,363)	(0.3%)
Inflation Deflation	(4)	0	(80)	(84)	(0.0%)	(3)	0	(54)	(57)	(0.0%)
Total Statewide PL	(2,206)	0	(210,795)	(213,001)	(1.0%)	(12,021)	0	(228,724)	(240,745)	(1.1%)
Present Law (PL)	0	3,500	(399)	3,101	0.0%	0	3,500	(399)	3,101	0.0%
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	(2,206)	3,500	(211,194)	(209,900)	(1.0%)	(12,021)	3,500	(229,123)	(237,644)	(1.1%)
Total Budget	2,077,036	3,920	19,857,107	21,938,063		2,067,221	3,920	19,839,178	21,910,319	

Present Law Adjustments

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

Present Law Adjustments										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(9,300)	0	(176,845)	(186,145)	0.00	(8,650)	0	(164,675)	(173,325)
DP 2 - Fixed Costs	0.00	7,098	0	(33,870)	(26,772)	0.00	(3,368)	0	(63,995)	(67,363)
DP 3 - Inflation Deflation	0.00	(4)	0	(80)	(84)	0.00	(3)	0	(54)	(57)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	0	0	(399)	(399)	0.00	0	0	(399)	(399)
DP 1201 - Army National Guard State Special Revenue Increase	0.00	0	3,500	0	3,500	0.00	0	3,500	0	3,500
Grand Total All Present Law Adjustments	0.00	(\$2,206)	\$3,500	(\$211,194)	(\$209,900)	0.00	(\$12,021)	\$3,500	(\$229,123)	(\$237,644)

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

DP 1201 - Army National Guard State Special Revenue Increase -

The legislature adopted an increase in state special revenue authority within this program. The primary source of this funding is rental fees paid. The increase in this authority is due to an increase in revenue from grazing leases and armory rentals. This increase in appropriations will be utilized for janitorial and utility expenses when armories are being rented, as well as repair and maintenance of grazing land fences.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	46.00	46.00	46.00	0.00	0.0%
General Fund	443,971	420,758	421,619	(45,565)	(5.1%)
Federal Spec. Rev. Funds	5,916,816	6,312,581	6,455,082	934,031	7.9%
Total Funds	6,360,787	6,733,339	6,876,701	888,466	7.0%
Personal Services	4,201,364	4,573,093	4,718,410	888,775	10.6%
Operating Expenses	2,159,323	2,160,146	2,158,191	(309)	(0.0%)
Benefits & Claims	100	100	100		0.0%
Total Expenditures	6,360,787	6,733,339	6,876,701	888,466	7.0%
Total Ongoing	6,360,787	6,733,339	6,876,701	888,466	7.0%
Total One-Time-Only					0.0%

Program Description

The Air National Guard, until federalized, is a state military organization that provides trained and equipped military units for use in the event of a state or national emergency. The federal/state cooperative agreement provides for administrative, facilities maintenance, security, and fire protection support to the Air National Guard base at Gore Hill near Great Falls. The Air National Guard Program operates under both federal and state mandates in accordance with its dual missions and is mandated by the United States and Montana Constitutions and Title 10, Chapter 1-3, MCA.

Program Highlights

Air National Guard Program Major Budget Highlights	
<ul style="list-style-type: none"> The Air National Guard's 2027 biennium adopted appropriations are approximately \$888,000 or 7.0% higher than the FY 2025 base budget. Significant changes include: <ul style="list-style-type: none"> An increase of \$1.4 million towards re-establishing firefighter overtime authority A decrease of \$914,000 in personal services authority partially due to the previously approved firefighter overtime authority being removed in the calculation for statewide present law adjustment for personal services An increase of \$413,000 in relation to firefighter pay increases within the program 	

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	3,673,365	3,939,658	4,201,364	4,573,093	4,718,410
Operating Expenses	1,853,250	2,197,923	2,159,323	2,160,146	2,158,191
Benefits & Claims	0	100	100	100	100
Total Expenditures	\$5,526,615	\$6,137,681	\$6,360,787	\$6,733,339	\$6,876,701
General Fund	398,426	420,025	443,971	420,758	421,619
Federal Spec. Rev. Funds	5,128,189	5,717,656	5,916,816	6,312,581	6,455,082
Total Funds	\$5,526,615	\$6,137,681	\$6,360,787	\$6,733,339	\$6,876,701
Total Ongoing	\$5,526,615	\$6,137,681	\$6,360,787	\$6,733,339	\$6,876,701
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Military Affairs, 13-Air National Guard Program Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	842,377	0	0	842,377	6.19 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
03453 Air National Guard	12,767,663	0	0	12,767,663	100.00 %	
Federal Special Total	\$12,767,663	\$0	\$0	\$12,767,663	93.81 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$13,610,040	\$0	\$0	\$13,610,040		

HB 2 Appropriations**General Fund**

A portion of appropriations for the Air National Guard Program is from general fund. This funding supports federal/state match requirements for federal grants and is primarily utilized in relation to building and ground maintenance activities, administrative expenses, and a portion of personal services costs.

Federal Special Revenue

The majority of funding for this program comes from federal special revenue funds. Funding from this source supports the operations, activities, and other expenses within the program.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Air National Guard Program 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	443,971	0	5,916,816	6,360,787	94.5%	443,971	0	5,916,816	6,360,787	92.5%
Statewide PL										
Personal Services	(23,500)	0	(446,577)	(470,077)	(7.0%)	(22,150)	0	(421,640)	(443,790)	(6.5%)
Fixed Costs	287	0	860	1,147	0.0%	(202)	0	(606)	(808)	(0.0%)
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Statewide PL	(23,213)	0	(445,717)	(468,930)	(7.0%)	(22,352)	0	(422,246)	(444,598)	(6.5%)
Present Law (PL)	0	0	686,767	686,767	10.2%	0	0	702,654	702,654	10.2%
New Proposals	0	0	154,715	154,715	2.3%	0	0	257,858	257,858	3.7%
Total HB 2 Adjustments	(23,213)	0	395,765	372,552	5.5%	(22,352)	0	538,266	515,914	7.5%
Total Budget	420,758	0	6,312,581	6,733,339		421,619	0	6,455,082	6,876,701	

Present Law Adjustments

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

Present Law Adjustments										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(23,500)	0	(446,577)	(470,077)	0.00	(22,150)	0	(421,640)	(443,790)
DP 2 - Fixed Costs	0.00	287	0	860	1,147	0.00	(202)	0	(606)	(808)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	0	0	(324)	(324)	0.00	0	0	(324)	(324)
DP 1301 - ANG Re-Establish Firefighter FLSA Overtime	0.00	0	0	687,091	687,091	0.00	0	0	702,978	702,978
Grand Total All Present Law Adjustments	0.00	(\$23,213)	\$0	\$241,050	\$217,837	0.00	(\$22,352)	\$0	\$280,408	\$258,056

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

DP 1301 - ANG Re-Establish Firefighter FLSA Overtime -

The legislature adopted additional federal spending authority for firefighter salaries and benefits that exceed those of a traditional PB, due to the 24/7 nature of the fire protection services at the Montana Air National Guard. Hours over 2,080 per PB are not captured in the personal services snapshot used for initial budget preparation.

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals										
	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1302 - ANG Firefighter Pay Increases	0.00	0	0	154,715	154,715	0.00	0	0	257,858	257,858
Total	0.00	\$0	\$0	\$154,715	\$154,715	0.00	\$0	\$0	\$257,858	\$257,858

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

DP 1302 - ANG Firefighter Pay Increases -

The legislature adopted an increase in federal special revenue appropriations in the upcoming biennium for an increase in firefighter pay in the Air National Guard 120th Airlift Wing in Great Falls. According to the Department of Military Affairs, the current hourly pay ranks in the bottom 25.0% of all fire departments in Montana. This increase has been approved by the federal National Guard Bureau.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	32.00	32.00	32.00	0.00	0.0%
General Fund	1,991,285	2,146,261	2,128,221	291,912	7.3%
State/Other Special Rev. Funds	136,756	204,756	204,756	136,000	49.7%
Federal Spec. Rev. Funds	16,540,420	16,739,884	16,722,892	381,936	1.2%
Total Funds	18,668,461	19,090,901	19,055,869	809,848	2.2%
Personal Services	3,077,190	3,396,760	3,404,264	646,644	10.5%
Operating Expenses	863,885	898,755	856,219	27,204	1.6%
Grants	13,205,681	13,273,681	13,273,681	136,000	0.5%
Benefits & Claims	100	100	100		0.0%
Transfers	1,521,605	1,521,605	1,521,605		0.0%
Total Expenditures	18,668,461	19,090,901	19,055,869	809,848	2.2%
Total Ongoing	18,668,461	19,090,901	19,055,869	809,848	2.2%
Total One-Time-Only					0.0%

Program Description

The Disaster and Emergency Services Division (DES) duties and responsibilities are provided for under Title 10, Chapter 3, MCA. The division is responsible for the coordination, development and implementation of emergency management planning, mitigation, response, and recovery statewide. This responsibility includes the administration and disbursement of federal Homeland Security and Emergency Management funds to eligible political subdivisions and tribal nations across the state. The division maintains a 24 hour a day point of contact to coordinate the volunteer, state, and federal response for assistance to political subdivisions and tribal nations in the event of an incident, emergency, or disaster.

Program Highlights

Disaster and Emergency Services Program Major Budget Highlights
<ul style="list-style-type: none"> The Disaster and Emergency Service Program's 2027 biennium appropriations, as adopted by the legislature, are approximately \$810,000 or 2.2% higher than the FY 2025 base budget. Significant changes include: <ul style="list-style-type: none"> An increase in personal services funding of \$647,000 due to career ladder adjustments and other pay rate changes made within the program An increase of \$136,000 to be used to aid county search and rescue training and missions

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	3,155,309	3,351,066	3,077,190	3,396,760	3,404,264
Operating Expenses	827,302	1,071,103	863,885	898,755	856,219
Equipment & Intangible Assets	15,814	15,814	0	0	0
Grants	12,716,019	13,157,933	13,205,681	13,273,681	13,273,681
Benefits & Claims	250	300	100	100	100
Transfers	771,800	907,521	1,521,605	1,521,605	1,521,605
Total Expenditures	\$17,486,494	\$18,503,737	\$18,668,461	\$19,090,901	\$19,055,869
General Fund	1,636,426	1,928,111	1,991,285	2,146,261	2,128,221
State/Other Special Rev. Funds	149,140	156,756	136,756	204,756	204,756
Federal Spec. Rev. Funds	15,700,928	16,418,870	16,540,420	16,739,884	16,722,892
Total Funds	\$17,486,494	\$18,503,737	\$18,668,461	\$19,090,901	\$19,055,869
Total Ongoing	\$17,486,494	\$18,503,737	\$18,668,461	\$19,090,901	\$19,055,869
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Military Affairs, 21-Disaster and Emergency Services Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	4,274,482	0	8,090,000	12,364,482	26.74 %
02170 SAR DES Off Road Vehicle	400,308	0	0	400,308	97.75 %
02335 DES Training Conference	9,204	0	0	9,204	2.25 %
State Special Total	\$409,512	\$0	\$0	\$409,512	0.89 %
03134 DES Emergency Mgmt Perf 97.042	10,784,437	0	0	10,784,437	32.23 %
03143 DES Homeland Security 97.067	15,260,854	0	0	15,260,854	45.61 %
03166 DES Hazard Mitigation 97.039	2,668,860	0	0	2,668,860	7.98 %
03191 DES Pre-Disaster Mit 97.047	3,398,929	0	0	3,398,929	10.16 %
03208 DES Hazardous Materials 20.703	360,176	0	0	360,176	1.08 %
03239 DES Flood Mitigation 97.029	862,326	0	0	862,326	2.58 %
03267 Nonprofit Security 97.008	106,381	0	0	106,381	0.32 %
03429 Disaster & Emergency Services	2,204	0	0	2,204	0.01 %
03717 Nat Earthquake Haz Red Prg	12,142	0	0	12,142	0.04 %
03939 L Cybersecurity Grant	6,467	0	0	6,467	0.02 %
Federal Special Total	\$33,462,776	\$0	\$0	\$33,462,776	72.37 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$38,146,770	\$0	\$8,090,000	\$46,236,770	

*HB 2 Appropriations*General Fund

General fund supports administrative and coordination functions, with these primarily being funded by 50.0% general fund within the program.

State Special Revenue

Over 95.0% of state special revenue authority is within search and rescue activities as funded through surcharges in conservation licenses and off-road vehicle licenses.

Federal Special Revenue

The primary funding for this program is from federal special revenue funds. As a part of this funding, 50.0% of administrative and coordination functions generally come from federal funds. When it comes to disaster coordination functions, federal special revenue funds are generally used to fund 100.0% of these expenditures.

*Statutory Appropriations*General Fund

The largest portion of the statutory appropriations within this program is from the disaster resiliency fund. This fund is appropriated \$4.0 million each fiscal year. Appropriations for this are to be used towards state and local mitigation projects, mitigation project management, and matching funds for hazardous material grants. The relatively small remaining appropriation from the general fund are to be utilized towards the Civil Air Patrol. This appropriation was statutorily appropriated through HB 676 of the 2019 Legislative Session with the sunset of this being extended through FY 2031 by HB 274 of the 2023 Legislative Session.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Disaster and Emergency Services 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	1,991,285	136,756	16,540,420	18,668,461	97.8%	1,991,285	136,756	16,540,420	18,668,461	98.0%
Statewide PL										
Personal Services	137,415	0	182,155	319,570	1.7%	140,642	0	186,432	327,074	1.7%
Fixed Costs	19,136	0	19,137	38,273	0.2%	(2,642)	0	(2,642)	(5,284)	(0.0%)
Inflation Deflation	(1,575)	0	(1,575)	(3,150)	(0.0%)	(1,064)	0	(1,065)	(2,129)	(0.0%)
Total Statewide PL	154,976	0	199,717	354,693	1.9%	136,936	0	182,725	319,661	1.7%
Present Law (PL)	0	68,000	(253)	67,747	0.4%	0	68,000	(253)	67,747	0.4%
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	154,976	68,000	199,464	422,440	2.2%	136,936	68,000	182,472	387,408	2.0%
Total Budget	2,146,261	204,756	16,739,884	19,090,901		2,128,221	204,756	16,722,892	19,055,869	

Present Law Adjustments

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

Present Law Adjustments										
-----Fiscal 2026-----						-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	137,415	0	182,155	319,570	0.00	140,642	0	186,432	327,074
DP 2 - Fixed Costs	0.00	19,136	0	19,137	38,273	0.00	(2,642)	0	(2,642)	(5,284)
DP 3 - Inflation Deflation	0.00	(1,575)	0	(1,575)	(3,150)	0.00	(1,064)	0	(1,065)	(2,129)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	0	0	(253)	(253)	0.00	0	0	(253)	(253)
DP 2101 - DES Search and Rescue State Special Revenue	0.00	0	68,000	0	68,000	0.00	0	68,000	0	68,000
Grand Total All Present Law Adjustments	0.00	\$154,976	\$68,000	\$199,464	\$422,440	0.00	\$136,936	\$68,000	\$182,472	\$387,408

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

DP 2101 - DES Search and Rescue State Special Revenue -

The legislature adopted an increase in state special revenue authority from the search and rescue (SAR) state special revenue fund. This increase in authority will be used towards county SAR programs to aid in missions, training, and equipment needs.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	25.00	39.00	39.00	14.00	28.0%
General Fund	1,793,051	3,744,634	3,795,085	3,953,617	110.2%
State/Other Special Rev. Funds	1,038,411	1,342,204	1,296,026	561,408	27.0%
Total Funds	2,831,462	5,086,838	5,091,111	4,515,025	79.7%
Personal Services	2,458,166	3,201,262	3,211,353	1,496,283	30.4%
Operating Expenses	294,196	1,569,976	1,563,158	2,544,742	432.5%
Equipment & Intangible Assets		75,000	75,000	150,000	0.0%
Grants	35,000	172,500	172,500	275,000	392.9%
Benefits & Claims	100	100	100		0.0%
Transfers	20,000	20,000	20,000		0.0%
Debt Service	24,000	48,000	49,000	49,000	102.1%
Total Expenditures	2,831,462	5,086,838	5,091,111	4,515,025	79.7%
Total Ongoing	2,831,462	4,936,838	4,941,111	4,215,025	74.4%
Total One-Time-Only		150,000	150,000	300,000	0.0%

Program Description

The Veterans' Affairs Program assists discharged veterans and their families, cooperates with state and federal agencies, promotes the general welfare of veterans, and provides information on veterans' benefits. The program also administers the veterans' cemeteries located at Miles City, Fort Harrison in Helena, and Missoula. The Board of Veterans' Affairs is administratively attached to the Department of Military Affairs and operates under a state mandate provided in Title 10, Chapter 2, MCA.

Program Highlights

Veterans' Affairs Program Major Budget Highlights
<ul style="list-style-type: none"> The legislature adopted appropriations for the Veterans' Affairs Program's 2027 biennium that are approximately \$4.5 million or 79.7% higher than the FY 2025 base budget. Significant changes include: <ul style="list-style-type: none"> An increase in general fund of \$3.8 million for 14.00 PB to convert from modified positions to permanent, as well as the associated operating expenses An increase of \$685,000 in state special revenue to fund operating expenses in Veteran Service Offices as well as Veterans' Affairs Cemeteries

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	2,112,112	2,116,309	2,458,166	3,201,262	3,211,353
Operating Expenses	241,105	246,226	294,196	1,569,976	1,563,158
Equipment & Intangible Assets	0	0	0	75,000	75,000
Grants	30,000	35,000	35,000	172,500	172,500
Benefits & Claims	0	100	100	100	100
Transfers	0	0	20,000	20,000	20,000
Debt Service	22,393	24,000	24,000	48,000	49,000
Total Expenditures	\$2,405,610	\$2,421,635	\$2,831,462	\$5,086,838	\$5,091,111
General Fund	1,570,156	1,570,593	1,793,051	3,744,634	3,795,085
State/Other Special Rev. Funds	835,454	851,042	1,038,411	1,342,204	1,296,026
Total Funds	\$2,405,610	\$2,421,635	\$2,831,462	\$5,086,838	\$5,091,111
Total Ongoing	\$2,405,610	\$2,421,635	\$2,831,462	\$4,936,838	\$4,941,111
Total OTO	\$0	\$0	\$0	\$150,000	\$150,000

Funding

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

Department of Military Affairs, 31-Veterans' Affairs Program Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	7,539,719	0	0	7,539,719	66.37 %
02002 Purple Heart & Higher Schlshp	25,000	0	0	25,000	0.65 %
02214 Veterans Affairs Cemeteries	0	0	1,182,419	1,182,419	30.95 %
02222 Patriotic License Plate Fees	160,266	0	0	160,266	4.19 %
02457 Veterans Affairs HB701 SSR	1,046,096	0	0	1,046,096	27.38 %
02548 Veterans Affairs SB401	1,406,868	0	0	1,406,868	36.82 %
State Special Total	\$2,638,230	\$0	\$1,182,419	\$3,820,649	33.63 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$10,177,949	\$0	\$1,182,419	\$11,360,368	

HB 2 Appropriations

General Fund

General fund appropriations support general functions of the program, with the largest portion of appropriations going towards personal services.

State Special Revenue

State special revenue funds account for a portion of the total appropriations authority in the Veterans' Affairs Program. The state special revenue accounts provide various support, which include:

- Veteran's services account, enacted by the 2003 Legislature, allocated proceeds from the sale of veterans' specialty license plates and a portion of all motor vehicle registration revenues that are deposited into the general fund each year. The 2013 Legislature increased the percentage of motor vehicle fees deposited into this fund from 0.64% to 0.81%
- Patriotic license plate fees account receives revenue from a \$15 surcharge on original licensing and renewal of patriotic license plates issued in Montana
- Purple heart and higher medal scholarship account was revised by the 2019 Legislature. The legislature transferred \$50,000 of general fund into the account and required that the state special revenue appropriation be included in the base budget for future biennia
- Veteran's affairs HB 701 is the state special revenue fund that was established to receive marijuana taxes in the 2021 Session. In this bill, the program is to receive 3.0%, or \$200,000, whichever is less, often times being the \$200,000

Statutory AppropriationsState Special Revenue

The Veterans' Affairs Division has a statutory appropriation for the operation of the Montana Veteran's Cemetery Program. The state special revenue account is funded through a portion of motor vehicle registration fees, cemetery plot allowances, and donations.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Veterans' Affairs Program 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	1,793,051	1,038,411	0	2,831,462	55.7%	1,793,051	1,038,411	0	2,831,462	55.6%
Statewide PL										
Personal Services	(101,474)	(67,649)	0	(169,123)	(3.3%)	(95,419)	(63,613)	0	(159,032)	(3.1%)
Fixed Costs	14,427	4,809	0	19,236	0.4%	13,222	4,408	0	17,630	0.3%
Inflation Deflation	(1,730)	(576)	0	(2,306)	(0.0%)	(1,170)	(389)	0	(1,559)	(0.0%)
Total Statewide PL	(88,777)	(63,416)	0	(152,193)	(3.0%)	(83,367)	(59,594)	0	(142,961)	(2.8%)
Present Law (PL)	0	367,209	0	367,209	7.2%	0	317,209	0	317,209	6.2%
New Proposals	2,040,360	0	0	2,040,360	40.1%	2,085,401	0	0	2,085,401	41.0%
Total HB 2 Adjustments	1,951,583	303,793	0	2,255,376	44.3%	2,002,034	257,615	0	2,259,649	44.4%
Total Budget	3,744,634	1,342,204	0	5,086,838		3,795,085	1,296,026	0	5,091,111	

Present Law Adjustments

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

Present Law Adjustments										
-----Fiscal 2026-----						-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services										
	0.00	(101,474)	(67,649)	0	(169,123)	0.00	(95,419)	(63,613)	0	(159,032)
DP 2 - Fixed Costs										
	0.00	14,427	4,809	0	19,236	0.00	13,222	4,408	0	17,630
DP 3 - Inflation Deflation										
	0.00	(1,730)	(576)	0	(2,306)	0.00	(1,170)	(389)	0	(1,559)
DP 22 - Fixed Cost Adjustment for Robert's Rules										
	0.00	0	(291)	0	(291)	0.00	0	(291)	0	(291)
DP 3103 - Veteran Affairs State Special Revenue										
	0.00	0	367,500	0	367,500	0.00	0	317,500	0	317,500
Grand Total All Present Law Adjustments										
	0.00	(\$88,777)	\$303,793	\$0	\$215,016	0.00	(\$83,367)	\$257,615	\$0	\$174,248

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

DP 3103 - Veteran Affairs State Special Revenue -

The legislature adopted an increase in state special revenue authority from the Veterans' Affairs state special revenue fund in the upcoming biennium. This increase in funding is for operating expenses for the Veteran Service Office Program and equipment replacement in the Veterans' Affairs Cemetery Program.

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals										
-----Fiscal 2026-----						-----Fiscal 2027-----				
PB	General Fund	State Special	Federal Special	Total Funds		PB	General Fund	State Special	Federal Special	Total Funds
DP 3101 - Veteran Affairs Division Program Operations										
11.00	1,711,074	0	0	1,711,074		11.00	1,756,115	0	0	1,756,115
DP 3102 - Veteran Affairs Division Additional PB										
3.00	179,286	0	0	179,286		3.00	179,286	0	0	179,286
DP 3105 - Firearm Safe Storage (RST/BIEN/OTO)										
0.00	150,000	0	0	150,000		0.00	150,000	0	0	150,000
Total	14.00	\$2,040,360	\$0	\$0	\$2,040,360	14.00	\$2,085,401	\$0	\$0	\$2,085,401

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

DP 3101 - Veteran Affairs Division Program Operations -

The legislature adopted an increase in general fund for personal services, operating expenses, and debt service. The increase in personal services is for 11.00 PB, which is a conversion of modified positions to permanent. The increase in operating expenses is supporting the nine Veteran Service Offices. Other operating expenses include office supplies and equipment, outreach costs such as motor pool and advertising, and cemetery landscaping. The portion of debt service expenditures will be used towards rent.

DP 3102 - Veteran Affairs Division Additional PB -

The legislature adopted an increase in general fund appropriations to support 3.00 PB. These appropriations are for administrative assistants located at Veteran Service Offices throughout the state.

DP 3105 - Firearm Safe Storage (RST/BIEN/OTO) -

The legislature adopted an increase in general fund appropriations for the upcoming biennium. These appropriations are designated as restricted, biennial, and one-time-only and to be used in statewide education and a grant program to promote the safe storage of firearms.