

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	711.91	742.26	742.26	30.35	2.1%
General Fund		8,120		8,120	0.0%
State/Other Special Rev. Funds	99,157,465	119,663,369	119,178,184	40,526,623	20.4%
Federal Spec. Rev. Funds	34,443,293	34,107,343	34,142,144	(637,099)	(0.9%)
Total Funds	133,600,758	153,778,832	153,320,328	39,897,644	14.9%
Personal Services	63,075,639	66,205,385	66,384,653	6,438,760	5.1%
Operating Expenses	64,045,497	80,492,192	80,289,920	32,691,118	25.5%
Equipment & Intangible Assets	1,140,054	1,741,687	1,306,187	767,766	33.7%
Grants	1,577,888	1,577,888	1,577,888		0.0%
Benefits & Claims	18,800	18,800	18,800		0.0%
Transfers	3,101,537	3,101,537	3,101,537		0.0%
Debt Service	641,343	641,343	641,343		0.0%
Total Expenditures	133,600,758	153,778,832	153,320,328	39,897,644	14.9%
Total Ongoing	133,600,758	153,066,994	153,043,990	38,909,468	14.6%
Total One-Time-Only	450,000	711,838	276,338	88,176	9.8%

Agency Description

Agency Description

Agency Mission: Montana Fish, Wildlife & Parks, through its employees and citizen commission, provides for the stewardship of the fish, wildlife, parks, and recreational resources of Montana, while contributing to the quality of life for present and future generations.

Agency Highlights

**Department of Fish, Wildlife, and Parks
Major Budget Highlights**

The legislature adopted an increase of 14.9% or \$39.9 million above FY 2025 base funding. In addition to the statewide present law adjustment of \$3.3 million, the increase includes:

- HB 2 Conditional language for policy implementation: \$15.5 million
- Aircraft and vehicle fleet rate increases: \$6.1 million
- New positions, 30.35 PB: \$5.8 million
- Game and nongame programs operational increase: \$3.9 million
- Equipment purchases: \$767,800
- USGS stream gage network support: \$630,000
- Technology and website improvements: \$575,600
- Legal unit caseload increase: \$570,500
- Proprietary maintenance increase: \$500,000
- Overtime and pay adjustments: \$478,000
- Operations increase for enforcement, parks, communications and administration: \$398,200
- One-time-only AmeriCorps operations increase: \$354,000
- Montana Outdoor Magazine operations increase: \$250,000
- Grizzly bear operations: \$240,000
- One-time-only fishing and water access site maintenance: \$237,300
- One-time-only Stream Protection Act permitting in support of MDT projects: \$214,500

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	63,838,740	65,281,995	63,075,639	66,205,385	66,384,653
Operating Expenses	53,239,719	59,181,358	64,495,497	80,492,192	80,289,920
Equipment & Intangible Assets	1,303,892	1,674,254	1,140,054	1,741,687	1,306,187
Grants	1,752,987	1,793,379	1,577,888	1,577,888	1,577,888
Benefits & Claims	19,500	27,502	18,800	18,800	18,800
Transfers	1,147,232	2,222,856	3,101,537	3,101,537	3,101,537
Debt Service	634,468	686,518	641,343	641,343	641,343
Total Expenditures	\$121,936,538	\$130,867,862	\$134,050,758	\$153,778,832	\$153,320,328
General Fund	0	0	0	8,120	0
State/Other Special Rev. Funds	89,204,489	97,186,403	99,607,465	119,663,369	119,178,184
Federal Spec. Rev. Funds	32,732,049	33,681,459	34,443,293	34,107,343	34,142,144
Total Funds	\$121,936,538	\$130,867,862	\$134,050,758	\$153,778,832	\$153,320,328
Total Ongoing	\$121,895,196	\$130,287,862	\$133,600,758	\$153,066,994	\$153,043,990
Total OTO	\$41,342	\$580,000	\$450,000	\$711,838	\$276,338

Summary of Legislative Action

The legislature approved a biennial budget of approximately \$307.1 million, which includes \$267.2 million in base funding and \$24.2 million in present law adjustments and new proposals. Most of the additional funding comes from state special revenue sources, while federal funding authority decreased by \$637,100. For the 2027 biennium, the legislature also allocated a small amount of general fund money to design a specialty license plate, as directed by HB 855. Additionally, HB 2 includes conditional language granting approximately \$15.5 million in authority to implement various bills affecting the Department of Fish, Wildlife, and Parks.

The personal services budget increased by 5.1%, or \$6.4 million. This increase includes \$1.6 million for statewide present law adjustments, such as overtime and pay changes, and \$4.8 million to fund 30.35 new positions. The table below provides a summary of these personal services increases.

The Department of Fish, Wildlife, and Parks Personal Services Adjustments				
<u>Changes</u>	<u>Positions Budgeted</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>Total</u>
DP 1 - Personal Services	-	\$487,159	\$651,540	\$1,138,699
DP 102 - Mobile App Resources	1.00	97,227	98,505	195,732
DP 401 - Sergeant Pay Adjustment	-	88,594	88,594	177,188
DP 402 - Game Warden Resources	7.00	673,990	673,990	1,347,980
DP 405 - Overtime Base Adjustment Request	-	150,389	150,389	300,778
DP 605 - State Parks Statewide Resources	7.35	429,586	429,633	859,219
DP 801 - Education Technician Resources	7.00	457,455	457,455	914,910
DP 901 - Land & Water Hydrology Resources	1.00	79,436	100,403	179,839
DP 904 - Aircraft Pilot Resources	1.00	105,441	105,986	211,427
DP 906 - Research Unit Resources	2.00	210,337	206,014	416,351
DP 907 - FWP Genetics Program Resources	2.00	158,017	154,390	312,407
DP 910 - Statewide Fish Health Resources	2.00	192,115	192,115	384,230
Total Changes	30.35	\$3,129,746	\$3,309,014	\$6,438,760

Authority for conditional language

The legislature included language in HB 2 that increases appropriation authority by \$15.5 million for operational expenses, primarily funded through state special revenue and a small portion of general fund. This funding supports several bills related to hunting and wildlife management in Montana.

The largest increase in authority authorized by language totals \$14.4 million in state special revenue for HB 145. HB 145 raised the nonresident base hunting license fee from \$15.00 to \$50.00 and increasing the distribution of these revenues to the general fund from \$5.00 to \$10.00 and the hunting access account from \$10.00 to \$40.00.

Additional language authorized \$1.1 million in state special revenue to support other legislation, including bills focused on hunting, snowmobile trail maintenance, and accessibility programs for bowhunters with disabilities. Key measures include:

- **HB 330:** Allows the Montana Fish and Wildlife Commission to annually issue one antelope and one swan license through a competitive auction or lottery.
- **HB 568:** Requires a study on the impact of nonresident hunters on local wildlife populations, with findings to be made public.
- **SB 165:** Implements a \$5 trail enhancement fee on snowmobile rentals in groomed areas supported by the Department of Fish, Wildlife, and Parks.
- **SB 238:** Establishes a program for Bowhunters with Disabilities, creates a dedicated revenue account, and authorizes a \$1 voluntary donation option during hunting license purchases.

Finally, HB 855 received \$8,120 in general fund authority in the first year of the biennium to establish a special revenue account for wildlife highway crossings. This account will be funded through donations and specialty license plate sales. This general fund appropriation is one-time-only and will not be included in the 2029 biennium base budget.

Other authority for operations and equipment

The legislature approved \$17.2 million in increased operating costs, of which approximately \$906,700 (or 5.3%) is designated as one-time-only funding.

The legislature approved a \$6.1 million increase in budget authority to support the operation and maintenance of the agency's aircraft and vehicle fleets. The agency operates four helicopters and four fixed-wing aircraft used for aerial wildlife surveys, remote fish stocking, transportation, and various other missions. In addition, the agency maintains a fleet of specialized vehicles equipped for law enforcement, off-highway travel, fisheries operations, research, and equipment transport.

Operations funding was increased by \$3.9 million to support activities such as wildlife surveys and monitoring of game and nongame species, chronic wasting disease (CWD) surveillance and response, conflict management for bears, mountain lions, and wolves, and upland game bird habitat programs.

An additional \$2.7 million in budget authority was approved for technology initiatives. This includes the development of mobile applications, ongoing website support, and broader efforts in technology modernization.

Other operational funding increases include support for legal unit caseloads, the stream gauge monitoring network, public communications, irrigation improvement projects, weed control at fishing access sites, AmeriCorps participation, Smith River corridor operations, game warden activities, and supplemental funding for *Montana Outdoors* magazine.

The legislature approved \$767,800 in increased authority for new equipment, with \$435,500 (56.7%) designated as one-time-only funding for items such as new trucks, utility terrain vehicles (UTVs), snowmobiles, and parks equipment. The ongoing funding supports the annual replacement of equipment for law enforcement, wildlife management, and communications.

Lastly, the legislature authorized a \$1.1 million shift in funding from federal sources to state special revenue. This change was prompted by the U.S. Coast Guard's identification of deficiencies in Montana's boating license requirements, which would have required costly and complex statutory changes. To avoid increased regulatory burden for boaters and preserve the current program, federal funds were replaced with revenue from the general license account.

Funding

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

Total Department of Fish, Wildlife, and Parks 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	8,120				8,120	0.0%
02409 General License	156,271,769	838,676		1,114,826	158,225,271	45.9%
02334 Hunting Access	39,665,805				39,665,805	11.5%
02411 State Parks Miscellaneous	18,657,409	149,500		124,702	18,931,611	5.5%
02274 FWP Accommodations Tax				9,625,508	9,625,508	2.8%
02284 Aquatic Invasive Species	5,175,569				5,175,569	1.5%
Other State Special Revenue	18,082,825			226,298	18,309,123	5.3%
State Special Revenue Total	237,853,377	988,176	-	11,091,334	249,932,887	72.4%
03097 Fish(WB)-Wildlf(Pr) Restor Gmt	51,937,867			625,400	52,563,267	15.2%
03403 Misc Federal Funds	14,388,437				14,388,437	4.2%
03408 State Wildlife Grants	1,616,845				1,616,845	0.5%
03098 Parks Federal Revenue	225,816				225,816	0.1%
03129 USFWS Section 6	80,522				80,522	0.0%
Federal Special Revenue Total	68,249,487	-	-	625,400	68,874,887	20.0%
06513 FWP Maintenance Fund			15,798,287		15,798,287	4.6%
06502 FWP Fleet Fund			7,767,210		7,767,210	2.3%
06540 DFWP Aircraft			1,349,034		1,349,034	0.4%
06068 MFWP Visitor Services			1,117,356		1,117,356	0.3%
06503 F & G Warehouse Inventory			208,372		208,372	0.1%
Proprietary Fund Total	-	-	26,240,259	-	26,240,259	7.6%
Total of All Funds	306,110,984	988,176	26,240,259	11,716,734	345,056,153	
Percent of All Sources of Authority	88.7%	0.3%	7.6%	3.4%		

Fish, Wildlife, and Parks is funded by state special revenue and federal revenue sources. State special revenue comes from fees for hunting, fishing, and other recreational activities. Federal sources are predominately derived from federal excise taxes on hunting and fishing equipment, grants for endangered species, and state wildlife grants. One state special revenue fund, the general license account, accounts for about half of the total funding for the agency. Statutory funds are primarily state special revenue generated from lodging taxes and are used for maintenance on the state park system; these funds may be matched with federal funds. Other statutory appropriations support PILT or Payment In Lieu Of Taxes, aquatic invasive species mitigation, and habitat projects.

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 Fish, Wildlife, and Parks 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	99,157,465	34,443,293	133,600,758	86.9%	0	99,157,465	34,443,293	133,600,758	87.1%
Statewide PL										
Personal Services	0	542,003	(54,844)	487,159	0.3%	0	685,947	(34,407)	651,540	0.4%
Fixed Costs	0	1,297,450	0	1,297,450	0.8%	0	1,241,117	0	1,241,117	0.8%
Inflation Deflation	0	(112,379)	(89,664)	(202,043)	(0.1%)	0	(75,951)	(60,600)	(136,551)	(0.1%)
Total Statewide PL	0	1,727,074	(144,508)	1,582,566	1.0%	0	1,851,113	(95,007)	1,756,106	1.1%
Present Law (PL)	0	6,649,328	0	6,649,328	4.3%	0	6,827,820	0	6,827,820	4.5%
New Proposals	8,120	12,129,502	(191,442)	11,946,180	7.8%	0	11,341,786	(206,142)	11,135,644	7.3%
Total HB 2 Adjustments	8,120	20,505,904	(335,950)	20,178,074	13.1%	0	20,020,719	(301,149)	19,719,570	12.9%
Total Budget	8,120	119,663,369	34,107,343	153,778,832		0	119,178,184	34,142,144	153,320,328	

Other Legislation

HB 145 increases the cost of the nonresident base hunting license, raising the price from \$15.00 to \$50.00. The bill also adjusts the distribution of the revenue generated from these licenses. The allocation to the general license account will increase from \$5.00 to \$10.00 per license, while the amount distributed to the hunting access account will rise from \$10.00 to \$40.00 per license.

HB 146 establishes a fee for sandhill crane and swan licenses and increases the license fee for migratory birds.

HB 330 creates a license auction for an antelope and swan tag to raise funds for the species' management.

HB 568 directs the department to conduct a study of nonresident impacts on deer, elk, upland game bird, and waterfowl hunting in the state and in each of the fish and wildlife commission's administrative regions.

HB 855 creates a new state special revenue account "Wildlife Highway Crossings and Accommodations Account." The bill also provides revenue to the account through revenues generated by the sale of new state specialty license plates. Funds in the new account are to be used for the for the design, construction identification, and maintenance of wildlife crossings.

SB165 creates a \$5.00 rental fee for snowmobiles and other motorized equipment. The fee is to be used by the department or distributed by the department to entities that groom trails.

SB 238 creates a Bowhunters with Disabilities program, establishes the "Supporting Bowhunters with Disabilities" state special revenue account, and creates an option to donate \$1.00 to the account when purchasing a hunting license.

HB 74 increases the fee for private fishpond permits from \$10 to \$600 and increases the annual renewal fee from \$10 to \$250. The additional revenue will be credited to the general license state special revenue account.

HB 3 provides the agency with supplemental funding for the 2025 biennium totaling \$1.5 million in state special revenue. In October 2024 the Nevada Lake Wildlife Management Area prescribed burn escaped the planned boundaries. As a result, the agency incurred additional suppression costs totaling \$950,000. The agency also received supplemental funding for legal costs related to the endangered species act totaling \$500,000.

HB 5 provides the agency with authority over several years to complete major repair and capital development projects.

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	63,075,639	66,205,386	66,205,385	(1)	66,384,653	66,384,653	0	(1)
Operating Expenses	64,495,497	73,251,165	80,492,192	7,241,027	73,056,741	80,289,920	7,233,179	14,474,206
Equipment & Intangible Assets	1,140,054	1,741,687	1,741,687	0	1,306,187	1,306,187	0	0
Capital Outlay	0	0	0	0	0	0	0	0
Grants	1,577,888	1,577,888	1,577,888	0	1,577,888	1,577,888	0	0
Benefits & Claims	18,800	18,800	18,800	0	18,800	18,800	0	0
Transfers	3,101,537	3,101,537	3,101,537	0	3,101,537	3,101,537	0	0
Debt Service	641,343	641,343	641,343	0	641,343	641,343	0	0
Total Costs	\$134,050,758	\$146,537,806	\$153,778,832	\$7,241,026	\$146,087,149	\$153,320,328	\$7,233,179	\$14,474,205
General Fund	0	0	8,120	8,120	0	0	0	8,120
State/other Special Rev. Funds	99,607,465	112,430,463	119,663,369	7,232,906	111,945,005	119,178,184	7,233,179	14,466,085
Federal Spec. Rev. Funds	34,443,293	34,107,343	34,107,343	0	34,142,144	34,142,144	0	0
Other	0	0	0	0	0	0	0	0
Total Funds	\$134,050,758	\$146,537,806	\$153,778,832	\$7,241,026	\$146,087,149	\$153,320,328	\$7,233,179	\$14,474,205
Total Ongoing	\$133,600,758	\$145,944,593	\$153,066,994	\$7,122,401	\$145,929,436	\$153,043,990	\$7,114,554	\$14,236,955
Total OTO	\$450,000	\$593,213	\$711,838	\$118,625	\$157,713	\$276,338	\$118,625	\$237,250

For the biennium, the budget adopted by the legislature is \$14.5 million higher than the executive proposals. In addition to the executive proposals, the legislature adopted:

Increased authority from state special revenue by \$15.5 million to support the following bills:

- HB 145 Revise fee for nonresident base hunting license: \$14.4 million
- HB 330 Create auction or lottery licenses for antelope and swans: \$75,500
- HB 568 Provide for the Montana Hunters First Act: \$120,000
- SB 165 Revise business laws relating to snowmobile rental and trail maintenance: \$761,700
- SB 238 Allow hunters to donate funds for archery equipment for disabled bowhunters: \$117,800
- HB 855 Establish Fish, Wildlife, and Parks highway crossings and accommodation account: \$8,120 (General Fund)

The legislature also adopted:

- Fishing and stream access site maintenance: \$237,250
- One-time-only AmeriCorps operations increase: \$354,000
- Adjustments to fixed costs: (\$5,628)

The legislature did not adopt:

- The legislature did not approve nongame program increase: (\$1.6 million)

Language

The Department of Fish, Wildlife, and Parks is authorized to adjust the appropriations between state special revenue and federal special revenue by like amounts in order to respond to increases or reductions in annual federal funding received during the biennium.

The snowmobile trail groomer appropriation in the Parks and Outdoor Recreation Division of \$300,000 a year is biennial.

The Department of Fish, Wildlife, and Parks shall report to the Environmental Quality Council and the Joint Interim Budget Committee for Natural Resources and Transportation by the first day of December of each year of the 2027 Biennium on the actual habitat enhanced and actual areas treated for weeds.

If HB 145 is passed and approved, the Department of Fish, Wildlife, and Parks is increased by \$7,201,710 state special revenue in FY 2026 and \$7,201,710 state special revenue in FY 2027.

If HB 330 is passed and approved, the Department of Fish, Wildlife, and Parks is increased by \$37,724 state special revenue in FY 2026 and \$37,724 state special revenue in FY 2027.

If HB 568 is passed and approved, the Department of Fish, Wildlife, and Parks is increased by \$120,000 state special revenue in FY 2026.

If HB 855 is passed and approved, the Department of Fish, Wildlife, and Parks is increased by \$8,120 general fund in FY 2026.

If SB 165 is passed and approved, the Department of Fish, Wildlife, and Parks is increased by \$380,835 state special revenue in FY 2026 and \$380,835 state special revenue in FY 2027.

If SB 238 is passed and approved, the Department of Fish, Wildlife, and Parks is increased by \$33,648 state special revenue in FY 2026 and \$84,121 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	39.00	40.00	40.00	1.00	1.3%
State/Other Special Rev. Funds	8,642,397	10,135,261	10,107,169	2,957,636	17.1%
Federal Spec. Rev. Funds	167,895	167,895	167,895		0.0%
Total Funds	8,810,292	10,303,156	10,275,064	2,957,636	16.8%
Personal Services	4,045,921	4,163,186	4,172,478	243,822	3.0%
Operating Expenses	4,608,918	5,984,517	5,947,133	2,713,814	29.4%
Equipment & Intangible Assets	53,111	53,111	53,111		0.0%
Transfers	102,342	102,342	102,342		0.0%
Total Expenditures	8,810,292	10,303,156	10,275,064	2,957,636	16.8%
Total Ongoing	8,810,292	10,303,156	10,275,064	2,957,636	16.8%
Total One-Time-Only					0.0%

Program Description

The Technology Services Division is responsible for FWP's technology infrastructure and website frameworks; software development; technology related oversight and guidance to ensure business alignment; collection, analysis, and dissemination of biological and geographical information via GIS technology; and user support, to ensure consistent and effective use of technology expenditures, products, and services. The division is designed with the state's enterprise principles, sustainable and achievable service levels, and the department's mission in mind.

Program Highlights

Technical Services Division Major Budget Highlights
<p>The legislature approved an increase of 16.8% or \$3.0 million above base funding. In addition to statewide present law adjustments of \$2.2 million, this includes:</p> <ul style="list-style-type: none"> • Technology updates: \$425,600 • MyFWP website mobile application 1.00 PB: \$217,700 • Website support: \$150,000

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	3,590,701	3,872,491	4,045,921	4,163,186	4,172,478
Operating Expenses	3,985,877	4,625,777	4,608,918	5,984,517	5,947,133
Equipment & Intangible Assets	9,483	53,111	53,111	53,111	53,111
Transfers	0	102,342	102,342	102,342	102,342
Debt Service	55,046	56,000	0	0	0
Total Expenditures	\$7,641,107	\$8,709,721	\$8,810,292	\$10,303,156	\$10,275,064
State/Other Special Rev. Funds	7,497,240	8,541,826	8,642,397	10,135,261	10,107,169
Federal Spec. Rev. Funds	143,867	167,895	167,895	167,895	167,895
Total Funds	\$7,641,107	\$8,709,721	\$8,810,292	\$10,303,156	\$10,275,064
Total Ongoing	\$7,641,107	\$8,709,721	\$8,810,292	\$10,303,156	\$10,275,064
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Fish, Wildlife, and Parks, 01-Technical Services 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 %
02409 General License	20,242,430	0	0	20,242,430	100.00 %
State Special Total	\$20,242,430	\$0	\$0	\$20,242,430	98.37 %
03403 Misc Federal Funds	335,790	0	0	335,790	100.00 %
Federal Special Total	\$335,790	\$0	\$0	\$335,790	1.63 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$20,578,220	\$0	\$0	\$20,578,220	

The Technical Services Division is funded primarily from state special revenue, and federal sources that fund less than 2.0% of the program. State special revenue is from the general license account. Revenues include the sale of fishing and hunting licenses, camping fees, permit sales, and other miscellaneous revenue.

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.

Technical 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	0	8,642,397	167,895	8,810,292	85.5%	0	8,642,397	167,895	8,810,292	85.7%
Statewide PL										
Personal Services	0	20,038	0	20,038	0.2%	0	28,052	0	28,052	0.3%
Fixed Costs	0	1,076,798	0	1,076,798	10.5%	0	1,039,415	0	1,039,415	10.1%
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Statewide PL	0	1,096,836	0	1,096,836	10.6%	0	1,067,467	0	1,067,467	10.4%
Present Law (PL)	0	75,000	0	75,000	0.7%	0	75,000	0	75,000	0.7%
New Proposals	0	321,028	0	321,028	3.1%	0	322,305	0	322,305	3.1%
Total HB 2 Adjustments	0	1,492,864	0	1,492,864	14.5%	0	1,464,772	0	1,464,772	14.3%
Total Budget	0	10,135,261	167,895	10,303,156		0	10,107,169	167,895	10,275,064	

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	20,038	0	20,038	0.00	0	28,052	0	28,052
DP 2 - Fixed Costs	0.00	0	1,076,798	0	1,076,798	0.00	0	1,039,415	0	1,039,415
DP 103 - Website Support	0.00	0	75,000	0	75,000	0.00	0	75,000	0	75,000
Grand Total All Present Law Adjustments	0.00	\$0	\$1,171,836	\$0	\$1,171,836	0.00	\$0	\$1,142,467	\$0	\$1,142,467

*"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: warrant writer, motor pool, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 103 - Website Support -

The legislature adopted an appropriation of state special revenue to update the FWP website. The FWP website is the main source of public information.

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 101 - Technology Modernization	0.00	0	212,800	0	212,800	0.00	0	212,800	0	212,800
DP 102 - Mobile App Resources	1.00	0	108,228	0	108,228	1.00	0	109,505	0	109,505
Total	1.00	\$0	\$321,028	\$0	\$321,028	1.00	\$0	\$322,305	\$0	\$322,305

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

DP 101 - Technology Modernization -

The legislature adopted appropriations of state special revenue for technology updates.

DP 102 - Mobile App Resources -

The legislature adopted increased state special authority to fund 1.00 new PB. The new position will support the MyFWP mobile application.

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	173.69	173.69	173.69	0.00	0.0%
State/Other Special Rev. Funds	10,926,591	11,110,642	11,132,099	389,559	1.8%
Federal Spec. Rev. Funds	13,586,508	13,587,765	13,616,094	30,843	0.1%
Total Funds	24,513,099	24,698,407	24,748,193	420,402	0.9%
Personal Services	13,538,505	13,672,484	13,704,147	299,621	1.1%
Operating Expenses	8,846,227	8,897,556	8,915,679	120,781	0.7%
Equipment & Intangible Assets	385,000	385,000	385,000		0.0%
Grants	307,070	307,070	307,070		0.0%
Benefits & Claims	3,000	3,000	3,000		0.0%
Transfers	1,420,392	1,420,392	1,420,392		0.0%
Debt Service	12,905	12,905	12,905		0.0%
Total Expenditures	24,513,099	24,698,407	24,748,193	420,402	0.9%
Total Ongoing	24,513,099	24,591,166	24,640,952	205,920	0.4%
Total One-Time-Only		107,241	107,241	214,482	0.0%

Program Description

The Fisheries Division is responsible for preserving, maintaining, and enhancing aquatic species and their ecosystems to meet the public's demand for recreational opportunities and stewardship of aquatic wildlife. Primary functions of the division include collection and analysis of fisheries data, fish stocking, establishing fishing regulations, habitat conservation and management, preserving aquatic resources, and maintaining sound fish populations and opportunities to enjoy them. The division formulates and implements policies and programs that emphasize management for wild fish populations and the protection and restoration of habitat necessary to maintain these populations. The division is responsible for:

- Aquatic Invasive Species Program
- Fisheries Mitigation Program
- Managing and protecting fish and fish habitats
- Operating a hatchery program to stock lakes and reservoirs where natural reproduction is limited
- Regulating angler harvests

Program Highlights

Fisheries Division Major Budget Highlights
The legislature approved an increase of 0.9% or \$420,400 above base funding which includes a statewide present law adjustment of \$205,900 and \$214,500 to support a Stream Protection Act permitting technician.

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	13,323,663	13,613,178	13,538,505	13,672,484	13,704,147
Operating Expenses	7,888,505	8,390,096	8,846,227	8,897,556	8,915,679
Equipment & Intangible Assets	724,980	789,200	385,000	385,000	385,000
Grants	202,645	211,870	307,070	307,070	307,070
Benefits & Claims	6,000	6,000	3,000	3,000	3,000
Transfers	18,406	723,642	1,420,392	1,420,392	1,420,392
Debt Service	13,076	13,080	12,905	12,905	12,905
Total Expenditures	\$22,177,275	\$23,747,066	\$24,513,099	\$24,698,407	\$24,748,193
State/Other Special Rev. Funds	9,996,648	11,249,625	10,926,591	11,110,642	11,132,099
Federal Spec. Rev. Funds	12,180,627	12,497,441	13,586,508	13,587,765	13,616,094
Total Funds	\$22,177,275	\$23,747,066	\$24,513,099	\$24,698,407	\$24,748,193
Total Ongoing	\$22,177,275	\$23,747,066	\$24,513,099	\$24,591,166	\$24,640,952
Total OTO	\$0	\$0	\$0	\$107,241	\$107,241

Funding

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

Department of Fish, Wildlife, and Parks, 03-Fisheries 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 %
02148 Paddlefish Roe Account	52,932	0	0	52,932	0.24 %
02284 Aquatic Invasive Species	5,175,569	0	0	5,175,569	23.27 %
02409 General License	17,014,240	0	0	17,014,240	76.49 %
State Special Total	\$22,242,741	\$0	\$0	\$22,242,741	44.98 %
03097 Fish(WB)-Wldlf(Pr) Restor Gmt	13,449,195	0	0	13,449,195	49.44 %
03129 USFWS Section 6	80,522	0	0	80,522	0.30 %
03403 Misc Federal Funds	12,827,261	0	0	12,827,261	47.15 %
03408 State Wildlife Grants	846,881	0	0	846,881	3.11 %
Federal Special Total	\$27,203,859	\$0	\$0	\$27,203,859	55.02 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$49,446,600	\$0	\$0	\$49,446,600	

The division is funded from state special revenue and federal sources. State special revenue is primarily funded from the general license account, which derives revenue from the sale of fishing and hunting licenses, camping fees, permit sales, a portion of vehicle license fees and other miscellaneous revenue. Revenues for aquatic invasive species come primarily from fees charged to anglers, and boat owners.

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.

Fisheries 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	10,926,591	13,586,508	24,513,099	99.2%	0	10,926,591	13,586,508	24,513,099	99.1%
Statewide PL										
Personal Services	0	108,376	25,603	133,979	0.5%	0	119,601	46,041	165,642	0.7%
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	0	(31,566)	(24,346)	(55,912)	(0.2%)	0	(21,334)	(16,455)	(37,789)	(0.2%)
Total Statewide PL	0	76,810	1,257	78,067	0.3%	0	98,267	29,586	127,853	0.5%
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	0	107,241	0	107,241	0.4%	0	107,241	0	107,241	0.4%
Total HB 2 Adjustments	0	184,051	1,257	185,308	0.8%	0	205,508	29,586	235,094	0.9%
Total Budget	0	11,110,642	13,587,765	24,698,407		0	11,132,099	13,616,094	24,748,193	

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	108,376	25,603	133,979	0.00	0	119,601	46,041	165,642
DP 3 - Inflation Deflation	0.00	0	(31,566)	(24,346)	(55,912)	0.00	0	(21,334)	(16,455)	(37,789)
Grand Total All Present Law Adjustments	0.00	\$0	\$76,810	\$1,257	\$78,067	0.00	\$0	\$98,267	\$29,586	\$127,853

***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.

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 - SPA Coordination (OTO)	0.00	0	107,241	0	107,241	0.00	0	107,241	0	107,241
Total	0.00	\$0	\$107,241	\$0	\$107,241	0.00	\$0	\$107,241	\$0	\$107,241

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

DP 301 - SPA Coordination (OTO) -

The legislature adopted a one-time-only increase in state special revenue to fund 1.00 temporary position to perform Stream Protection Act permitting. Increased case load is anticipated due to the Department of Transportation initiative to rehabilitate or replace 500 – 700 bridges across the state of Montana over the next five years.

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	119.00	126.00	126.00	7.00	2.9%
State/Other Special Rev. Funds	15,034,105	17,035,890	16,680,217	3,647,897	12.1%
Federal Spec. Rev. Funds	595,459	46,226	46,226	(1,098,466)	(92.2%)
Total Funds	15,629,564	17,082,116	16,726,443	2,549,431	8.2%
Personal Services	11,900,370	12,902,791	12,938,743	2,040,794	8.6%
Operating Expenses	3,518,533	3,943,664	3,552,039	458,637	6.5%
Equipment & Intangible Assets	107,200	132,200	132,200	50,000	23.3%
Transfers	53,044	53,044	53,044		0.0%
Debt Service	50,417	50,417	50,417		0.0%
Total Expenditures	15,629,564	17,082,116	16,726,443	2,549,431	8.2%
Total Ongoing	15,629,564	17,082,116	16,726,443	2,549,431	8.2%
Total One-Time-Only					0.0%

Program Description

The Enforcement Division provides modern professional conservation law enforcement services to the people of Montana for the purpose of the stewardship and protection of Montana's fish, wildlife, parks, and outdoor recreational resources, to preserve the quality of life and outdoor traditions of present and future generations. The division engages in complex fish and wildlife criminal investigations aimed at unlawful trafficking and unlawful exploitation of fish and wildlife. The division is responsible for:

- Assisting with hunter education
- Assisting other law enforcement agencies as requested
- Patrolling Block management area
- Permitting Commercial wildlife
- Enforcing laws and regulations relative to lands or waters under agency jurisdiction and authority of the department such as state parks, fishing access sites, and wildlife management areas
- Enforcing laws and regulations pertaining to outfitters/guides, boating, snowmobiles, and off-highway vehicle safety and registration
- Ensuring compliance with laws and regulations pertaining to the protection and preservation of game animals, fur-bearing animals, fish, game birds, and other protected wildlife species.
- Responding to Game damage
- Managing License vendor contacts
- Managing Recreational Boating Safety Program
- Enforcing Stream access laws
- Operating TIPMONT Crimestoppers Program
- Managing Urban wildlife activities

Program Highlights

Enforcement Division Major Budget Highlights
<p>The legislature approved an increase of 8.2% or \$2.5 million above base funding. In addition to statewide present law adjustment of \$124,400 million, this includes:</p> <ul style="list-style-type: none"> • New game wardens, 7.00 PB: \$1.9 million • Overtime pay base increase: \$300,800 • Pay adjustments for sergeants: \$177,200 • Ongoing authority for equipment purchases: \$50,000 • Coast Guard funding switch of \$1.1 million from federal authority to state special revenue: \$0

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	11,022,856	11,513,676	11,900,370	12,902,791	12,938,743
Operating Expenses	2,873,573	3,169,752	3,518,533	3,943,664	3,552,039
Equipment & Intangible Assets	62,326	237,200	107,200	132,200	132,200
Benefits & Claims	1,500	1,502	0	0	0
Transfers	53,000	53,044	53,044	53,044	53,044
Debt Service	0	50,417	50,417	50,417	50,417
Total Expenditures	\$14,013,255	\$15,025,591	\$15,629,564	\$17,082,116	\$16,726,443
State/Other Special Rev. Funds	13,043,101	13,891,548	15,034,105	17,035,890	16,680,217
Federal Spec. Rev. Funds	970,154	1,134,043	595,459	46,226	46,226
Total Funds	\$14,013,255	\$15,025,591	\$15,629,564	\$17,082,116	\$16,726,443
Total Ongoing	\$14,013,255	\$14,895,591	\$15,629,564	\$17,082,116	\$16,726,443
Total OTO	\$0	\$130,000	\$0	\$0	\$0

Funding

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

Department of Fish, Wildlife, and Parks, 04-Enforcement 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 %
02115 Off-Highway Decal	118,048	0	0	118,048	0.35 %
02329 Snowmobile Fuel Tax-Enforcemnt	94,020	0	0	94,020	0.28 %
02334 Hunting Access	1,310,628	0	0	1,310,628	3.89 %
02409 General License	31,140,118	0	0	31,140,118	92.36 %
02411 State Parks Miscellaneous	271,091	0	0	271,091	0.80 %
02413 F & G Motorboat Cert Id	139,642	0	0	139,642	0.41 %
02414 Snowmobile Reg	169,976	0	0	169,976	0.50 %
02938 TLMD Trust Administration	472,584	0	0	472,584	1.40 %
State Special Total	\$33,716,107	\$0	\$0	\$33,716,107	99.73 %
03097 Fish(WB)-Wldlf(Pr) Restor Gmt	52,452	0	0	52,452	56.73 %
03403 Misc Federal Funds	40,000	0	0	40,000	43.27 %
Federal Special Total	\$92,452	\$0	\$0	\$92,452	0.27 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$33,808,559	\$0	\$0	\$33,808,559	

The largest source of funding for the division is the general license account. Revenues funding the division include the sale of fishing and hunting licenses, camping fees, permit sales, a portion of vehicle license fees, and other miscellaneous revenue. Other sources of funding come from motor vehicle registrations, snowmobile permits and pass 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.

Enforcement 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	15,034,105	595,459	15,629,564	91.5%	0	15,034,105	595,459	15,629,564	93.4%
Statewide PL										
Personal Services	0	89,448	0	89,448	0.5%	0	125,400	0	125,400	0.7%
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	0	(53,997)	0	(53,997)	(0.3%)	0	(36,494)	0	(36,494)	(0.2%)
Total Statewide PL	0	35,451	0	35,451	0.2%	0	88,906	0	88,906	0.5%
Present Law (PL)	0	263,983	0	263,983	1.5%	0	263,983	0	263,983	1.6%
New Proposals	0	1,702,351	(549,233)	1,153,118	6.8%	0	1,293,223	(549,233)	743,990	4.4%
Total HB 2 Adjustments	0	2,001,785	(549,233)	1,452,552	8.5%	0	1,646,112	(549,233)	1,096,879	6.6%
Total Budget	0	17,035,890	46,226	17,082,116		0	16,680,217	46,226	16,726,443	

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	89,448	0	89,448	0.00	0	125,400	0	125,400
DP 3 - Inflation Deflation	0.00	0	(53,997)	0	(53,997)	0.00	0	(36,494)	0	(36,494)
DP 401 - Sergeant Pay Adjustment	0.00	0	88,594	0	88,594	0.00	0	88,594	0	88,594
DP 404 - Base Equipment Authority Increase	0.00	0	25,000	0	25,000	0.00	0	25,000	0	25,000
DP 405 - Overtime Base Adjustment Request	0.00	0	150,389	0	150,389	0.00	0	150,389	0	150,389
Grand Total All Present Law Adjustments	0.00	\$0	\$299,434	\$0	\$299,434	0.00	\$0	\$352,889	\$0	\$352,889

*"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 401 - Sergeant Pay Adjustment -

The legislature adopted an increase in starting base pay for sergeants to bring pay in line with their supervisory responsibilities.

DP 404 - Base Equipment Authority Increase -

The legislature adopted an increase in authority for the ongoing equipment budget. Typical purchases would replace unsafe and outdated equipment necessary for daily activities such as boats, all-terrain vehicles, utility task vehicles, bear traps and snowmobiles.

DP 405 - Overtime Base Adjustment Request -

The legislature adopted an increase in state special revenue for overtime. Overtime costs are not captured in the snapshot (DP1). The pay plan approved by the 2023 Legislature increased base pay and therefore overtime cost for game wardens. FWP game wardens have the ability for each warden to earn 100 hours of overtime per year.

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 402 - Game Warden Resources	7.00	0	1,153,118	0	1,153,118	7.00	0	743,990	0	743,990
DP 406 - Coast Guard Funding Switch	0.00	0	549,233	(549,233)	0	0.00	0	549,233	(549,233)	0
Total	7.00	\$0	\$1,702,351	(\$549,233)	\$1,153,118	7.00	\$0	\$1,293,223	(\$549,233)	\$743,990

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

DP 402 - Game Warden Resources -

The legislature adopted an increase in state special authority to support 7.00 PB new game wardens.

DP 406 - Coast Guard Funding Switch -

The legislature adopted a funding shift from federal to state special revenues. The US Coast Guard notified FWP of deficiencies in state boating licensing requirements. Addressing these would require multiple statute changes, increasing costs and bureaucracy for boaters. To maintain the current boating program without these changes, FWP will replace USCG authority with general license account funding.

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	102.48	102.48	102.48	0.00	0.0%
General Fund		8,120		8,120	0.0%
State/Other Special Rev. Funds	8,289,240	12,989,731	12,787,000	9,198,251	55.5%
Federal Spec. Rev. Funds	11,838,645	11,692,880	11,714,052	(270,358)	(1.1%)
Total Funds	20,127,885	24,690,731	24,501,052	8,936,013	22.2%
Personal Services	8,875,979	9,115,796	9,136,192	500,030	2.8%
Operating Expenses	10,554,659	14,489,555	14,565,480	7,945,717	37.6%
Equipment & Intangible Assets	147,867	536,000	250,000	490,266	165.8%
Grants	395,800	395,800	395,800		0.0%
Benefits & Claims	6,800	6,800	6,800		0.0%
Transfers	146,780	146,780	146,780		0.0%
Total Expenditures	20,127,885	24,690,731	24,501,052	8,936,013	22.2%
Total Ongoing	20,127,885	24,404,731	24,501,052	8,650,013	21.5%
Total One-Time-Only		286,000		286,000	0.0%

Program Description

The Wildlife Division is responsible for the conservation and management of Montana's 600+ birds, big game, nongame wildlife, furbearers, reptiles, amphibians, threatened and endangered species, habitat, and meeting public demand for hunting opportunities and wildlife stewardship. The division formulates and implements policies and programs that emphasize management for wildlife populations, protection, and restoration of habitat to maintain these populations. The division is responsible for:

- Innovative management that ensures the health and integrity of native and wildlife populations
- Monitoring and conserving wildlife and habitat
- Protecting the diversity of wildlife and Montana's landscapes
- Providing opportunities for public enjoyment of wildlife through hunting, trapping, and viewing
- Reducing conflicts between wildlife and persons to strike a reasonable balance while ensuring a future for the species
- Using sound science and stewardship for protecting the integrity of Montana's outdoor resources

Program Highlights

Wildlife Division Major Budget Highlights
<p>The legislature approved an increase of 22.2% or \$8.9 million above base funding. In addition to statewide present law adjustments of \$390,600, this includes:</p> <ul style="list-style-type: none"> • Rate increase for aircraft: \$3.1 million • Nongame programs: \$2.7 million • Wildlife surveys and inventory: \$600,000 • Proprietary maintenance program: \$500,000 • Operations increase to cover existing modified positions: \$491,000 • Other house and senate bills: \$321,300 • Grizzly bear conflicts: \$240,000 • Upland game bird program: \$100,000 • Equipment purchases one-time-only: \$286,000 • Equipment purchases ongoing: \$204,300

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	10,450,185	10,459,988	8,875,979	9,115,796	9,136,192
Operating Expenses	9,222,380	9,600,402	10,554,659	14,489,555	14,565,480
Equipment & Intangible Assets	144,241	147,867	147,867	536,000	250,000
Grants	697,461	699,870	395,800	395,800	395,800
Benefits & Claims	8,500	8,500	6,800	6,800	6,800
Transfers	49,101	87,849	146,780	146,780	146,780
Total Expenditures	\$20,571,868	\$21,004,476	\$20,127,885	\$24,690,731	\$24,501,052
General Fund	0	0	0	8,120	0
State/Other Special Rev. Funds	8,723,854	9,106,855	8,289,240	12,989,731	12,787,000
Federal Spec. Rev. Funds	11,848,014	11,897,621	11,838,645	11,692,880	11,714,052
Total Funds	\$20,571,868	\$21,004,476	\$20,127,885	\$24,690,731	\$24,501,052
Total Ongoing	\$20,571,868	\$21,004,476	\$20,127,885	\$24,404,731	\$24,501,052
Total OTO	\$0	\$0	\$0	\$286,000	\$0

Funding

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

Department of Fish, Wildlife, and Parks, 05-Wildlife Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	8,120	0	0	8,120	0.02 %
02061 Nongame Wildlife Account	4,894,428	0	0	4,894,428	18.99 %
02085 Waterfowl Stamp Spec. Rev.	26,136	0	0	26,136	0.10 %
02086 Mountain Sheep Account	299,250	0	0	299,250	1.16 %
02112 Moose Auction	80,916	0	0	80,916	0.31 %
02113 Upland Game Bird Habitat	489,112	0	0	489,112	1.90 %
02176 Mountain Goat Auction	28,710	0	0	28,710	0.11 %
02409 General License	17,617,120	0	0	17,617,120	68.35 %
02423 Wolf Collaring	465,894	0	0	465,894	1.81 %
02424 Wolf Depredation	389,284	0	0	389,284	1.51 %
02469 Habitat Trust Interest	1,165,766	0	0	1,165,766	4.52 %
02552 Antelops Auction	193,217	0	0	193,217	0.75 %
02559 Mule Deer Auction	50,356	0	0	50,356	0.20 %
02560 Elk Auction	76,542	0	0	76,542	0.30 %
State Special Total	\$25,776,731	\$0	\$0	\$25,776,731	52.40 %
03097 Fish(WB)-Wildlf(Pr) Restor Gmt	21,603,112	0	0	21,603,112	92.29 %
03403 Misc Federal Funds	1,033,856	0	0	1,033,856	4.42 %
03408 State Wildlife Grants	769,964	0	0	769,964	3.29 %
Federal Special Total	\$23,406,932	\$0	\$0	\$23,406,932	47.58 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$49,191,783	\$0	\$0	\$49,191,783	

The division is funded with state and federal special revenues. State special revenues primarily come from the general license account, which is funded by the sale of hunting and fishing licenses, camping fees, and permit sales. These funds are used to benefit both anglers and hunters. Additionally, the Nongame Wildlife Account receives a portion of marijuana taxes and voluntary donations from income tax filings. The Habitat Trust Account, which supports the Habitat Montana Program, is funded by interest from the habitat trust and a portion of hunting license revenues. Federal funding is derived from an excise tax on fishing equipment, sporting arms, and ammunition. These federal funds are allocated to support fish and wildlife management projects.

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.

Wildlife 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	8,289,240	11,838,645	20,127,885	81.5%	0	8,289,240	11,838,645	20,127,885	82.2%
Statewide PL										
Personal Services	0	320,264	(80,447)	239,817	1.0%	0	340,661	(80,448)	260,213	1.1%
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	0	0	(65,318)	(65,318)	(0.3%)	0	0	(44,145)	(44,145)	(0.2%)
Total Statewide PL	0	320,264	(145,765)	174,499	0.7%	0	340,661	(124,593)	216,068	0.9%
Present Law (PL)	0	3,902,855	0	3,902,855	15.8%	0	4,035,254	0	4,035,254	16.5%
New Proposals	8,120	477,372	0	485,492	2.0%	0	121,845	0	121,845	0.5%
Total HB 2 Adjustments	8,120	4,700,491	(145,765)	4,562,846	18.5%	0	4,497,760	(124,593)	4,373,167	17.8%
Total Budget	8,120	12,989,731	11,692,880	24,690,731		0	12,787,000	11,714,052	24,501,052	

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	320,264	(80,447)	239,817	0.00	0	340,661	(80,448)	260,213
DP 3 - Inflation Deflation	0.00	0	0	(65,318)	(65,318)	0.00	0	0	(44,145)	(44,145)
DP 502 - Operations Increase to cover modified workers	0.00	0	245,500	0	245,500	0.00	0	245,500	0	245,500
DP 503 - Nongame Program Increase	0.00	0	1,360,342	0	1,360,342	0.00	0	1,346,342	0	1,346,342
DP 504 - Increase Survey & Inventory	0.00	0	300,000	0	300,000	0.00	0	300,000	0	300,000
DP 505 - Equipment Increase	0.00	0	102,133	0	102,133	0.00	0	102,133	0	102,133
DP 506 - Grizzly Bears Operations Increase	0.00	0	120,000	0	120,000	0.00	0	120,000	0	120,000
DP 508 - UGBEP Operations Increase	0.00	0	50,000	0	50,000	0.00	0	50,000	0	50,000
DP 912 - Aircraft Rate Base Increase	0.00	0	1,474,880	0	1,474,880	0.00	0	1,621,279	0	1,621,279
DP 913 - Maintenance Rate Base Increase	0.00	0	250,000	0	250,000	0.00	0	250,000	0	250,000
Grand Total All Present Law Adjustments	0.00	\$0	\$4,223,119	(\$145,765)	\$4,077,354	0.00	\$0	\$4,375,915	(\$124,593)	\$4,251,322

***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 502 - Operations Increase to cover modified workers -

The legislature adopted an increase in state special authority to cover personal services costs for the division's current 35.08 modified HB 2 positions in the proprietary maintenance program. These positions support CWD surveillance and response plans, Grizzly and Black Bear specialists to reduce conflicts on private lands, Grizzly and Black Bear coordinators and technicians, Mountain Lion technicians, Wolf technicians, State Wildlife Action Plan (SWAP) coordinator, nongame technicians, Marten technicians, Sharp-tailed Grouse technicians, and Swift Fox technicians.

DP 503 - Nongame Program Increase -

The legislature adopted increased state special revenue funding for operating expenses to support technicians involved in wildlife surveys and monitoring. This aims to prevent endangered species listings, protect landowners, conserve priority species, develop a Watchable Wildlife Program, and enhance interagency conservation collaboration.

DP 504 - Increase Survey & Inventory -

The legislature adopted an increase in state special revenue to support a survey and inventory of game and nongame animals.

DP 505 - Equipment Increase -

The legislature adopted an increase to ongoing authority for equipment purchases to replace existing equipment at the end of its life cycle. Typical equipment includes trailers, all-terrain vehicles, snowmobiles, and habitat management equipment.

DP 506 - Grizzly Bears Operations Increase -

The legislature adopted an increase in state special revenue authority to support growing grizzly bear conflicts. Specialists work with landowners and communities to prevent conflicts and to respond to conflicts that do occur. This authority would support increased travel and supplies in regions 1-5.

DP 508 - UGBEP Operations Increase -

The legislature adopted an increase in state special revenue authority for the Upland Game Bird Program. The program conserves and enhances upland game bird habitats and populations and provides public hunting opportunities through its work with landowners across the state. Funding is intended to support increased costs of travel, signage, program materials, and public meetings.

DP 912 - Aircraft Rate Base Increase -

The legislature adopted an increase in state special revenue authority for increases in aircraft proprietary rates. FWP operates a proprietary aircraft unit. Each biennium rates are calculated in the proprietary program to ensure that the agency is equipped with safe, secure, and reliable aircraft to perform wildlife surveys, fish planting and general flight needs.

DP 913 - Maintenance Rate Base Increase -

The legislature adopted an increase in state special revenue for proprietary maintenance rates. FWP operates a proprietary maintenance unit. Each biennium rates are calculated in the proprietary program to ensure that the agency can perform necessary maintenance across all FWP sites.

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 507 - Equipment (BIEN/OTO)	0.00	0	286,000	0	286,000	0.00	0	0	0	0
DP 1801 - HB 330	0.00	0	37,724	0	37,724	0.00	0	37,724	0	37,724
DP 1802 - HB 568	0.00	0	120,000	0	120,000	0.00	0	0	0	0
DP 1803 - HB 855	0.00	8,120	0	0	8,120	0.00	0	0	0	0
DP 1805 - SB 238	0.00	0	33,648	0	33,648	0.00	0	84,121	0	84,121
Total	0.00	\$8,120	\$477,372	\$0	\$485,492	0.00	\$0	\$121,845	\$0	\$121,845

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

DP 507 - Equipment (BIEN/OTO) -

The legislature adopted a one-time-only appropriation of state special revenue for specialized wildlife equipment including trucks, tracked UTVs, tree planter, snowmobiles, elk traps, and camper trailers to support wildlife technicians.

DP 1801 - HB 330 -

HB 330 allows the Montana Fish and Wildlife Commission to issue one antelope, and one swan license each year through a competitive auction or lottery.

DP 1802 - HB 568 -

HB 568 requires the department to conduct a study on the impact of nonresidents hunters on deer, elk, upland game birds, and waterfowl populations in Montana. The final report must be made accessible to the public.

DP 1803 - HB 855 -

HB 855 creates the big game and wildlife highway crossings and accommodations state special revenue account. The purpose of the account is to fund studies and design work on accommodations for wildlife to cross highways in Montana. Revenues for the fund will come from donations paid for a new specialty license plate sponsored by the Department of Fish, Wildlife, and Parks as well as account transfers, gifts, donations, interest earned on the balance in the fund.

DP 1805 - SB 238 -

SB 238 creates a Bowhunters with Disabilities program. This bill establishes the Supporting Bowhunters with Disabilities state special revenue account to support the new program and requires persons purchasing hunting license be given the option to include a \$1.00 donation the fund.

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	101.72	109.07	109.07	7.35	3.6%
State/Other Special Rev. Funds	28,017,310	36,364,032	36,237,945	16,567,357	29.6%
Federal Spec. Rev. Funds	5,462,218	5,462,218	5,462,218		0.0%
Total Funds	33,479,528	41,826,250	41,700,163	16,567,357	24.7%
Personal Services	8,279,749	8,511,951	8,528,985	481,438	2.9%
Operating Expenses	24,258,345	32,223,365	32,229,744	15,936,419	32.8%
Equipment & Intangible Assets	419,238	568,738	419,238	149,500	17.8%
Grants	517,696	517,696	517,696		0.0%
Benefits & Claims	4,000	4,000	4,000		0.0%
Debt Service	500	500	500		0.0%
Total Expenditures	33,479,528	41,826,250	41,700,163	16,567,357	24.7%
Total Ongoing	33,479,528	41,558,125	41,581,538	16,180,607	24.2%
Total One-Time-Only	350,000	268,125	118,625	(313,250)	(44.8%)

Program Description

The **Parks & Outdoor Recreation Division** provides valued services to the public and manages human use to ensure the long-term sustainability of Montana's scenic, historic, cultural, archaeological, and fish and wildlife resources. The division is responsible for:

- Access and landowner relations for hunting, fishing, and other types of recreation on public and private lands
- Trail and shooting range grant programs
- Americorps and Volunteer Program
- Block Management Program
- Heritage Program
- Hunting Access Program
- Off-Highway Vehicle and Snowmobile Program
- Planning Unit
- Recreation management and visitor services for state parks, fishing access sites and wildlife
- River recreation
- Shooting range development
- Stewardship
- Trail coordination and planning

Program Highlights

**Parks and Outdoor Recreation Division
Major Budget Highlights**

The legislature approved an increase of 24.7% or \$16.6 million above base funding. In addition to reductions due to statewide present law adjustments of \$411,000, this includes:

- Other house and senate bills: \$15.2 million
- Additional state parks staff, 7.35 PB: \$942,500
- Equipment purchases, one-time-only: \$149,500
- Smith River operations: \$80,000
- Gartside Reservoir Dam operator: \$50,000

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	9,497,535	9,718,466	8,279,749	8,511,951	8,528,985
Operating Expenses	18,497,549	21,255,643	24,608,345	32,223,365	32,229,744
Equipment & Intangible Assets	352,917	419,238	419,238	568,738	419,238
Grants	513,159	517,696	517,696	517,696	517,696
Benefits & Claims	2,500	6,500	4,000	4,000	4,000
Debt Service	478	500	500	500	500
Total Expenditures	\$28,864,138	\$31,918,043	\$33,829,528	\$41,826,250	\$41,700,163
State/Other Special Rev. Funds	23,468,638	26,460,618	28,367,310	36,364,032	36,237,945
Federal Spec. Rev. Funds	5,395,500	5,457,425	5,462,218	5,462,218	5,462,218
Total Funds	\$28,864,138	\$31,918,043	\$33,829,528	\$41,826,250	\$41,700,163
Total Ongoing	\$28,822,796	\$31,568,043	\$33,479,528	\$41,558,125	\$41,581,538
Total OTO	\$41,342	\$350,000	\$350,000	\$268,125	\$118,625

Funding

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

Department of Fish, Wildlife, and Parks, 06-Parks and Outdoor Recreation 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 %
02055 Snowmobile Trail Pass	126,588	0	0	126,588	0.15 %
02057 OHV Noxious Weeds	56,308	0	0	56,308	0.07 %
02171 Smith R. Corridor Enhancement	540,426	0	0	540,426	0.66 %
02213 Off Highway Vehicle Gas Tax	165,278	0	0	165,278	0.20 %
02239 Off Hwy Vehicle Acct (Parks)	77,262	0	0	77,262	0.09 %
02273 Motorboat Fees	410,878	0	0	410,878	0.50 %
02274 FWP Accommodations Tax	0	0	9,625,508	9,625,508	11.71 %
02328 Parks OHV Fuel Safety/Educ	39,230	0	0	39,230	0.05 %
02330 Parks Snomo Fuel Tax Sfty/Educ	100,580	0	0	100,580	0.12 %
02332 Snowmobile Registration-Parks	1,539,822	0	0	1,539,822	1.87 %
02333 Fishing Access Site Maint	841,568	0	0	841,568	1.02 %
02334 Hunting Access	38,083,737	0	0	38,083,737	46.32 %
02407 Snowmobile Fuel Tax	1,523,028	0	0	1,523,028	1.85 %
02408 Coal Tax Trust Account	1,893,422	0	0	1,893,422	2.30 %
02409 General License	8,771,392	0	0	8,771,392	10.67 %
02411 State Parks Miscellaneous	17,396,852	0	0	17,396,852	21.16 %
02412 Motorboat Fuel Tax	517,720	0	0	517,720	0.63 %
02558 FAS - Vehicle Registration	517,886	0	0	517,886	0.63 %
State Special Total	\$72,601,977	\$0	\$9,625,508	\$82,227,485	87.23 %
03097 Fish(WB)-Wldlf(Pr) Restor Gmt	10,849,128	0	0	10,849,128	99.31 %
03403 Misc Federal Funds	75,308	0	0	75,308	0.69 %
Federal Special Total	\$10,924,436	\$0	\$0	\$10,924,436	11.59 %
06068 MFWP Visitor Services	0	1,117,356	0	1,117,356	100.00 %
Proprietary Total	\$0	\$1,117,356	\$0	\$1,117,356	1.19 %
Total All Funds	\$83,526,413	\$1,117,356	\$9,625,508	\$94,269,277	

The division is funded with revenue from day-use park entry fees, camping fees, cabin site rentals, a portion of state gasoline dealers license and distribution tax, coal tax dollars, recreational and commercial user fees for floating and camping on the Smith River, hunting and fishing licenses, and other miscellaneous taxes, fees, and permit revenue. Statutory appropriations come from 6.5% of the total accommodations bed tax and issued for the maintenance of facilities in state parks that have both resident and non-resident use (15-65-121(2)(c), 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.

Parks and Outdoor Recreation 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	28,017,310	5,462,218	33,479,528	80.0%	0	28,017,310	5,462,218	33,479,528	80.3%
Statewide PL										
Personal Services	0	(197,384)	0	(197,384)	(0.5%)	0	(180,397)	0	(180,397)	(0.4%)
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	0	(19,822)	0	(19,822)	(0.0%)	0	(13,396)	0	(13,396)	(0.0%)
Total Statewide PL	0	(217,206)	0	(217,206)	(0.5%)	0	(193,793)	0	(193,793)	(0.5%)
Present Law (PL)	0	189,500	0	189,500	0.5%	0	40,000	0	40,000	0.1%
New Proposals	0	8,374,428	0	8,374,428	20.0%	0	8,374,428	0	8,374,428	20.1%
Total HB 2 Adjustments	0	8,346,722	0	8,346,722	20.0%	0	8,220,635	0	8,220,635	19.7%
Total Budget	0	36,364,032	5,462,218	41,826,250		0	36,237,945	5,462,218	41,700,163	

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	0	(197,384)	0	(197,384)	0.00	0	(180,397)	0	(180,397)
DP 3 - Inflation Deflation	0.00	0	(19,822)	0	(19,822)	0.00	0	(13,396)	0	(13,396)
DP 603 - Region 4 Smith River-Budget Authority Increase	0.00	0	40,000	0	40,000	0.00	0	40,000	0	40,000
DP 606 - Recreational Equipment (BIEN/OTO)	0.00	0	149,500	0	149,500	0.00	0	0	0	0
Grand Total All Present Law Adjustments	0.00	\$0	(\$27,706)	\$0	(\$27,706)	0.00	\$0	(\$153,793)	\$0	(\$153,793)

***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 603 - Region 4 Smith River-Budget Authority Increase -

The legislature adopted an increase in state special revenue authority to support increased operating costs. This will be funded out of the Smith River Corridor Enhancement state special revenue fund, which receives revenues from charges for services, permit and license fees, outfitter fees, and other miscellaneous income related to the Smith River recreational activities.

DP 606 - Recreational Equipment (BIEN/OTO) -

The legislature adopted a one-time-only and biennial appropriation from state special revenue for small equipment purchases.

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 604 - Gartside Reservoir FAS Dam Operator	0.00	0	25,000	0	25,000	0.00	0	25,000	0	25,000
DP 605 - State Parks Statewide Resources	7.35	0	471,258	0	471,258	7.35	0	471,258	0	471,258
DP 610 - AmeriCorps Operations Increase (OTO)	0.00	0	177,000	0	177,000	0.00	0	177,000	0	177,000
DP 1800 - HB 145	0.00	0	7,201,710	0	7,201,710	0.00	0	7,201,710	0	7,201,710
DP 1804 - SB 165	0.00	0	380,835	0	380,835	0.00	0	380,835	0	380,835
DP 6307 - Fishing and Water Access Sites (RST/BIEN/OTO)	0.00	0	51,750	0	51,750	0.00	0	51,750	0	51,750
DP 6308 - Fishing Access Weed Control & Riparian Habitat (RST/BIEN/OTO)	0.00	0	66,875	0	66,875	0.00	0	66,875	0	66,875
Total	7.35	\$0	\$8,374,428	\$0	\$8,374,428	7.35	\$0	\$8,374,428	\$0	\$8,374,428

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

DP 604 - Gartside Reservoir FAS Dam Operator -

The legislature adopted state special revenue to fund a contractor to assume duties as the Gartside Reservoir Dam Operator. Duties are currently performed by FWP maintenance staff located in Miles City (approximately 120 miles from dam location). Gartside Reservoir Dam is classified by DNRC as a High Hazard Dam.

DP 605 - State Parks Statewide Resources -

The legislature approved 7.35 PB to the Montana State Parks system.

DP 610 - AmeriCorps Operations Increase (OTO) -

The legislature adopted a one-time-only increase in appropriation from the State Parks Miscellaneous state special revenue account to expand the AmeriCorps program. The state special revenue in this decision package must be matched with federal funds.

DP 1800 - HB 145 -

HB 145 increase the nonresident base hunting license from \$15.00 to \$50.00. The bill increases the distribution of these revenues to the general fund from \$5.00 to \$10.00 and the hunting access account from \$10.00 to \$40.00.

DP 1804 - SB 165 -

The legislature approved funding for SB 165 which establishes a \$5.00 trail enhancement fee when renting a snowmobile or other motorized equipment to be used in snowmobile areas groomed with a grant or funding assistance from the Department of Fish, Wildlife, and Parks.

DP 6307 - Fishing and Water Access Sites (RST/BIEN/OTO) -

The legislature adopted a one-time-only increase in appropriation of state special revenue to address increases in recreational use of fishing and water access sites.

The legislature intends that the agency seeks outside contractors should there not be sufficient resources within the agency to complete the task.

It is the intent of the legislature that the agency will not use more than 5.0% of the fund to administer contracts.

DP 6308 - Fishing Access Weed Control & Riparian Habitat (RST/BIEN/OTO) -

The legislature adopted a one-time-only increase of state special revenue to improve riparian habitat and increase weed control at fishing access sites.

Where available, the legislature intends that the agency to contract with conservation districts or other contractors for the weed spraying activities.

It is the intention of the legislature that the agency will not use more than 5.0% of the fund to administer contracts.

The following language is included in HB 2:

Fish, Wildlife, and Parks will report to the Environmental Quality Council, and the Joint Interim Budget Committee for Natural Resources and Transportation by the first day of December of each year of the 2027 Biennium on the actual habitat enhanced and actual areas treated for weeds.

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	27.50	34.50	34.50	7.00	12.7%
State/Other Special Rev. Funds	4,502,852	4,864,716	4,870,722	729,734	8.1%
Federal Spec. Rev. Funds	1,033,441	1,391,232	1,376,532	700,882	33.9%
Total Funds	5,536,293	6,255,948	6,247,254	1,430,616	12.9%
Personal Services	2,590,863	3,081,443	3,090,729	990,446	19.1%
Operating Expenses	2,584,108	2,774,183	2,756,203	362,170	7.0%
Equipment & Intangible Assets		39,000	39,000	78,000	0.0%
Grants	357,322	357,322	357,322		0.0%
Benefits & Claims	2,000	2,000	2,000		0.0%
Transfers	2,000	2,000	2,000		0.0%
Total Expenditures	5,536,293	6,255,948	6,247,254	1,430,616	12.9%
Total Ongoing	5,536,293	6,205,476	6,196,782	1,329,672	12.0%
Total One-Time-Only		50,472	50,472	100,944	0.0%

Program Description

The Communication & Education Division is the information and education section of FWP. The division is responsible for:

- Distributing public information through various media outlets, including Montana Outdoors Magazine
- Coordinating youth education programs
- Coordinating the production of hunting, fishing, and trapping regulations
- Coordinating the hunter, bow-hunter, trapper, boat education, and safety programs
- Managing FWP's website and social media platform
- Marketing and Communication
- Overseeing the Montana Wild Education Center

Program Highlights

Communication and Education Division Major Budget Highlights
<p>The legislature approved an increase of 12.9% or \$1.4 million above base funding. In addition to statewide present law adjustment of \$67,200 this includes:</p> <ul style="list-style-type: none"> • Additional state parks staff, 7.00 PB: \$934,500 • Montana Outdoor Magazine operations: \$250,000 • One-time-only authority for a publication specialist: \$109,900 • Equipment: \$78,000

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	2,699,821	2,708,782	2,590,863	3,081,443	3,090,729
Operating Expenses	2,061,599	2,276,671	2,584,108	2,774,183	2,756,203
Equipment & Intangible Assets	0	0	0	39,000	39,000
Grants	339,722	363,943	357,322	357,322	357,322
Benefits & Claims	0	2,000	2,000	2,000	2,000
Transfers	0	0	2,000	2,000	2,000
Total Expenditures	\$5,101,142	\$5,351,396	\$5,536,293	\$6,255,948	\$6,247,254
State/Other Special Rev. Funds	4,199,534	4,383,304	4,502,852	4,864,716	4,870,722
Federal Spec. Rev. Funds	901,608	968,092	1,033,441	1,391,232	1,376,532
Total Funds	\$5,101,142	\$5,351,396	\$5,536,293	\$6,255,948	\$6,247,254
Total Ongoing	\$5,101,142	\$5,351,396	\$5,536,293	\$6,205,476	\$6,196,782
Total OTO	\$0	\$0	\$0	\$50,472	\$50,472

Funding

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

Department of Fish, Wildlife, and Parks, 08-Communication and Education 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 %
02409 General License	9,667,526	0	0	9,667,526	99.30 %
02411 State Parks Miscellaneous	67,912	0	0	67,912	0.70 %
State Special Total	\$9,735,438	\$0	\$0	\$9,735,438	77.86 %
03097 Fish(WB)-Wldlf(Pr) Restor Gmt	2,691,542	0	0	2,691,542	97.25 %
03403 Misc Federal Funds	76,222	0	0	76,222	2.75 %
Federal Special Total	\$2,767,764	\$0	\$0	\$2,767,764	22.14 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$12,503,202	\$0	\$0	\$12,503,202	

The division is funded almost entirely from the state general license account and federal sources. State special revenues are from the sale of fishing and hunting licenses, camping fees, permit sales, commercial use fees, and other miscellaneous state revenues. Federal revenue sources are from an excise tax on the sale of fishing gear, sporting arms, and ammunition.

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.

Communication and Education 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	4,502,852	1,033,441	5,536,293	88.5%	0	4,502,852	1,033,441	5,536,293	88.6%
Statewide PL										
Personal Services	0	33,125	0	33,125	0.5%	0	42,411	0	42,411	0.7%
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	0	(4,997)	0	(4,997)	(0.1%)	0	(3,377)	0	(3,377)	(0.1%)
Total Statewide PL	0	28,128	0	28,128	0.4%	0	39,034	0	39,034	0.6%
Present Law (PL)	0	125,000	0	125,000	2.0%	0	125,000	0	125,000	2.0%
New Proposals	0	208,736	357,791	566,527	9.1%	0	203,836	343,091	546,927	8.8%
Total HB 2 Adjustments	0	361,864	357,791	719,655	11.5%	0	367,870	343,091	710,961	11.4%
Total Budget	0	4,864,716	1,391,232	6,255,948		0	4,870,722	1,376,532	6,247,254	

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	33,125	0	33,125	0.00	0	42,411	0	42,411
DP 3 - Inflation Deflation	0.00	0	(4,997)	0	(4,997)	0.00	0	(3,377)	0	(3,377)
DP 803 - MT Outdoors Ops Increase	0.00	0	125,000	0	125,000	0.00	0	125,000	0	125,000
Grand Total All Present Law Adjustments	0.00	\$0	\$153,128	\$0	\$153,128	0.00	\$0	\$164,034	\$0	\$164,034

**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 803 - MT Outdoors Ops Increase -

The legislature adopted an increase in state special revenue to produce the Montana Outdoor Magazine. This funding will cover inflationary increases in printing, mailing and operations 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 801 - Education Technician Resources	7.00	0	119,264	357,791	477,055	7.00	0	114,364	343,091	457,455
DP 802 - Com Ed Equipment	0.00	0	39,000	0	39,000	0.00	0	39,000	0	39,000
DP 805 - Publication Specialist (OTO)	0.00	0	50,472	0	50,472	0.00	0	50,472	0	50,472
Total	7.00	\$0	\$208,736	\$357,791	\$566,527	7.00	\$0	\$203,836	\$343,091	\$546,927

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

DP 801 - Education Technician Resources -

The legislature adopted state special revenue authority to fund 7.00 PB to enhance regional customer service, expand outdoor education programs (like boating safety and hunter education), and support regional offices during peak seasons by assisting with licensing, vessel checks, animal tagging, and public inquiries.

DP 802 - Com Ed Equipment -

The legislature approved the establish of an equipment budget funded with state special revenue for the Communication and Education Division. This base equipment budget addition will allow the purchase and replacement of equipment on an annual basis.

DP 805 - Publication Specialist (OTO) -

The legislature adopted a one-time-only temporary position to facilitate the transition of a new Montana Outdoors editor. The modified position would fund the retention of the retiring editor during the transition period to a new editor and to update public program materials.

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	148.52	156.52	156.52	8.00	2.7%
State/Other Special Rev. Funds	23,744,970	27,163,097	27,363,032	7,036,189	14.8%
Federal Spec. Rev. Funds	1,759,127	1,759,127	1,759,127		0.0%
Total Funds	25,504,097	28,922,224	29,122,159	7,036,189	13.8%
Personal Services	13,844,252	14,757,734	14,813,379	1,882,609	6.8%
Operating Expenses	9,674,707	12,179,352	12,323,642	5,153,580	26.6%
Equipment & Intangible Assets	27,638	27,638	27,638		0.0%
Benefits & Claims	3,000	3,000	3,000		0.0%
Transfers	1,376,979	1,376,979	1,376,979		0.0%
Debt Service	577,521	577,521	577,521		0.0%
Total Expenditures	25,504,097	28,922,224	29,122,159	7,036,189	13.8%
Total Ongoing	25,504,097	28,922,224	29,122,159	7,036,189	13.8%
Total One-Time-Only	100,000			(200,000)	(100.0%)

Program Description

The Administration Division is responsible for operating the Legal Unit; Human Resources; Lands and Water Unit; Operations and Fiscal Services, and the outlying seven regional offices. This division also provides oversight of the Communication and Education, Enforcement, Fisheries, Parks and Outdoor Recreation, and Wildlife Divisions.

Operations and Financial Services provides centralized services, quality guidance to all divisions and regions throughout the agency including:

- Accounting, fiscal management and budget preparation
- Administrative support to divisions and regions
- Agency facility maintenance
- Capital outlay
- Financial Assistance and Compliance
- Hunting, fishing, and other recreational license sales
- Maintain biological and GIS applications
- Managing federal aid
- Maintaining internal control procedures
- Procurement and property management

Program Highlights

**Administration Division
Major Budget Highlights**

The legislature approved an increase of 13.8% or \$7.0 million above base funding. In addition to statewide present law adjustments of \$797,400 this includes:

- Vehicle fleet rate increases: \$2.6 million
- Additional staff, 8.00 PB: \$1.9 million
- Support for US Geological Stream Gage network: \$630,000
- Legal caseload increases: \$570,500
- Aircraft rate increase: \$422,200
- Irrigation infrastructure improvement: \$100,000
- Employee development: \$32,000
- Havre Area Office operation and maintenance: \$26,262

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	13,253,979	13,395,414	13,844,252	14,757,734	14,813,379
Operating Expenses	8,710,236	9,863,017	9,774,707	12,179,352	12,323,642
Equipment & Intangible Assets	9,945	27,638	27,638	27,638	27,638
Benefits & Claims	1,000	3,000	3,000	3,000	3,000
Transfers	1,026,725	1,255,979	1,376,979	1,376,979	1,376,979
Debt Service	565,868	566,521	577,521	577,521	577,521
Total Expenditures	\$23,567,753	\$25,111,569	\$25,604,097	\$28,922,224	\$29,122,159
State/Other Special Rev. Funds	22,275,474	23,552,627	23,844,970	27,163,097	27,363,032
Federal Spec. Rev. Funds	1,292,279	1,558,942	1,759,127	1,759,127	1,759,127
Total Funds	\$23,567,753	\$25,111,569	\$25,604,097	\$28,922,224	\$29,122,159
Total Ongoing	\$23,567,753	\$25,011,569	\$25,504,097	\$28,922,224	\$29,122,159
Total OTO	\$0	\$100,000	\$100,000	\$0	\$0

Funding

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

Department of Fish, Wildlife, and Parks, 09-Administration 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 %
02061 Nongame Wildlife Account	186,718	0	0	186,718	0.33 %
02086 Mountain Sheep Account	64,000	0	0	64,000	0.11 %
02112 Moose Auction	4,666	0	0	4,666	0.01 %
02176 Mountain Goat Auction	3,000	0	0	3,000	0.01 %
02334 Hunting Access	271,440	0	0	271,440	0.48 %
02408 Coal Tax Trust Account	10,000	0	0	10,000	0.02 %
02409 General License	52,657,619	0	1,114,826	53,772,445	96.04 %
02411 State Parks Miscellaneous	1,071,054	0	124,702	1,195,756	2.14 %
02469 Habitat Trust Interest	77,998	0	226,298	304,296	0.54 %
02543 Search and Rescue - General	10,168	0	0	10,168	0.02 %
02559 Mule Deer Auction	2,800	0	0	2,800	0.01 %
02560 Elk Auction	6,666	0	0	6,666	0.01 %
02600 Hunters Against Hunger	160,000	0	0	160,000	0.29 %
State Special Total	\$54,526,129	\$0	\$1,465,826	\$55,991,955	65.67 %
03097 Fish(WB)-Wldlf(Pr) Restor Gmt	3,292,438	0	625,400	3,917,838	94.55 %
03098 Parks Federal Revenue	225,816	0	0	225,816	5.45 %
Federal Special Total	\$3,518,254	\$0	\$625,400	\$4,143,654	4.86 %
06502 FWP Fleet Fund	0	7,767,210	0	7,767,210	30.92 %
06503 F & G Warehouse Inventory	0	208,372	0	208,372	0.83 %
06513 FWP Maintenance Fund	0	15,798,287	0	15,798,287	62.88 %
06540 DFWP Aircraft	0	1,349,034	0	1,349,034	5.37 %
Proprietary Total	\$0	\$25,122,903	\$0	\$25,122,903	29.47 %
Total All Funds	\$58,044,383	\$25,122,903	\$2,091,226	\$85,258,512	

The division is funded primarily with state special revenue from the sale of hunting and fishing licenses. Proprietary revenue includes charges for the vehicle fleet, and warehouse fees. Statutory expenditures are for Payment in Lieu of Taxes (PILT). PILT are payments to local governments to help offset losses in property taxes due to the existence of state or federal lands not subject to property taxes.

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.

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	0	23,744,970	1,759,127	25,504,097	88.2%	0	23,744,970	1,759,127	25,504,097	87.6%
Statewide PL										
Personal Services	0	168,136	0	168,136	0.6%	0	210,219	0	210,219	0.7%
Fixed Costs	0	220,652	0	220,652	0.8%	0	201,702	0	201,702	0.7%
Inflation Deflation	0	(1,997)	0	(1,997)	(0.0%)	0	(1,350)	0	(1,350)	(0.0%)
Total Statewide PL	0	386,791	0	386,791	1.3%	0	410,571	0	410,571	1.4%
Present Law (PL)	0	2,092,990	0	2,092,990	7.2%	0	2,288,583	0	2,288,583	7.9%
New Proposals	0	938,346	0	938,346	3.2%	0	918,908	0	918,908	3.2%
Total HB 2 Adjustments	0	3,418,127	0	3,418,127	11.8%	0	3,618,062	0	3,618,062	12.4%
Total Budget	0	27,163,097	1,759,127	28,922,224		0	27,363,032	1,759,127	29,122,159	

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	168,136	0	168,136	0.00	0	210,219	0	210,219
DP 2 - Fixed Costs	0.00	0	220,652	0	220,652	0.00	0	201,702	0	201,702
DP 3 - Inflation Deflation	0.00	0	(1,997)	0	(1,997)	0.00	0	(1,350)	0	(1,350)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	0	(2,814)	0	(2,814)	0.00	0	(2,814)	0	(2,814)
DP 902 - USGS Funding	0.00	0	300,000	0	300,000	0.00	0	330,000	0	330,000
DP 905 - Irrigation Infrastructure Improvements	0.00	0	50,000	0	50,000	0.00	0	50,000	0	50,000
DP 909 - Organizational Development Operations	0.00	0	16,000	0	16,000	0.00	0	16,000	0	16,000
DP 911 - Fleet Rate Base Increase	0.00	0	1,230,283	0	1,230,283	0.00	0	1,375,913	0	1,375,913
DP 912 - Aircraft Rate Base Increase	0.00	0	201,120	0	201,120	0.00	0	221,083	0	221,083
DP 914 - Havre Area Office Ongoing Operations and Maintenance	0.00	0	13,131	0	13,131	0.00	0	13,131	0	13,131
DP 918 - Legal Unit Operations	0.00	0	285,270	0	285,270	0.00	0	285,270	0	285,270
Grand Total All Present Law Adjustments	0.00	\$0	\$2,479,781	\$0	\$2,479,781	0.00	\$0	\$2,699,154	\$0	\$2,699,154

*"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: warrant writer, motor pool, 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 cost that removed new appropriations for Robert's Rules of Order training included in DP 2.

DP 902 - USGS Funding -

The legislature adopted an increase in state special revenue authority to contract with United States Geological Survey (USGS) to provide stream gaging services. This service provides real-time data via the USGS website in addition to quality-controlled data compiled for each site.

DP 905 - Irrigation Infrastructure Improvements -

The legislature adopted an increase in state special revenue authority to work with water users across the state on improving the efficiency of irrigation practices, upgrading irrigation infrastructure and/or leasing of water to improve instream flows for trout and other aquatic organisms. This proposal is intended to support one or more large projects each biennium.

DP 909 - Organizational Development Operations -

The legislature adopted an increase in state special revenue for in person employee training for new employees, supervisors, and agency leadership training.

DP 911 - Fleet Rate Base Increase -

The legislature adopted an increase in state special revenue authority for increases in fleet proprietary rates. FWP operates a proprietary fleet program like the MDT motor pool program. Each biennium rates are calculated in the proprietary program to ensure that the agency is equipped with safe, secure, and reliable vehicles for all staff statewide.

DP 912 - Aircraft Rate Base Increase -

The legislature adopted an increase in state special revenue authority for increases in aircraft proprietary rates. FWP operates a proprietary aircraft unit. Each biennium rates are calculated in the proprietary program to ensure that the agency is equipped with safe, secure, and reliable aircraft to perform wildlife surveys, fish planting and general flight needs.

DP 914 - Havre Area Office Ongoing Operations and Maintenance -

The legislature adopted an increase in state special revenue for ongoing operations and maintenance costs of the new Havre Area Office facility approved in House Bill 5 during the 2021 Legislative Session. This proposal is intended to increase the base budget.

DP 918 - Legal Unit Operations -

The legislature adopted an increase in state special authority to support a threefold increase in caseloads and inflationary costs in the legal unit. This proposal funds an attorney to address the workload as well as an increase to the operations resources available for the contracts and litigation 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 901 - Land & Water Hydrology Resources										
1.00	1.00	0	111,836	0	111,836	1.00	0	115,403	0	115,403
DP 904 - Aircraft Pilot Resources										
1.00	1.00	0	105,441	0	105,441	1.00	0	105,986	0	105,986
DP 906 - Research Unit Resources										
2.00	2.00	0	240,337	0	240,337	2.00	0	226,014	0	226,014
DP 907 - FWP Genetics Program Resources										
2.00	2.00	0	213,617	0	213,617	2.00	0	204,390	0	204,390
DP 910 - Statewide Fish Health Resources										
2.00	2.00	0	267,115	0	267,115	2.00	0	267,115	0	267,115
Total	8.00	\$0	\$938,346	\$0	\$938,346	8.00	\$0	\$918,908	\$0	\$918,908

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

DP 901 - Land & Water Hydrology Resources -

The legislature adopted 1.00 PB to work on aquatic habitat protection through expanded surface water measurements, technical investigations, and stream gage programming across Montana.

DP 904 - Aircraft Pilot Resources -

The legislature approved 1.00 PB for new pilot in the Great Falls and Lewistown area. The department's pilots conduct wildlife surveys and stock remote mountain lakes.

DP 906 - Research Unit Resources -

The legislature adopted a new fisheries research biologist and a research coordinator, 2.00 PB, to the agency's research unit.

DP 907 - FWP Genetics Program Resources -

The legislature adopted the expansion of the genetics program within the Research Unit by 2.00 PB. The expansion is intended to meet growing demand for fisheries and wildlife genetic services. This includes adding in-house expertise to support conservation efforts, manage hatchery brood stock, and address Endangered Species listings.

DP 910 - Statewide Fish Health Resources -

The legislature adopted the expansion of the fish health lab staff by 2.00 PB. New positions include a disease ecologist, and a technician.

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	367.04	376.04	376.04	9.00	1.2%
General Fund	6,751,689	8,386,014	8,392,637	3,275,273	24.3%
State/Other Special Rev. Funds	34,851,429	37,448,364	37,488,795	5,234,301	7.5%
Federal Spec. Rev. Funds	25,843,362	26,424,836	26,446,828	1,184,940	2.3%
Total Funds	67,446,480	72,259,214	72,328,260	9,694,514	7.2%
Personal Services	34,929,402	36,423,717	36,508,445	3,073,358	4.4%
Operating Expenses	27,011,859	30,330,278	30,314,596	6,621,156	12.3%
Equipment & Intangible Assets	101,740	101,740	101,740		0.0%
Grants	1,938,835	1,938,835	1,938,835		0.0%
Benefits & Claims	425,000	425,000	425,000		0.0%
Transfers	3,039,644	3,039,644	3,039,644		0.0%
Total Expenditures	67,446,480	72,259,214	72,328,260	9,694,514	7.2%
Total Ongoing	67,446,480	72,159,214	72,228,260	9,494,514	7.0%
Total One-Time-Only	1,513,825	100,000	100,000	(2,827,650)	(93.4%)

Agency Description

The Department of Environmental Quality (DEQ) is responsible for regulating various environmental aspects in Montana, including air and water quality, waste management, mining operations, and energy facility siting. The department's responsibilities extend to reclamation and cleanup activities related to federal and state superfund programs and leaking underground storage tanks.

DEQ's work is carried out through four main programs: Central Management, Water Quality, Waste Management & Remediation, and Air, Energy, & Mining. Additionally, the Petroleum Tank Compensation Board and the Libby Asbestos Superfund Oversight Committee are administratively attached to the department.

DEQ operates in partnership with federal agencies, primarily the Environmental Protection Agency (EPA) and the Department of Interior's Office of Surface Mining. While Congress initially tasked the EPA with developing and implementing environmental protection measures, many federal statutes allow for delegation of programs to states that demonstrate the capacity to manage them effectively.

Agency Highlights

Department of Environmental Quality Major Budget Highlights
<p>The legislature adopted an increase of 7.2% or \$9.7 million in total appropriations above base funding. In addition to statewide present law adjustments of \$1.7 million the legislature adopted:</p> <ul style="list-style-type: none"> • Mine reclamation: \$5.4 million • Additional 9.00 PB to support increasing case load and applications: \$2.3 million • Montana Environmental Policy Act (MEPA) reviews: \$200,000 • Board of Environmental Review operations: \$80,000

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	29,026,795	33,670,229	35,253,427	36,423,717	36,508,445
Operating Expenses	18,679,506	27,818,459	28,201,659	30,330,278	30,314,596
Equipment & Intangible Assets	360,243	238,395	101,740	101,740	101,740
Capital Outlay	1,531,886	1,445,500	0	0	0
Grants	1,815,250	1,938,835	1,938,835	1,938,835	1,938,835
Benefits & Claims	348,053	425,000	425,000	425,000	425,000
Transfers	496,892	1,618,644	3,039,644	3,039,644	3,039,644
Total Expenditures	\$52,258,625	\$67,155,062	\$68,960,305	\$72,259,214	\$72,328,260
General Fund	6,709,708	6,797,215	7,165,514	8,386,014	8,392,637
State/Other Special Rev. Funds	24,304,542	35,109,635	35,951,429	37,448,364	37,488,795
Federal Spec. Rev. Funds	21,244,375	25,248,212	25,843,362	26,424,836	26,446,828
Total Funds	\$52,258,625	\$67,155,062	\$68,960,305	\$72,259,214	\$72,328,260
Total Ongoing	\$51,861,805	\$65,615,926	\$67,446,480	\$72,159,214	\$72,228,260
Total OTO	\$396,820	\$1,539,136	\$1,513,825	\$100,000	\$100,000

Summary of Legislative Action

The legislature approved a biennial budget of approximately \$144.6 million. This includes \$134.9 million in base funding, along with \$9.7 million for present law adjustments and new proposals.

The personal services budget increased by 4.4%, or \$3.1 million, above the base. This increase supports the addition of 9.00 new positions and includes funding for statewide present law adjustments. The increase is primarily funded through a combination of general fund and federal special revenue. The table below summarizes the increase in personal services.

The Department of Environmental Quality Personal Services				
Changes	Positions			
	Budgeted	FY 2026	FY 2027	Total
DP 1 - Personal Services	-	435,495	520,621	956,116
DP 10002 - Additional Legal Support	2.00	199,948	199,550	399,498
DP 20001 - Establish HB2 PB for Engineering Bureau	3.00	338,645	338,645	677,290
DP 20006 - PWS Requesting HB2 PB	2.00	170,517	170,517	341,034
DP 20007 - Engineering Compliance Specialist	1.00	101,552	101,552	203,104
DP 20008 - Wastewater Technical Inspector	1.00	98,158	98,158	196,316
DP 50005 - Hard Rock Mining Fees	-	150,000	150,000	300,000
Total Changes	9.00	1,494,315	1,579,043	3,073,358

Other Action Taken by the Legislature

The legislature approved an increase in state special revenue to support operating costs associated with implementing the Metal Mine Reclamation Act (MMRA), funded through a new fee structure established in HB 69.

In addition, state special revenue authority was increased to support reclamation efforts at the CR Kendall Mine in Fergus County. This funding is made possible by HB 58, which redirects revenue from the orphan share account to a newly created state special revenue fund dedicated to covering water treatment costs at the site.

Further increases in state special revenue will support the ongoing operation and maintenance of the Zortman/Landusky and CR Kendall mine reclamation sites, funded by forfeited surety bonds. Additional funding was also approved to enhance the agency's capacity to conduct environmental reviews.

Funding

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

Total Department of Environmental Quality 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	16,578,651	200,000			16,778,651	9.6%
02058 Petroleum Storage Tank Cleanup	7,411,435			10,500,000	17,911,435	10.2%
02201 Air Quality-Operating Fees	7,320,646				7,320,646	4.2%
02278 MPDES Permit Program	7,007,137				7,007,137	4.0%
02988 Hard Rock Mining Reclamation	6,252,704				6,252,704	3.6%
02576 Natural Resources Operations	5,231,196				5,231,196	3.0%
Other State Special Revenue	41,714,041				41,714,041	23.8%
State Special Revenue Total	74,937,159	-	-	10,500,000	85,437,159	48.8%
03433 EPA Perf Partnership Grant	12,656,372				12,656,372	7.2%
03036 DEQ - Federal Aml Grant	8,756,129				8,756,129	5.0%
03816 DOI OSM A&E Grant	4,458,027				4,458,027	2.5%
03595 DW24 SRF Grant	3,862,698				3,862,698	2.2%
03231 NPS25 Staffing Grant	2,175,108				2,175,108	1.2%
Other Federal Special Revenue	20,963,330				20,963,330	12.0%
Federal Special Revenue Total	52,871,664	-	-	-	52,871,664	30.2%
06509 DEQ Indirects			19,865,764		19,865,764	11.4%
Proprietary Fund Total	-	-	19,865,764	-	19,865,764	11.4%
Total of All Funds	144,387,474	200,000	19,865,764	10,500,000	174,953,238	
Percent of All Sources of Authority	82.5%	0.1%	11.4%	6.0%		

The Department of Environmental Quality's primary source of funding is state special revenue, which comes from permitting fees, fines, and bond proceeds. These funds support key departmental functions such as permitting, enforcement, and environmental remediation.

Federal revenue is primarily provided through the U.S. Environmental Protection Agency (EPA) via performance partnership grants, Superfund program funding, and other federal grant sources.

General fund dollars are used to cover costs related to personal services, travel, communications, and equipment.

Statutory appropriations are funded through a tax on petroleum-based fuels and are designated for administrative costs associated with the Petroleum Tank Cleanup 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.

Department of Environmental Quality 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	6,751,689	34,851,429	25,843,362	67,446,480	93.3%	6,751,689	34,851,429	25,843,362	67,446,480	93.3%
Statewide PL										
Personal Services	530,149	(561,153)	466,499	435,495	0.6%	552,532	(521,938)	490,027	520,621	0.7%
Fixed Costs	292,082	100,239	13,454	405,775	0.6%	274,847	97,301	8,454	380,602	0.5%
Inflation Deflation	(5,772)	(12,814)	(10,685)	(29,271)	(0.0%)	(3,899)	(8,659)	(7,221)	(19,779)	(0.0%)
Total Statewide PL	816,459	(473,728)	469,268	811,999	1.1%	823,480	(433,296)	491,260	881,444	1.2%
Present Law (PL)	293,344	2,870,663	112,206	3,276,213	4.5%	292,946	2,870,662	112,206	3,275,814	4.5%
New Proposals	524,522	200,000	0	724,522	1.0%	524,522	200,000	0	724,522	1.0%
Total HB 2 Adjustments	1,634,325	2,596,935	581,474	4,812,734	6.7%	1,640,948	2,637,366	603,466	4,881,780	6.7%
Total Budget	8,386,014	37,448,364	26,424,836	72,259,214		8,392,637	37,488,795	26,446,828	72,328,260	

Other Legislation

HB 58 establishes a new state special revenue fund to finance water treatment expenses at the CR Kendall Mine, utilizing revenue redirected from the orphan share account.

HB 69 establishes a fee structure intended to support the implementation of the Metal Mine Reclamation Act by the Department of Environmental Quality and creates a new hard-rock mining permitting program.

SB 71 extends the annual \$1.0 million transfer from the general fund to the natural resources operations account through June 30, 2029. Under current law, this transfer was set to expire on June 27, 2027.

HB 189 expands the eligibility period for state reimbursement of petroleum storage tank cleanups by changing the start date for covered costs from after April 1989 to after April 1984.

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	35,253,427	36,423,717	36,423,717	0	36,508,445	36,508,445	0	0
Operating Expenses	28,201,659	30,230,279	30,330,278	99,999	30,214,597	30,314,596	99,999	199,998
Equipment & Intangible Assets	101,740	101,740	101,740	0	101,740	101,740	0	0
Capital Outlay	0	0	0	0	0	0	0	0
Grants	1,938,835	1,938,835	1,938,835	0	1,938,835	1,938,835	0	0
Benefits & Claims	425,000	425,000	425,000	0	425,000	425,000	0	0
Transfers	3,039,644	3,039,644	3,039,644	0	3,039,644	3,039,644	0	0
Total Costs	\$68,960,305	\$72,159,215	\$72,259,214	\$99,999	\$72,228,261	\$72,328,260	\$99,999	\$199,998
General Fund	7,165,514	8,286,014	8,386,014	100,000	8,292,637	8,392,637	100,000	200,000
State/other Special Rev. Funds	35,951,429	37,448,365	37,448,364	(1)	37,488,796	37,488,795	(1)	(2)
Federal Spec. Rev. Funds	25,843,362	26,424,836	26,424,836	0	26,446,828	26,446,828	0	0
Other	0	0	0	0	0	0	0	0
Total Funds	\$68,960,305	\$72,159,215	\$72,259,214	\$99,999	\$72,228,261	\$72,328,260	\$99,999	\$199,998
Total Ongoing	\$67,446,480	\$72,159,215	\$72,159,214	(\$1)	\$72,228,261	\$72,228,260	(\$1)	(\$2)
Total OTO	\$1,513,825	\$0	\$100,000	\$100,000	\$0	\$100,000	\$100,000	\$200,000

The legislature included additional general fund authority for Montana Environmental Policy (MEPA) reviews: \$200,000

Language

The Water Quality Division is authorized to decrease federal special revenue and increase state special revenue in the drinking water or water pollution control revolving loan programs by a like amount within the administration account, when the amount of federal capitalization funds has been expended or when federal funds and bond proceeds will be used for other program purposes.

If HB 58 is not passed and approved, HB 2 state special revenue in the Air, Energy, and Mining Division is reduced by \$500,000 in FY 2026 and \$500,000 in FY 2027.

If HB 69 is not passed and approved, HB 2 state special revenue in the Air, Energy, and Mining Division is reduced by \$200,000 in FY 2026 and \$200,000 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	20.23	22.23	22.23	2.00	4.9%
General Fund	1,309,529	1,972,582	1,979,601	1,333,125	50.9%
State/Other Special Rev. Funds	2,697,560	2,697,560	2,697,560		0.0%
Federal Spec. Rev. Funds	1,101,430	873,770	874,551	(454,539)	(20.6%)
Total Funds	5,108,519	5,543,912	5,551,712	878,586	8.6%
Personal Services	2,146,750	2,353,115	2,362,807	422,422	9.8%
Operating Expenses	2,961,769	3,190,797	3,188,905	456,164	7.7%
Total Expenditures	5,108,519	5,543,912	5,551,712	878,586	8.6%
Total Ongoing	5,108,519	5,443,912	5,451,712	678,586	6.6%
Total One-Time-Only		100,000	100,000	200,000	0.0%

Program Description

The Central Management Program is responsible for agency-wide administration, management, planning, evaluation, and support.

- The Director's Office includes the director's staff, a centralized legal pool, the Montana Environmental Policy Act and the Montana Facility Siting Act functions, public affairs, and the enforcement program.
- The Centralized Management Program is an extension of the Director's Office and provides overall policy direction and support services to the agency in the areas of human resources, information management and technology, fiscal, records management, safety, emergency management, and continuous process improvement.

Program Highlights

Central Management Program Major Budget Highlights
<p>The legislature approved an increase of 8.6% or \$878,600 in total appropriations above base funding. In addition to statewide present law adjustments of \$92,300 the budget includes:</p> <ul style="list-style-type: none"> • New positions for legal staff, 2.00 PB: \$506,300 • Board of Environmental Review operations increase: \$80,000 • One-time-only authority for Montana Environmental Protection Act (MEPA) program review: \$200,000

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	2,139,473	2,048,219	2,146,750	2,353,115	2,362,807
Operating Expenses	1,047,168	2,860,010	2,961,769	3,190,797	3,188,905
Total Expenditures	\$3,186,641	\$4,908,229	\$5,108,519	\$5,543,912	\$5,551,712
General Fund	1,167,995	1,178,422	1,309,529	1,972,582	1,979,601
State/Other Special Rev. Funds	1,242,610	2,670,455	2,697,560	2,697,560	2,697,560
Federal Spec. Rev. Funds	776,036	1,059,352	1,101,430	873,770	874,551
Total Funds	\$3,186,641	\$4,908,229	\$5,108,519	\$5,543,912	\$5,551,712
Total Ongoing	\$3,186,641	\$4,908,229	\$5,108,519	\$5,443,912	\$5,451,712
Total OTO	\$0	\$0	\$0	\$100,000	\$100,000

Funding

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

Department of Environmental Quality, 10-Central Management Program Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	3,952,183	0	0	3,952,183	12.76 %
02070 Hazardous Waste-CERCLA	270,508	0	0	270,508	5.01 %
02075 UST Leak Prevention Program	82,270	0	0	82,270	1.52 %
02097 Environmental Rehab & Response	500,434	0	0	500,434	9.28 %
02157 Solid Waste Management Fee	124,506	0	0	124,506	2.31 %
02201 Air Quality-Operating Fees	413,450	0	0	413,450	7.66 %
02202 Asbestos Control	128,334	0	0	128,334	2.38 %
02204 Public Drinking Water	290,482	0	0	290,482	5.38 %
02223 Wastewater SRF Special Admin	5,430	0	0	5,430	0.10 %
02278 MPDES Permit Program	499,808	0	0	499,808	9.26 %
02418 Subdivision Plat Review	146,000	0	0	146,000	2.71 %
02428 Major Facility Siting	785,888	0	0	785,888	14.57 %
02542 MT Environ Policy Act Fee	1,945,678	0	0	1,945,678	36.06 %
02576 Natural Resources Operations	84,110	0	0	84,110	1.56 %
02845 Junk Vehicle Disposal	104,220	0	0	104,220	1.93 %
02955 State Energy conservation ARRA	14,002	0	0	14,002	0.26 %
State Special Total	\$5,395,120	\$0	\$0	\$5,395,120	17.43 %
03036 DEQ - Federal Aml Grant	117,491	0	0	117,491	6.72 %
03046 2019 Exchange Network	168,130	0	0	168,130	9.62 %
03067 DSL Federal Reclamation Grant	12	0	0	12	0.00 %
03231 NPS25 Staffing Grant	41,778	0	0	41,778	2.39 %
03433 EPA Perf Partnership Grant	943,936	0	0	943,936	53.99 %
03796 Haz Mat Emergency Prep	31,948	0	0	31,948	1.83 %
03816 DOI OSM A&E Grant	445,026	0	0	445,026	25.45 %
Federal Special Total	\$1,748,321	\$0	\$0	\$1,748,321	5.65 %
06509 DEQ Indirects	0	19,865,764	0	19,865,764	100.00 %
Proprietary Total	\$0	\$19,865,764	\$0	\$19,865,764	64.16 %
Total All Funds	\$11,095,624	\$19,865,764	\$0	\$30,961,388	

About 64.2% of the activities in the Central Management Program are funded with non-budgeted proprietary funds that are not appropriated through HB 2. The proprietary funding is based upon a negotiated indirect rate with the Environmental Protection Agency (EPA). The indirect rate is assessed against personal services and operations. Budgeted funds constitute 35.8% of total funding sources for the program. The appropriated funds consist of general funds, 15 state special revenue funds, and federal grants. Most of the funding comes from Montana Environmental Protection Act (MEPA) fees. Other revenue comes from fees for major facility siting, environmental re-habitation and response, air quality operating fees, and pollutant discharge elimination system permits.

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 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	1,309,529	2,697,560	1,101,430	5,108,519	92.1%	1,309,529	2,697,560	1,101,430	5,108,519	92.0%
Statewide PL										
Personal Services	234,077	0	(227,660)	6,417	0.1%	243,386	0	(226,879)	16,507	0.3%
Fixed Costs	36,494	0	0	36,494	0.7%	34,322	0	0	34,322	0.6%
Inflation Deflation	(862)	0	0	(862)	(0.0%)	(582)	0	0	(582)	(0.0%)
Total Statewide PL	269,709	0	(227,660)	42,049	0.8%	277,126	0	(226,879)	50,247	0.9%
Present Law (PL)	293,344	0	0	293,344	5.3%	292,946	0	0	292,946	5.3%
New Proposals	100,000	0	0	100,000	1.8%	100,000	0	0	100,000	1.8%
Total HB 2 Adjustments	663,053	0	(227,660)	435,393	7.9%	670,072	0	(226,879)	443,193	8.0%
Total Budget	1,972,582	2,697,560	873,770	5,543,912		1,979,601	2,697,560	874,551	5,551,712	

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	234,077	0	(227,660)	6,417	0.00	243,386	0	(226,879)	16,507
DP 2 - Fixed Costs	0.00	36,494	0	0	36,494	0.00	34,322	0	0	34,322
DP 3 - Inflation Deflation	0.00	(862)	0	0	(862)	0.00	(582)	0	0	(582)
DP 10002 - Additional Legal Support	2.00	253,344	0	0	253,344	2.00	252,946	0	0	252,946
DP 10011 - Board of Environmental Review	0.00	40,000	0	0	40,000	0.00	40,000	0	0	40,000
Grand Total All Present Law Adjustments	2.00	\$563,053	\$0	(\$227,660)	\$335,393	2.00	\$570,072	\$0	(\$226,879)	\$343,193

***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: warrant writer, motor pool, 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 10002 - Additional Legal Support -

The legislature adopted an increase in general fund to support the addition of 2.00 PB, a new attorney and legal secretary.

DP 10011 - Board of Environmental Review -

The legislature adopted an increase in general fund to support increasing caseloads at the Board of Environmental Review.

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 10200 - MEPA Environmental Program Review (RST/BIEN/OTO)	0.00	100,000	0	0	100,000	0.00	100,000	0	0	100,000
Total	0.00	\$100,000	\$0	\$0	\$100,000	0.00	\$100,000	\$0	\$0	\$100,000

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

DP 10200 - MEPA Environmental Program Review (RST/BIEN/OTO) -

The legislature approved a restricted, biennia, and one-time-only appropriation of general fund to support programmatic reviews and categorical exclusions to streamline Montana Environmental Policy Act (MEPA) analysis. The department shall examine internal processes and work with other state agencies to prioritize actions that should be addressed by programmatic reviews and categorical exclusions.

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	136.67	143.67	143.67	7.00	2.6%
General Fund	2,766,335	3,517,297	3,513,493	1,498,120	27.1%
State/Other Special Rev. Funds	8,547,420	8,475,099	8,480,537	(139,204)	(0.8%)
Federal Spec. Rev. Funds	8,406,729	8,999,405	9,009,848	1,195,795	7.1%
Total Funds	19,720,484	20,991,801	21,003,878	2,554,711	6.5%
Personal Services	13,140,844	14,032,848	14,054,787	1,805,947	6.9%
Operating Expenses	6,323,619	6,702,932	6,693,070	748,764	5.9%
Grants	252,020	252,020	252,020		0.0%
Transfers	4,001	4,001	4,001		0.0%
Total Expenditures	19,720,484	20,991,801	21,003,878	2,554,711	6.5%
Total Ongoing	19,720,484	20,991,801	21,003,878	2,554,711	6.5%
Total One-Time-Only	413,825			(827,650)	(100.0%)

Program Description

The Water Quality Division protects public health and water quality in the state of Montana. This is accomplished through the financing and technical assistance provided for community water and wastewater systems; the development of water quality restoration plans; managing a statewide monitoring network; subdivision review; monitoring compliance of public water systems; and water discharge permitting. The division achieves this through coordination with the public and regulated community by proposing rules, drafting policy, and developing water quality standards.

Program Highlights

Water Quality Division Major Budget Highlights
<p>The legislature approved an increase of 6.5% or \$2.6 million in total appropriations above base funding. In addition to statewide present law adjustments of \$739,900, this includes:</p> <p>7.00 new PB at a cost of \$1.8 million for:</p> <ul style="list-style-type: none"> • Safe Drinking Water Act • Engineering compliance specialist • Wastewater technical inspector • Subdivision applications support

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	11,297,692	12,879,277	13,464,869	14,032,848	14,054,787
Operating Expenses	4,666,009	6,412,093	6,413,419	6,702,932	6,693,070
Grants	313,333	252,020	252,020	252,020	252,020
Transfers	0	4,001	4,001	4,001	4,001
Total Expenditures	\$16,277,034	\$19,547,391	\$20,134,309	\$20,991,801	\$21,003,878
General Fund	3,099,560	3,142,352	3,180,160	3,517,297	3,513,493
State/Other Special Rev. Funds	5,712,936	8,255,548	8,547,420	8,475,099	8,480,537
Federal Spec. Rev. Funds	7,464,538	8,149,491	8,406,729	8,999,405	9,009,848
Total Funds	\$16,277,034	\$19,547,391	\$20,134,309	\$20,991,801	\$21,003,878
Total Ongoing	\$15,880,214	\$19,108,255	\$19,720,484	\$20,991,801	\$21,003,878
Total OTO	\$396,820	\$439,136	\$413,825	\$0	\$0

Funding

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

Department of Environmental Quality, 20-Water Quality Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	7,030,790	0	0	7,030,790	16.74 %
02203 Nutrient Standards	90,062	0	0	90,062	0.53 %
02204 Public Drinking Water	2,988,252	0	0	2,988,252	17.62 %
02206 Agriculture Monitoring	11,064	0	0	11,064	0.07 %
02223 Wastewater SRF Special Admin	2,355,275	0	0	2,355,275	13.89 %
02278 MPDES Permit Program	6,507,329	0	0	6,507,329	38.38 %
02316 SRF Bonds State Administration	206,478	0	0	206,478	1.22 %
02418 Subdivision Plat Review	3,014,815	0	0	3,014,815	17.78 %
02420 Bd of Cert For W&WW OP	443,343	0	0	443,343	2.61 %
02491 Drinking Water Spec Admin Cost	1,339,018	0	0	1,339,018	7.90 %
State Special Total	\$16,955,636	\$0	\$0	\$16,955,636	40.37 %
03003 Regional Wetlands Program	20,000	0	0	20,000	0.11 %
03013 WPC24 SRF Grant	245,318	0	0	245,318	1.36 %
03231 NPS25 Staffing Grant	2,133,330	0	0	2,133,330	11.85 %
03262 EPA Ppg	773,341	0	0	773,341	4.29 %
03433 EPA Perf Partnership Grant	6,626,038	0	0	6,626,038	36.79 %
03436 NPS22 Staffing Grant	2,123	0	0	2,123	0.01 %
03490 FY21 Wetland Develop Grant	367,251	0	0	367,251	2.04 %
03586 DW23 SRF Grant	1,815,212	0	0	1,815,212	10.08 %
03595 DW24 SRF Grant	3,862,698	0	0	3,862,698	21.45 %
03608 WPC21 SRF Grant	20	0	0	20	0.00 %
03676 Bureau of Land Management	200,000	0	0	200,000	1.11 %
03691 NPS24 Staffing Grant	1,463,922	0	0	1,463,922	8.13 %
03817 DW22 SRF Grant	500,000	0	0	500,000	2.78 %
Federal Special Total	\$18,009,253	\$0	\$0	\$18,009,253	42.88 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$41,995,679	\$0	\$0	\$41,995,679	

The Water Quality Division is primarily funded with state special revenue and federal grants, which together account for 83.3% of its total budget. The division's primary sources of state special revenue include fees collected for Montana pollutant discharge elimination system permits, subdivision plat reviews, and funds from wastewater and drinking water revolving funds programs. Federal funding primarily comes from Environmental Protection Agency (EPA) programs. These include the performance partnership grant and funds allocated for non-point source water projects under the federal Clean Water Act.

General fund support makes up the remaining 16.7% of the total budget, primarily covering personal services and operating expenses.

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.

Water Quality 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	2,766,335	8,547,420	8,406,729	19,720,484	93.9%	2,766,335	8,547,420	8,406,729	19,720,484	93.9%
Statewide PL										
Personal Services	145,646	(442,984)	480,470	183,132	0.9%	151,703	(437,545)	490,913	205,071	1.0%
Fixed Costs	185,704	0	0	185,704	0.9%	174,250	0	0	174,250	0.8%
Inflation Deflation	(4,910)	0	0	(4,910)	(0.0%)	(3,317)	0	0	(3,317)	(0.0%)
Total Statewide PL	326,440	(442,984)	480,470	363,926	1.7%	322,636	(437,545)	490,913	376,004	1.8%
Present Law (PL)	0	370,663	112,206	482,869	2.3%	0	370,662	112,206	482,868	2.3%
New Proposals	424,522	0	0	424,522	2.0%	424,522	0	0	424,522	2.0%
Total HB 2 Adjustments	750,962	(72,321)	592,676	1,271,317	6.1%	747,158	(66,883)	603,119	1,283,394	6.1%
Total Budget	3,517,297	8,475,099	8,999,405	20,991,801		3,513,493	8,480,537	9,009,848	21,003,878	

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	145,646	(442,984)	480,470	183,132		0.00	151,703	(437,545)	490,913	205,071
DP 2 - Fixed Costs										
0.00	185,704	0	0	185,704		0.00	174,250	0	0	174,250
DP 3 - Inflation Deflation										
0.00	(4,910)	0	0	(4,910)		0.00	(3,317)	0	0	(3,317)
DP 20006 - PWS Requesting HB2 PB										
2.00	0	112,205	112,206	224,411		2.00	0	112,205	112,206	224,411
DP 20007 - Engineering Compliance Specialist										
1.00	0	131,333	0	131,333		1.00	0	131,333	0	131,333
DP 20008 - Wastewater Technical Inspector										
1.00	0	127,125	0	127,125		1.00	0	127,124	0	127,124
Grand Total All Present Law Adjustments										
4.00	\$326,440	(\$72,321)	\$592,676	\$846,795		4.00	\$322,636	(\$66,883)	\$603,119	\$858,872

***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: warrant writer, motor pool, 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 20006 - PWS Requesting HB2 PB -

The legislature adopted an increase in state and federal special revenues to fund an additional 2.00 PB to enact the Safe Drinking Water Act. These new positions will draft rules and conduct necessary sampling to ensure compliance with EPA standards for PFAS/PFOA (Per- and polyfluoroalkyl substances/perfluorooctanoic acid).

DP 20007 - Engineering Compliance Specialist -

The legislature adopted an increase in state special revenue to fund an additional 1.00 PB for an engineering compliance specialist. This new position will be responsible for conducting all compliance investigations related to complaints received by the Engineering Bureau. Additionally, the specialist will provide training to assist businesses and individuals in adhering to regulations concerning subdivision and public water/wastewater systems.

DP 20008 - Wastewater Technical Inspector -

The legislature adopted an increase in state special revenue to fund an additional 1.00 PB for a wastewater technical advisor. This new position would assist municipalities with optimizing their wastewater systems and provide wastewater operator training.

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 20001 - Establish HB2 PB for Engineering Bureau	3.00	424,522	0	0	424,522	3.00	424,522	0	0	424,522
Total	3.00	\$424,522	\$0	\$0	\$424,522	3.00	\$424,522	\$0	\$0	\$424,522

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

DP 20001 - Establish HB2 PB for Engineering Bureau -

The legislature adopted an increase in general fund for an additional 3.00 PB in the Engineering Bureau for subdivision review.

53010 - Department of Environmental Quality 40-Waste Management and Remediation Division

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	102.36	102.36	102.36	0.00	0.0%
General Fund	681,173	739,824	743,154	120,632	8.9%
State/Other Special Rev. Funds	12,338,396	12,288,408	12,306,209	(82,175)	(0.3%)
Federal Spec. Rev. Funds	11,046,805	11,374,388	11,379,279	660,057	3.0%
Total Funds	24,066,374	24,402,620	24,428,642	698,514	1.5%
Personal Services	9,434,405	9,743,187	9,769,953	644,330	3.4%
Operating Expenses	9,805,455	9,832,919	9,832,175	54,184	0.3%
Grants	1,686,815	1,686,815	1,686,815		0.0%
Benefits & Claims	425,000	425,000	425,000		0.0%
Transfers	2,714,699	2,714,699	2,714,699		0.0%
Total Expenditures	24,066,374	24,402,620	24,428,642	698,514	1.5%
Total Ongoing	24,066,374	24,402,620	24,428,642	698,514	1.5%
Total One-Time-Only	1,100,000			(2,200,000)	(100.0%)

Program Description

The Waste Management and Remediation Division protects human health and the environment by preventing exposure to contaminants, working with Montana communities and businesses to implement effective material management and cleanup strategies, and overseeing compliance with state and federal laws and regulations. It oversees and conducts or supports remedial investigation and efficient, cost-effective cleanup activities at state and federal Superfund sites; supervises voluntary cleanup activities; reclaims abandoned mine lands; implements corrective actions at sites; and administrates regulatory waste management programs.

Program Highlights

Waste Management and Remediation Division Major Budget Highlights
The legislature approved an increase of 1.5% or \$698,500 in total appropriations above base funding. The increase is due entirely to statewide present law adjustments.

53010 - Department of Environmental Quality 40-Waste Management and Remediation 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	7,455,153	8,976,524	9,434,405	9,743,187	9,769,953
Operating Expenses	7,722,865	10,816,527	10,905,455	9,832,919	9,832,175
Capital Outlay	1,531,886	1,445,500	0	0	0
Grants	1,501,917	1,686,815	1,686,815	1,686,815	1,686,815
Benefits & Claims	348,053	425,000	425,000	425,000	425,000
Transfers	10,557	1,293,699	2,714,699	2,714,699	2,714,699
Total Expenditures	\$18,570,431	\$24,644,065	\$25,166,374	\$24,402,620	\$24,428,642
General Fund	502,208	535,830	681,173	739,824	743,154
State/Other Special Rev. Funds	9,132,415	13,217,924	13,438,396	12,288,408	12,306,209
Federal Spec. Rev. Funds	8,935,808	10,890,311	11,046,805	11,374,388	11,379,279
Total Funds	\$18,570,431	\$24,644,065	\$25,166,374	\$24,402,620	\$24,428,642
Total Ongoing	\$18,570,431	\$23,544,065	\$24,066,374	\$24,402,620	\$24,428,642
Total OTO	\$0	\$1,100,000	\$1,100,000	\$0	\$0

53010 - Department of Environmental Quality 40-Waste Management and Remediation Division

Funding

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

Department of Environmental Quality, 40-Waste Management and Remediation Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	1,482,978	0	0	1,482,978	3.04 %
02054 UST-Installer Lic & Permit Acc	100,810	0	0	100,810	0.41 %
02058 Petroleum Storage Tank Cleanup	5,541,590	0	0	5,541,590	22.53 %
02070 Hazardous Waste-CERCLA	1,450,714	0	0	1,450,714	5.90 %
02075 UST Leak Prevention Program	801,936	0	0	801,936	3.26 %
02130 Libby Asbestos Cleanup O&M	200,000	0	0	200,000	0.81 %
02157 Solid Waste Management Fee	1,856,090	0	0	1,856,090	7.55 %
02162 Environmental Quality Protecti	4,600,683	0	0	4,600,683	18.71 %
02202 Asbestos Control	694,084	0	0	694,084	2.82 %
02206 Agriculture Monitoring	40,000	0	0	40,000	0.16 %
02314 DNRC Grants - REMediation	457,060	0	0	457,060	1.86 %
02421 Hazardous Waste Fees	537,780	0	0	537,780	2.19 %
02438 Pegasus - Beal Mountain	1,988	0	0	1,988	0.01 %
02472 Orphan Share Fund	1,122,530	0	0	1,122,530	4.56 %
02565 LUST Cost Recovery	900,028	0	0	900,028	3.66 %
02676 Hard Rock Reclamation	1,200,000	0	0	1,200,000	4.88 %
02845 Junk Vehicle Disposal	4,912,610	0	0	4,912,610	19.97 %
02940 Pegasus - Basin	77,964	0	0	77,964	0.32 %
02954 Septage Fees	98,750	0	0	98,750	0.40 %
State Special Total	\$24,594,617	\$0	\$0	\$24,594,617	50.37 %
03036 DEQ - Federal Aml Grant	8,638,638	0	0	8,638,638	37.97 %
03151 Upper Tenmile TA	300,000	0	0	300,000	1.32 %
03155 Carpenter Snow Creek	810,000	0	0	810,000	3.56 %
03228 L.U.S.T./Trust	1,031,980	0	0	1,031,980	4.54 %
03309 UST Leak Prevention Grant	840,548	0	0	840,548	3.69 %
03351 Tech Assist - Butte Mine Flood	800,000	0	0	800,000	3.52 %
03353 Management Assist - Spec Acct	1,154,594	0	0	1,154,594	5.07 %
03360 Management Assistance - Bulk	1,851,572	0	0	1,851,572	8.14 %
03433 EPA Perf Partnership Grant	1,745,102	0	0	1,745,102	7.67 %
03447 Belt Water Treatment Fund	300,000	0	0	300,000	1.32 %
03463 Mine Lease/Reclamation	125,518	0	0	125,518	0.55 %
03721 Libby Sitewide	700,000	0	0	700,000	3.08 %
03798 LIBBY O&M GRANT	150,000	0	0	150,000	0.66 %
03820 Libby OU3	2,132,700	0	0	2,132,700	9.37 %
03973 EPA Brownfields Grant	2,173,015	0	0	2,173,015	9.55 %
Federal Special Total	\$22,753,667	\$0	\$0	\$22,753,667	46.60 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$48,831,262	\$0	\$0	\$48,831,262	

The Waste Management and Remediation Division is funded primarily with state and federal special revenues. State special revenue comes from junk vehicle fees, \$0.0075 gas tax for petroleum tank cleanup, registration fees for underground storage tanks, and interest proceeds from the Resource Indemnity Trust (RIT). Federal special revenue is derived from the federal EPA for Superfund oversight and various other activities. Other federal revenue sources include the Office of Surface Mining for the Abandoned Mine Lands Program.

The general fund supports 1.9% of the division budget and supports the Waste Management Bureau.

53010 - Department of Environmental Quality 40-Waste Management and Remediation 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.

Waste Management and Remediation 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	681,173	12,338,396	11,046,805	24,066,374	98.6%	681,173	12,338,396	11,046,805	24,066,374	98.5%
Statewide PL										
Personal Services	58,651	(77,452)	327,583	308,782	1.3%	61,981	(58,907)	332,474	335,548	1.4%
Fixed Costs	0	31,970	0	31,970	0.1%	0	29,765	0	29,765	0.1%
Inflation Deflation	0	(4,506)	0	(4,506)	(0.0%)	0	(3,045)	0	(3,045)	(0.0%)
Total Statewide PL	58,651	(49,988)	327,583	336,246	1.4%	61,981	(32,187)	332,474	362,268	1.5%
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	58,651	(49,988)	327,583	336,246	1.4%	61,981	(32,187)	332,474	362,268	1.5%
Total Budget	739,824	12,288,408	11,374,388	24,402,620		743,154	12,306,209	11,379,279	24,428,642	

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	58,651	(77,452)	327,583	308,782	0.00	61,981	(58,907)	332,474	335,548
DP 2 - Fixed Costs	0.00	0	31,970	0	31,970	0.00	0	29,765	0	29,765
DP 3 - Inflation Deflation	0.00	0	(4,506)	0	(4,506)	0.00	0	(3,045)	0	(3,045)
Grand Total All Present Law Adjustments	0.00	\$58,651	(\$49,988)	\$327,583	\$336,246	0.00	\$61,981	(\$32,187)	\$332,474	\$362,268

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

53010 - Department of Environmental Quality 40-Waste Management and Remediation Division

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: warrant writer, motor pool, 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.

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	101.03	101.03	101.03	0.00	0.0%
General Fund	1,994,652	2,156,311	2,156,389	323,396	8.1%
State/Other Special Rev. Funds	9,869,841	12,563,818	12,580,751	5,404,887	27.4%
Federal Spec. Rev. Funds	5,288,398	5,177,273	5,183,150	(216,373)	(2.0%)
Total Funds	17,152,891	19,897,402	19,920,290	5,511,910	16.1%
Personal Services	9,637,711	9,700,979	9,726,944	152,501	0.8%
Operating Expenses	7,399,742	10,080,985	10,077,908	5,359,409	36.2%
Equipment & Intangible Assets	101,740	101,740	101,740		0.0%
Transfers	13,698	13,698	13,698		0.0%
Total Expenditures	17,152,891	19,897,402	19,920,290	5,511,910	16.1%
Total Ongoing	17,152,891	19,897,402	19,920,290	5,511,910	16.1%
Total One-Time-Only					0.0%

Program Description

The Air, Energy and Mining Division (AEMD) permits and regulates environmentally-protective and productive operations in air, hard rock mining, opencut mining, and coal mining industries according to program statutory authority. The permitting and regulatory work includes extensive coordination with other programs to develop environmental review documents that comply with the Montana Environmental Policy Act (MEPA), including environmental assessments and environmental impact statements. AEMD includes the State Energy Office, or Energy Bureau, which promotes and improves Montanan's access to energy efficiency and alternative energy sources while improving the state's energy security by offering financing mechanisms, technical assistance, and education for public and private entities.

Program Highlights

Air, Energy, and Mining Division Major Budget Highlights	
<p>The legislature approved an increase of 16.1% or \$5.5 million in total appropriations above base funding. In addition to statewide present law adjustments of \$111,900, this includes:</p> <ul style="list-style-type: none"> • Zortman/Landusky mine reclamation - \$4.0 million • CR Kendall mine reclamation - \$1.0 million • Mine reclamation, increased authority from hard rock mining fees - \$400,000 	

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	7,588,402	9,226,261	9,637,711	9,700,979	9,726,944
Operating Expenses	5,024,034	7,213,201	7,399,742	10,080,985	10,077,908
Equipment & Intangible Assets	360,243	238,395	101,740	101,740	101,740
Transfers	0	13,698	13,698	13,698	13,698
Total Expenditures	\$12,972,679	\$16,691,555	\$17,152,891	\$19,897,402	\$19,920,290
General Fund	1,939,945	1,940,611	1,994,652	2,156,311	2,156,389
State/Other Special Rev. Funds	6,964,741	9,601,886	9,869,841	12,563,818	12,580,751
Federal Spec. Rev. Funds	4,067,993	5,149,058	5,288,398	5,177,273	5,183,150
Total Funds	\$12,972,679	\$16,691,555	\$17,152,891	\$19,897,402	\$19,920,290
Total Ongoing	\$12,972,679	\$16,691,555	\$17,152,891	\$19,897,402	\$19,920,290
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Environmental Quality, 50-Air, Energy, and Mining Division Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	4,312,700	0	0	4,312,700	10.83 %	
02036 Opencut permit Fees	1,410,965	0	0	1,410,965	5.61 %	
02095 Opencut Bond Forfeitures	429,248	0	0	429,248	1.71 %	
02096 Reclamation - Bond Forfeitures	747,688	0	0	747,688	2.97 %	
02201 Air Quality-Operating Fees	6,907,196	0	0	6,907,196	27.47 %	
02291 Alternative Energy Loan ARRA	200,812	0	0	200,812	0.80 %	
02370 Energy Consrv Repayment Acct	24,862	0	0	24,862	0.10 %	
02388 Database Development	1,400,000	0	0	1,400,000	5.57 %	
02555 Alternative Energy Rev Loan	441,840	0	0	441,840	1.76 %	
02576 Natural Resources Operations	5,147,086	0	0	5,147,086	20.47 %	
02579 Coal & Uranium Mine Account	558,006	0	0	558,006	2.22 %	
02676 Hard Rock Reclamation	25,296	0	0	25,296	0.10 %	
02955 State Energy conservation ARRA	1,092,764	0	0	1,092,764	4.35 %	
02973 Univ System Benefits Program	506,102	0	0	506,102	2.01 %	
02988 Hard Rock Mining Reclamation	6,252,704	0	0	6,252,704	24.87 %	
State Special Total	\$25,144,569	\$0	\$0	\$25,144,569	63.15 %	
03052 DOE SHOPP 09/14/21	34,640	0	0	34,640	0.33 %	
03067 DSL Federal Reclamation Grant	196,540	0	0	196,540	1.90 %	
03199 Stripper Wells	9,000	0	0	9,000	0.09 %	
03262 EPA Ppg	80,269	0	0	80,269	0.77 %	
03325 EPA 103 PM 2.5	218	0	0	218	0.00 %	
03433 EPA Perf Partnership Grant	3,341,296	0	0	3,341,296	32.25 %	
03435 PM 2.5 Fiscal Year 2004	854,926	0	0	854,926	8.25 %	
03437 DOE-State Energy Program	888,722	0	0	888,722	8.58 %	
03459 DOE Competitive Special Proj	182,733	0	0	182,733	1.76 %	
03723 Clean Diesel DS-97867001	759,078	0	0	759,078	7.33 %	
03816 DOI OSM A&E Grant	4,013,001	0	0	4,013,001	38.73 %	
Federal Special Total	\$10,360,423	\$0	\$0	\$10,360,423	26.02 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$39,817,692	\$0	\$0	\$39,817,692		

The Air Energy and Mining Division is funded primarily with state special revenues. State special revenue primarily consists of air quality and opencut mining licensing and permitting fees, as well as production taxes on oil, gas, and metal mines. The agency also receives Resource Indemnity Trust (RIT) interest via the natural resource operations fund. Federal revenues, which fund 26.0% of the budget, come primarily from EPA, Department of Energy, and Department of Interior grants. General fund, 10.8% of the budget, supports the administration of the division and the Air Quality, Energy, and Mining bureaus.

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, Energy, and Mining 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	1,994,652	9,869,841	5,288,398	17,152,891	86.2%	1,994,652	9,869,841	5,288,398	17,152,891	86.1%
Statewide PL										
Personal Services	91,775	(64,613)	(113,894)	(86,732)	(0.4%)	95,462	(49,748)	(106,481)	(60,767)	(0.3%)
Fixed Costs	69,884	66,898	13,454	150,236	0.8%	66,275	66,272	8,454	141,001	0.7%
Inflation Deflation	0	(8,308)	(10,685)	(18,993)	(0.1%)	0	(5,614)	(7,221)	(12,835)	(0.1%)
Total Statewide PL	161,659	(6,023)	(111,125)	44,511	0.2%	161,737	10,910	(105,248)	67,399	0.3%
Present Law (PL)	0	2,500,000	0	2,500,000	12.6%	0	2,500,000	0	2,500,000	12.6%
New Proposals	0	200,000	0	200,000	1.0%	0	200,000	0	200,000	1.0%
Total HB 2 Adjustments	161,659	2,693,977	(111,125)	2,744,511	13.8%	161,737	2,710,910	(105,248)	2,767,399	13.9%
Total Budget	2,156,311	12,563,818	5,177,273	19,897,402		2,156,389	12,580,751	5,183,150	19,920,290	

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	91,775	(64,613)	(113,894)	(86,732)	0.00	95,462	(49,748)	(106,481)	(60,767)
DP 2 - Fixed Costs	0.00	69,884	66,898	13,454	150,236	0.00	66,275	66,272	8,454	141,001
DP 3 - Inflation Deflation	0.00	0	(8,308)	(10,685)	(18,993)	0.00	0	(5,614)	(7,221)	(12,835)
DP 50003 - CR Kendall Funding	0.00	0	500,000	0	500,000	0.00	0	500,000	0	500,000
DP 50010 - Appropriation for Zortman Landusky	0.00	0	2,000,000	0	2,000,000	0.00	0	2,000,000	0	2,000,000
Grand Total All Present Law Adjustments	0.00	\$161,659	\$2,493,977	(\$111,125)	\$2,544,511	0.00	\$161,737	\$2,510,910	(\$105,248)	\$2,567,399

***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: warrant writer, motor pool, 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 50003 - CR Kendall Funding -

The legislature adopted an increase in state special revenue to support reclamation work at the CR Kendall mine site. The funding source for this decision package is dependent on the passage of HB 58 - "Revise distributions mine remediation". Prior funding for the reclamation, bond proceeds, has been exhausted. The legislature approve the following language for HB 2.

"If HB 58 is not passed and approved, HB 2 state special revenue in the Air, Energy, and Mining Division is reduced by \$500,000 in FY 2026 and \$500,000 in FY 2027."

DP 50010 - Appropriation for Zortman Landusky -

The legislature adopted an increase in state special revenue to support operation and maintenance of the Zortman/Landusky and CR Kendal mine reclamation sites. This proposal would be funded with forfeited surety bonds.

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 50005 - Hard Rock Mining Fees	0.00	0	200,000	0	200,000	0.00	0	200,000	0	200,000
Total	0.00	\$0	\$200,000	\$0	\$200,000	0.00	\$0	\$200,000	\$0	\$200,000

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

DP 50005 - Hard Rock Mining Fees -

The legislature adopted an increase in state special revenue to support implementing the Metal Mine Reclamation Act (MMRA). This new funding is dependent on the passage of HB 69 – "An Act Revising Hard Rock and Rock Products Mining Fees". HB 69 establishes a new fee structure dedicated to metal mine reclamation. The legislature approved the following language for HB 2.

"If HB 69 is not passed and approved, HB 2 state special revenue in the Air, Energy, and Mining Division is reduced by \$200,000 in FY 2026 and \$200,000 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
State/Other Special Rev. Funds	488,686	488,686	488,686		0.0%
Total Funds	488,686	488,686	488,686		0.0%
Operating Expenses	181,440	181,440	181,440		0.0%
Transfers	307,246	307,246	307,246		0.0%
Total Expenditures	488,686	488,686	488,686		0.0%
Total Ongoing	488,686	488,686	488,686		0.0%
Total One-Time-Only					0.0%

Program Description

The Libby Asbestos Oversight Committee is attached to DEQ for administrative purposes. The oversight committee was created to enhance communication with stakeholders regarding the Libby Asbestos Superfund site. In addition, the oversight committee advises DEQ on administration of the Libby Asbestos Cleanup Trust Fund and operation and maintenance accounts. The appropriated funds are used to maintain committee activities and support operation and maintenance at the site for long-term environmental and public health protection.

Program Highlights

Libby Asbestos Super Fund Advisory Team Major Budget Highlights
The legislature approved base funding.

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	2	179,334	181,440	181,440	181,440
Transfers	486,335	307,246	307,246	307,246	307,246
Total Expenditures	\$486,337	\$486,580	\$488,686	\$488,686	\$488,686
State/Other Special Rev. Funds	486,337	486,580	488,686	488,686	488,686
Total Funds	\$486,337	\$486,580	\$488,686	\$488,686	\$488,686
Total Ongoing	\$486,337	\$486,580	\$488,686	\$488,686	\$488,686
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Environmental Quality, 80-Libby Asbestos Superfund Advisory Team 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 %
02130 Libby Asbestos Cleanup O&M	977,372	0	0	977,372	100.00 %
State Special Total	\$977,372	\$0	\$0	\$977,372	100.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$977,372	\$0	\$0	\$977,372	

The Libby Asbestos Superfund Advisory Team is funded from the Libby Asbestos Cleanup Operations and Maintenance state special revenue account. Sources of revenue include penalties, forfeited financial assurances, proceeds from the resource indemnity trust fund, cost recoveries, and interest on the fund balance.

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.

Libby Asbestos Superfund Advisory Team 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	488,686	0	488,686	100.0%	0	488,686	0	488,686	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	488,686	0	488,686		0	488,686	0	488,686	

53010 - Department of Environmental Quality 90-Petroleum Tank Release Compensation 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	6.75	6.75	6.75	0.00	0.0%	
State/Other Special Rev. Funds	909,526	934,793	935,052	50,793	2.8%	
Total Funds	909,526	934,793	935,052	50,793	2.8%	
Personal Services	569,692	593,588	593,954	48,158	4.2%	
Operating Expenses	339,834	341,205	341,098	2,635	0.4%	
Total Expenditures	909,526	934,793	935,052	50,793	2.8%	
Total Ongoing	909,526	934,793	935,052	50,793	2.8%	
Total One-Time-Only					0.0%	

Program Description

The Petroleum Tank Release Compensation Board is responsible for administering the Petroleum Tank Release Cleanup Fund. This includes reimbursement to certain petroleum storage tank owners and operators for corrective action costs, and compensation paid to third parties for bodily injury and property damage resulting from a release of petroleum from a petroleum storage tank. The board is responsible for responding to and working with private individuals, corporations, other state agencies, the Governor's Office, the legislature, federal agencies, and other interested parties with activities relative to petroleum storage tanks and their associated cleanups. It is attached to DEQ for administrative purposes.

Program Highlights

Petro Tank Release Compensation Board Major Budget Highlights
The legislature approved an increase of 2.8% or about \$50,800 in total appropriations above base funding. The entire increase is due to statewide present law adjustments.

53010 - Department of Environmental Quality 90-Petroleum Tank Release Compensation 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	546,075	539,948	569,692	593,588	593,954
Operating Expenses	219,428	337,294	339,834	341,205	341,098
Total Expenditures	\$765,503	\$877,242	\$909,526	\$934,793	\$935,052
State/Other Special Rev. Funds	765,503	877,242	909,526	934,793	935,052
Total Funds	\$765,503	\$877,242	\$909,526	\$934,793	\$935,052
Total Ongoing	\$765,503	\$877,242	\$909,526	\$934,793	\$935,052
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Environmental Quality, 90-Petroleum Tank Release Compensation Board 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 %
02058 Petroleum Storage Tank Cleanup	1,869,845	0	10,500,000	12,369,845	100.00 %
State Special Total	\$1,869,845	\$0	\$10,500,000	\$12,369,845	100.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$1,869,845	\$0	\$10,500,000	\$12,369,845	

The Board is funded entirely through a portion of the \$.0075 tax on gasoline, diesel, heating oil, and aviation fuel. Statutory appropriations pay for the reimbursement due to storage tank releases as described in 75-11-313, MCA.

53010 - Department of Environmental Quality 90-Petroleum Tank Release Compensation Board

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.

Petroleum Tank Release Compensation 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	0	909,526	0	909,526	97.3%	0	909,526	0	909,526	97.3%
Statewide PL										
Personal Services	0	23,896	0	23,896	2.6%	0	24,262	0	24,262	2.6%
Fixed Costs	0	1,371	0	1,371	0.1%	0	1,264	0	1,264	0.1%
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Statewide PL	0	25,267	0	25,267	2.7%	0	25,526	0	25,526	2.7%
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	25,267	0	25,267	2.7%	0	25,526	0	25,526	2.7%
Total Budget	0	934,793	0	934,793		0	935,052	0	935,052	

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	23,896	0	23,896	0.00	0	24,262	0	24,262
DP 2 - Fixed Costs	0.00	0	1,371	0	1,371	0.00	0	1,264	0	1,264
Grand Total All Present Law Adjustments	0.00	\$0	\$25,267	\$0	\$25,267	0.00	\$0	\$25,526	\$0	\$25,526

**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: warrant writer, motor pool, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

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	2,019.77	2,041.77	2,041.77	22.00	0.5%
State/Other Special Rev. Funds	336,128,560	370,344,235	370,659,134	68,746,249	10.2%
Federal Spec. Rev. Funds	642,794,651	714,716,609	722,412,838	151,540,145	11.8%
Total Funds	978,923,211	1,085,060,844	1,093,071,972	220,286,394	11.3%
Personal Services	195,494,675	199,905,147	200,389,066	9,304,863	2.4%
Operating Expenses	731,607,883	807,985,063	827,430,211	172,199,508	11.8%
Equipment & Intangible Assets	4,167,186	5,088,081	5,088,081	1,841,790	22.1%
Capital Outlay	12,956,865	14,756,865	12,956,865	1,800,000	6.9%
Grants	30,730,768	50,212,854	40,648,915	29,400,233	47.8%
Transfers	2,972,256	3,722,256	3,722,256	1,500,000	25.2%
Debt Service	993,578	3,390,578	2,836,578	4,240,000	213.4%
Total Expenditures	978,923,211	1,085,060,844	1,093,071,972	220,286,394	11.3%
Total Ongoing	978,923,211	1,082,239,949	1,092,051,077	216,444,604	11.1%
Total One-Time-Only	175,000	2,820,895	1,020,895	3,491,790	997.7%

Agency Description

The Department of Transportation is the agency responsible for administering the transportation network in Montana. The department plans, designs, builds, and maintains the statewide network of highways and bridges. The department also provides for the other aspects of a statewide multimodal transportation system through:

- Aviation airport planning, safety, promotion, and maintenance facilitation
- Rail infrastructure coordination, monitoring, and planning
- Highway traffic safety promotion, planning, and administration
- Vehicle weight and dimension permitting and law enforcement
- Transit assistance

The Governor-appointed five-member transportation commission establishes department priorities and apportions funding among the five state financial districts according to statutory guidelines, department recommendations, and community input. The Governor-appointed nine-member Board of Aeronautics establishes priorities for department aeronautics grant activities.

Agency Highlights

**Department of Transportation
Major Budget Highlights**

The legislature adopted a budget of \$2.2 billion for the 2027 biennium for the Montana Department of Transportation (MDT). This includes an increase to the 2027 biennium appropriation of \$220.3 million or 11.3% compared to the FY 2025 base budget. Significant changes include:

- Contractor Payments: \$127.3 million, consisting of \$17.1 million or 13.4% state special revenue and \$110.2 million or 86.6% federal special revenue
- A total increase of 22.00 PB including an increase of 23.00 PB, and a reduction of 1.00 PB. This consists of a total \$1.4 million state special revenue and \$3.4 million federal special revenue. Most of the new PB are related to bridge replacement, rehabilitation, preservation, and maintenance
- Federal Transit Authority (FTA) Funding: \$28.5 million, consisting of \$7.6 million state special revenue and \$20.9 million federal special revenue. This is primarily pass-through funding for transit grants to local governments
- Equipment rental: \$26.5 million for the biennium, 94.0% state special revenue, 6.0% federal special revenue. Rental rates in the MDT proprietary rental program increased due to higher repair and replacement costs
- Increased spending authority for federal funding from the National Highway Traffic Safety Administration (NHTSA): \$9.2 million, consisting of \$400,000 state special revenue and \$8.8 million federal special revenue
- \$4.5 million state special revenue for increased costs in winter maintenance materials
- An increase of \$4.2 million state special revenue for software maintenance and hosting fees of the new federal billing system

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	181,256,966	187,320,571	195,494,675	199,905,147	200,389,066
Operating Expenses	659,236,747	686,458,996	731,782,883	807,985,063	827,430,211
Equipment & Intangible Assets	3,056,946	5,305,176	4,167,186	5,088,081	5,088,081
Capital Outlay	18,721,209	19,430,498	12,956,865	14,756,865	12,956,865
Grants	25,050,985	28,720,818	30,730,768	50,212,854	40,648,915
Transfers	2,689,419	3,191,417	2,972,256	3,722,256	3,722,256
Debt Service	1,129,433	1,268,334	993,578	3,390,578	2,836,578
Total Expenditures	\$891,141,705	\$931,695,810	\$979,098,211	\$1,085,060,844	\$1,093,071,972
State/Other Special Rev. Funds	322,692,321	342,133,906	336,303,560	370,344,235	370,659,134
Federal Spec. Rev. Funds	568,449,384	589,561,904	642,794,651	714,716,609	722,412,838
Total Funds	\$891,141,705	\$931,695,810	\$979,098,211	\$1,085,060,844	\$1,093,071,972
Total Ongoing	\$887,446,967	\$927,915,810	\$978,923,211	\$1,082,239,949	\$1,092,051,077
Total OTO	\$3,694,738	\$3,780,000	\$175,000	\$2,820,895	\$1,020,895

Summary of Legislative Action

[HB5](#) - *Long-range building appropriations* - Includes appropriation of \$13.8 million for equipment storage buildings in multiple locations as well as operations and maintenance funding for each facility.

[HB10](#) - *Long-range information technology appropriations* - \$7.5 million for Advanced Transportation Management System and Motor Fuels System.

[HB 192](#) - *Revised county clerk and recorder fee for recording documents* - Increase of fee for recording documents with county clerk and recorders. The fee will be adjusted biennially and will cost the department an additional \$8,000-11,000 dollars per year.

[HB 312](#) - *Revise speed limit laws* - Requires speed limit increases on national highways that have been expanded to four lanes. MDT will need to install signage at a cost of \$4,135.

[HB 487](#) - *Eliminate requirement that the Department of Transportation have certain divisions* - Eliminates the statutory requirement that the department must contain the divisions of highways, aeronautics, administration, rail and transit, and motor carrier services. This will allow the department to reorganize.

[HB 924](#) - *Generally revise state finance laws* - Creates the Growth and Opportunity (GO) trust. Creates the better local bridge state special revenue account for the purpose of providing grants to local governments for off-system bridge projects. These projects require a 20.0% local match. Distributes 20% of interest earnings or up to \$10.0 million per year to the account. Provides an appropriation from the new account of \$7.5 million for FY 2026 and \$10.0 million for FY 2027.

[HB 940](#) - *Prohibit overnight camping on state right-of-way* - Estimates an expenditure of \$15,000 in FY 2026 for clean up of encampments and posting of notices. There are no estimates of ongoing expenditures.

[SB 67](#) - *Provide for the use of autonomous vehicles* - MDT estimates a total needed expenditure of \$231,000 for the rulemaking process.

Funding

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

Total Department of Transportation Funding by Source of Authority 2027 Biennium Budget						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
02422 Highways Special Revenue	695,851,148	2,371,123			698,222,271	28.1%
02129 LOCAL GOVT FUEL TAX				84,185,286	84,185,286	3.4%
02253 Local Road and Bridge Account				58,091,969	58,091,969	2.3%
02435 SAFER Account				30,000,000	30,000,000	1.2%
02349 Highway Non-Restricted Account	18,696,522				18,696,522	0.8%
Other State Special Revenue	24,084,576			18,519,370	42,603,946	1.7%
State Special Revenue Total	738,632,246	2,371,123	-	190,796,625	931,799,994	37.4%
03407 Highway Trust - Sp Rev	1,349,691,260	1,470,667			1,351,161,927	54.3%
03147 FTA Grants	52,325,008				52,325,008	2.1%
03828 Traffic Safety	20,529,788				20,529,788	0.8%
03292 MCS Federal Grants	10,002,926				10,002,926	0.4%
03060 Aeronautics Division	2,777,692				2,777,692	0.1%
Other Federal Special Revenue	332,106				332,106	0.0%
Federal Special Revenue Total	1,435,658,780	1,470,667	-	-	1,437,129,447	57.7%
06508 Highway Equipment - Int Svc.			105,326,547		105,326,547	4.2%
06506 Motor Pool - Int Svc			13,860,192		13,860,192	0.6%
06007 Yellowstone Airport			1,044,828		1,044,828	0.0%
Proprietary Fund Total	-	-	120,231,567	-	120,231,567	4.8%
Total of All Funds	2,174,291,026	3,841,790	120,231,567	190,796,625	2,489,161,008	
Percent of All Sources of Authority	87.4%	0.2%	4.8%	7.7%		

HB 2 Appropriations

The department is funded from a combination of state special revenue and federal special revenue. Two major accounts make up most of the agency's HB 2 state special revenues. The revenues that fund the accounts can be grouped in two general categories, constitutionally restricted and non-restricted revenues. Restricted revenues are derived from gross vehicle weight fees and excise and license taxes on gasoline, fuel, and other energy sources that are used to propel vehicles on public highways. These funds are deposited into the highway state special restricted account (HSSRA). Nonrestricted revenues are derived from special use permits and motor fuel penalties and interest payments. The funds are deposited into the highway state special non-restricted account (HSSRA-Non-Restricted). MDT relies on these funds for maintenance and other functions not directly related to road and highway construction and maintenance, such as emergency services and transit grants. Federal funding is primarily received from the federal Highway Trust.

Statutory Appropriations

Statutory appropriations include distributions of gasoline taxes to local and tribal governments (state special 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 Transportation 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	336,128,560	642,794,651	978,923,211	90.2%	0	336,128,560	642,794,651	978,923,211	89.6%
Statewide PL										
Personal Services	0	1,169,417	987,049	2,156,466	0.2%	0	1,509,287	1,131,109	2,640,396	0.2%
Fixed Costs	0	698,247	0	698,247	0.1%	0	263,714	0	263,714	0.0%
Inflation Deflation	0	(8,111)	(5,595)	(13,706)	(0.0%)	0	(5,483)	(3,781)	(9,264)	(0.0%)
Total Statewide PL	0	1,859,553	981,454	2,841,007	0.3%	0	1,767,518	1,127,328	2,894,846	0.3%
Present Law (PL)	0	28,510,741	67,728,423	96,239,164	8.9%	0	29,834,602	76,824,562	106,659,164	9.8%
New Proposals	0	3,845,381	3,212,081	7,057,462	0.7%	0	2,928,454	1,666,297	4,594,751	0.4%
Total HB 2 Adjustments	0	34,215,675	71,921,958	106,137,633	9.8%	0	34,530,574	79,618,187	114,148,761	10.4%
Total Budget	0	370,344,235	714,716,609	1,085,060,844		0	370,659,134	722,412,838	1,093,071,972	

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	195,494,675	200,310,162	199,905,147	(405,015)	200,794,080	200,389,066	(405,014)	(810,029)
Operating Expenses	731,782,883	807,917,695	807,985,063	67,368	827,362,843	827,430,211	67,368	134,736
Equipment & Intangible Assets	4,167,186	5,088,081	5,088,081	0	5,088,081	5,088,081	0	0
Capital Outlay	12,956,865	14,756,865	14,756,865	0	12,956,865	12,956,865	0	0
Grants	30,730,768	60,212,854	50,212,854	(10,000,000)	50,648,915	40,648,915	(10,000,000)	(20,000,000)
Transfers	2,972,256	3,722,256	3,722,256	0	3,722,256	3,722,256	0	0
Debt Service	993,578	3,390,578	3,390,578	0	2,836,578	2,836,578	0	0
Total Costs	\$979,098,211	\$1,095,398,491	\$1,085,060,844	(\$10,337,647)	\$1,103,409,618	\$1,093,071,972	(\$10,337,646)	(\$20,675,293)
General Fund	0	0	0	0	0	0	0	0
State/other Special Rev. Funds	336,303,560	380,378,122	370,344,235	(10,033,887)	380,693,020	370,659,134	(10,033,886)	(20,067,773)
Federal Spec. Rev. Funds	642,794,651	715,020,369	714,716,609	(303,760)	722,716,598	722,412,838	(303,760)	(607,520)
Other	0	0	0	0	0	0	0	0
Total Funds	\$979,098,211	\$1,095,398,491	\$1,085,060,844	(\$10,337,647)	\$1,103,409,618	\$1,093,071,972	(\$10,337,646)	(\$20,675,293)
Total Ongoing	\$978,923,211	\$1,092,577,596	\$1,082,239,949	(\$10,337,647)	\$1,102,388,723	\$1,092,051,077	(\$10,337,646)	(\$20,675,293)
Total OTO	\$175,000	\$2,820,895	\$2,820,895	\$0	\$1,020,895	\$1,020,895	\$0	\$0

The HB 2 budget as approved by the legislature is \$10.3 million lower in FY 2026 and \$10.3 million lower in FY 2027 than the proposed executive budget. This is the result of a reduction of 4.00 PB from the budget request, legislatively approved adjustments to fixed costs, and the removal of a \$10.0 million per year appropriation that was contingent on the passage of SB 324, which did not pass.

Language

The Department of Transportation may adjust appropriations between state special revenue and federal special revenue funds if the total state special revenue authority by program is not increased by more than 10% of the total appropriations established by the Legislature.

All appropriations in the Department of Transportation are biennial.

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	186.30	185.30	185.30	(1.00)	(0.3%)
State/Other Special Rev. Funds	38,939,947	42,117,506	41,178,599	5,416,211	7.0%
Federal Spec. Rev. Funds	1,576,605	1,579,990	1,581,788	8,568	0.3%
Total Funds	40,516,552	43,697,496	42,760,387	5,424,779	6.7%
Personal Services	19,860,857	19,874,994	19,928,524	81,804	0.2%
Operating Expenses	20,655,695	21,425,502	20,988,863	1,102,975	2.7%
Debt Service		2,397,000	1,843,000	4,240,000	0.0%
Total Expenditures	40,516,552	43,697,496	42,760,387	5,424,779	6.7%
Total Ongoing	40,516,552	43,697,496	42,760,387	5,424,779	6.7%
Total One-Time-Only	175,000			(350,000)	(100.0%)

Program Description

The General Operations Program provides overall policy direction and management to the agency, administers motor fuel taxes, and provides administrative support services for the department, including leadership and administration, accounting and budgeting, civil rights and equal opportunity, legal services, public affairs, information technology, human resources and occupational safety, compliance review, and goods and services procurement.

Program Highlights

General Operation Program Major Budget Highlights

The General Operations Program's 2027 biennium appropriations are approximately \$5.4 million or 6.7% higher than the FY 2025 base budget. The increase is comprised of 99.8% state special revenue. Significant changes include:

- An appropriation of \$4.2 million for the biennium for software maintenance and hosting fees of MDT's new financial and billing system. This increase is categorized as debt service due to the required accounting treatment of long-term leases
- Fixed costs increase in the amount of \$706,033 in FY 2026 and \$267,922 in FY 2027. The agency consolidates most fixed costs in the General Operations Program
- A decrease of 1.00 PB and a reduction of \$236,774 state special revenue for the biennium as part of a targeted consolidation of security in the executive branch

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	18,024,337	19,188,633	19,860,857	19,874,994	19,928,524
Operating Expenses	13,891,325	15,760,147	20,830,695	21,425,502	20,988,863
Debt Service	0	0	0	2,397,000	1,843,000
Total Expenditures	\$31,915,662	\$34,948,780	\$40,691,552	\$43,697,496	\$42,760,387
State/Other Special Rev. Funds	31,250,693	33,411,499	39,114,947	42,117,506	41,178,599
Federal Spec. Rev. Funds	664,969	1,537,281	1,576,605	1,579,990	1,581,788
Total Funds	\$31,915,662	\$34,948,780	\$40,691,552	\$43,697,496	\$42,760,387
Total Ongoing	\$31,740,924	\$34,773,780	\$40,516,552	\$43,697,496	\$42,760,387
Total OTO	\$174,738	\$175,000	\$175,000	\$0	\$0

Funding

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

Department of Transportation, 01-General Operations Program 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 %
02129 LOCAL GOVT FUEL TAX	0	0	84,185,286	84,185,286	46.84 %
02303 Tribal Motor Fuels Tax Acct	0	0	12,262,202	12,262,202	6.82 %
02422 Highways Special Revenue	83,296,105	0	0	83,296,105	46.34 %
State Special Total	\$83,296,105	\$0	\$96,447,488	\$179,743,593	98.27 %
03407 Highway Trust - Sp Rev	3,161,778	0	0	3,161,778	100.00 %
Federal Special Total	\$3,161,778	\$0	\$0	\$3,161,778	1.73 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$86,457,883	\$0	\$96,447,488	\$182,905,371	

HB 2 Appropriations

The General Operations Program is primarily funded from HSSRA (02422) and federal highway trust special revenue. HSSRA receives revenue from motor fuel taxes, gross vehicle weight permit fees, and reimbursements for indirect costs associated with the federal-aid highway program via a Federal Highways Administration (FHWA) approved indirect cost plan. Federal funding is available for assistance for disadvantaged businesses, on-the-job training programs, fuel tax evasion prevention efforts, and direct administrative expenses associated with the federal-aid highway program.

Statutory Appropriations

The General Operations Program is responsible for the distribution of \$96.4 million in statutory appropriations. Most of this, \$84.2 million, are the distributions of fuel taxes to cities, towns, counties, and consolidated city-county governments. The remaining \$12.3 million is distributed through the tribal motor fuels accounts as a function of the revenue sharing agreements between the tribes and the state.

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.

General Operations 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	0	38,939,947	1,576,605	40,516,552	92.7%	0	38,939,947	1,576,605	40,516,552	94.8%
Statewide PL										
Personal Services	0	128,548	3,976	132,524	0.3%	0	180,473	5,582	186,055	0.4%
Fixed Costs	0	706,033	0	706,033	1.6%	0	267,922	0	267,922	0.6%
Inflation Deflation	0	(3,953)	(591)	(4,544)	(0.0%)	0	(2,673)	(399)	(3,072)	(0.0%)
Total Statewide PL	0	830,628	3,385	834,013	1.9%	0	445,722	5,183	450,905	1.1%
Present Law (PL)	0	68,318	0	68,318	0.2%	0	68,318	0	68,318	0.2%
New Proposals	0	2,278,613	0	2,278,613	5.2%	0	1,724,612	0	1,724,612	4.0%
Total HB 2 Adjustments	0	3,177,559	3,385	3,180,944	7.3%	0	2,238,652	5,183	2,243,835	5.2%
Total Budget	0	42,117,506	1,579,990	43,697,496		0	41,178,599	1,581,788	42,760,387	

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	128,548	3,976	132,524	0.00	0	180,473	5,582	186,055
DP 2 - Fixed Costs	0.00	0	706,033	0	706,033	0.00	0	267,922	0	267,922
DP 3 - Inflation Deflation	0.00	0	(3,953)	(591)	(4,544)	0.00	0	(2,673)	(399)	(3,072)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	0	(1,682)	0	(1,682)	0.00	0	(1,682)	0	(1,682)
DP 105 - Employee Safety Program	0.00	0	70,000	0	70,000	0.00	0	70,000	0	70,000
Grand Total All Present Law Adjustments	0.00	\$0	\$898,946	\$3,385	\$902,331	0.00	\$0	\$514,040	\$5,183	\$519,223

***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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

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

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

DP 105 - Employee Safety Program -

The legislature adopted an increase in state special revenue appropriation for FY 2026 and FY 2027 due to contracted increases for MDT employee safety activities.

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 101 - ITSD Security Consolidation	(1.00)	0	(118,387)	0	(118,387)	(1.00)	0	(118,388)	0	(118,388)
DP 108 - Financial Software Maintenance and Hosting Fees	0.00	0	2,397,000	0	2,397,000	0.00	0	1,843,000	0	1,843,000
Total	(1.00)	\$0	\$2,278,613	\$0	\$2,278,613	(1.00)	\$0	\$1,724,612	\$0	\$1,724,612

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

DP 101 - ITSD Security Consolidation -

The legislature approved a reduction of 1.00 PB and \$236,774 in associated funding from the General Operations Program as part of security consolidation efforts across the executive branch.

DP 108 - Financial Software Maintenance and Hosting Fees -

The legislature adopted a state special revenue appropriation for FY 2026 and FY 2027 for ongoing hosting and maintenance costs for the department's financial cost accounting system. Implementation of the system is expected to be complete in the fall of 2025.

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	858.72	873.72	873.72	15.00	0.9%
State/Other Special Rev. Funds	109,990,657	120,713,514	123,452,876	24,185,076	11.0%
Federal Spec. Rev. Funds	583,526,616	632,470,936	649,861,008	115,278,712	9.9%
Total Funds	693,517,273	753,184,450	773,313,884	139,463,788	10.1%
Personal Services	85,762,272	88,900,001	89,101,808	6,477,265	3.8%
Operating Expenses	589,043,979	644,652,532	664,580,159	131,144,733	11.1%
Equipment & Intangible Assets	2,665,262	3,586,157	3,586,157	1,841,790	34.6%
Capital Outlay	12,956,865	12,956,865	12,956,865		0.0%
Grants	2,208,753	2,208,753	2,208,753		0.0%
Debt Service	880,142	880,142	880,142		0.0%
Total Expenditures	693,517,273	753,184,450	773,313,884	139,463,788	10.1%
Total Ongoing	693,517,273	752,163,555	772,292,989	137,421,998	9.9%
Total One-Time-Only		1,020,895	1,020,895	2,041,790	0.0%

Program Description

The Construction Program is responsible for construction project planning and development from the time a project is included in the long-range work plan through the actual construction of the project. Program responsibilities include such tasks as project designs, right-of-way acquisitions, issuing contract bids, awarding contracts, and administering construction contracts. Contract administration is responsible for the documentation, inspection, and testing of highway construction projects from the time the contract is awarded to a private contractor until the project is completed and the work is approved. The program also provides traffic improvement and educational programs to promote public safety, health, and welfare.

Program Highlights

Highways and Engineering Major Budget Highlights

The Highway and Engineering program's 2027 biennium appropriations are approximately \$139.5 million or 10.1% higher than the FY 2025 base budget. Significant changes include:

- An increase of \$53.7 million in FY 2026 and \$73.7 million in FY 2027 for anticipated increases to formula-based federal funding for contractor payments and associated match needs. 13.4% state special, 86.6% federal
- The addition of 15.00 PB and a total of \$1.7 million consisting of 60% federal funding and 40% state special funding for the following functions:
 - Bridge Infrastructure Resources, 10.00 PB
 - Alternative contracting Engineers, 2.00 PB
 - Computer Aided Drafting and Design (CADD) Specialist, 1.00 PB
 - Hydraulic Culvert Engineer, 1.00 PB
 - Asset Management Liaison, 1.00 PB
- An increase of \$1.8 million in each fiscal year for increased equipment rental costs, this consists of approximately \$1.7 million state special funds and \$630,000 federal special funds
- A one-time-only (OTO) increase of \$1.0 million state special revenue in each fiscal year for repair and replacement of construction equipment

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	80,124,027	82,250,687	85,762,272	88,900,001	89,101,808
Operating Expenses	536,891,448	547,653,881	589,043,979	644,652,532	664,580,159
Equipment & Intangible Assets	1,702,356	2,665,262	2,665,262	3,586,157	3,586,157
Capital Outlay	18,677,576	18,756,865	12,956,865	12,956,865	12,956,865
Grants	1,125,821	3,408,753	2,208,753	2,208,753	2,208,753
Debt Service	877,447	880,248	880,142	880,142	880,142
Total Expenditures	\$639,398,675	\$655,615,696	\$693,517,273	\$753,184,450	\$773,313,884
State/Other Special Rev. Funds	118,232,892	121,895,855	109,990,657	120,713,514	123,452,876
Federal Spec. Rev. Funds	521,165,783	533,719,841	583,526,616	632,470,936	649,861,008
Total Funds	\$639,398,675	\$655,615,696	\$693,517,273	\$753,184,450	\$773,313,884
Total Ongoing	\$635,878,675	\$652,095,696	\$693,517,273	\$752,163,555	\$772,292,989
Total OTO	\$3,520,000	\$3,520,000	\$0	\$1,020,895	\$1,020,895

Funding

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

Department of Transportation, 02-Highways and Engineering 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 %	
02253 Local Road and Bridge Account	0	0	58,091,969	58,091,969	17.47 %	
02349 Highway Non-Restricted Account	290,012	0	0	290,012	0.09 %	
02422 Highways Special Revenue	243,876,378	0	0	243,876,378	73.33 %	
02435 SAFER Account	0	0	30,000,000	30,000,000	9.02 %	
02437 LTAP	0	0	300,000	300,000	0.09 %	
State Special Total	\$244,166,390	\$0	\$88,391,969	\$332,558,359	20.59 %	
03407 Highway Trust - Sp Rev	1,282,331,944	0	0	1,282,331,944	100.00 %	
Federal Special Total	\$1,282,331,944	\$0	\$0	\$1,282,331,944	79.41 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$1,526,498,334	\$0	\$88,391,969	\$1,614,890,303		

HB 2 Appropriations

Costs eligible for reimbursement under the federal-aid construction program are funded with the restricted highway state special revenue account (HSSRA) and federal special revenue funds distributed by the U.S. Department of Transportation and apportioned to Montana. Construction design, construction, and construction management costs, as well as indirect administrative costs for construction activities, are generally eligible for federal reimbursement. The state match requirement is based on a sliding scale match, which is currently 86.6% federal with a 13.4% state match for most direct construction related costs. The primary sources of revenues in the restricted state special revenue accounts are highway-user fees derived from motor fuel taxes and gross vehicle weight fees.

Statutory Appropriations

Statutory appropriations include the LTAP program, distributions from the SAFER fund and the local roads and bridges account.

The SAFER fund is a result of HB 267 (2023 session) and allows up to \$15.0 million per fiscal year to be used as match for discretionary grants and August redistribution until the fund is exhausted.

The local roads and bridges account allows for a state matching source for projects on off-system bridges, secondary and urban highway system routes, and discretionary grants awarded to local governments until the account is fully expended.

The amount of \$300,000 is to be distributed for the purposes and functions of the Montana Local Technical Assistance Transportation Program (LTAP) at Montana State University.

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.

Highways and Engineering 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	109,990,657	583,526,616	693,517,273	92.1%	0	109,990,657	583,526,616	693,517,273	89.7%
Statewide PL										
Personal Services	0	686,113	838,583	1,524,696	0.2%	0	776,931	949,582	1,726,513	0.2%
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	0	(2,909)	(3,415)	(6,324)	(0.0%)	0	(1,966)	(2,308)	(4,274)	(0.0%)
Total Statewide PL	0	683,204	835,168	1,518,372	0.2%	0	774,965	947,274	1,722,239	0.2%
Present Law (PL)	0	9,344,806	47,092,366	56,437,172	7.5%	0	12,029,240	64,408,609	76,437,849	9.9%
New Proposals	0	694,847	1,016,786	1,711,633	0.2%	0	658,014	978,509	1,636,523	0.2%
Total HB 2 Adjustments	0	10,722,857	48,944,320	59,667,177	7.9%	0	13,462,219	66,334,392	79,796,611	10.3%
Total Budget	0	120,713,514	632,470,936	753,184,450		0	123,452,876	649,861,008	773,313,884	

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	686,113	838,583	1,524,696	0.00	0	776,931	949,582	1,726,513
DP 3 - Inflation Deflation	0.00	0	(2,909)	(3,415)	(6,324)	0.00	0	(1,966)	(2,308)	(4,274)
DP 4 - Equipment Rental	0.00	0	1,122,149	629,732	1,751,881	0.00	0	1,122,583	629,975	1,752,558
DP 205 - Construction Equipment Repair and Replacement (OTO)	0.00	0	1,020,895	0	1,020,895	0.00	0	1,020,895	0	1,020,895
DP 214 - Contractor Payments	0.00	0	7,201,762	46,462,634	53,664,396	0.00	0	9,885,762	63,778,634	73,664,396
Grand Total All Present Law Adjustments	0.00	\$0	\$10,028,010	\$47,927,534	\$57,955,544	0.00	\$0	\$12,804,205	\$65,355,883	\$78,160,088

*"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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 4 - Equipment Rental -

The legislature adopted an increase to state and federal special revenue in FY 2026 and FY 2027 due to an increase in equipment rental usage and associated rate changes from the agency's Equipment Program.

DP 205 - Construction Equipment Repair and Replacement (OTO) -

The legislature adopted a one-time-only (OTO) increase in state special revenue for FY 2026 and FY 2027 to repair and replace construction equipment.

DP 214 - Contractor Payments -

The legislature adopted an increase in state and federal special revenue appropriation authority in FY 2026 and FY 2027 based on a preliminary estimate for the anticipated increase in the Federal Highway Administration (FHWA) formula-based funding 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 208 - Bridge Infrastructure Resources	10.00	0	334,549	780,615	1,115,164	10.00	0	321,646	750,508	1,072,154
DP 209 - Alternative Contracting Engineers	2.00	0	62,227	186,680	248,907	2.00	0	60,077	180,230	240,307
DP 210 - Asset Management Liaison	1.00	0	103,909	25,977	129,886	1.00	0	100,469	25,117	125,586
DP 211 - Hydraulic Culvert Engineer	1.00	0	94,054	23,514	117,568	1.00	0	90,614	22,654	113,268
DP 213 - CADD Specialist	1.00	0	100,108	0	100,108	1.00	0	85,208	0	85,208
Total	15.00	\$0	\$694,847	\$1,016,786	\$1,711,633	15.00	\$0	\$658,014	\$978,509	\$1,636,523

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

DP 208 - Bridge Infrastructure Resources -

The legislature adopted an increase of 10.00 PB to develop a bridge replacement and rehabilitation project list and aid implementation of a five-year plan to address aging bridges.

DP 209 - Alternative Contracting Engineers -

The legislature adopted an increase of 2.00 PB for an increase in use of alternative contracting programs.

DP 210 - Asset Management Liaison -

The legislature adopted an increase of 1.00 PB to implement a comprehensive asset management program to monitor transportation assets beyond pavement and bridges, including: culverts, light poles, MDT facilities, weigh scales, airports, bridges, and pavement.

DP 211 - Hydraulic Culvert Engineer -

The legislature adopted an increase of 1.00 PB for a hydraulic culvert engineer to assist in the development and operation of a statewide culvert asset inventory program.

DP 213 - CADD Specialist -

The legislature adopted an increase of 1.00 PB for a Computer Aided Drafting & Design (CADD) specialist to carry out on-going software training for the CADD software system in order to decrease the use of contracted training 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	741.55	747.55	747.55	6.00	0.4%
State/Other Special Rev. Funds	162,539,395	177,540,002	177,383,007	29,844,219	9.2%
Federal Spec. Rev. Funds	11,497,888	15,050,016	13,560,407	5,614,647	24.4%
Total Funds	174,037,283	192,590,018	190,943,414	35,458,866	10.2%
Personal Services	68,074,806	68,755,214	68,914,830	1,520,432	1.1%
Operating Expenses	105,592,269	121,664,596	121,658,376	32,138,434	15.2%
Equipment & Intangible Assets	370,208	370,208	370,208		0.0%
Capital Outlay		1,800,000		1,800,000	0.0%
Total Expenditures	174,037,283	192,590,018	190,943,414	35,458,866	10.2%
Total Ongoing	174,037,283	190,790,018	190,943,414	33,658,866	9.7%
Total One-Time-Only		1,800,000		1,800,000	0.0%

Program Description

The Maintenance Program is responsible for the upkeep, repair, and preservation of over 25,000 lane miles of roadways. The Maintenance Program's responsibilities encompass a wide range of activities, including but not limited to snow and ice control, both reactive and preventive pavement preservations, pavement marking, road striping, sign maintenance, roadside vegetation management, and traveler information services. Additionally, the Maintenance Program coordinates disaster and emergency response for the department, manages the long-range building and state funded construction programs, oversees the land mobile radio communications program, and ensures quality control across for all maintenance activities, while addressing any other necessary roadway and roadside repairs and maintenance.

Program Highlights

Maintenance Program Major Budget Highlights
<p>The Maintenance Program's 2027 biennium appropriations are approximately \$35.5 million or 10.2% higher than the FY 2025 base budget. Changes include:</p> <ul style="list-style-type: none"> • Equipment Rental: \$22.4 million, 100.0% state special revenue - due to increases in costs and usage • Winter Maintenance Materials: \$4.5 million, 100.0% state special - due to cost increases for sand and de-icing materials • Epoxy Projects: \$3.5 million, 13.4% state special, 86.4% federal - additional appropriation due to increases in the federal program • Permanent Variable Message Signs (OTO), one-time-only increase of \$1.8 million for installation of 6 signs at key locations, 22.6% state special, 77.4% federal • Bridge Preservation, Maintenance and Response Team, increase of 6.00 FTE and \$1.3 million, 13.4% state special, 86.6% federal • Contracted Underground Locates \$812,000, 100.0% state special

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	62,623,970	64,929,016	68,074,806	68,755,214	68,914,830
Operating Expenses	99,143,096	107,730,373	105,592,269	121,664,596	121,658,376
Equipment & Intangible Assets	562,262	860,208	370,208	370,208	370,208
Capital Outlay	0	630,000	0	1,800,000	0
Total Expenditures	\$162,329,328	\$174,149,597	\$174,037,283	\$192,590,018	\$190,943,414
State/Other Special Rev. Funds	151,520,401	162,456,143	162,539,395	177,540,002	177,383,007
Federal Spec. Rev. Funds	10,808,927	11,693,454	11,497,888	15,050,016	13,560,407
Total Funds	\$162,329,328	\$174,149,597	\$174,037,283	\$192,590,018	\$190,943,414
Total Ongoing	\$162,329,328	\$174,149,597	\$174,037,283	\$190,790,018	\$190,943,414
Total OTO	\$0	\$0	\$0	\$1,800,000	\$0

Funding

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

Department of Transportation, 03-Maintenance Program 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 %
02044 Antilittering Signs	0	0	4,642	4,642	0.00 %
02121 Shared-Use Path	0	0	122,114	122,114	0.03 %
02349 Highway Non-Restricted Account	15,663,688	0	0	15,663,688	4.41 %
02422 Highways Special Revenue	339,259,321	0	0	339,259,321	95.55 %
State Special Total	\$354,923,009	\$0	\$126,756	\$355,049,765	92.54 %
03407 Highway Trust - Sp Rev	28,610,423	0	0	28,610,423	100.00 %
Federal Special Total	\$28,610,423	\$0	\$0	\$28,610,423	7.46 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$383,533,432	\$0	\$126,756	\$383,660,188	

HB 2 Appropriations

The state special revenue funding of the maintenance program is derived from highway state special revenue accounts. The funding proposal includes state special support from HSSRA (02422). Federal special revenue also funds qualifying highway maintenance activities determined by the Federal Highway Administration.

Statutory Appropriations

The Maintenance Program has statutory appropriations that allow expenditures for shared-use paths and anti-littering signs. The funding for these appropriations is derived from an opt-in vehicle license fee.

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.

Maintenance 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	0	162,539,395	11,497,888	174,037,283	90.4%	0	162,539,395	11,497,888	174,037,283	91.1%
Statewide PL										
Personal Services	0	120,961	608	121,569	0.1%	0	279,779	1,406	281,185	0.1%
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	0	(806)	0	(806)	(0.0%)	0	(545)	0	(545)	(0.0%)
Total Statewide PL	0	120,155	608	120,763	0.1%	0	279,234	1,406	280,640	0.1%
Present Law (PL)	0	14,065,111	1,525,966	15,591,077	8.1%	0	14,069,430	1,525,966	15,595,396	8.2%
New Proposals	0	815,341	2,025,554	2,840,895	1.5%	0	494,948	535,147	1,030,095	0.5%
Total HB 2 Adjustments	0	15,000,607	3,552,128	18,552,735	9.6%	0	14,843,612	2,062,519	16,906,131	8.9%
Total Budget	0	177,540,002	15,050,016	192,590,018		0	177,383,007	13,560,407	190,943,414	

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	120,961	608	121,569	0.00	0	279,779	1,406	281,185
DP 3 - Inflation Deflation	0.00	0	(806)	0	(806)	0.00	0	(545)	0	(545)
DP 4 - Equipment Rental	0.00	0	11,179,534	0	11,179,534	0.00	0	11,183,853	0	11,183,853
DP 305 - Epoxy Projects	0.00	0	236,527	1,525,966	1,762,493	0.00	0	236,527	1,525,966	1,762,493
DP 306 - Winter Maintenance Materials	0.00	0	2,250,000	0	2,250,000	0.00	0	2,250,000	0	2,250,000
DP 307 - Infrastructure Repairs	0.00	0	200,000	0	200,000	0.00	0	200,000	0	200,000
DP 313 - Chemical Deicer Storage Tanks	0.00	0	130,000	0	130,000	0.00	0	130,000	0	130,000
DP 333 - Operations and Maintenance for HB5 building projects	0.00	0	69,050	0	69,050	0.00	0	69,050	0	69,050
Grand Total All Present Law Adjustments	0.00	\$0	\$14,185,266	\$1,526,574	\$15,711,840	0.00	\$0	\$14,348,664	\$1,527,372	\$15,876,036

*"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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 4 - Equipment Rental -

The legislature adopted an increase to state and federal special revenue in FY 2026 and FY 2027 due to an increase in equipment rental usage and associated rate changes from the agency's Equipment Program.

DP 305 - Epoxy Projects -

The legislature adopted additional authority to align state appropriations with the increase in the FHWA federal-aid program.

DP 306 - Winter Maintenance Materials -

The legislature adopted an increase in state special revenue due to increased costs of winter road maintenance materials.

DP 307 - Infrastructure Repairs -

The legislature adopted an increase in state special revenue due to increased costs of repairing damaged infrastructure such as guardrail and signs.

DP 313 - Chemical Deicer Storage Tanks -

The legislature adopted an increase in state special revenue for replacement of chemical deicer storage tanks.

DP 333 - Operations and Maintenance for HB5 building projects -

The legislature adopted an increase in authority for operations and maintenance for MDT district facilities in Great Falls, Kalispell, and Missoula.

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 308 - Bridge Preservation, Maintenance, and Repair Response Team	6.00	0	86,008	554,887	640,895	6.00	0	82,948	535,147	618,095
DP 309 - Permanent Variable Message Signs (OTO)	0.00	0	329,333	1,470,667	1,800,000	0.00	0	0	0	0
DP 310 - Contracted Underground Locates	0.00	0	400,000	0	400,000	0.00	0	412,000	0	412,000
Total	6.00	\$0	\$815,341	\$2,025,554	\$2,840,895	6.00	\$0	\$494,948	\$535,147	\$1,030,095

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

DP 308 - Bridge Preservation, Maintenance, and Repair Response Team -

The legislature adopted an increase of 6.00 PB for bridge maintenance and inspections.

DP 309 - Permanent Variable Message Signs (OTO) -

The legislature adopted state special and federal special appropriation authority for the installation and maintenance of 6 permanent Variable Message Signs (VMS) at key locations.

DP 310 - Contracted Underground Locates -

The legislature adopted an increase to provide state special revenue appropriation authority to contract the locating of MDT underground utilities.

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	124.44	124.44	124.44	0.00	0.0%
State/Other Special Rev. Funds	10,568,925	10,786,656	10,812,264	461,070	2.2%
Federal Spec. Rev. Funds	5,097,007	5,225,615	5,233,466	265,067	2.6%
Total Funds	15,665,932	16,012,271	16,045,730	726,137	2.3%
Personal Services	10,488,865	10,578,949	10,612,176	213,395	1.0%
Operating Expenses	4,336,385	4,592,640	4,592,872	512,742	5.9%
Equipment & Intangible Assets	581,716	581,716	581,716		0.0%
Transfers	145,530	145,530	145,530		0.0%
Debt Service	113,436	113,436	113,436		0.0%
Total Expenditures	15,665,932	16,012,271	16,045,730	726,137	2.3%
Total Ongoing	15,665,932	16,012,271	16,045,730	726,137	2.3%
Total One-Time-Only					0.0%

Program Description

The Motor Carrier Services (MCS) Program has the responsibility for commercial motor carrier safety, infrastructure protection, dyed fuel regulation, and trucking industry credentials. The MCS Commercial Vehicle Operations (CVO) Bureau registers interstate fleet vehicles, issues licenses and oversize/overweight permits, and collects and distributes fees and taxes. Additionally, the CVO Bureau ensures compliance with multiple federal commercial vehicle programs, as well as submits and provides oversight for various grant programs. The MCS Enforcement Bureau operates weigh stations and mobile enforcement statewide. MCS Officers inspect commercial vehicles for compliance with state and federal safety, registration, fuel, and size/weight laws. The Motor Carrier Safety Assistance Program (MCSAP) conducts commercial motor carrier safety compliance reviews and safety audits to ensure commercial vehicles, drivers, and motor carriers are compliant with state safety laws and federal regulations.

Program Highlights

Motor Carrier Services Major Budget Highlights
The Motor Carrier Service's (MCS) 2027 biennium appropriations are approximately \$726,000 or 2.3% higher than the FY 2025 base budget, with the largest increase being for equipment rental at approximately \$500,000.

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	10,062,155	10,081,626	10,488,865	10,578,949	10,612,176
Operating Expenses	2,406,726	3,547,757	4,336,385	4,592,640	4,592,872
Equipment & Intangible Assets	704,318	1,225,916	581,716	581,716	581,716
Transfers	129,645	139,691	145,530	145,530	145,530
Debt Service	113,436	113,436	113,436	113,436	113,436
Total Expenditures	\$13,416,280	\$15,108,426	\$15,665,932	\$16,012,271	\$16,045,730
State/Other Special Rev. Funds	9,386,817	10,139,358	10,568,925	10,786,656	10,812,264
Federal Spec. Rev. Funds	4,029,463	4,969,068	5,097,007	5,225,615	5,233,466
Total Funds	\$13,416,280	\$15,108,426	\$15,665,932	\$16,012,271	\$16,045,730
Total Ongoing	\$13,416,280	\$15,108,426	\$15,665,932	\$16,012,271	\$16,045,730
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Transportation, 22-Motor Carrier Services 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 %
02294 Unified Carrier Registration	3,026,797	0	0	3,026,797	14.01 %
02349 Highway Non-Restricted Account	190,056	0	0	190,056	0.88 %
02422 Highways Special Revenue	18,382,067	0	0	18,382,067	85.11 %
State Special Total	\$21,598,920	\$0	\$0	\$21,598,920	67.37 %
03292 MCS Federal Grants	10,002,926	0	0	10,002,926	95.64 %
03407 Highway Trust - Sp Rev	456,155	0	0	456,155	4.36 %
Federal Special Total	\$10,459,081	\$0	\$0	\$10,459,081	32.63 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$32,058,001	\$0	\$0	\$32,058,001	

HB 2 Appropriations

MCS is funded by the highway state special revenue accounts and federal special revenue. Two-thirds of the funding for the program is state special revenue, primarily the constitutionally restricted highway state special revenue account (HSSRA). Other state special revenues supporting program activities include unified carrier registration fees and the highway non-restricted account. Federal funds make up the remaining third and are derived from federal grant programs and distributions from the federal highway trust.

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.

Motor Carrier 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	0	10,568,925	5,097,007	15,665,932	97.8%	0	10,568,925	5,097,007	15,665,932	97.6%
Statewide PL										
Personal Services	0	68,914	21,170	90,084	0.6%	0	94,332	28,979	123,311	0.8%
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	0	(410)	0	(410)	(0.0%)	0	(277)	0	(277)	(0.0%)
Total Statewide PL	0	68,504	21,170	89,674	0.6%	0	94,055	28,979	123,034	0.8%
Present Law (PL)	0	149,227	107,438	256,665	1.6%	0	149,284	107,480	256,764	1.6%
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	0	217,731	128,608	346,339	2.2%	0	243,339	136,459	379,798	2.4%
Total Budget	0	10,786,656	5,225,615	16,012,271		0	10,812,264	5,233,466	16,045,730	

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	68,914	21,170	90,084	0.00	0	94,332	28,979	123,311
DP 3 - Inflation Deflation	0.00	0	(410)	0	(410)	0.00	0	(277)	0	(277)
DP 4 - Equipment Rental	0.00	0	149,227	107,438	256,665	0.00	0	149,284	107,480	256,764
Grand Total All Present Law Adjustments	0.00	\$0	\$217,731	\$128,608	\$346,339	0.00	\$0	\$243,339	\$136,459	\$379,798

*"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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 4 - Equipment Rental -

The legislature adopted an increase to state and federal special revenue appropriation in FY 2026 and FY 2027 for equipment rental usage and associated rate changes from the agency's Equipment 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 FY 2026 FY 2027		Biennium Change from Base Amount Percent	
PB	9.00	9.00	9.00	0.00	0.0%
State/Other Special Rev. Funds	2,005,328	2,108,538	2,114,784	212,666	5.3%
Federal Spec. Rev. Funds	1,385,965	1,388,812	1,388,880	5,762	0.2%
Total Funds	3,391,293	3,497,350	3,503,664	218,428	3.2%
Personal Services	905,237	1,019,113	1,021,838	230,477	12.7%
Operating Expenses	2,452,256	2,444,437	2,448,026	(12,049)	(0.2%)
Grants	20,000	20,000	20,000		0.0%
Transfers	13,800	13,800	13,800		0.0%
Total Expenditures	3,391,293	3,497,350	3,503,664	218,428	3.2%
Total Ongoing	3,391,293	3,497,350	3,503,664	218,428	3.2%
Total One-Time-Only					0.0%

Program Description

The Aeronautics Program: 1) facilitates the operation and infrastructure of airports and airways, both public and private, throughout Montana; 2) provides mechanisms for funding airport and aviation related projects throughout the state; 3) registers aircraft and pilots in accordance with Montana laws and regulations; 4) fosters, promotes, and supervises aviation and aviation safety through educational efforts and programs; and 5) coordinates and supervises aerial search and rescue operations.

The program administers a loan and grant program to airport sponsors to fund airport improvement projects. The Aeronautics Board approves loan and grant requests.

The program serves as a liaison between the State of Montana and various other entities including the U.S. Department of Transportation, the Federal Aviation Administration (FAA), US Forest Service, other federal and state entities, and commercial airlines in order to assure the retention and continuation of airline service to Montana's rural communities and to support general aviation operations.

The program is also responsible for operation of the commercial service airport just north of West Yellowstone, MT and for 13 other state-owned or operated airports.

Program Highlights

Aeronautics Program Major Budget Highlights
The Aeronautics Program's 2027 biennium appropriations are approximately \$218,000 or 3.2% higher than the FY 2025 base budget.

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	855,575	863,085	905,237	1,019,113	1,021,838
Operating Expenses	837,814	2,364,989	2,452,256	2,444,437	2,448,026
Equipment & Intangible Assets	10,550	95,550	0	0	0
Capital Outlay	43,633	43,633	0	0	0
Grants	14,700	20,000	20,000	20,000	20,000
Transfers	8,545	13,800	13,800	13,800	13,800
Total Expenditures	\$1,770,817	\$3,401,057	\$3,391,293	\$3,497,350	\$3,503,664
State/Other Special Rev. Funds	1,672,702	2,020,517	2,005,328	2,108,538	2,114,784
Federal Spec. Rev. Funds	98,115	1,380,540	1,385,965	1,388,812	1,388,880
Total Funds	\$1,770,817	\$3,401,057	\$3,391,293	\$3,497,350	\$3,503,664
Total Ongoing	\$1,770,817	\$3,316,057	\$3,391,293	\$3,497,350	\$3,503,664
Total OTO	\$0	\$85,000	\$0	\$0	\$0

Funding

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

Department of Transportation, 40-Aeronautics Program 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 %
02286 Aeronautical Loan Account	700,000	0	0	700,000	6.98 %
02287 Aeronautical Grant Account	0	0	5,799,882	5,799,882	57.86 %
02827 Aeronautics Division	3,523,322	0	0	3,523,322	35.15 %
State Special Total	\$4,223,322	\$0	\$5,799,882	\$10,023,204	72.39 %
03060 Aeronautics Division	2,777,692	0	0	2,777,692	100.00 %
Federal Special Total	\$2,777,692	\$0	\$0	\$2,777,692	20.06 %
06007 Yellowstone Airport	0	1,044,828	0	1,044,828	100.00 %
Proprietary Total	\$0	\$1,044,828	\$0	\$1,044,828	7.55 %
Total All Funds	\$7,001,014	\$1,044,828	\$5,799,882	\$13,845,724	

HB 2 Appropriations

The Aeronautics program is funded with state and federal special revenues. State special revenue funds are derived primarily from state aviation fuel taxes and aircraft registration fees. Federal special revenue comes from Federal Aviation Administration grants.

Statutory Appropriations

The statutorily appropriated Aeronautical Grant Account receives most of its funding from 90% of a 4.5 cent per gallon tax on aviation fuel, and provides funding for grants to Montana communities for aviation related projects.

Non-Budgeted Proprietary Funds

The Yellowstone Airport enterprise program, is supported by proprietary funding and is not budgeted in HB 2.

Yellowstone Airport – 06007*Program Description*

The Yellowstone Airport located two miles north of the Town of West Yellowstone, Montana provides the closest private and commercial air service to Yellowstone National Park, as well as service for a multitude of other recreational opportunities in the surrounding greater Yellowstone area. The airport is closed during the winter months, conducting limited snow removal in fringe seasons. The airport is typically open for six months each year with seasonal commercial air service provided by SkyWest Air Lines dba Delta Connection and SkyWest Air Lines dba United Express from early-May to mid-October. The airport accomplishes its mission with facilities to accommodate all sized aircraft and operations ranging from large four engine commercial service jets to small single engine aircraft.

Airside facilities at the airport include an 8,400' runway and taxiway, as well as large parking apron and hangar areas for all types of aircraft operations. The runway is equipped with a precision approach instrument landing system (ILS) and a GPS approach accommodating air traffic even during inclement weather conditions. The airport also supports and maintains an Automated Weather Observing System (AWOS) which reports directly to the National Weather Service (NWS) and broadcasts locally to air traffic over a VHF transmission. Other airport facilities include a commercial terminal building with tenants that include a restaurant, rental car agencies, Transportation Security Administration (TSA) offices, airline offices, and airport administration and operations. Also located on the field are several outbuildings and other facilities housing bulk fuel storage, a fixed based operator (FBO), an air ambulance base, and Airport Rescue Fire Fighting (ARFF) services. The US Forest Service operates an inter-agency fire control center with direct through-the-fence access to the airfield. A wildlife fence surrounds the entire airport property.

Revenues and Expenses

Fees for leases and other business services are both market and recovery based. Additional operating expenses are planned in the 2027 biennium to keep the airport in compliance with FAA mandates and advisory circulars.

The Yellowstone Airport is an enterprise proprietary fund. There is one airport manager who works full time, year-round. The airport also has two other employees, an airport operation chief and an airport fire fighter/maintenance specialist who are employed seasonally.

2027 Biennium Report on Internal Service and Enterprise Funds							
Agency # 54010	Agency Name: Department of Transportation			Program Name: Aeronautics Program			
	Fund 06007	Fund Name Yellowstone Airport					
		Actual FY22	Actual FY23	Actual FY24	Budgeted FY25	Budgeted FY26	Budgeted FY27
Operating Revenues:							
Fee and Charges							
Fee Revenue A		83,820	52,877	67,229	652,207	612,207	612,207
Other Operating Revenue		532,034	592,458	500,496	-	-	-
Total Operating Revenues		615,854	645,335	567,725	652,207	612,207	612,207
Expenses:							
Personal Services		(12,342)	26,931	83,603	256,300	255,668	255,873
Other Operating Expenses		514,705	532,271	640,983	268,318	266,502	266,785
Expense B		(90,750)	90,750	-	-	-	-
Expense C		(1,567,428)	-	398,260	-	-	-
Total Operating Expenses		(1,155,815)	649,952	1,122,846	524,618	522,170	522,658
Operating Income (Loss)		1,771,669	(4,617)	(555,121)	127,589	90,037	89,549
Nonoperating Revenues:							
Other Revenue A		1,015	24,939	136,351	-	-	-
Nonoperating Expenses:							
Total Nonoperating Revenues (Expenses)		1,015	24,939	136,351	-	-	-
Income (Loss) Before Contributions and Transfers		1,772,684	20,322	(418,770)	127,589	90,037	89,549
Capital Contributions							
		23,764	90,750	31,390,198	-	-	-
Change in Net Position		1,796,448	111,072	30,971,428	127,589	90,037	89,549
Beginning Net Position - July 1		10,557,635	12,354,083	12,465,155	43,436,583	43,564,172	43,654,209
Change in Net Position		1,796,448	111,072	30,971,428	127,589	90,037	89,549
Ending Net Position - June 30		12,354,083	12,465,155	43,436,583	43,564,172	43,654,209	43,743,758
Net Position (Fund Balance) Analysis							

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.

Aeronautics 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	0	2,005,328	1,385,965	3,391,293	97.0%	0	2,005,328	1,385,965	3,391,293	96.8%
Statewide PL										
Personal Services	0	111,029	2,847	113,876	3.3%	0	113,686	2,915	116,601	3.3%
Fixed Costs	0	(7,786)	0	(7,786)	(0.2%)	0	(4,208)	0	(4,208)	(0.1%)
Inflation Deflation	0	(33)	0	(33)	(0.0%)	0	(22)	0	(22)	(0.0%)
Total Statewide PL	0	103,210	2,847	106,057	3.0%	0	109,456	2,915	112,371	3.2%
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	103,210	2,847	106,057	3.0%	0	109,456	2,915	112,371	3.2%
Total Budget	0	2,108,538	1,388,812	3,497,350		0	2,114,784	1,388,880	3,503,664	

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	111,029	2,847	113,876	0.00	0	113,686	2,915	116,601
DP 2 - Fixed Costs	0.00	0	(7,786)	0	(7,786)	0.00	0	(4,208)	0	(4,208)
DP 3 - Inflation Deflation	0.00	0	(33)	0	(33)	0.00	0	(22)	0	(22)
Grand Total All Present Law Adjustments	0.00	\$0	\$103,210	\$2,847	\$106,057	0.00	\$0	\$109,456	\$2,915	\$112,371

***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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

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	99.76	101.76	101.76	2.00	1.0%
State/Other Special Rev. Funds	12,084,308	17,078,019	15,717,604	8,627,007	35.7%
Federal Spec. Rev. Funds	39,710,570	59,001,240	50,787,289	30,367,389	38.2%
Total Funds	51,794,878	76,079,259	66,504,893	38,994,396	37.6%
Personal Services	10,402,638	10,776,876	10,809,890	781,490	3.8%
Operating Expenses	9,527,299	13,205,356	13,161,915	7,312,673	38.4%
Equipment & Intangible Assets	550,000	550,000	550,000		0.0%
Grants	28,502,015	47,984,101	38,420,162	29,400,233	51.6%
Transfers	2,812,926	3,562,926	3,562,926	1,500,000	26.7%
Total Expenditures	51,794,878	76,079,259	66,504,893	38,994,396	37.6%
Total Ongoing	51,794,878	76,079,259	66,504,893	38,994,396	37.6%
Total One-Time-Only					0.0%

Program Description

The Rail, Transit, and Planning Program provides: 1) a continuous statewide multimodal transportation planning process used to allocate highway program resources to ensure highway system performance goals are maintained and federal-aid highway and transit grant eligibility is maintained within the federal surface transportation programs; 2) an inventory of transportation infrastructure for the allocation of state fuel taxes to local governments; 3) support for the state's comprehensive statewide highway safety plan including technical analysis, performance tracking, and coordination with multiple administrative agencies and jurisdictions; 4) the point of contact for MDT for major developers seeking access onto the state's highway system; 5) mapping functions to aid in the publication of the state tourist map and geo-spatial infrastructure inventories; 6) transportation planning and programming assistance to metropolitan and urban areas; 7) administration and implementation of behavioral safety programs that help reduce traffic deaths, injuries, and property losses resulting from traffic crashes; 8) administration and implementation of environmental services that assure environmental compliance with all applicable laws, rules, regulations, policies, orders, and agreements; and 9) responses to legislative or regulatory actions necessitating representation before courts, congressional hearings, the US Department of Transportation, the Surface Transportation Board, and others.

Program Highlights

Rail, Transit, and Planning Major Budget Highlights

The Rail, Transit & Planning's 2027 biennium appropriations are approximately \$38.9 million or 37.6% higher than the FY 2025 base budget. Significant changes include:

- Federal Transit Administration (FTA) Funding: \$28.5 million, 26.6% state special, 73.4% federal - for increases in federal funding and associated match
- National Highway Traffic Safety Administration (NHTSA) program funding: \$9.2 million for the biennium, 95.7% federal, 4.3% state special - for an increase in funding and associated match
- DP 5009 - Blackfoot Post Yard Assessment: \$300,000, 100.0% state special revenue - for assessment and field work at the Blackfoot Post Yard complex
- 2.00 PB for delivery and reporting requirements of new federal programs. Approximately \$430,000 for the biennium, 25.0% state special, 75.0% federal

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	9,566,902	10,007,524	10,402,638	10,776,876	10,809,890
Operating Expenses	6,066,338	9,401,849	9,527,299	13,205,356	13,161,915
Equipment & Intangible Assets	77,460	458,240	550,000	550,000	550,000
Grants	23,910,464	25,292,065	28,502,015	47,984,101	38,420,162
Transfers	2,551,229	3,037,926	2,812,926	3,562,926	3,562,926
Debt Service	138,550	274,650	0	0	0
Total Expenditures	\$42,310,943	\$48,472,254	\$51,794,878	\$76,079,259	\$66,504,893
State/Other Special Rev. Funds	10,628,816	12,210,534	12,084,308	17,078,019	15,717,604
Federal Spec. Rev. Funds	31,682,127	36,261,720	39,710,570	59,001,240	50,787,289
Total Funds	\$42,310,943	\$48,472,254	\$51,794,878	\$76,079,259	\$66,504,893
Total Ongoing	\$42,310,943	\$48,472,254	\$51,794,878	\$76,079,259	\$66,504,893
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Transportation, 50-Rail, Transit, and Planning 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 %
02121 Shared-Use Path	0	0	30,530	30,530	0.09 %
02282 FTA Local Match	7,844,207	0	0	7,844,207	23.90 %
02349 Highway Non-Restricted Account	2,552,766	0	0	2,552,766	7.78 %
02422 Highways Special Revenue	13,408,400	0	0	13,408,400	40.85 %
02436 County DUI Prevention Programs	990,250	0	0	990,250	3.02 %
02795 TransADE Special Revenue	8,000,000	0	0	8,000,000	24.37 %
State Special Total	\$32,795,623	\$0	\$30,530	\$32,826,153	23.02 %
03147 FTA Grants	52,325,008	0	0	52,325,008	47.66 %
03407 Highway Trust - Sp Rev	36,601,627	0	0	36,601,627	33.34 %
03828 Traffic Safety	20,529,788	0	0	20,529,788	18.70 %
03970 FTA - CARES Act II	332,106	0	0	332,106	0.30 %
Federal Special Total	\$109,788,529	\$0	\$0	\$109,788,529	76.98 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$142,584,152	\$0	\$30,530	\$142,614,682	

HB 2 Appropriations

The Rail, Transit, and Planning (RTP) Program is funded with a combination of state and federal special revenue funds. Highway state special revenue from both the restricted and non-restricted account support the overall administrative and operational costs of the program. Other funding includes:

- Federal Transit Authority (FTA) local match funds provided from local transit providers to match their FTA grants
- TransADE special revenue, which in large part provides funding for transit services that serve the elderly and disabled (and can be also used to match federal transit funds)
- County DUI prevention funds, for providing assistance to county DUI task force activities
- Federal highway trust fund (03407), which provides for costs of highway program administration, activities, and projects

Statutory Appropriations

The RTP Program also has a statutory appropriation that allows expenditures for shared-use paths. The funding for this appropriation is derived from an opt-in vehicle license fee for the maintenance and construction of shared use paths.

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.

Rail, Transit, and 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	0	12,084,308	39,710,570	51,794,878	68.1%	0	12,084,308	39,710,570	51,794,878	77.9%
Statewide PL										
Personal Services	0	53,852	119,865	173,717	0.2%	0	64,086	142,645	206,731	0.3%
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	0	0	(1,589)	(1,589)	(0.0%)	0	0	(1,074)	(1,074)	(0.0%)
Total Statewide PL	0	53,852	118,276	172,128	0.2%	0	64,086	141,571	205,657	0.3%
Present Law (PL)	0	4,883,279	19,002,653	23,885,932	31.4%	0	3,518,330	10,782,507	14,300,837	21.5%
New Proposals	0	56,580	169,741	226,321	0.3%	0	50,880	152,641	203,521	0.3%
Total HB 2 Adjustments	0	4,993,711	19,290,670	24,284,381	31.9%	0	3,633,296	11,076,719	14,710,015	22.1%
Total Budget	0	17,078,019	59,001,240	76,079,259		0	15,717,604	50,787,289	66,504,893	

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	53,852	119,865	173,717	0.00	0	64,086	142,645	206,731
DP 3 - Inflation Deflation	0.00	0	0	(1,589)	(1,589)	0.00	0	0	(1,074)	(1,074)
DP 4 - Equipment Rental	0.00	0	57,946	26,020	83,966	0.00	0	57,968	26,029	83,997
DP 5005 - Federal Transit Administration Funding	0.00	0	4,475,333	14,576,633	19,051,966	0.00	0	3,110,362	6,356,478	9,466,840
DP 5006 - NHTSA Program Funding	0.00	0	200,000	4,400,000	4,600,000	0.00	0	200,000	4,400,000	4,600,000
DP 5009 - Blackfoot Post Yard Assessment	0.00	0	150,000	0	150,000	0.00	0	150,000	0	150,000
Grand Total All Present Law Adjustments	0.00	\$0	\$4,937,131	\$19,120,929	\$24,058,060	0.00	\$0	\$3,582,416	\$10,924,078	\$14,506,494

***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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 4 - Equipment Rental -

The legislature adopted an increase to state and federal special revenue appropriation in FY 2026 and FY 2027 due to an increase in equipment rental usage and associated rate changes from the agency's Equipment Program.

DP 5005 - Federal Transit Administration Funding -

The legislature adopted an increase in state and federal revenue for FY 2026 and FY 2027 for the administration of pass-through transit grant funding to local governments and providers of public transportation. The funding coming to Montana is a 30% increase with gradual increases each additional year.

DP 5006 - NHTSA Program Funding -

The legislature adopted an increase in state and federal special revenue to aid in implementation and management of MDT's National Highway Traffic Safety Administration (NHTSA) program which includes initiatives related to impaired driving, occupant protection, motorcycle safety, and bicycle and pedestrian safety.

DP 5009 - Blackfoot Post Yard Assessment -

The legislature adopted an increase in state special revenue to complete a risk assessment, additional field work and site characterization, and interim cleanup of smaller items at the Blackfoot Post Yard complex.

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 5010 - New Federal Program Requirements	2.00	0	56,580	169,741	226,321	2.00	0	50,880	152,641	203,521
Total	2.00	\$0	\$56,580	\$169,741	\$226,321	2.00	\$0	\$50,880	\$152,641	\$203,521

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

DP 5010 - New Federal Program Requirements -

The legislature adopted an increase of 2.00 PB to deliver federal programs.

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	137.87	141.87	141.87	4.00	1.5%
General Fund	4,217,138	4,882,669	4,688,596	1,136,989	13.5%
State/Other Special Rev. Funds	10,036,493	11,089,208	10,247,877	1,264,099	6.3%
Federal Spec. Rev. Funds	2,427,305	2,293,665	2,296,494	(264,451)	(5.4%)
Total Funds	16,680,936	18,265,542	17,232,967	2,136,637	6.4%
Personal Services	11,496,736	11,795,422	11,823,158	625,108	2.7%
Operating Expenses	4,626,514	4,873,986	4,852,123	473,081	5.1%
Equipment & Intangible Assets	65,205	593,605	65,205	528,400	405.2%
Capital Outlay		510,048		510,048	0.0%
Benefits & Claims	150,000	150,000	150,000		0.0%
Transfers	342,481	342,481	342,481		0.0%
Total Expenditures	16,680,936	18,265,542	17,232,967	2,136,637	6.4%
Total Ongoing	16,680,936	17,202,094	17,232,967	1,073,189	3.2%
Total One-Time-Only		1,063,448		1,063,448	0.0%

Agency Description

The Department of Livestock is responsible for controlling and eradicating animal diseases; preventing the transmission of animal diseases to humans; protecting the livestock industry from theft and predatory animals; meat, milk, and egg inspection; and regulating the milk industry relative to producer pricing. The department, which is provided for in 2-15-3101, MCA, consists of the Board of Livestock and its appointed Executive Officer, the Milk Control Board, the Livestock Loss Board. The department is organized into three divisions: Animal Health & Food Safety, Centralized Services and Brands Enforcement. The Board of Livestock, which is the statutory head of the Department of Livestock, consists of seven members appointed by the Governor and confirmed by the Senate to serve six-year terms.

Agency Highlights

Department of Livestock Major Budget Highlights
<p>The legislature adopted an increase of 6.4% or \$2.1 million in total appropriations above base funding for the biennium. In addition to statewide present law adjustments of \$295,600, the legislature approved:</p> <ul style="list-style-type: none"> • Laboratory equipment, one-time-only: \$1.1 million • Meat inspection staff 4.00 PB: \$627,600 • Animal Health software maintenance: \$150,000 • Funding Shifts: <ul style="list-style-type: none"> ◦ Milk inspection fees shifted from State Special Revenue to the General Fund: \$300,000 ◦ Emergency Preparedness Veterinarian from federal special revenue to state special revenue: \$221,700

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	10,347,292	10,852,677	11,496,736	11,795,422	11,823,158
Operating Expenses	3,617,187	4,648,497	4,626,514	4,873,986	4,852,123
Equipment & Intangible Assets	428,983	502,156	65,205	593,605	65,205
Capital Outlay	0	0	0	510,048	0
Benefits & Claims	150,000	150,000	150,000	150,000	150,000
Transfers	370,462	378,231	342,481	342,481	342,481
Total Expenditures	\$14,913,924	\$16,531,561	\$16,680,936	\$18,265,542	\$17,232,967
General Fund	3,624,619	4,082,713	4,217,138	4,882,669	4,688,596
State/Other Special Rev. Funds	9,194,442	10,092,264	10,036,493	11,089,208	10,247,877
Federal Spec. Rev. Funds	2,094,863	2,356,584	2,427,305	2,293,665	2,296,494
Total Funds	\$14,913,924	\$16,531,561	\$16,680,936	\$18,265,542	\$17,232,967
Total Ongoing	\$14,550,829	\$16,064,610	\$16,680,936	\$17,202,094	\$17,232,967
Total OTO	\$363,095	\$466,951	\$0	\$1,063,448	\$0

Summary of Legislative Action

The personal services budget increased by 2.7% or \$625,100 above base funding. The increase in personal services includes funding for 4.00 new positions budgeted and statewide present law adjustments. The increase in personal services is funded primarily with general fund and state special revenue. The table below summarizes the increase in personal services.

Department of Livestock Personal Services Increase Above Base Funding				
<u>Changes</u>	Positions			
	<u>Budgeted</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>Total</u>
DP1 Personal Services (SWPL)	-	36,831	64,566	101,397
DP 43 Meat Inspectors (4.00 PB)	4.00	261,855	261,856	523,711
Total Changes	4.00	298,686	326,422	625,108

The legislature approved one-time-only funding for the new veterinarian laboratory. The one-time-only funding will support capital outlays for cabinetry, countertops, and storage as well as new equipment for the laboratory. Increases in operating expenses approved by the legislature will support the additional 4.00 positions budgeted for meat inspectors, moving expenses to the new laboratory, maintenance contract for new software, and statewide present law adjustments.

Funding

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

Total Department of Livestock 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	9,370,865	200,400			9,571,265	23.3%
02426 Lvstk Per Capita	11,543,043	863,048			12,406,091	30.2%
02425 Inspection and Control	7,089,093				7,089,093	17.3%
02117 Predatory Animal SSR				1,150,000	1,150,000	2.8%
02262 Egg Shielded Grading Program	760,450				760,450	1.9%
02124 LLB Restricted Special Revenue				600,000	600,000	1.5%
Other State Special Revenue	1,081,451			420,000	1,501,451	3.7%
State Special Revenue Total	20,474,037	863,048	-	2,170,000	23,507,085	57.2%
03209 Meat/Poultry Inspection Sp Rev	2,946,432				2,946,432	7.2%
03427 AH FEDERAL UMBRELLA	1,564,365				1,564,365	3.8%
03673 Small Federal Grants	43,458				43,458	0.1%
03032 Animal Health Sp. Rev	35,904				35,904	0.1%
Federal Special Revenue Total	4,590,159	-	-	-	4,590,159	11.2%
06026 MT Veterinary Diagnostic Lab			3,409,795		3,409,795	8.3%
Proprietary Fund Total	-	-	3,409,795	-	3,409,795	8.3%
Total of All Funds	34,435,061	1,063,448	3,409,795	2,170,000	41,078,304	
Percent of All Sources of Authority	83.8%	2.6%	8.3%	5.3%		

State special revenue funds account for 60.1% of the HB 2 budget proposal and 57.2% of all funding sources. These funds are primarily derived from fees assessed on livestock, as well as from licenses, permits, and charges for market and local inspections. Two major state special revenue accounts, the Livestock Per Capita and the Inspection and Control funds, represent 91.4% of the state special revenue authority in the HB 2 budget and 47.5% of total funding.

The Milk Control Bureau and the Milk Control Board are funded through fees collected from producers, distributors, and producer-distributors.

General fund dollars make up 27.0% of the HB 2 budget and are primarily allocated to the Animal Health Division, with a smaller portion going to the Centralized Services Division. The Brands Enforcement Division is fully supported by state special revenue, including fees from livestock per capita assessments, market and local inspections, and brand record and re-record services. The general fund also support for the Livestock Loss Board's activities.

Federal appropriations help fund several programs within the Animal Health Division.

Statutory appropriations, which do not require reauthorization by the legislature, allow the division to use state special revenue appropriated by statute for livestock loss prevention and compensation programs.

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 Livestock 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	4,217,138	10,036,493	2,427,305	16,680,936	91.3%	4,217,138	10,036,493	2,427,305	16,680,936	96.8%
Statewide PL										
Personal Services	(12,593)	73,950	(24,526)	36,831	0.2%	(6,288)	93,605	(22,751)	64,566	0.4%
Fixed Costs	19,879	91,729	7,208	118,816	0.7%	18,120	90,328	6,491	114,939	0.7%
Inflation Deflation	(5,490)	(10,683)	(5,468)	(21,641)	(0.1%)	(3,710)	(7,220)	(3,697)	(14,627)	(0.1%)
Total Statewide PL	1,796	154,996	(22,786)	134,006	0.7%	8,122	176,713	(19,957)	164,878	1.0%
Present Law (PL)	(480)	(1,183)	0	(1,663)	(0.0%)	(480)	(1,183)	0	(1,663)	(0.0%)
New Proposals	664,215	898,902	(110,854)	1,452,263	8.0%	463,816	35,854	(110,854)	388,816	2.3%
Total HB 2 Adjustments	665,531	1,052,715	(133,640)	1,584,606	8.7%	471,458	211,384	(130,811)	552,031	3.2%
Total Budget	4,882,669	11,089,208	2,293,665	18,265,542		4,688,596	10,247,877	2,296,494	17,232,967	

Other Legislation

HB 356 adds black bears to the list of predators the Livestock Loss Board may pay claims for livestock loss.

HB 504 adds domestic bison to the list of livestock for which the Livestock Loss Board may pay claims due to loss from predators.

SB 78 Gives the counties the option to administer a predator control program for the protection of goats. Counties would place a per capita fee for goats on the property tax bills of goat owners. The revenues would be expended by the counties for the protection of goats.

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	11,496,736	12,043,181	11,795,422	(247,759)	12,070,917	11,823,158	(247,759)	(495,518)
Operating Expenses	4,626,514	4,927,609	4,873,986	(53,623)	4,905,746	4,852,123	(53,623)	(107,246)
Equipment & Intangible Assets	65,205	593,605	593,605	0	65,205	65,205	0	0
Capital Outlay	0	510,048	510,048	0	0	0	0	0
Benefits & Claims	150,000	150,000	150,000	0	150,000	150,000	0	0
Transfers	342,481	342,481	342,481	0	342,481	342,481	0	0
Total Costs	\$16,680,936	\$18,566,924	\$18,265,542	(\$301,382)	\$17,534,349	\$17,232,967	(\$301,382)	(\$602,764)
General Fund	4,217,138	5,182,868	4,882,669	(300,199)	4,988,795	4,688,596	(300,199)	(600,398)
State/other Special Rev. Funds	10,036,493	11,090,391	11,089,208	(1,183)	10,249,060	10,247,877	(1,183)	(2,366)
Federal Spec. Rev. Funds	2,427,305	2,293,665	2,293,665	0	2,296,494	2,296,494	0	0
Other	0	0	0	0	0	0	0	0
Total Funds	\$16,680,936	\$18,566,924	\$18,265,542	(\$301,382)	\$17,534,349	\$17,232,967	(\$301,382)	(\$602,764)
Total Ongoing	\$16,680,936	\$17,503,476	\$17,202,094	(\$301,382)	\$17,534,349	\$17,232,967	(\$301,382)	(\$602,764)
Total OTO	\$0	\$1,063,448	\$1,063,448	\$0	\$0	\$0	\$0	\$0

The legislature approved total appropriations \$602,764 lower than the executive request, primarily general fund. Specifically, the legislature varied from the executive in the following ways:

- Adjustments to fixed costs: (\$3,326)
- The legislature did not approve 4.0 PB for meat inspection staff: (\$599,438)

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	17.00	17.00	17.00	0.00	0.0%
General Fund	302,589	303,440	303,155	1,417	0.2%
State/Other Special Rev. Funds	2,320,378	2,476,606	2,482,999	318,849	6.9%
Total Funds	2,622,967	2,780,046	2,786,154	320,266	6.1%
Personal Services	1,543,878	1,666,649	1,669,781	248,674	8.1%
Operating Expenses	826,608	860,916	863,892	71,592	4.3%
Benefits & Claims	150,000	150,000	150,000		0.0%
Transfers	102,481	102,481	102,481		0.0%
Total Expenditures	2,622,967	2,780,046	2,786,154	320,266	6.1%
Total Ongoing	2,622,967	2,780,046	2,786,154	320,266	6.1%
Total One-Time-Only					0.0%

Program Description

The Centralized Services Division manages administrative functions for the department, such as budgeting, accounting, payroll, personnel, IT, and general services. The Milk Control Program and Livestock Loss Board (LLB) are administratively attached to the department. The LLB provides compensation and prevention funding for livestock predation losses caused by wolves, grizzlies, and mountain lions. The Board of Milk Control oversees milk producer pricing and fair-trade practices for dairy products in Montana. The Predator Control Program falls under the administration of the Board of Livestock and the executive officer.

Program Highlights

Centralized Services Division Major Budget Highlights
The legislature approved an increase of 6.1% or \$320,300 above base funding due entirely to statewide present law adjustments.

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	1,489,241	1,505,657	1,543,878	1,666,649	1,669,781
Operating Expenses	532,982	763,102	826,608	860,916	863,892
Benefits & Claims	150,000	150,000	150,000	150,000	150,000
Transfers	162,117	162,481	102,481	102,481	102,481
Total Expenditures	\$2,334,340	\$2,581,240	\$2,622,967	\$2,780,046	\$2,786,154
General Fund	281,312	300,009	302,589	303,440	303,155
State/Other Special Rev. Funds	2,053,028	2,281,231	2,320,378	2,476,606	2,482,999
Total Funds	\$2,334,340	\$2,581,240	\$2,622,967	\$2,780,046	\$2,786,154
Total Ongoing	\$2,334,340	\$2,581,240	\$2,622,967	\$2,780,046	\$2,786,154
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Livestock, 01-Centralized Services Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	606,595	0	0	606,595	7.86 %
02117 Predatory Animal SSR	0	0	1,150,000	1,150,000	16.18 %
02124 LLB Restricted Special Revenue	0	0	600,000	600,000	8.44 %
02125 Livestock Loss Reduction	0	0	200,000	200,000	2.81 %
02136 Wolf Mitigation Donation Fund	0	0	200,000	200,000	2.81 %
02426 Lvstk Per Capita	4,478,866	0	0	4,478,866	63.00 %
02817 Milk Control Bureau	480,739	0	0	480,739	6.76 %
State Special Total	\$4,959,605	\$0	\$2,150,000	\$7,109,605	92.14 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$5,566,200	\$0	\$2,150,000	\$7,716,200	

The Centralized Services Division's (CSD) primary funding comes from state special revenue, and the primary source is the livestock per-capita fund. This fund is generated by fees assessed on each head of livestock in the state. For the Milk Control Bureau and the Milk Control Board, funding is derived from fees charged to producers, distributors, and producer-distributors. The Livestock Loss Board's activities are supported by the general fund. Certain state special revenue is statutorily appropriated to the agency, meaning it doesn't require re-authorization by the legislature. The agency uses these statutory funds for two main purposes: livestock loss prevention and livestock loss compensation.

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.

Centralized 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	302,589	2,320,378	0	2,622,967	94.3%	302,589	2,320,378	0	2,622,967	94.1%
Statewide PL										
Personal Services	544	122,227	0	122,771	4.4%	544	125,359	0	125,903	4.5%
Fixed Costs	787	35,200	0	35,987	1.3%	502	38,456	0	38,958	1.4%
Inflation Deflation	0	(16)	0	(16)	(0.0%)	0	(11)	0	(11)	(0.0%)
Total Statewide PL	1,331	157,411	0	158,742	5.7%	1,046	163,804	0	164,850	5.9%
Present Law (PL)	(480)	(1,183)	0	(1,663)	(0.1%)	(480)	(1,183)	0	(1,663)	(0.1%)
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	851	156,228	0	157,079	5.7%	566	162,621	0	163,187	5.9%
Total Budget	303,440	2,476,606	0	2,780,046		303,155	2,482,999	0	2,786,154	

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	544	122,227	0	122,771	0.00	544	125,359	0	125,903
DP 2 - Fixed Costs	0.00	787	35,200	0	35,987	0.00	502	38,456	0	38,958
DP 3 - Inflation Deflation	0.00	0	(16)	0	(16)	0.00	0	(11)	0	(11)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	(480)	(1,183)	0	(1,663)	0.00	(480)	(1,183)	0	(1,663)
Grand Total All Present Law Adjustments	0.00	\$851	\$156,228	\$0	\$157,079	0.00	\$566	\$162,621	\$0	\$163,187

**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 approved adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature approved 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: warrant writer, motor pool, 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 approved 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 cost 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 FY 2026 FY 2027		Biennium Change from Base Amount Percent	
PB	66.26	70.26	70.26	4.00	3.0%
General Fund	3,914,549	4,579,229	4,385,441	1,135,572	14.5%
State/Other Special Rev. Funds	2,622,962	3,568,404	2,708,149	1,030,629	19.6%
Federal Spec. Rev. Funds	2,427,305	2,293,665	2,296,494	(264,451)	(5.4%)
Total Funds	8,964,816	10,441,298	9,390,084	1,901,750	10.6%
Personal Services	5,655,613	5,896,423	5,908,834	494,031	4.4%
Operating Expenses	3,003,998	3,201,222	3,176,045	369,271	6.1%
Equipment & Intangible Assets	65,205	593,605	65,205	528,400	405.2%
Capital Outlay		510,048		510,048	0.0%
Transfers	240,000	240,000	240,000		0.0%
Total Expenditures	8,964,816	10,441,298	9,390,084	1,901,750	10.6%
Total Ongoing	8,964,816	9,377,850	9,390,084	838,302	4.7%
Total One-Time-Only		1,063,448		1,063,448	0.0%

Program Description

The Animal Health Division protects livestock health, prevents animal-to-human disease transmission, and ensures safe animal products. It collaborates with state and federal agencies to monitor, test, and quarantine animals. The division enforces animal health laws, operates a veterinary diagnostic laboratory, and conducts state inspections for meat, poultry, and dairy products.

Program Highlights

Animal Health Division Major Budget Highlights

The legislature approved an increase of 10.6% or \$1.9 million above base funding. In addition to statewide present law adjustments of \$60,700, the legislature approved:

- Meat inspection staff 4.00 PB: \$627,600
- Furnishing and equipment for the new Veterinarian Laboratory, one-time-only: \$863,000
- Replacement of laboratory equipment at the State Milk Laboratory: \$200,400
- Software maintenance contract: \$150,000
- Funding shifts:
 - Veterinarian emergency preparedness from federal to special state special revenue: \$227,700
 - Milk Inspection from state special revenue to general fund: \$300,000

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	4,869,731	5,270,127	5,655,613	5,896,423	5,908,834
Operating Expenses	2,382,495	3,094,194	3,003,998	3,201,222	3,176,045
Equipment & Intangible Assets	306,951	352,156	65,205	593,605	65,205
Capital Outlay	0	0	0	510,048	0
Transfers	208,345	215,750	240,000	240,000	240,000
Total Expenditures	\$7,767,522	\$8,932,227	\$8,964,816	\$10,441,298	\$9,390,084
General Fund	3,343,307	3,782,704	3,914,549	4,579,229	4,385,441
State/Other Special Rev. Funds	2,329,352	2,792,939	2,622,962	3,568,404	2,708,149
Federal Spec. Rev. Funds	2,094,863	2,356,584	2,427,305	2,293,665	2,296,494
Total Funds	\$7,767,522	\$8,932,227	\$8,964,816	\$10,441,298	\$9,390,084
Total Ongoing	\$7,530,571	\$8,645,276	\$8,964,816	\$9,377,850	\$9,390,084
Total OTO	\$236,951	\$286,951	\$0	\$1,063,448	\$0

Funding

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

Department of Livestock, 04-Animal Health Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	8,964,670	0	0	8,964,670	38.54 %
02262 Egg Shielded Grading Program	760,450	0	0	760,450	12.08 %
02426 Lvstk Per Capita	4,915,391	0	0	4,915,391	78.06 %
02427 Animal Health	63,590	0	0	63,590	1.01 %
02701 Milk and Egg Inspection	537,122	0	0	537,122	8.53 %
02980 INDEMNITY SPECIAL REVENUE	0	0	20,000	20,000	0.32 %
State Special Total	\$6,276,553	\$0	\$20,000	\$6,296,553	27.07 %
03032 Animal Health Sp. Rev	35,904	0	0	35,904	0.78 %
03209 Meat/Poultry Inspection Sp Rev	2,946,432	0	0	2,946,432	64.19 %
03427 AH FEDERAL UMBRELLA	1,564,365	0	0	1,564,365	34.08 %
03673 Small Federal Grants	43,458	0	0	43,458	0.95 %
Federal Special Total	\$4,590,159	\$0	\$0	\$4,590,159	19.73 %
06026 MT Veterinary Diagnostic Lab	0	3,409,795	0	3,409,795	100.00 %
Proprietary Total	\$0	\$3,409,795	\$0	\$3,409,795	14.66 %
Total All Funds	\$19,831,382	\$3,409,795	\$20,000	\$23,261,177	

General fund primarily supports personal services and operations for the diagnostic laboratory, animal health programs, meat and poultry inspection, and information technology. State special revenue is generated from per head livestock tax and fees charged for milk and egg inspection. State special revenues are matched with federal funds for meat and poultry inspection and animal health. Non-budgeted proprietary funds are generated from fees for service at the Montana Veterinary Diagnostic Laboratory.

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.

Animal Health 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	3,914,549	2,622,962	2,427,305	8,964,816	85.9%	3,914,549	2,622,962	2,427,305	8,964,816	95.5%
Statewide PL										
Personal Services	(13,137)	16,618	(24,526)	(21,045)	(0.2%)	(6,832)	20,948	(22,751)	(8,635)	(0.1%)
Fixed Costs	19,092	30,919	7,208	57,219	0.5%	17,618	29,059	6,491	53,168	0.6%
Inflation Deflation	(5,490)	(997)	(5,468)	(11,955)	(0.1%)	(3,710)	(674)	(3,697)	(8,081)	(0.1%)
Total Statewide PL	465	46,540	(22,786)	24,219	0.2%	7,076	49,333	(19,957)	36,452	0.4%
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	664,215	898,902	(110,854)	1,452,263	13.9%	463,816	35,854	(110,854)	388,816	4.1%
Total HB 2 Adjustments	664,680	945,442	(133,640)	1,476,482	14.1%	470,892	85,187	(130,811)	425,268	4.5%
Total Budget	4,579,229	3,568,404	2,293,665	10,441,298		4,385,441	2,708,149	2,296,494	9,390,084	

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	(13,137)	16,618	(24,526)	(21,045)	0.00	(6,832)	20,948	(22,751)	(8,635)
DP 2 - Fixed Costs	0.00	19,092	30,919	7,208	57,219	0.00	17,618	29,059	6,491	53,168
DP 3 - Inflation Deflation	0.00	(5,490)	(997)	(5,468)	(11,955)	0.00	(3,710)	(674)	(3,697)	(8,081)
Grand Total All Present Law Adjustments	0.00	\$465	\$46,540	(\$22,786)	\$24,219	0.00	\$7,076	\$49,333	(\$19,957)	\$36,452

***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 approved adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature approved 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: warrant writer, motor pool, 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 approved 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	Total Funds
DP 40 - Milk Inspection Fee Shift	0.00	150,000	(150,000)	0	0	0.00	150,000	(150,000)	0	0
DP 42 - New Construction Laboratory Expenses (BIEN/OTO)	0.00	0	863,048	0	863,048	0.00	0	0	0	0
DP 43 - Meat Inspection Additional Staff	4.00	313,815	0	0	313,815	4.00	313,816	0	0	313,816
DP 44 - State Milk Laboratory Instruments (BIEN/OTO)	0.00	200,400	0	0	200,400	0.00	0	0	0	0
DP 45 - Animal Health Application Maintenance	0.00	0	75,000	0	75,000	0.00	0	75,000	0	75,000
DP 48 - Emergency Preparedness Veterinarian Funding Shift	0.00	0	110,854	(110,854)	0	0.00	0	110,854	(110,854)	0
Total	4.00	\$664,215	\$898,902	(\$110,854)	\$1,452,263	4.00	\$463,816	\$35,854	(\$110,854)	\$388,816

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

DP 40 - Milk Inspection Fee Shift -

The legislature approved a shift of \$150,000 in each year of the biennium from the Milk and Egg Inspection state special revenue to the general fund. Taxes and fees for milk and egg inspection have declined at an annual rate of 3.2% since FY 2013. This decision package does not change the overall budget.

DP 42 - New Construction Laboratory Expenses (BIEN/OTO) -

The legislature approved a one-time-only appropriation of state special revenue for furnishings and equipment for the new veterinarian laboratory. This appropriation would also fund moving expense and construction.

DP 43 - Meat Inspection Additional Staff -

The legislature approved an increase in general fund to support 4.00 PB (Positions Budgeted) for meat & poultry inspectors. These positions would support the growth in the Cooperative Interstate Shipping (CIS) program.

DP 44 - State Milk Laboratory Instruments (BIEN/OTO) -

The legislature approved a one-time-only appropriation of general fund to replace two grade A milk laboratory instruments that are at the end of their effective operational lifespan.

DP 45 - Animal Health Application Maintenance -

The legislature approved an increase in state special revenue to fund the annual maintenance contract for the Animal Health software application.

DP 48 - Emergency Preparedness Veterinarian Funding Shift -

The legislature approved a shift of about \$110,900 in each year of the biennium from federal to state special revenues that support a veterinarian focused on large scale disease outbreak.

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	54.61	54.61	54.61	0.00	0.0%
State/Other Special Rev. Funds	5,093,153	5,044,198	5,056,729	(85,379)	(0.8%)
Total Funds	5,093,153	5,044,198	5,056,729	(85,379)	(0.8%)
Personal Services	4,297,245	4,232,350	4,244,543	(117,597)	(1.4%)
Operating Expenses	795,908	811,848	812,186	32,218	2.0%
Total Expenditures	5,093,153	5,044,198	5,056,729	(85,379)	(0.8%)
Total Ongoing	5,093,153	5,044,198	5,056,729	(85,379)	(0.8%)
Total One-Time-Only					0.0%

Program Description

The Brands Enforcement Division provides the livestock industry with professional law enforcement and investigative work in tracking livestock ownership and in the deterrence and/or resolution of related criminal activities. It conducts, collects, documents, audits, and evaluates compliance on brand inspections and permits for Montana livestock. It also maintains the official record of Montana brands and security interest filings of branded livestock, and licenses livestock markets and dealers.

Program Highlights

Brands Enforcement Division Major Budget Highlights
The legislature approved decrease of 0.8% or \$85,400 compared to base funding due entirely to statewide present law adjustments.

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	3,988,320	4,076,893	4,297,245	4,232,350	4,244,543
Operating Expenses	701,710	791,201	795,908	811,848	812,186
Equipment & Intangible Assets	122,032	150,000	0	0	0
Total Expenditures	\$4,812,062	\$5,018,094	\$5,093,153	\$5,044,198	\$5,056,729
State/Other Special Rev. Funds	4,812,062	5,018,094	5,093,153	5,044,198	5,056,729
Total Funds	\$4,812,062	\$5,018,094	\$5,093,153	\$5,044,198	\$5,056,729
Total Ongoing	\$4,685,918	\$4,838,094	\$5,093,153	\$5,044,198	\$5,056,729
Total OTO	\$126,144	\$180,000	\$0	\$0	\$0

Funding

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

Department of Livestock, 06-Brands Enforcement 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 %
02425 Inspection and Control	7,089,093	0	0	7,089,093	70.18 %
02426 Lvstk Per Capita	3,011,834	0	0	3,011,834	29.82 %
State Special Total	\$10,100,927	\$0	\$0	\$10,100,927	100.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$10,100,927	\$0	\$0	\$10,100,927	

The program is funded with revenue generated from fees charged for brand recording and market and local inspections as well as fees charged to stockowners on each head of livestock commonly referred to as per-capita 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.

Brands Enforcement 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	5,093,153	0	5,093,153	101.0%	0	5,093,153	0	5,093,153	100.7%
Statewide PL										
Personal Services	0	(64,895)	0	(64,895)	(1.3%)	0	(52,702)	0	(52,702)	(1.0%)
Fixed Costs	0	25,610	0	25,610	0.5%	0	22,813	0	22,813	0.5%
Inflation Deflation	0	(9,670)	0	(9,670)	(0.2%)	0	(6,535)	0	(6,535)	(0.1%)
Total Statewide PL	0	(48,955)	0	(48,955)	(1.0%)	0	(36,424)	0	(36,424)	(0.7%)
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	(48,955)	0	(48,955)	(1.0%)	0	(36,424)	0	(36,424)	(0.7%)
Total Budget	0	5,044,198	0	5,044,198		0	5,056,729	0	5,056,729	

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	(64,895)	0	(64,895)	0.00	0	(52,702)	0	(52,702)
DP 2 - Fixed Costs	0.00	0	25,610	0	25,610	0.00	0	22,813	0	22,813
DP 3 - Inflation Deflation	0.00	0	(9,670)	0	(9,670)	0.00	0	(6,535)	0	(6,535)
Grand Total All Present Law Adjustments	0.00	\$0	(\$48,955)	\$0	(\$48,955)	0.00	\$0	(\$36,424)	\$0	(\$36,424)

***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 approved adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature approved 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: warrant writer, motor pool, 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 approved 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.

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	553.61	558.61	558.61	5.00	0.5%
General Fund	38,780,567	44,850,222	44,803,160	12,092,248	15.6%
State/Other Special Rev. Funds	53,411,735	54,796,334	54,775,534	2,748,398	2.6%
Federal Spec. Rev. Funds	2,122,933	2,122,933	2,122,933		0.0%
Total Funds	94,315,235	101,769,489	101,701,627	14,840,646	7.9%
Personal Services	52,128,274	54,097,452	54,046,498	3,887,402	3.7%
Operating Expenses	29,243,632	34,095,222	34,119,039	9,726,997	16.6%
Equipment & Intangible Assets	1,436,516	1,678,666	1,586,516	392,150	13.6%
Local Assistance	3,058,090	3,058,090	3,058,090		0.0%
Grants	4,060,714	4,060,714	4,060,714		0.0%
Benefits & Claims	400,000	400,000	400,000		0.0%
Transfers	1,724,243	2,047,326	2,035,064	633,904	18.4%
Debt Service	2,263,766	2,332,019	2,395,706	200,193	4.4%
Total Expenditures	94,315,235	101,769,489	101,701,627	14,840,646	7.9%
Total Ongoing	94,315,235	100,531,438	100,555,727	12,456,695	6.6%
Total One-Time-Only	7,548,376	1,238,051	1,145,900	(12,712,801)	(84.2%)

Agency Description

The Department of Natural Resources and Conservation (DNRC) manages state trust land, protects natural resources from wildfire, promotes stewardship of water, soil, forest, and rangeland resources, assists conservation districts, provides conservation education, and supports the Board of Oil and Gas Conservation and other commissions and advisory councils. Among DNRC's duties include the regulation of oil and gas exploration and production, provision of technical and financial assistance to conservation districts, manage natural resource conservation and development grants and loans, administer the Montana Sage Grouse Oversight Team and other councils, maintain a record of water rights in Montana, review and analysis of water right application, provide technical and legal support for water compacts, manage state water projects (including the Toston power plant, several state-owned dams, canals, and water storage facilities), investigate water use violations, ensure dam safety compliance, manage the stream gage network, plan and implement forestry programs, wildfire prevention and mitigation, regulate forest practices, build and restore resilient forests, and the growing and selling seedlings for conservation and re-forestation projects on state and private lands in Montana. DNRC also manages the state trust land resources to provide revenues for the trust beneficiaries under the direction of the State Board of Land Commissioners.

Agency Highlights

**Department of Natural Resources and Conservation
Major Budget Highlights**

The legislature adopted an increase of 7.9% or \$14.8 million above base HB 2 funding. In addition to statewide present law adjustment, the legislature adopted:

- \$2.0 million one-time-only appropriation for the Water Resources and Conservation and Resource Development Divisions, including funding for dam safety and regional water administration
- \$1.9 million for the stream gage network
- \$1.7 million for IT projects including a water rights database, a water measurement database, and maintenance for the trust lands management system
- \$1.3 million to support up to 6.00 PB and operating costs to implement new legislation
- \$1.1 million to support 5.00 PB in the Director's Office and Water Resources 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	49,519,680	49,987,524	52,852,274	54,097,452	54,046,498
Operating Expenses	22,628,333	29,389,295	33,018,008	34,095,222	34,119,039
Equipment & Intangible Assets	1,624,705	1,867,716	1,486,516	1,678,666	1,586,516
Local Assistance	2,236,125	3,058,090	3,058,090	3,058,090	3,058,090
Grants	3,178,507	4,791,884	7,060,714	4,060,714	4,060,714
Benefits & Claims	275,300	675,300	400,000	400,000	400,000
Transfers	1,698,436	1,747,173	1,724,243	2,047,326	2,035,064
Debt Service	2,036,691	2,263,766	2,263,766	2,332,019	2,395,706
Total Expenditures	\$83,197,777	\$93,780,748	\$101,863,611	\$101,769,489	\$101,701,627
General Fund	37,866,186	39,027,921	40,349,020	44,850,222	44,803,160
State/Other Special Rev. Funds	43,617,990	52,646,498	59,391,658	54,796,334	54,775,534
Federal Spec. Rev. Funds	1,713,601	2,106,329	2,122,933	2,122,933	2,122,933
Total Funds	\$83,197,777	\$93,780,748	\$101,863,611	\$101,769,489	\$101,701,627
Total Ongoing	\$80,442,905	\$86,650,227	\$94,315,235	\$100,531,438	\$100,555,727
Total OTO	\$2,754,872	\$7,130,521	\$7,548,376	\$1,238,051	\$1,145,900

Summary of Legislative Action

The legislature approved an increase of 7.9% or \$14.8 million for DNRC in comparison to the base budget, including an increase of \$12.1 million of general fund. The increase occurred primarily in ongoing funding, with \$1.1 million approved as one-time-only.

The legislature approved \$1.9 million to expand the state's stream gage network, which measures stream levels throughout the state for natural resource management, recreation and fishing, and water rights. This \$1.9 million included inflation and cost increases for the existing shared gage networks with the United States Geological Survey (USGS) and those shared between the state, tribes, and the USGS under a Joint Funding Agreement. The funding also included authority for 100 sites in the State Stream Gage Program, expanding the network by 24 new sites. The legislature approved \$900,000 for water-related database improvements in HB 2; additional funding for water-related IT systems was provided in HB 10 (see other legislation section). The legislature also approved \$1.0 million in one-time-only authority to support temporary positions related to dam safety and the reliability of the state-owned projects, including the Broadwater Power Project.

HB 2 also included funding to implement three bills approved by the legislature (HB 441, HB 681, and SB 178) related to water rights review and approval. The legislature approved \$1.1 million general fund to support up to 6.00 PB needed for the implementation of HB 681, which adjusted the process to approve water rights for subdivisions, and SB 178, which provided for temporary leases of water rights. HB 441 included only a small increase in total appropriation but moved roughly \$1.7 million state special revenue to the general fund.

The legislature also approved increased funding for the Trust Lands Management System, the IT system that manages state trust lands and school revenue distribution, and approved authority to support 2.00 PB software developers to support existing and new IT systems for a total of \$1.4 million to the Centralized Services Division for IT enhancements in HB 2. Appropriation increases to Centralized Services also included \$1.2 million to adjust the agencies base budget for operations.

A one-time-only authority of \$720,000 for temporary positions was approved to help support irrigation districts with managing state and federal grant funding within the Conservation and Resource Development Division, plus one-time-only authority of \$280,000 to support regional water authorities. The legislature also approved ongoing funding of \$65,000 per fiscal year for rural water systems.

Funding

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

Total Department of Natural Resources and Conservation 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	88,481,581	1,171,801			89,653,382	40.6%
02938 TLMD Trust Administration	37,179,832	392,150			37,571,982	17.0%
02039 Fire Protection Assessments	10,268,568				10,268,568	4.7%
02048 Conservation District Acct	9,526,506				9,526,506	4.3%
02470 State Project Hydro Earnings	8,466,220				8,466,220	3.8%
02432 Oil & Gas ERA	6,940,834				6,940,834	3.1%
Other State Special Revenue	35,977,758	820,000		2,376,138	39,173,896	17.8%
State Special Revenue Total	108,359,718	1,212,150	-	2,376,138	111,948,006	50.7%
03500 GNA FEDERAL SPECIAL REVENUE				6,380,883	6,380,883	2.9%
03053 CONSOLIDATED GRANT-FY27	1,096,988				1,096,988	0.5%
03110 CONSOLIDATED GRANT-FY26	1,096,988				1,096,988	0.5%
03094 FEMA Federal Grants	541,978				541,978	0.2%
03595 DW24 SRF Grant	341,018				341,018	0.2%
Other Federal Special Revenue	1,168,894				1,168,894	0.5%
Federal Special Revenue Total	4,245,866	-	-	6,380,883	10,626,749	4.8%
06538 Air Operations Internal Svc.			6,426,478		6,426,478	2.9%
06003 State Nursery Enterprise Fund			1,941,902		1,941,902	0.9%
Proprietary Fund Total	-	-	8,368,380	-	8,368,380	3.8%
Total of All Funds	201,087,165	2,383,951	8,368,380	8,757,021	220,596,517	
Percent of All Sources of Authority	91.2%	1.1%	3.8%	4.0%		

DNRC is primarily funded with state special revenue and general fund. State special revenue makes up over half of the HB 2 budget. Nonbudgeted proprietary funds are supported with revenue from the state nursery and charges for air operations. DNRC has several statutory appropriations, including:

- The oil and gas production damage mitigation state special revenue fund (82-11-161, MCA) and falls under the authority of the Board of Oil and Gas. It receives up to \$650,000 from the Resource Indemnity Trust interest each biennium. The fund is used for the reclamation of drill sites and production areas associated with oil and natural gas production
- The Morrill trust land administration state special revenue fund (77-1-108, MCA) receives an \$80,000 transfer each biennium from the general fund for the purposes of administering the Morrill Trust lands
- The wildfire suppression state special revenue fund (76-13-150, MCA) pays for the state share of wildfire suppression. The fund receives revenue from the Governor's unspent emergency general fund appropriation and general fund transfer capped at 6.0% of the general revenue appropriations in the second year of each biennium. General fund transfers occur only if general fund ending balance exceeds general revenue appropriations in the second year of the biennium by 8.3%. Historically, the 10-year inflation adjusted average for state wildfire costs was \$30.0 million. Up to \$30.0 million per biennium is statutorily appropriated for fuel reduction, fire suppression equipment for county cooperatives, and other forest management programs
- The Sage Grouse Stewardship state special revenue account (87-5-906, MCA) is used to maintain, enhance, restore, expand, or benefit sage grouse habitat and populations. Starting in FY 2022, revenue is from compensatory mitigation (as established in 76-22-111, MCA) and donations
- The Good Neighbor Authority (GNA) state special revenue account (76-13-151, MCA) generates revenue from the sale of timber from GNA projects on federal lands. The GNA allows the Forest Service to enter into agreements with state forestry agencies to execute management work on federal forests within 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.

Department of Natural Resources and Conservation 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	38,780,567	53,411,735	2,122,933	94,315,235	92.7%	38,780,567	53,411,735	2,122,933	94,315,235	92.7%
Statewide PL										
Personal Services	291,855	420,466	0	712,321	0.7%	361,298	477,136	0	838,434	0.8%
Fixed Costs	918,716	390,636	0	1,309,352	1.3%	925,798	367,957	0	1,293,755	1.3%
Inflation Deflation	(14,852)	(8,281)	0	(23,133)	(0.0%)	(10,033)	(5,598)	0	(15,631)	(0.0%)
Total Statewide PL	1,195,719	802,821	0	1,998,540	2.0%	1,277,063	839,495	0	2,116,558	2.1%
Present Law (PL)	1,418,685	527,729	0	1,946,414	1.9%	1,474,885	568,554	0	2,043,439	2.0%
New Proposals	3,455,251	54,049	0	3,509,300	3.4%	3,270,645	(44,250)	0	3,226,395	3.2%
Total HB 2 Adjustments	6,069,655	1,384,599	0	7,454,254	7.3%	6,022,593	1,363,799	0	7,386,392	7.3%
Total Budget	44,850,222	54,796,334	2,122,933	101,769,489		44,803,160	54,775,534	2,122,933	101,701,627	

Other Legislation**HB 4 - Appropriation by budget amendment**

The legislature approved the continuation of budget amendments for federal funds into the 2027 biennium. The legislature approved a biennial federal appropriation of \$193,362,382 for DNRC to continue the underground injection control grant, low tech restoration Fort Peck Sage Project, drinking and clean water programs, the 406 grazing academy, disadvantaged communities grant, invasive species prevention, powerline removal restoration project, dam safety programs, fire prevention, forestry programs, good neighbor authority capacity building, forest landowner support, and other projects.

HB 5 - Long-range building appropriations

HB 5 includes an appropriation for repairs and capital development projects, including improvement projects at the DNRC Missoula Forestry and Trust Lands Office Building and Bunkhouses in Helena, Libby, and Plains.

HB 6 - Renewable resource grants

HB 6 funds the state's renewable resource grants and loans to promote the conservation, development, management, and preservation of water and other renewable resources. These grants and loans are funded with Resource Indemnity Trust funds.

HB 7 - Reclamation and development grants

HB 7 funds the Resource Indemnity Trust Reclamation and Development Grant Program, which address environmental damage from nonrenewable resource extraction and ensure the quality of public resources. The legislature appropriated \$6.3 million to DNRC to distribute and administer the grant projects listed in the bill.

HB 8 - Renewable resource bonds and loans

HB 8 provides loans to communities needing financial assistance to complete regional water projects, dams, and irrigation facilities. The bill appropriates \$121.0 million state special revenue for the biennium to DNRC for the issuance of bonds, which will be repaid with the repayment of the loans.

HB10 - Long-range IT appropriations

HB 10 appropriates funding for significant information technology projects. DNRC projects received appropriation of \$4.9 million for the Water Rights Information System Rewrite, GIS Migration, and the Licensing and Permitting System Replacement.

HB 11 - Montana coal endowment program

HB 11 appropriates \$10.0 million from the state's Treasure State Endowment Program's regional water special revenue account to DNRC to distribute grants to local governments for the state's share of regional water system projects. DNRC manages and administers the grants.

HB 84 - Prescribed Fire Manager Certification and Liability Act

HB 84 created a new state special revenue account to conduct a new prescribed fire manager certification program. The bill also revised liability for those certified under the new program and required a study by DNRC regarding economic damages from an escaped prescribed fire and the use of the fund to cover property damage from escaped prescribed fires. Although the state special revenue account was created, the 2025 Legislature did not provide authority. The fiscal note for HB 84 indicated no fiscal impact.

HB 130 - Revise state wildland policy and funding

HB 130 requires wildland fire suppression regardless of land ownership within five miles of county or state fire protection boundaries if federal agency fire response does not meet the standards set in 76-13-104, MCA. Federal agencies may be billed for costs associated with such wildland fire suppression.

HB 421 - Increase DNRC fire assessment fees

HB 421 increases the maximum fee DNRC can assess forested landowners for fire protection, raising an estimated \$450,000 annually. DNRC is statutorily required to fund roughly 1/3 of its wildland fire base budget from the revenue raised from Fire Protection Assessments. HB 421 increases the maximum rate DNRC can charge for these assessments so that revenues meet funding requirements given HB 2 appropriation levels. The maximum fee was approved at \$58.70 for each landowner plus 49 cents per acre for landowners owning more than 20 acres.

HB 441 - Align water rights with final decrees

HB 441 defines the process for pre-1973 adjudicated water right holders to modify or revoke a provisional permit based on the final decree issued by the Water Court. The bill allows DNRC to issue certificates of water right for provisional permits and change authorizations after considering the findings of the final decree. For HB 441 implementation, the legislature approved a funding switch from state special revenue to the general fund for 16 existing PB and some operating costs, increasing general fund appropriation by \$1.7 million for the biennium.

HB 681 - Revise subdivision regulation laws involving determination of water availability

HB 681 establishes a new process for subdivisions to submit information on exempt wells prior to moving through the Platting Act process, providing a more streamlined approach. Under the new law, applicants intending to use exempt wells submit a notice of intent to DNRC and receive approval prior to water use. DNRC can then analyze permit exception eligibility, including evaluation of whether multiple groundwater developments in the same area constitute a combined appropriation. HB 681 also establishes a 10-day timeline for agency review and approval. The legislature approved \$1.1 million general fund to support up to 5.00 PB to implement this legislation.

HB 924 - Generally revise state finance laws

HB 924 established the Montana growth and opportunity trust. In addition to funding other priorities, 10.0% of the interest earnings (not to exceed \$15.0 million) are distributed to the newly created Montana water development account, managed by DNRC. Estimated allocation to the Montana water development account are roughly \$9.6 million for the biennium. HB 924 provided a starting fund balance of \$10.0 million general fund to the Montana water development account. The account will distribute its interest earnings into the water storage account (90.0% of earnings) and the natural resource operations account (10.0% of earnings). Estimated interest earnings distributed to the water storage account are estimated to be \$1.4 million for the biennium to be used for the operation, maintenance, and expansion of state-owned water projects. Estimated interest earnings to the natural resource operations are projected to be \$110,000 for the biennium for water storage pilot projects and dam inspection grants. The natural resource operations account is also allowed to retain its own interest, estimated to be roughly \$300,000 per fiscal year, which is directed to be used for the natural resource projects funded through HB 6, HB 7, and HB 8.

SB 71 - Revise natural resource operations fee policy laws

SB 71 extends the sunset date for general fund transfers into the natural resources operation account to June 30, 2029. The previous sunset date was June 30, 2027. SB 71 has no fiscal impact in the 2027 biennium but moves \$1.0 million general fund each year in FY 2028 and FY 2029 into the natural resources operation state special revenue account. This account is used for water storage pilot projects and dam inspection grants.

SB 178 - Provide for temporary lease of water rights

SB 178 provides for temporary leases of a water right, creating a process for DNRC to analyze and process the right, notice to the public, and allow for objections. The legislature approved about \$188,000 general fund and \$28,000 state special revenue and up to 1.00 PB to implement this legislation. This appropriation was roughly half the estimated cost of implementation provided by the fiscal note.

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	52,852,274	53,493,660	54,097,452	603,792	53,619,630	54,046,498	426,868	1,030,660
Operating Expenses	33,018,008	34,249,423	34,095,222	(154,201)	34,280,376	34,119,039	(161,337)	(315,538)
Equipment & Intangible Assets	1,486,516	1,678,666	1,678,666	0	1,586,516	1,586,516	0	0
Local Assistance	3,058,090	3,058,090	3,058,090	0	3,058,090	3,058,090	0	0
Grants	7,060,714	4,060,714	4,060,714	0	4,060,714	4,060,714	0	0
Benefits & Claims	400,000	400,000	400,000	0	400,000	400,000	0	0
Transfers	1,724,243	2,047,326	2,047,326	0	2,035,064	2,035,064	0	0
Debt Service	2,263,766	2,332,019	2,332,019	0	2,395,706	2,395,706	0	0
Total Costs	\$101,863,611	\$101,319,898	\$101,769,489	\$449,591	\$101,436,096	\$101,701,627	\$265,531	\$715,122
General Fund	40,349,020	43,119,653	44,850,222	1,730,569	43,254,305	44,803,160	1,548,855	3,279,424
State/other Special Rev. Funds	59,391,658	56,077,312	54,796,334	(1,280,978)	56,058,858	54,775,534	(1,283,324)	(2,564,302)
Federal Spec. Rev. Funds	2,122,933	2,122,933	2,122,933	0	2,122,933	2,122,933	0	0
Other	0	0	0	0	0	0	0	0
Total Funds	\$101,863,611	\$101,319,898	\$101,769,489	\$449,591	\$101,436,096	\$101,701,627	\$265,531	\$715,122
Total Ongoing	\$94,315,235	\$100,221,847	\$100,531,438	\$309,591	\$100,430,196	\$100,555,727	\$125,531	\$435,122
Total OTO	\$7,548,376	\$1,098,051	\$1,238,051	\$140,000	\$1,005,900	\$1,145,900	\$140,000	\$280,000

The legislature adopted total appropriations \$715,122 higher than the executive request. Specifically, the differences include:

- \$1.2 million general fund increase to adjust the agency's base funding, which was requested by the executive after the December 15th submission
- \$1.1 million to implement HB 681 to revise subdivision regulation laws involving determination of water availability
- \$280,000 one-time-only funding for the administration of regional water systems
- \$216,000 to implement SB 178 to provide for temporary lease of water rights
- \$130,000 state special revenue for rural water systems
- \$35,000 to implement HB 441 to align provisional water rights with final degrees
- (\$38,000) reduction in fixed costs from the executive request
- (\$230,000) for one PB real property agent that was not approved by the legislature
- (\$2.0 million) for water storage projects was approved contingent on other legislation, as requested by the executive. The other legislation did not pass, reducing the appropriation

Language

During the 2027 biennium, the Department of Natural Resources and Conservation is authorized to decrease federal special revenue in the water pollution control and/or drinking water revolving fund loan programs and increase state special revenue by a like amount within administration accounts when the amount of federal Environmental Protection Agency CAP grant funds allocated for administration of the grant have been expended or federal funds and bond proceeds will be used for other program purposes as authorized in law providing for the distribution of funds.

During the 2027 biennium, up to \$600,000 from the loan loss reserve account of the private loan program established in section 85-1-603, MCA, is appropriated to the Department of Natural Resources and Conservation for the purchase of prior liens on property held as loan security as provided in section 85-1-615, MCA.

If LC 2159 is not passed and approved, state special revenue in the Water Resources Division is reduced by \$1,000,000 in FY 2026 and \$1,000,000 in FY 2027.

If HB 441 is passed and approved, the Department of Natural Resources and Conservation is increased by \$820,187 general fund in FY 2026 and \$830,902 general fund in FY 2027 and decreased by \$807,902 state special revenue in FY 2026 and \$807,902 in FY 2027.

If HB 681 is passed and approved, the Department of Natural Resources and Conservation is increased by \$629,913 general fund in FY 2026 and \$463,588 general fund in FY 2027, and the Department of Natural Resources and Conservation may increase positions budgeted authorized in HB 2 by 5.00 PB in FY 2026 and 5.00 PB in FY 2027.

If SB 178 is passed and approved, the Department of Natural Resources and Conservation is increased by \$107,175 general fund in FY 2026 and \$81,075 general fund in FY 2027 and \$16,015 state special revenue in FY 2026 and \$12,115 state special revenue in FY 2027. The Department of Natural Resources and Conservation 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 FY 2026 FY 2027		Biennium Change from Base Amount Percent	
PB	61.75	63.75	63.75	2.00	1.6%
General Fund	5,444,907	6,478,870	6,461,866	2,050,922	18.8%
State/Other Special Rev. Funds	4,969,068	5,743,291	5,737,257	1,542,412	15.5%
Total Funds	10,413,975	12,222,161	12,199,123	3,593,334	17.3%
Personal Services	7,179,448	7,049,620	7,067,024	(242,252)	(1.7%)
Operating Expenses	2,687,344	4,625,358	4,552,751	3,803,421	70.8%
Equipment & Intangible Assets	62,554	62,554	62,554		0.0%
Transfers	500	500	500		0.0%
Debt Service	484,129	484,129	516,294	32,165	3.3%
Total Expenditures	10,413,975	12,222,161	12,199,123	3,593,334	17.3%
Total Ongoing	10,413,975	12,222,161	12,199,123	3,593,334	17.3%
Total One-Time-Only	900,000			(1,800,000)	(100.0%)

Program Description

The Centralized Services Division is comprised of the Director's Office, Legal Services Office, Financial Services Office, Office of Information Technology, Human Resources Office, Office of Strategic Communication, and Office of Administrative Hearings. The director is responsible for the administration of all the functions vested by law in the department and for establishing policy to be followed by the department. In addition, the work units in the Centralized Services provide legal, human resources, financial, information technology, records management, administrative hearings, safety, and communication services to the director and the divisions within the agency.

Program Highlights

Centralized Services Division Major Budget Highlights
<p>The legislature approved an increase of 17.3% or \$3.6 million above base funding. In addition to statewide present law adjustments, significant changes include:</p> <ul style="list-style-type: none"> • \$1.2 million increase to the base budget for operations • \$800,000 trust lands management system maintenance • \$552,000 to support 2.00 PB for IT development

57060 - Department of Natural Resources and Conservation 21-Centralized 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	7,053,460	6,854,799	7,779,448	7,049,620	7,067,024
Operating Expenses	1,972,503	2,608,903	2,987,344	4,625,358	4,552,751
Equipment & Intangible Assets	0	62,554	62,554	62,554	62,554
Transfers	0	500	500	500	500
Debt Service	484,050	484,129	484,129	484,129	516,294
Total Expenditures	\$9,510,013	\$10,010,885	\$11,313,975	\$12,222,161	\$12,199,123
General Fund	5,085,589	5,279,877	5,569,907	6,478,870	6,461,866
State/Other Special Rev. Funds	4,424,424	4,731,008	5,744,068	5,743,291	5,737,257
Total Funds	\$9,510,013	\$10,010,885	\$11,313,975	\$12,222,161	\$12,199,123
Total Ongoing	\$8,870,337	\$9,110,885	\$10,413,975	\$12,222,161	\$12,199,123
Total OTO	\$639,676	\$900,000	\$900,000	\$0	\$0

Funding

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

Department of Natural Resources and Conservation, 21-Centralized Services Division Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	12,940,736	0	0	12,940,736	52.99 %	
02039 Fire Protection Assessments	1,098,932	0	0	1,098,932	9.57 %	
02048 Conservation District Acct	74,828	0	0	74,828	0.65 %	
02052 Rangeland Improvement Loans	86,431	0	0	86,431	0.75 %	
02073 Forestry - Slash Disposal	22,716	0	0	22,716	0.20 %	
02145 Broadwater O & M	119,463	0	0	119,463	1.04 %	
02223 Wastewater SRF Special Admin	164,976	0	0	164,976	1.44 %	
02284 Aquatic Invasive Species	62,549	0	0	62,549	0.54 %	
02429 Weather Modification	2	0	0	2	0.00 %	
02430 Water Right Appropriation	431,008	0	0	431,008	3.75 %	
02431 Water Adjudication	1,248,152	0	0	1,248,152	10.87 %	
02432 Oil & Gas ERA	526,795	0	0	526,795	4.59 %	
02491 Drinking Water Spec Admin Cost	164,425	0	0	164,425	1.43 %	
02492 DO INDIRECTS	2,697,130	0	0	2,697,130	23.49 %	
02576 Natural Resources Operations	767,798	0	0	767,798	6.69 %	
02825 Water Well Contractors	31,518	0	0	31,518	0.27 %	
02938 TLMD Trust Administration	3,983,825	0	0	3,983,825	34.70 %	
State Special Total	\$11,480,548	\$0	\$0	\$11,480,548	47.01 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$24,421,284	\$0	\$0	\$24,421,284		

The Director's Office is funded with general fund and state special revenue generated from timber sales, taxes on oil and gas, fire protection taxes, and other taxes and fees. State special revenue is used to cover the costs of administration and various services provided to other programs in the department.

57060 - Department of Natural Resources and Conservation 21-Centralized Services 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.

Centralized 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	5,444,907	4,969,068	0	10,413,975	85.2%	5,444,907	4,969,068	0	10,413,975	85.4%
Statewide PL										
Personal Services	(221,617)	(171,905)	0	(393,522)	(3.2%)	(211,734)	(164,241)	0	(375,975)	(3.1%)
Fixed Costs	525,445	402,258	0	927,703	7.6%	483,322	376,737	0	860,059	7.1%
Inflation Deflation	(67)	(46)	0	(113)	(0.0%)	(43)	(33)	0	(76)	(0.0%)
Total Statewide PL	303,761	230,307	0	534,068	4.4%	271,545	212,463	0	484,008	4.0%
Present Law (PL)	573,294	422,130	0	995,424	8.1%	591,400	436,189	0	1,027,589	8.4%
New Proposals	156,908	121,786	0	278,694	2.3%	154,014	119,537	0	273,551	2.2%
Total HB 2 Adjustments	1,033,963	774,223	0	1,808,186	14.8%	1,016,959	768,189	0	1,785,148	14.6%
Total Budget	6,478,870	5,743,291	0	12,222,161		6,461,866	5,737,257	0	12,199,123	

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	(221,617)	(171,905)	0	(393,522)	0.00	(211,734)	(164,241)	0	(375,975)
DP 2 - Fixed Costs	0.00	525,445	402,258	0	927,703	0.00	483,322	376,737	0	860,059
DP 3 - Inflation Deflation	0.00	(67)	(46)	0	(113)	0.00	(43)	(33)	0	(76)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	(4,576)	0	0	(4,576)	0.00	(4,576)	0	0	(4,576)
DP 21002 - DO Helena Rent Increase	0.00	0	0	0	0	0.00	18,110	14,055	0	32,165
DP 21003 - DO TLMS Maintenance Contracted Services	0.00	240,000	160,000	0	400,000	0.00	240,000	160,000	0	400,000
DP 21100 - Indirect Cost Funding Adjustment	0.00	337,870	(337,870)	0	0	0.00	337,866	(337,866)	0	0
DP 21101 - Indirect Cost Adjustment	0.00	0	600,000	0	600,000	0.00	0	600,000	0	600,000
Grand Total All Present Law Adjustments	0.00	\$877,055	\$652,437	\$0	\$1,529,492	0.00	\$862,945	\$648,652	\$0	\$1,511,597

**"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 21002 - DO Helena Rent Increase -

The legislature adopted increased authority in general fund and state special revenue for the lease agreement of the Department of Natural Resources and Conservation Helena headquarters building.

DP 21003 - DO TLMS Maintenance Contracted Services -

The legislature adopted an increase in general fund and state special funds to contract for maintenance of the Trust Lands Management System (TLMS). The TLMS manages state trust lands and school revenue distribution.

DP 21100 - Indirect Cost Funding Adjustment -

The legislature adopted adjustments to the base budget for operations.

DP 21101 - Indirect Cost Adjustment -

The legislature adopted a funding shift from state special revenue to general fund.

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 21004 - DO ServiceNow Developers	2.00	156,908	121,786	0	278,694	2.00	154,014	119,537	0	273,551
Total	2.00	\$156,908	\$121,786	\$0	\$278,694	2.00	\$154,014	\$119,537	\$0	\$273,551

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

DP 21004 - DO ServiceNow Developers -

The legislature adopted an increase in general fund and state special revenue to support an additional 2.00 PB as software developers. The new positions will work to build ServiceNow applications, aligning with state IT guidance.

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	19.50	19.50	19.50	0.00	0.0%
State/Other Special Rev. Funds	2,362,758	2,340,397	2,344,310	(40,809)	(0.9%)
Federal Spec. Rev. Funds	107,879	107,879	107,879		0.0%
Total Funds	2,470,637	2,448,276	2,452,189	(40,809)	(0.8%)
Personal Services	1,812,418	1,794,603	1,797,000	(33,233)	(0.9%)
Operating Expenses	549,728	545,182	546,698	(7,576)	(0.7%)
Equipment & Intangible Assets	90,000	90,000	90,000		0.0%
Debt Service	18,491	18,491	18,491		0.0%
Total Expenditures	2,470,637	2,448,276	2,452,189	(40,809)	(0.8%)
Total Ongoing	2,470,637	2,448,276	2,452,189	(40,809)	(0.8%)
Total One-Time-Only					0.0%

Program Description

The Oil and Gas Conservation Division oversees Montana's oil and gas conservation laws, promoting resource conservation and preventing waste through exploration and production regulation. It issues drilling permits, implements protective measures for land and underground strata, classifies wells, establishes spacing units and pooling orders, and inspects operations. The division investigates complaints, conducts engineering studies, determines incremental production for tax incentives, manages the underground injection control program, plugs orphan wells, and maintains comprehensive well data and production records.

Program Highlights

Oil and Gas Conservation Division Major Budget Highlights
<p>The legislature approved a decrease of 0.8% or \$41,000 below base funding, including:</p> <ul style="list-style-type: none"> • \$14,000 Board of Oil and Gas per diem and overtime • (\$55,000) statewide present law reductions 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	1,283,114	1,723,415	1,812,418	1,794,603	1,797,000
Operating Expenses	276,270	531,589	549,728	545,182	546,698
Equipment & Intangible Assets	0	90,000	90,000	90,000	90,000
Debt Service	18,491	18,491	18,491	18,491	18,491
Total Expenditures	\$1,577,875	\$2,363,495	\$2,470,637	\$2,448,276	\$2,452,189
State/Other Special Rev. Funds	1,577,875	2,255,616	2,362,758	2,340,397	2,344,310
Federal Spec. Rev. Funds	0	107,879	107,879	107,879	107,879
Total Funds	\$1,577,875	\$2,363,495	\$2,470,637	\$2,448,276	\$2,452,189
Total Ongoing	\$1,577,875	\$2,363,495	\$2,470,637	\$2,448,276	\$2,452,189
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Natural Resources and Conservation, 22-Oil & Gas Conservation Div 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 %
02010 Oil & Gas Damage Mitigation	0	0	406,828	406,828	7.99 %
02432 Oil & Gas ERA	4,684,707	0	0	4,684,707	92.01 %
State Special Total	\$4,684,707	\$0	\$406,828	\$5,091,535	95.93 %
03356 Oil & Gas Federal	215,758	0	0	215,758	100.00 %
Federal Special Total	\$215,758	\$0	\$0	\$215,758	4.07 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$4,900,465	\$0	\$406,828	\$5,307,293	

The division is funded through taxes levied on oil and gas production and fees paid by operators of class II injection wells. Statutory funds are appropriated for oil and gas damage mitigation.

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.

Oil & Gas Conservation Div 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	2,362,758	107,879	2,470,637	100.9%	0	2,362,758	107,879	2,470,637	100.8%
Statewide PL										
Personal Services	0	(25,043)	0	(25,043)	(1.0%)	0	(22,646)	0	(22,646)	(0.9%)
Fixed Costs	0	(4,546)	0	(4,546)	(0.2%)	0	(3,030)	0	(3,030)	(0.1%)
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Statewide PL	0	(29,589)	0	(29,589)	(1.2%)	0	(25,676)	0	(25,676)	(1.0%)
Present Law (PL)	0	7,228	0	7,228	0.3%	0	7,228	0	7,228	0.3%
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	0	(22,361)	0	(22,361)	(0.9%)	0	(18,448)	0	(18,448)	(0.8%)
Total Budget	0	2,340,397	107,879	2,448,276		0	2,344,310	107,879	2,452,189	

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	(25,043)	0	(25,043)	0.00	0	(22,646)	0	(22,646)
DP 2 - Fixed Costs	0.00	0	(4,546)	0	(4,546)	0.00	0	(3,030)	0	(3,030)
DP 22001 - BOGC Per Diem & Overtime Adjustment	0.00	0	7,228	0	7,228	0.00	0	7,228	0	7,228
Grand Total All Present Law Adjustments	0.00	\$0	(\$22,361)	\$0	(\$22,361)	0.00	\$0	(\$18,448)	\$0	(\$18,448)

***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 approved 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 22001 - BOGC Per Diem & Overtime Adjustment -

The legislature adopted increased state special revenue for overtime for field inspectors and per diem for members of the Board of Oil and Gas Conservation.

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	30.17	30.17	30.17	0.00	0.0%
General Fund	2,058,375	2,257,746	2,268,845	409,841	10.0%
State/Other Special Rev. Funds	11,355,004	11,911,367	11,919,045	1,120,404	4.9%
Federal Spec. Rev. Funds	293,340	293,340	293,340		0.0%
Total Funds	13,706,719	14,462,453	14,481,230	1,530,245	5.6%
Personal Services	3,026,128	3,075,239	3,083,458	106,441	1.8%
Operating Expenses	3,299,728	4,006,351	4,004,399	1,411,294	21.4%
Equipment & Intangible Assets	43,743	43,743	43,743		0.0%
Local Assistance	3,058,090	3,058,090	3,058,090		0.0%
Grants	3,640,249	3,640,249	3,640,249		0.0%
Benefits & Claims	400,000	400,000	400,000		0.0%
Debt Service	238,781	238,781	251,291	12,510	2.6%
Total Expenditures	13,706,719	14,462,453	14,481,230	1,530,245	5.6%
Total Ongoing	13,706,719	13,962,453	13,981,230	530,245	1.9%
Total One-Time-Only	3,291,923	500,000	500,000	(5,583,846)	(84.8%)

Program Description

The Conservation and Resource Development Division (CARDD) provides technical, administrative, and financial assistance to Montana's 58 conservation districts (CDs) and assists CDs as they administer the Natural Streambed and Land Preservation Act. The division co-administers the state revolving fund loan programs with the Department of Environmental Quality and provides coal severance tax loans to governmental entities, and private loans. Grant programs administered by the division include the Reclamation and Development, Renewable Resource, and Conservation District grant programs. Administratively attached to the division are:

- Western Montana Conservation Commission
- Montana Invasive Species Council
- Rangeland Resource Committee
- Grass Conservation Commission

The division also provides staff for the Montana Sage Grouse Oversight Team, which is administratively attached to the Governor's Office.

Program Highlights

Conservation and Resource Development Division Major Budget Highlights

The legislature approved an increase of 5.6% or \$1.5 million above base funding. In addition to statewide present law adjustments, increases include:

- \$720,000 one-time-only funding for 4.00 temporary positions to support grants to irrigation districts and local governments
- \$280,000 one-time-only funding to support the administration of regional water systems
- \$130,000 to support rural water systems

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	3,252,306	2,809,974	3,026,128	3,075,239	3,083,458
Operating Expenses	2,629,694	3,341,566	3,591,651	4,006,351	4,004,399
Equipment & Intangible Assets	0	43,743	43,743	43,743	43,743
Local Assistance	2,236,125	3,058,090	3,058,090	3,058,090	3,058,090
Grants	2,741,017	4,371,419	6,640,249	3,640,249	3,640,249
Benefits & Claims	275,300	675,300	400,000	400,000	400,000
Transfers	12,641	18,830	0	0	0
Debt Service	241,533	238,781	238,781	238,781	251,291
Total Expenditures	\$11,388,616	\$14,557,703	\$16,998,642	\$14,462,453	\$14,481,230
General Fund	1,998,838	2,043,059	2,133,375	2,257,746	2,268,845
State/Other Special Rev. Funds	9,096,438	12,221,304	14,571,927	11,911,367	11,919,045
Federal Spec. Rev. Funds	293,340	293,340	293,340	293,340	293,340
Total Funds	\$11,388,616	\$14,557,703	\$16,998,642	\$14,462,453	\$14,481,230
Total Ongoing	\$10,440,939	\$12,015,780	\$13,706,719	\$13,962,453	\$13,981,230
Total OTO	\$947,677	\$2,541,923	\$3,291,923	\$500,000	\$500,000

57060 - Department of Natural Resources and Conservation23-Conservation & Resource Dev Div

Funding

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

Department of Natural Resources and Conservation, 23-Conservation & Resource Dev Div Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	4,526,591	0	0	4,526,591	14.64 %
02015 MT Coal Endowment Reg Wtr Sys	2,472,170	0	0	2,472,170	9.58 %
02048 Conservation District Acct	9,451,678	0	0	9,451,678	36.63 %
02052 Rangeland Improvement Loans	162,412	0	0	162,412	0.63 %
02223 Wastewater SRF Special Admin	30,000	0	0	30,000	0.12 %
02284 Aquatic Invasive Species	1,542,209	0	0	1,542,209	5.98 %
02316 SRF Bonds State Administration	66,680	0	0	66,680	0.26 %
02318 Sage Grouse Stewardship	0	0	1,969,310	1,969,310	7.63 %
02432 Oil & Gas ERA	1,729,332	0	0	1,729,332	6.70 %
02433 Grazing District Fees	60,000	0	0	60,000	0.23 %
02490 Drinking Water Investment	800,000	0	0	800,000	3.10 %
02576 Natural Resources Operations	1,449,751	0	0	1,449,751	5.62 %
02694 Coal Bed Methane Protection	100,000	0	0	100,000	0.39 %
02971 RDB PROCEEDS	5,966,180	0	0	5,966,180	23.12 %
State Special Total	\$23,830,412	\$0	\$1,969,310	\$25,799,722	83.46 %
03013 WPC24 SRF Grant	245,662	0	0	245,662	41.87 %
03595 DW24 SRF Grant	341,018	0	0	341,018	58.13 %
Federal Special Total	\$586,680	\$0	\$0	\$586,680	1.90 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$28,943,683	\$0	\$1,969,310	\$30,912,993	

The Conservation Resource and Development Division is funded primarily with state special revenue. State special revenue is used to fund the Conservation Districts Bureau, Resources Development Bureau, and sage grouse conservation programs. Sources of revenue include interest and earnings from the resource indemnity trust, resource indemnity tax distributions, bond proceeds, fees assessed on hydroelectric facilities, and production taxes on oil and gas. Statutory appropriations for sage grouse habitat are funded by mitigation fees from land developers 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.

Conservation & Resource Dev Div 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	2,058,375	11,355,004	293,340	13,706,719	94.8%	2,058,375	11,355,004	293,340	13,706,719	94.7%
Statewide PL										
Personal Services	40,175	8,936	0	49,111	0.3%	43,680	13,650	0	57,330	0.4%
Fixed Costs	69,196	72,427	0	141,623	1.0%	69,534	70,137	0	139,671	1.0%
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Statewide PL	109,371	81,363	0	190,734	1.3%	113,214	83,787	0	197,001	1.4%
Present Law (PL)	0	0	0	0	0.0%	7,256	5,254	0	12,510	0.1%
New Proposals	90,000	475,000	0	565,000	3.9%	90,000	475,000	0	565,000	3.9%
Total HB 2 Adjustments	199,371	556,363	0	755,734	5.2%	210,470	564,041	0	774,511	5.3%
Total Budget	2,257,746	11,911,367	293,340	14,462,453		2,268,845	11,919,045	293,340	14,481,230	

57060 - Department of Natural Resources and Conservation23-Conservation & Resource Dev Div

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	40,175	8,936	0	49,111	0.00	43,680	13,650	0	57,330	
DP 2 - Fixed Costs										
0.00	69,196	72,427	0	141,623	0.00	69,534	70,137	0	139,671	
DP 23006 - CARDD Helena Rent Increase										
0.00	0	0	0	0	0.00	7,256	5,254	0	12,510	
Grand Total All Present Law Adjustments										
0.00	\$109,371	\$81,363	\$0	\$190,734	0.00	\$120,470	\$89,041	\$0	\$209,511	

**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 23006 - CARDD Helena Rent Increase -

The legislature adopted increased general fund and state special revenue for the lease agreement of the Conservation and Resource Development Division Helena headquarters building.

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 23001 - Resource Development Technical Support (OTO)										
0.00	0	180,000	0	180,000	0.00	0	180,000	0	180,000	
DP 23004 - CARDD Infrastructure Staffing (BIEN/OTO)										
0.00	90,000	90,000	0	180,000	0.00	90,000	90,000	0	180,000	
DP 23021 - Regional Water Authority Administration (OTO)										
0.00	0	140,000	0	140,000	0.00	0	140,000	0	140,000	
DP 23022 - Rural Water Authority										
0.00	0	65,000	0	65,000	0.00	0	65,000	0	65,000	
Total	0.00	\$90,000	\$475,000	\$0	\$565,000	0.00	\$90,000	\$475,000	\$0	\$565,000

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

DP 23001 - Resource Development Technical Support (OTO) -

The legislature adopted a one-time-only increase in state special revenue for 2.00 temporary positions. One position to support irrigation districts in managing state and federal funds, and another to ensure compliance with federal subaward programs and state grant monitoring requirements.

DP 23004 - CARDD Infrastructure Staffing (BIEN/OTO) -

The legislature adopted an increase of general fund and state special revenue, one-time-only, to fund 2.00 temporary positions for the Renewable Resource Grant and Loan Program to manage increased grant funding from HB 6 (Renewable Resource Grants) and the American Rescue Plan Act (ARPA).

DP 23021 - Regional Water Authority Administration (OTO) -

The legislature adopted a one-time-only appropriation of state special revenue to support the administration of regional water systems. A similar OTO appropriation was approved for the 2025 biennium.

DP 23022 - Rural Water Authority -

The legislature adopted \$65,000 state special revenue each fiscal year to support rural water systems.

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	149.26	152.26	152.26	3.00	1.0%
General Fund	14,423,582	18,659,631	18,561,932	8,374,399	29.0%
State/Other Special Rev. Funds	11,410,826	10,860,931	10,865,518	(1,095,203)	(4.8%)
Federal Spec. Rev. Funds	292,279	292,279	292,279		0.0%
Total Funds	26,126,687	29,812,841	29,719,729	7,279,196	13.9%
Personal Services	14,018,184	15,537,747	15,396,138	2,897,517	10.3%
Operating Expenses	10,994,300	13,160,891	13,209,388	4,381,679	19.9%
Equipment & Intangible Assets	183,499	183,499	183,499		0.0%
Transfers	41,591	41,591	41,591		0.0%
Debt Service	889,113	889,113	889,113		0.0%
Total Expenditures	26,126,687	29,812,841	29,719,729	7,279,196	13.9%
Total Ongoing	26,126,687	29,316,940	29,223,829	6,287,395	12.0%
Total One-Time-Only	2,731,453	495,901	495,900	(4,471,105)	(81.8%)

Program Description

Montana's Water Resources Division coordinates water uses, development, and protection through eight regional offices and six bureaus. It manages state-owned water infrastructure, develops water policies, administers dam safety and water rights programs, conducts hydrologic research, supports water well contractors, implements water compacts, and maintains centralized water rights records.

Program Highlights

Water Resources Division Major Budget Highlights
<p>The legislature approved an increase of 13.9% or \$7.3 million above base funding. In addition to statewide present law adjustments, initiatives include:</p> <ul style="list-style-type: none"> • \$1.9 million to expand the stream gage network • \$1.3 million to support up to 6.00 PB and operating costs to implement HB 441, HB 681, and SB 178 regarding water right review and approval • \$992,000 one-time-only funding for positions to improve dam and water project safety • \$900,000 for a water rights database and water measurement database • \$588,000 to support 3.00 PB for flood plain permitting

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	13,538,424	13,764,957	14,142,184	15,537,747	15,396,138
Operating Expenses	8,646,718	11,915,621	13,551,753	13,160,891	13,209,388
Equipment & Intangible Assets	442,156	614,699	233,499	183,499	183,499
Transfers	0	41,591	41,591	41,591	41,591
Debt Service	678,322	889,113	889,113	889,113	889,113
Total Expenditures	\$23,305,620	\$27,225,981	\$28,858,140	\$29,812,841	\$29,719,729
General Fund	14,943,095	15,719,601	15,792,035	18,659,631	18,561,932
State/Other Special Rev. Funds	8,358,474	11,217,472	12,773,826	10,860,931	10,865,518
Federal Spec. Rev. Funds	4,051	288,908	292,279	292,279	292,279
Total Funds	\$23,305,620	\$27,225,981	\$28,858,140	\$29,812,841	\$29,719,729
Total Ongoing	\$22,187,908	\$24,162,383	\$26,126,687	\$29,316,940	\$29,223,829
Total OTO	\$1,117,712	\$3,063,598	\$2,731,453	\$495,901	\$495,900

Funding

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

Department of Natural Resources and Conservation, 24-Water Resources Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	37,221,563	0	0	37,221,563	62.52 %
02145 Broadwater O & M	1,965,868	0	0	1,965,868	9.05 %
02147 Broadwater R & R	1,100,000	0	0	1,100,000	5.06 %
02216 Water Storage St Sp Rev Acct	1,627,346	0	0	1,627,346	7.49 %
02351 Water Project Lands Lease Acct	128,874	0	0	128,874	0.59 %
02404 Water Project Loans	616,956	0	0	616,956	2.84 %
02430 Water Right Appropriation	3,144,436	0	0	3,144,436	14.47 %
02431 Water Adjudication	4,160,533	0	0	4,160,533	19.15 %
02470 State Project Hydro Earnings	8,466,220	0	0	8,466,220	38.97 %
02576 Natural Resources Operations	262,506	0	0	262,506	1.21 %
02825 Water Well Contractors	253,710	0	0	253,710	1.17 %
State Special Total	\$21,726,449	\$0	\$0	\$21,726,449	36.50 %
03034 Yellowstone Groundwater NPS	42,580	0	0	42,580	7.28 %
03094 FEMA Federal Grants	541,978	0	0	541,978	92.72 %
Federal Special Total	\$584,558	\$0	\$0	\$584,558	0.98 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$59,532,570	\$0	\$0	\$59,532,570	

The Water Resources Division is predominantly funded with general fund and state special revenue. State special revenue is primarily generated from the sale of electricity at the state-owned Toston dam in Broadwater County. Other revenues are generated from water rights filing fees, water adjudication fees, and transfers from the general fund. The division also receives revenue from taxes on metal mines, oil, and gas production.

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.

Water 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	14,423,582	11,410,826	292,279	26,126,687	87.6%	14,423,582	11,410,826	292,279	26,126,687	87.9%
Statewide PL										
Personal Services	376,083	157,545	0	533,628	1.8%	403,864	165,079	0	568,943	1.9%
Fixed Costs	182,028	11,023	0	193,051	0.6%	194,286	11,765	0	206,051	0.7%
Inflation Deflation	(10,405)	(651)	0	(11,056)	(0.0%)	(7,031)	(440)	0	(7,471)	(0.0%)
Total Statewide PL	547,706	167,917	0	715,623	2.4%	591,119	176,404	0	767,523	2.6%
Present Law (PL)	480,000	67,075	0	547,075	1.8%	520,600	67,075	0	587,675	2.0%
New Proposals	3,208,343	(784,887)	0	2,423,456	8.1%	3,026,631	(788,787)	0	2,237,844	7.5%
Total HB 2 Adjustments	4,236,049	(549,895)	0	3,686,154	12.4%	4,138,350	(545,308)	0	3,593,042	12.1%
Total Budget	18,659,631	10,860,931	292,279	29,812,841		18,561,932	10,865,518	292,279	29,719,729	

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	376,083	157,545	0	533,628	0.00	403,864	165,079	0	568,943
DP 2 - Fixed Costs	0.00	182,028	11,023	0	193,051	0.00	194,286	11,765	0	206,051
DP 3 - Inflation Deflation	0.00	(10,405)	(651)	0	(11,056)	0.00	(7,031)	(440)	0	(7,471)
DP 24002 - Audit Rec: WRIS Database Operations	0.00	344,000	56,000	0	400,000	0.00	344,000	56,000	0	400,000
DP 24008 - Overtime for Broadwater Hydropower Plant Operators	0.00	0	11,075	0	11,075	0.00	0	11,075	0	11,075
DP 24015 - State Share of USGS Coop Stream Gage Program	0.00	46,000	0	0	46,000	0.00	72,000	0	0	72,000
DP 24017 - Compact Program Stream Gages	0.00	90,000	0	0	90,000	0.00	104,600	0	0	104,600
Grand Total All Present Law Adjustments	0.00	\$1,027,706	\$234,992	\$0	\$1,262,698	0.00	\$1,111,719	\$243,479	\$0	\$1,355,198

*"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 24002 - Audit Rec: WRIS Database Operations -

The legislature adopted an increase in general fund and state special revenue authority to support development, operations, and maintenance of the water rights database. The database is used by the department, the Water Court, and the Board of Engineers of the Confederated Salish and Kootenai Tribes (CSKT).

DP 24008 - Overtime for Broadwater Hydropower Plant Operators -

The legislature adopted increased state special revenue to fund overtime at the State Water Projects Bureau Broadwater hydroelectric plant operations, with the intent that the increase be funded by sales of electricity generated by the plant.

DP 24015 - State Share of USGS Coop Stream Gage Program -

The legislature adopted an increase in general fund to maintain its 49-gage network partnership with the United State Geological Survey (USGS). The Water Resources Division partners with the USGS to operate and maintain a network of 49 priority stream gages across Montana through the USGS Cooperative Stream Gage Program.

DP 24017 - Compact Program Stream Gages -

The legislature adopted an increase in general fund to cover increased costs for stream gages under a Joint Funding Agreement with USGS and Tribes. Increased cost driven by inflation and the addition of nine gages. This system of gages is used for monitoring compact-related water rights.

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 441	0.00	820,187	(807,902)	0	12,285	0.00	830,902	(807,902)	0	23,000
DP 1801 - HB 681	0.00	629,913	0	0	629,913	0.00	463,588	0	0	463,588
DP 1802 - HB 178	0.00	107,175	16,015	0	123,190	0.00	81,075	12,115	0	93,190
DP 24004 - Build a Database for Water Measurement Data	0.00	43,000	7,000	0	50,000	0.00	43,000	7,000	0	50,000
DP 24013 - State Water Project PB related to FERC Audit (OTO)	0.00	365,901	0	0	365,901	0.00	365,900	0	0	365,900
DP 24014 - Continued Support of the MT Stream Gage Network	0.00	817,970	0	0	817,970	0.00	817,969	0	0	817,969
DP 24016 - SWP Safety and Reliability of State Projects (OTO)	0.00	130,000	0	0	130,000	0.00	130,000	0	0	130,000
DP 24018 - WRD PB to Support MDT Bridge Projects	3.00	294,197	0	0	294,197	3.00	294,197	0	0	294,197
Total	3.00	\$3,208,343	(\$784,887)	\$0	\$2,423,456	3.00	\$3,026,631	(\$788,787)	\$0	\$2,237,844

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

DP 1800 - HB 441 -

HB 441 defines the process for pre-1973 adjudicated water right holders to petition the Department of Natural Resources and Conservation (DNRC) to reduce, modify, or revoke a provisional permit based on the findings of the Water Court final decree. To implement this legislation, the legislature approved a switch in appropriation source and a slight increase in total appropriation, providing general fund by roughly \$820,000 in each year of the biennium.

DP 1801 - HB 681 -

The legislature approved an increase in general fund and up to 5.00 PB for the implementation of HB 681. This bill increased coordination and streamlined the process to determine exempt wells for subdivisions.

DP 1802 - HB 178 -

SB 178 provides for temporary leases of water rights, which are reviewed and processed by the DNRC. The bill creates a notice and objection process and provides timelines for application turnaround. The legislature approved an increase in general fund and state special revenue, as well as up to 1.00 PB to implement this legislation.

DP 24004 - Build a Database for Water Measurement Data -

The legislature adopted increasing general fund and state special revenue to create a geospatial database integrating water measurement data with the water rights database, improving public access and water management efficiency.

DP 24013 - State Water Project PB related to FERC Audit (OTO) -

The legislature adopted a one-time-only increase in general fund authority to support 3.00 temporary positions, a dam safety engineer, professional engineer, and an engineering analyst to address the Federal Energy Regulatory Commission Dam Safety Program audit recommendations for the Broadwater Power Project.

DP 24014 - Continued Support of the MT Stream Gage Network -

The legislature adopted increased general fund authority for the Water Science Bureau's State Stream Gage Program, continuing the one-time-only funding approved by the 2023 Legislature for 76 sites and adding funding for 24 new sites.

DP 24016 - SWP Safety and Reliability of State Projects (OTO) -

The legislature adopted a one-time-only increase in general fund to support 1.00 temporary position to address dam safety, infrastructure reliability, and rehabilitation projects for the state's dams, canals, and hydropower facility. This position was approved as one-time-only by the 2023 Legislature.

DP 24018 - WRD PB to Support MDT Bridge Projects -

The legislature adopted an addition of 3.00 PB. The new positions include a hydrologist, planner, and engineering intern to support the floodplain permitting program to support the increased number of Montana Department of Transportation bridge projects. The new positions are funded with general fund.

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	292.93	292.93	292.93	0.00	0.0%
General Fund	16,853,703	17,453,975	17,510,517	1,257,086	3.7%
State/Other Special Rev. Funds	23,314,079	23,940,348	23,909,404	1,221,594	2.6%
Federal Spec. Rev. Funds	1,429,435	1,429,435	1,429,435		0.0%
Total Funds	41,597,217	42,823,758	42,849,356	2,478,680	3.0%
Personal Services	26,092,096	26,640,243	26,702,878	1,158,929	2.2%
Operating Expenses	11,712,532	11,757,440	11,805,803	138,179	0.6%
Equipment & Intangible Assets	1,056,720	1,298,870	1,206,720	392,150	18.6%
Grants	420,465	420,465	420,465		0.0%
Transfers	1,682,152	2,005,235	1,992,973	633,904	18.8%
Debt Service	633,252	701,505	720,517	155,518	12.3%
Total Expenditures	41,597,217	42,823,758	42,849,356	2,478,680	3.0%
Total Ongoing	41,597,217	42,581,608	42,699,356	2,086,530	2.5%
Total One-Time-Only	625,000	242,150	150,000	(857,850)	(68.6%)

Program Description

The Forestry Program protects against wildfires, regulates forest practices, assists private landowners, implements cross-boundary projects, manages federal lands, and grows seedlings. It includes Fire Protection, Forestry Assistance, and Good Neighbor initiatives. Trust Lands Program manages state timber, surface, and mineral resources for schools and institutions, covering forest management, real estate, minerals, agriculture and grazing, and recreational use and public access.

Montana's Trust Lands Program manages 5.2 million surface acres and 6.2 million mineral acres for schools and institutions. It oversees forest management, real estate, minerals, agriculture and grazing, and recreational use.

Program Highlights

Forestry and Trust Lands Division Major Budget Highlights

The legislature approved a budget with an increase of 3.0% or \$2.5 million above base funding. In addition to statewide present law adjustments, initiatives include:

- \$634,000 for air operations fixed costs
- \$300,000 one-time-only for equipment
- \$171,000 for increased operation, maintenance, and lease expenses
- \$92,000 one-time-only for bridge replacement

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	24,392,376	24,834,379	26,092,096	26,640,243	26,702,878
Operating Expenses	9,103,148	10,991,616	12,337,532	11,757,440	11,805,803
Equipment & Intangible Assets	1,182,549	1,056,720	1,056,720	1,298,870	1,206,720
Grants	437,490	420,465	420,465	420,465	420,465
Transfers	1,685,795	1,686,252	1,682,152	2,005,235	1,992,973
Debt Service	614,295	633,252	633,252	701,505	720,517
Total Expenditures	\$37,415,653	\$39,622,684	\$42,222,217	\$42,823,758	\$42,849,356
General Fund	15,838,664	15,985,384	16,853,703	17,453,975	17,510,517
State/Other Special Rev. Funds	20,160,779	22,221,098	23,939,079	23,940,348	23,909,404
Federal Spec. Rev. Funds	1,416,210	1,416,202	1,429,435	1,429,435	1,429,435
Total Funds	\$37,415,653	\$39,622,684	\$42,222,217	\$42,823,758	\$42,849,356
Total Ongoing	\$37,365,846	\$38,997,684	\$41,597,217	\$42,581,608	\$42,699,356
Total OTO	\$49,807	\$625,000	\$625,000	\$242,150	\$150,000

Funding

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

Department of Natural Resources and Conservation, 35-Forestry and Trust Lands Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	34,964,492	0	0	34,964,492	34.82 %
02031 LAND BANKING PRVT CLOSNG COSTS	578,964	0	0	578,964	1.21 %
02039 Fire Protection Assessments	9,169,636	0	0	9,169,636	19.16 %
02073 Forestry - Slash Disposal	127,539	0	0	127,539	0.27 %
02449 Forest Resources-Forest Improv	3,060,404	0	0	3,060,404	6.40 %
02576 Natural Resources Operations	200,694	0	0	200,694	0.42 %
02623 Contract Timber Harvesting	1,000,000	0	0	1,000,000	2.09 %
02681 Historic Right-of-Way Acct	17,298	0	0	17,298	0.04 %
02912 TLMD Land Exchange Admin	107,060	0	0	107,060	0.22 %
02938 TLMD Trust Administration	33,588,157	0	0	33,588,157	70.19 %
State Special Total	\$47,849,752	\$0	\$0	\$47,849,752	47.65 %
03053 CONSOLIDATED GRANT-FY27	1,096,988	0	0	1,096,988	11.87 %
03055 NON-CONSOLIDATED GRANT-FY27	332,447	0	0	332,447	3.60 %
03084 NON-CONSOLIDATED GRANT-FY26	332,447	0	0	332,447	3.60 %
03110 CONSOLIDATED GRANT-FY26	1,096,988	0	0	1,096,988	11.87 %
03500 GNA FEDERAL SPECIAL REVENUE	0	0	6,380,883	6,380,883	69.06 %
Federal Special Total	\$2,858,870	\$0	\$6,380,883	\$9,239,753	9.20 %
06003 State Nursery Enterprise Fund	0	1,941,902	0	1,941,902	23.21 %
06538 Air Operations Internal Svc.	0	6,426,478	0	6,426,478	76.79 %
Proprietary Total	\$0	\$8,368,380	\$0	\$8,368,380	8.33 %
Total All Funds	\$85,673,114	\$8,368,380	\$6,380,883	\$100,422,377	

The general fund supports administration and fixed costs, with the remainder primarily funded from state special revenue. A small amount comes from federal funds. The Trust Lands Management Division (TLMD) administration fund revenue is the primary portion of state special funding. Additional revenue streams include fire protection taxes, timber sales, forest resources fees, and various other Trust Lands revenue sources. Federal reimbursement for forestry management carried out by the state on federal lands is allocated through statutory appropriations. Proprietary revenues are generated from two main sources: the sale of state nursery products and fees charged to other agencies for aircraft services.

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.

Forestry and Trust Lands 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	16,853,703	23,314,079	1,429,435	41,597,217	97.1%	16,853,703	23,314,079	1,429,435	41,597,217	97.1%
Statewide PL										
Personal Services	97,214	450,933	0	548,147	1.3%	125,488	485,294	0	610,782	1.4%
Fixed Costs	142,047	(90,526)	0	51,521	0.1%	178,656	(87,652)	0	91,004	0.2%
Inflation Deflation	(4,380)	(7,584)	0	(11,964)	(0.0%)	(2,959)	(5,125)	0	(8,084)	(0.0%)
Total Statewide PL	234,881	352,823	0	587,704	1.4%	301,185	392,517	0	693,702	1.6%
Present Law (PL)	365,391	31,296	0	396,687	0.9%	355,629	52,808	0	408,437	1.0%
New Proposals	0	242,150	0	242,150	0.6%	0	150,000	0	150,000	0.4%
Total HB 2 Adjustments	600,272	626,269	0	1,226,541	2.9%	656,814	595,325	0	1,252,139	2.9%
Total Budget	17,453,975	23,940,348	1,429,435	42,823,758		17,510,517	23,909,404	1,429,435	42,849,356	

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	97,214	450,933	0	548,147	0.00	125,488	485,294	0	610,782
DP 2 - Fixed Costs	0.00	142,047	(90,526)	0	51,521	0.00	178,656	(87,652)	0	91,004
DP 3 - Inflation Deflation	0.00	(4,380)	(7,584)	0	(11,964)	0.00	(2,959)	(5,125)	0	(8,084)
DP 35002 - FTLD Operating & Maintenance	0.00	42,308	31,296	0	73,604	0.00	44,808	52,808	0	97,616
DP 35006 - Air Ops Fixed Costs Transfer	0.00	323,083	0	0	323,083	0.00	310,821	0	0	310,821
Grand Total All Present Law Adjustments	0.00	\$600,272	\$384,119	\$0	\$984,391	0.00	\$656,814	\$445,325	\$0	\$1,102,139

***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 35002 - FTLD Operating & Maintenance -

The legislature adopted an increase in general fund and state special revenue for operations, maintenance, and lease expense for the DNRC Helena headquarters building and area offices throughout the state.

DP 35006 - Air Ops Fixed Costs Transfer -

The legislature adopted an increase in general fund authority for the Air Operations proprietary program. This proposal would increase transfer authority to proprietary 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 35003 - Capital Assets/Equipment (OTO)	0.00	0	150,000	0	150,000	0.00	0	150,000	0	150,000
DP 35004 - Modular Steel Bridge (OTO)	0.00	0	92,150	0	92,150	0.00	0	0	0	0
Total	0.00	\$0	\$242,150	\$0	\$242,150	0.00	\$0	\$150,000	\$0	\$150,000

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

DP 35003 - Capital Assets/Equipment (OTO) -

The legislature adopted a one-time-only increase in state special revenue for equipment.

DP 35004 - Modular Steel Bridge (OTO) -

The legislature adopted a one-time-only increase in state special revenue for bridge replacements on public lands.

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	119.56	119.56	119.56	0.00	0.0%
General Fund	1,219,145	1,137,099	1,094,924	(206,267)	(8.5%)
State/Other Special Rev. Funds	18,414,266	18,982,497	19,386,429	1,540,394	4.2%
Federal Spec. Rev. Funds	1,654,350	1,820,538	1,863,332	375,170	11.3%
Proprietary Funds	496,487	636,547	639,958	283,531	28.6%
Total Funds	21,784,248	22,576,681	22,984,643	1,992,828	4.6%
Personal Services	10,585,843	10,541,897	10,566,890	(62,899)	(0.3%)
Operating Expenses	5,549,403	6,085,782	5,907,751	894,727	8.1%
Equipment & Intangible Assets	338,889	338,889	899,889	561,000	82.8%
Grants	5,042,856	5,342,856	5,342,856	600,000	5.9%
Transfers	189,757	189,757	189,757		0.0%
Debt Service	77,500	77,500	77,500		0.0%
Total Expenditures	21,784,248	22,576,681	22,984,643	1,992,828	4.6%
Total Ongoing	21,784,248	22,270,181	22,298,643	1,000,328	2.3%
Total One-Time-Only	375,000	306,500	686,000	242,500	32.3%

Agency Description

The Montana Department of Agriculture, established by the state constitution, promotes and supports agriculture through public-private partnerships, regulatory oversight, and various programs. It collects statistics, supports farmers' organizations, sets product standards, develops marketing systems, and enforces agricultural laws. The department is organized into three divisions: Agricultural Development, Agricultural Sciences, and Central Services.

Agency Highlights

Department of Agriculture Major Budget Highlights
<p>The legislature adopted an increase of 4.6% or \$2.0 million in total appropriations above base funding for the biennium. In addition to statewide present law adjustments of \$80,300, includes:</p> <ul style="list-style-type: none"> • Equipment purchases for analytical laboratory and pesticide program, one-time-only: \$811,000 • Increase grant authority for noxious weeds programs: \$600,000 • Increase operating authority for seed and pesticide groundwater programs: \$300,000 • Produce inspection operations, one-time-only: \$132,500 • Customer Relationship Management (CRM) grant system maintenance: \$69,000.

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	8,496,859	10,248,520	10,685,843	10,541,897	10,566,890
Operating Expenses	3,662,504	5,725,947	5,824,403	6,085,782	5,907,751
Equipment & Intangible Assets	317,349	524,889	338,889	338,889	899,889
Grants	5,189,332	5,048,979	5,042,856	5,342,856	5,342,856
Transfers	129,196	198,634	189,757	189,757	189,757
Debt Service	77,672	77,500	77,500	77,500	77,500
Total Expenditures	\$17,872,912	\$21,824,469	\$22,159,248	\$22,576,681	\$22,984,643
General Fund	1,392,949	1,568,310	1,594,145	1,137,099	1,094,924
State/Other Special Rev. Funds	14,950,003	18,117,214	18,414,266	18,982,497	19,386,429
Federal Spec. Rev. Funds	1,105,195	1,620,629	1,654,350	1,820,538	1,863,332
Proprietary Funds	424,765	518,316	496,487	636,547	639,958
Total Funds	\$17,872,912	\$21,824,469	\$22,159,248	\$22,576,681	\$22,984,643
Total Ongoing	\$17,262,865	\$21,213,469	\$21,784,248	\$22,270,181	\$22,298,643
Total OTO	\$610,047	\$611,000	\$375,000	\$306,500	\$686,000

Summary of Legislative Action

The legislature approved a biennial budget of approximately \$45.6 million. This includes \$43.6 million in base funding and \$2.0 million in present law and new proposals. The budget is primarily supported by state special revenue, which accounts for 84.2% of total funding. General fund contributions make up 4.9%, with the remainder coming from proprietary and federal sources.

The personal services budget saw a slight decrease of 0.3%, or \$62,900, compared to base funding. This reduction is entirely due to statewide present law adjustments for personal services.

Nearly half (49.8%) of the \$2.0 million in new funding was designated as one-time-only. These funds will support the purchase of laboratory equipment for the Agricultural Sciences Division for monitoring of pesticides, groundwater, fertilizer, and feed regulations. Additional one-time-only funding will be used for new customer relationship management software, produce inspection operations, and the installation of stationary granulators for pesticide container recycling and disposal.

The legislature also approved increased operating authority for groundwater pesticide monitoring, the seed program, and customer relations efforts. In addition, grant authority was expanded to support noxious weed control programs.

Funding

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

Total Department of Agriculture 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	2,183,023	49,000		3,130,000	5,362,023	9.4%
02040 Wheat & Barley Research & Mktg	9,388,109				9,388,109	16.4%
02205 Pulse Crop Research&Marketing	58,258			6,122,406	6,180,664	10.8%
02068 Noxious Weed Admin Account	4,783,432				4,783,432	8.4%
02193 Pesticide Account	3,732,998	209,200			3,942,198	6.9%
02453 Grain Services	3,576,516				3,576,516	6.3%
Other State Special Revenue	15,927,713	692,700		552,174	17,172,587	30.1%
State Special Revenue Total	37,467,026	901,900	-	6,674,580	45,043,506	78.9%
03118 Agriculture ASD Federal	2,529,628	41,600			2,571,228	4.5%
03225 Agriculture ADD Federal	591,486				591,486	1.0%
03120 Agriculture CMD Federal	521,156				521,156	0.9%
Federal Special Revenue Total	3,642,270	41,600	-	-	3,683,870	6.4%
06052 Hail Insurance	1,276,505			1,640,000	2,916,505	5.1%
06016 Beginning Farm Loans			116,400		116,400	0.2%
Proprietary Fund Total	1,276,505	-	116,400	1,640,000	3,032,905	5.3%
Total of All Funds	44,568,824	992,500	116,400	11,444,580	57,122,304	
Percent of All Sources of Authority	78.0%	1.7%	0.2%	20.0%		

The predominant funding source for the Department of Agriculture is state special revenue, which supports 78.9% of the total authority. Other funding sources are general fund, federal special revenue, and proprietary funds.

Major state special revenue funds in HB 2 include:

- Wheat and barley research and marketing account - The wheat and barley research and marketing state special revenue account is primarily used to support and promote the state's wheat and barley industry through various initiatives such as research, market development, industry development, education, outreach, and the operation of the Montana Wheat and Barley Committee.
- Noxious weed administration account - The noxious weed administration account is used primarily to grant funds to local counties, cities, and tribal governments for the control of noxious weeds. The funding source comes from interest earned on the noxious weed trust fund and transfers from the general fund. The fund also receives a portion of the gasoline tax.
- Pesticide account – The pesticide account is used to administer pesticide-related activities, including equipment and facility costs, as well as expenses related to inspecting, investigating, and analyzing pesticide products, applicators, dealers, and facilities. The primary source of revenue comes from license and permit fees, and charges for service.
- Grain services account – Supports grain quality inspections and grading activities. Revenues in the fund are from fees charged for service.

General fund appropriations total 9.4% or \$5.4 million of all funds, of which 58.4% or \$3.1 million is statutorily appropriated, primarily to growth through agriculture programs.

The HB 2 general fund appropriation supports personal services, operating expenses, and grants. Proprietary nonbudgeted funds support the administration of the hail insurance program, and the remaining proprietary funding is statutorily appropriated hail insurance benefits and claims. Other state special statutory appropriations support agriculture development and marketing programs.

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 Agriculture 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	1,219,145	18,414,266	1,654,350	21,784,248	96.5%	1,219,145	18,414,266	1,654,350	21,784,248	94.8%
Statewide PL										
Personal Services	(200,365)	(151,279)	166,718	(43,946)	(0.2%)	(194,743)	(136,757)	168,027	(18,953)	(0.1%)
Fixed Costs	60,424	14,059	(530)	73,033	0.3%	61,615	16,453	(645)	76,374	0.3%
Inflation Deflation	(38)	(358)	0	(396)	(0.0%)	(26)	(242)	0	(268)	(0.0%)
Total Statewide PL	(139,979)	(137,578)	166,188	28,691	0.1%	(133,154)	(120,546)	167,382	57,153	0.2%
Present Law (PL)	8,933	448,309	0	457,242	2.0%	8,933	448,309	0	457,242	2.0%
New Proposals	49,000	257,500	0	306,500	1.4%	0	644,400	41,600	686,000	3.0%
Total HB 2 Adjustments	(82,046)	568,231	166,188	792,433	3.5%	(124,221)	972,163	208,982	1,200,395	5.2%
Total Budget	1,137,099	18,982,497	1,820,538	22,576,681		1,094,924	19,386,429	1,863,332	22,984,643	

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	10,685,843	10,541,897	10,541,897	0	10,566,890	10,566,890	0	0
Operating Expenses	5,824,403	6,088,540	6,085,782	(2,758)	5,910,509	5,907,751	(2,758)	(5,516)
Equipment & Intangible Assets	338,889	338,889	338,889	0	899,889	899,889	0	0
Grants	5,042,856	5,342,856	5,342,856	0	5,342,856	5,342,856	0	0
Transfers	189,757	189,757	189,757	0	189,757	189,757	0	0
Debt Service	77,500	77,500	77,500	0	77,500	77,500	0	0
Total Costs	\$22,159,248	\$22,579,439	\$22,576,681	(\$2,758)	\$22,987,401	\$22,984,643	(\$2,758)	(\$5,516)
General Fund	1,594,145	1,138,166	1,137,099	(1,067)	1,095,991	1,094,924	(1,067)	(2,134)
State/other Special Rev. Funds	18,414,266	18,984,188	18,982,497	(1,691)	19,388,120	19,386,429	(1,691)	(3,382)
Federal Spec. Rev. Funds	1,654,350	1,820,538	1,820,538	0	1,863,332	1,863,332	0	0
Other	496,487	636,547	636,547	0	639,958	639,958	0	0
Total Funds	\$22,159,248	\$22,579,439	\$22,576,681	(\$2,758)	\$22,987,401	\$22,984,643	(\$2,758)	(\$5,516)
Total Ongoing	\$21,784,248	\$22,272,939	\$22,270,181	(\$2,758)	\$22,301,401	\$22,298,643	(\$2,758)	(\$5,516)
Total OTO	\$375,000	\$306,500	\$306,500	\$0	\$686,000	\$686,000	\$0	\$0

The legislature adopted adjustments to fixed costs, for a total reduction of \$5,516.

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	Budget FY 2027	Biennium Change from Base Amount	Percent	
PB	19.00	19.00	19.00	0.00	0.0%	
General Fund	307,235	425,244	431,780	242,554	39.5%	
State/Other Special Rev. Funds	1,716,277	1,716,277	1,716,277		0.0%	
Federal Spec. Rev. Funds	260,578	260,578	260,578		0.0%	
Proprietary Funds	157,961	157,961	157,961		0.0%	
Total Funds	2,442,051	2,560,060	2,566,596	242,554	5.0%	
Personal Services	2,052,246	2,110,649	2,115,840	121,997	3.0%	
Operating Expenses	384,805	444,411	445,756	120,557	15.7%	
Transfers	5,000	5,000	5,000		0.0%	
Total Expenditures	2,442,051	2,560,060	2,566,596	242,554	5.0%	
Total Ongoing	2,442,051	2,560,060	2,566,596	242,554	5.0%	
Total One-Time-Only					0.0%	

Program Description

The Central Services Division provides business support to the department, covering areas such as finance, human resources, information technology, public information, legal matters, and administrative functions. This division also includes the Director's Office, which is responsible for providing overall guidance and developing policies for the department. Additionally, the office coordinates efforts with the agricultural industry and collaborates with other government branches.

Program Highlights

Central Management Division Major Budget Highlights
The legislature approved a 5.0% or \$242,600 in total appropriations above base funding. The proposed increases are due entirely to statewide present law adjustments.

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	1,579,742	1,941,475	2,052,246	2,110,649	2,115,840
Operating Expenses	342,871	417,912	384,805	444,411	445,756
Transfers	15,000	15,000	5,000	5,000	5,000
Total Expenditures	\$1,937,613	\$2,374,387	\$2,442,051	\$2,560,060	\$2,566,596
General Fund	299,033	299,036	307,235	425,244	431,780
State/Other Special Rev. Funds	1,235,559	1,665,769	1,716,277	1,716,277	1,716,277
Federal Spec. Rev. Funds	259,113	259,112	260,578	260,578	260,578
Proprietary Funds	143,908	150,470	157,961	157,961	157,961
Total Funds	\$1,937,613	\$2,374,387	\$2,442,051	\$2,560,060	\$2,566,596
Total Ongoing	\$1,937,613	\$2,374,387	\$2,442,051	\$2,560,060	\$2,566,596
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Agriculture, 15-Central Management Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	857,024	0	36,400	893,424	17.30 %
02238 CSD Admin Indirect Costs	3,432,554	0	0	3,432,554	100.00 %
State Special Total	\$3,432,554	\$0	\$0	\$3,432,554	66.48 %
03120 Agriculture CMD Federal	521,156	0	0	521,156	100.00 %
Federal Special Total	\$521,156	\$0	\$0	\$521,156	10.09 %
06052 Hail Insurance	315,922	0	0	315,922	100.00 %
Proprietary Total	\$315,922	\$0	\$0	\$315,922	6.12 %
Total All Funds	\$5,126,656	\$0	\$36,400	\$5,163,056	

The Central Management Division is primarily funded by state special revenue generated from licenses, permits, and user fees. These funds are used to administer programs that promote Montana agriculture. General funds and federal revenue support personal services and associated operating expenses. Proprietary revenue is generated through premiums charged to participants in the Hail Insurance Program, which supports personal services for the program's staff. Statutory appropriations, mainly from the general fund, provide administrative support for agricultural research and marketing programs.

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 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	307,235	1,716,277	260,578	2,442,051	95.4%	307,235	1,716,277	260,578	2,442,051	95.1%
Statewide PL										
Personal Services	58,403	0	0	58,403	2.3%	63,594	0	0	63,594	2.5%
Fixed Costs	60,673	0	0	60,673	2.4%	62,018	0	0	62,018	2.4%
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Statewide PL	119,076	0	0	119,076	4.7%	125,612	0	0	125,612	4.9%
Present Law (PL)	(1,067)	0	0	(1,067)	(0.0%)	(1,067)	0	0	(1,067)	(0.0%)
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	118,009	0	0	118,009	4.6%	124,545	0	0	124,545	4.9%
Total Budget	425,244	1,716,277	260,578	2,560,060		431,780	1,716,277	260,578	2,566,596	

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	58,403	0	0	58,403	0.00	63,594	0	0	63,594
DP 2 - Fixed Costs	0.00	60,673	0	0	60,673	0.00	62,018	0	0	62,018
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	(1,067)	0	0	(1,067)	0.00	(1,067)	0	0	(1,067)
Grand Total All Present Law Adjustments	0.00	\$118,009	\$0	\$0	\$118,009	0.00	\$124,545	\$0	\$0	\$124,545

**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: warrant writer, motor pool, 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 cost 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 FY 2026 FY 2027		Biennium Change from Base Amount Percent	
PB	61.79	61.79	61.79	0.00	0.0%
General Fund	401,812	397,858	398,079	(7,687)	(1.0%)
State/Other Special Rev. Funds	9,517,094	9,993,121	10,395,188	1,354,121	7.1%
Federal Spec. Rev. Funds	1,098,029	1,264,217	1,307,011	375,170	17.1%
Total Funds	11,016,935	11,655,196	12,100,278	1,721,604	7.8%
Personal Services	5,679,301	5,606,885	5,621,675	(130,042)	(1.1%)
Operating Expenses	2,674,440	3,085,117	2,954,409	690,646	12.9%
Equipment & Intangible Assets	259,012	259,012	820,012	561,000	108.3%
Grants	2,328,682	2,628,682	2,628,682	600,000	12.9%
Transfers	40,000	40,000	40,000		0.0%
Debt Service	35,500	35,500	35,500		0.0%
Total Expenditures	11,016,935	11,655,196	12,100,278	1,721,604	7.8%
Total Ongoing	11,016,935	11,397,696	11,414,278	778,104	3.5%
Total One-Time-Only	125,000	257,500	686,000	693,500	277.4%

Program Description

The Agricultural Sciences Division (ASD) oversees and coordinates a wide range of agricultural activities and programs. These include pesticide and pest management, analytical laboratory services, noxious weed management, and an agricultural chemical groundwater program. The division also manages programs related to seed, feed, and fertilizer, as well as organic certification, nursery operations, and apiary regulation. Additionally, ASD is responsible for commodity programs, invasive species control, produce safety, hemp cultivation, and export certification.

In addition to the specific programs listed above, ASD administers agricultural initiatives that encompass the production, manufacturing, certification, and marketing of commodities exported from or distributed within the state. The division extends its support to two advisory bodies: the Montana Noxious Weed Management Advisory Council and the Montana Organic Commodity Advisory Council.

Program Highlights

Agricultural Sciences Division Major Budget Highlights	
<p>The legislature approved a 7.8% or \$1.7 million in total appropriations above base funding. In addition to a reduction due to statewide present law adjustments of \$121,900, the legislature approved:</p> <ul style="list-style-type: none"> • One-time-only equipment purchases, operations, and IT costs - \$943,500 • Increase grant authority for noxious weeds programs - \$600,000 • Increase operating authority for pesticide groundwater programs - \$200,000 • Increase in authority for seed programs - \$100,000 	

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	5,022,949	5,505,993	5,779,301	5,606,885	5,621,675
Operating Expenses	1,663,155	2,635,259	2,699,440	3,085,117	2,954,409
Equipment & Intangible Assets	264,612	445,012	259,012	259,012	820,012
Grants	1,973,668	2,334,805	2,328,682	2,628,682	2,628,682
Transfers	38,877	38,877	40,000	40,000	40,000
Debt Service	35,827	35,500	35,500	35,500	35,500
Total Expenditures	\$8,999,088	\$10,995,446	\$11,141,935	\$11,655,196	\$12,100,278
General Fund	345,679	520,984	526,812	397,858	398,079
State/Other Special Rev. Funds	7,821,124	9,397,231	9,517,094	9,993,121	10,395,188
Federal Spec. Rev. Funds	832,285	1,077,231	1,098,029	1,264,217	1,307,011
Total Funds	\$8,999,088	\$10,995,446	\$11,141,935	\$11,655,196	\$12,100,278
Total Ongoing	\$8,689,042	\$10,684,446	\$11,016,935	\$11,397,696	\$11,414,278
Total OTO	\$310,046	\$311,000	\$125,000	\$257,500	\$686,000

Funding

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

Department of Agriculture, 30-Agricultural Sciences Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	795,937	0	0	795,937	3.34 %
02068 Noxious Weed Admin Account	4,783,432	0	0	4,783,432	23.34 %
02071 Anhydrous Ammonia Account	26,374	0	0	26,374	0.13 %
02072 Manuals & Training Account	122,662	0	0	122,662	0.60 %
02093 Alfalfa Leaf Cutting Bee	21,700	0	0	21,700	0.11 %
02192 Pesticide Groundwater Account	2,984,208	0	0	2,984,208	14.56 %
02193 Pesticide Account	3,942,198	0	0	3,942,198	19.23 %
02198 Fert. Groundwater Account	100,981	0	0	100,981	0.49 %
02264 Organic Certification	1,264,200	0	0	1,264,200	6.17 %
02265 FSI Produce	707,964	0	0	707,964	3.45 %
02266 Commodity Dealer/Warehouse	247,585	0	108,000	355,585	1.73 %
02267 Nursery Account	342,161	0	0	342,161	1.67 %
02268 Produce Account	1,127,473	0	0	1,127,473	5.50 %
02269 Seed Account	406,850	0	0	406,850	1.99 %
02272 Plant Export Certification	398,279	0	0	398,279	1.94 %
02341 Weed Seed Free Forage Account	267,248	0	0	267,248	1.30 %
02452 Commercial Fertilizer	1,011,515	0	0	1,011,515	4.94 %
02454 Commercial Feed	1,701,933	0	0	1,701,933	8.30 %
02465 Industrial Hemp	477,659	0	0	477,659	2.33 %
02782 Reverted Weed Grant Fund	132,000	0	0	132,000	0.64 %
02792 Apiary Account	321,887	0	0	321,887	1.57 %
State Special Total	\$20,388,309	\$0	\$108,000	\$20,496,309	85.89 %
03118 Agriculture ASD Federal	2,571,228	0	0	2,571,228	100.00 %
Federal Special Total	\$2,571,228	\$0	\$0	\$2,571,228	10.77 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$23,755,474	\$0	\$108,000	\$23,863,474	

The Agricultural Sciences Division is primarily funded by state special revenue. This revenue is mainly derived from fees assessed for regulatory activities, product registration, technical services, and interest earned on the weed trust fund. The division also receives federal revenue from the U.S. Department of Agriculture, Federal Drug Administration (FDA), and the Environmental Protection Agency (EPA). These federal funds are utilized for noxious weed mitigation and to support portions of the Bovine Spongiform Encephalopathy (BSE), commonly known as "mad cow disease", feed sampling program. A small portion of the division's funding comes from the general fund, which supports inspection and testing for prohibited materials in feed related to BSE and noxious weed control grants. Additionally, statutory appropriations are funded by the liquidation of grain, and the fees collected are used for the correction of storage deficiencies.

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.

Agricultural Sciences 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	401,812	9,517,094	1,098,029	11,016,935	94.5%	401,812	9,517,094	1,098,029	11,016,935	91.0%
Statewide PL										
Personal Services	(5,160)	(233,974)	166,718	(72,416)	(0.6%)	(4,985)	(220,668)	168,027	(57,626)	(0.5%)
Fixed Costs	1,206	2,501	(530)	3,177	0.0%	1,252	4,362	(645)	4,969	0.0%
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Statewide PL	(3,954)	(231,473)	166,188	(69,239)	(0.6%)	(3,733)	(216,306)	167,382	(52,657)	(0.4%)
Present Law (PL)	0	450,000	0	450,000	3.9%	0	450,000	0	450,000	3.7%
New Proposals	0	257,500	0	257,500	2.2%	0	644,400	41,600	686,000	5.7%
Total HB 2 Adjustments	(3,954)	476,027	166,188	638,261	5.5%	(3,733)	878,094	208,982	1,083,343	9.0%
Total Budget	397,858	9,993,121	1,264,217	11,655,196		398,079	10,395,188	1,307,011	12,100,278	

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	(5,160)	(233,974)	166,718	(72,416)	0.00	(4,985)	(220,668)	168,027	(57,626)
DP 2 - Fixed Costs	0.00	1,206	2,501	(530)	3,177	0.00	1,252	4,362	(645)	4,969
DP 30002 - Pesticide Groundwater Authority Increase	0.00	0	100,000	0	100,000	0.00	0	100,000	0	100,000
DP 30005 - Noxious Weed Grant Authority Increase	0.00	0	300,000	0	300,000	0.00	0	300,000	0	300,000
DP 30006 - Seed Program Authority Increase	0.00	0	50,000	0	50,000	0.00	0	50,000	0	50,000
Grand Total All Present Law Adjustments	0.00	(\$3,954)	\$218,527	\$166,188	\$380,761	0.00	(\$3,733)	\$233,694	\$167,382	\$397,343

*"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: warrant writer, motor pool, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 30002 - Pesticide Groundwater Authority Increase -

The legislature adopted an increase in state special revenue for the operation of the pesticide groundwater program. The proposal is funded primarily from groundwater pesticide registration fees.

DP 30005 - Noxious Weed Grant Authority Increase -

The legislature adopted an increase in state special revenue grant authority for the noxious weed program. This increase is from the state special revenue account for noxious weed administration, which receives funding through transfers from both the noxious weed trust fund and the general fund.

DP 30006 - Seed Program Authority Increase -

The legislature adopted an increase in state special revenue to support operations of the state seed program. The increase is funded with revenue generated from seed licenses and assessment fees.

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 30001 - Analytical Lab Equipment (OTO)	0.00	0				0.00	0	519,400	41,600	561,000
DP 30003 - Produce Digital Inspections (OTO)	0.00	0	87,500	0	87,500	0.00	0	0	0	0
DP 30004 - Organic Program System (OTO)	0.00	0	45,000	0	45,000	0.00	0	0	0	0
DP 30009 - Stationary Granulator Locations (OTO)	0.00	0	125,000	0	125,000	0.00	0	125,000	0	125,000
Total	0.00	\$0	\$257,500	\$0	\$257,500	0.00	\$0	\$644,400	\$41,600	\$686,000

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

DP 30001 - Analytical Lab Equipment (OTO) -

The legislature adopted a one-time-only increase in state and federal special revenue to fund the replacement of equipment at the Bozeman Analytical Laboratory. This new equipment will support the department's programs in pesticide enforcement, groundwater monitoring, fertilizer regulations, and feed regulations.

DP 30003 - Produce Digital Inspections (OTO) -

The legislature adopted a one-time increase in state special revenue to transition the produce inspection process from paper to digital. This proposal is primarily funded by revenue generated from produce assessment fees.

DP 30004 - Organic Program System (OTO) -

The legislature adopted a one-time-only increase in state special revenue to support the operations of the organic inspection program. This program ensures compliance with organic regulations, allowing products to be sold, labeled, and represented as organic. The increase will be funded from licensing and permit fees for organic certification.

DP 30009 - Stationary Granulator Locations (OTO) -

The legislature adopted a one-time-only increase in state special revenue to set up granulator stations. Granulators are used in the pesticide container recycling program. This this will be funded primarily with groundwater pesticide registration fees.

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	38.77	38.77	38.77	0.00	0.0%
General Fund	510,098	313,997	265,065	(441,134)	(43.2%)
State/Other Special Rev. Funds	7,180,895	7,273,099	7,274,964	186,273	1.3%
Federal Spec. Rev. Funds	295,743	295,743	295,743		0.0%
Proprietary Funds	338,526	478,586	481,997	283,531	41.9%
Total Funds	8,325,262	8,361,425	8,317,769	28,670	0.2%
Personal Services	2,854,296	2,824,363	2,829,375	(54,854)	(1.0%)
Operating Expenses	2,490,158	2,556,254	2,507,586	83,524	1.7%
Equipment & Intangible Assets	79,877	79,877	79,877		0.0%
Grants	2,714,174	2,714,174	2,714,174		0.0%
Transfers	144,757	144,757	144,757		0.0%
Debt Service	42,000	42,000	42,000		0.0%
Total Expenditures	8,325,262	8,361,425	8,317,769	28,670	0.2%
Total Ongoing	8,325,262	8,312,425	8,317,769	(20,330)	(0.1%)
Total One-Time-Only	250,000	49,000		(451,000)	(90.2%)

Program Description

The Agricultural Development Division (ADD) supports Montana's agricultural industry through various services and programs. It manages the Growth Through Agriculture Program, oversees wheat and barley research and marketing initiatives, and coordinates pulse crop research and marketing efforts. The division is responsible for awarding and managing various agricultural loans, including those for beginning farmers and ranchers. ADD provides services such as hail insurance, grain grading and inspection, and promotes agricultural literacy through curriculum development.

The division fosters marketing and trade initiatives by facilitating both domestic and international opportunities by organizing inbound and outbound trade missions. The division offers support to producers through farm and ranch stress assistance programs, mediation services, and administration of agricultural commodity research and market development initiatives. ADD also provides administrative support to several key agricultural committees and boards, including the Alfalfa Seed Committee, Montana Wheat and Barley Board, Montana Pulse Crop Committee, Agriculture Development Council, Board of Hail Insurance, and an advisory potato committee.

Program Highlights

Agricultural Development Division Major Budget Highlights	
<p>The legislature approved an increase of 0.2%, or \$28,700, in total appropriations above the base funding. This includes a reduction of \$40,300 due to statewide present law adjustments. In addition to statewide present law adjustments, the executive proposes:</p> <ul style="list-style-type: none"> • One-time-only general fund appropriation to develop a new Customer Relations Management (CRM) system: \$49,000 • Ongoing general fund support for the operation of the CRM system: \$20,000 	

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	1,894,168	2,801,052	2,854,296	2,824,363	2,829,375
Operating Expenses	1,656,478	2,672,776	2,740,158	2,556,254	2,507,586
Equipment & Intangible Assets	52,737	79,877	79,877	79,877	79,877
Grants	3,215,664	2,714,174	2,714,174	2,714,174	2,714,174
Transfers	75,319	144,757	144,757	144,757	144,757
Debt Service	41,845	42,000	42,000	42,000	42,000
Total Expenditures	\$6,936,211	\$8,454,636	\$8,575,262	\$8,361,425	\$8,317,769
General Fund	748,237	748,290	760,098	313,997	265,065
State/Other Special Rev. Funds	5,893,320	7,054,214	7,180,895	7,273,099	7,274,964
Federal Spec. Rev. Funds	13,797	284,286	295,743	295,743	295,743
Proprietary Funds	280,857	367,846	338,526	478,586	481,997
Total Funds	\$6,936,211	\$8,454,636	\$8,575,262	\$8,361,425	\$8,317,769
Total Ongoing	\$6,636,210	\$8,154,636	\$8,325,262	\$8,312,425	\$8,317,769
Total OTO	\$300,001	\$300,000	\$250,000	\$49,000	\$0

Funding

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

Department of Agriculture, 50-Agricultural Development Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	579,062	0	3,093,600	3,672,662	13.07 %
02040 Wheat & Barley Research & Mktg	9,388,109	0	0	9,388,109	44.46 %
02062 Growth Through Agriculture	1,311,638	0	0	1,311,638	6.21 %
02066 Agriculture In MT Schools Act.	90,890	0	0	90,890	0.43 %
02132 GTA Seed Capital Account	0	0	140,000	140,000	0.66 %
02205 Pulse Crop Research&Marketing	58,258	0	6,122,406	6,180,664	29.27 %
02453 Grain Services	3,576,516	0	0	3,576,516	16.94 %
02461 Alfalfa Seed Assessment	75,988	0	0	75,988	0.36 %
02465 Industrial Hemp	34,068	0	0	34,068	0.16 %
02466 Misc Ag Donations	12,596	0	0	12,596	0.06 %
02793 Potato Research & Marketing	0	0	304,174	304,174	1.44 %
State Special Total	\$14,548,063	\$0	\$6,566,580	\$21,114,643	75.15 %
03225 Agriculture ADD Federal	591,486	0	0	591,486	100.00 %
Federal Special Total	\$591,486	\$0	\$0	\$591,486	2.11 %
06016 Beginning Farm Loans	0	116,400	0	116,400	4.28 %
06052 Hail Insurance	960,583	0	1,640,000	2,600,583	95.72 %
Proprietary Total	\$960,583	\$116,400	\$1,640,000	\$2,716,983	9.67 %
Total All Funds	\$16,679,194	\$116,400	\$11,300,180	\$28,095,774	

The Agricultural Development Division's HB 2 funding is primarily derived from state special revenue, which constitutes 87.2% of its total funding. General fund contributes 3.5%, proprietary funds account 5.8%, and federal funding makes up about 3.5% of the division's budget.

The main source of state special revenue is the wheat and barley research and marketing account, supported by levies on each bushel of wheat and barley produced in Montana. Additional revenue streams include grain testing fees and alfalfa seed assessments. Levies on the net revenue of pulse crops produced in the state are statutorily appropriated to the pulse crop research and marketing fund.

The general fund authority support division administration through personal services and associated operating expenses. Federal special revenue, obtained from federal grants, is used to develop agriculture markets, fund marketing projects, and cover related operating costs.

Proprietary funding is used for beginning farm loans. Statutory appropriations support growth through agriculture seed programs, hail insurance, research, and marketing for agricultural products.

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.

Agricultural Development 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	510,098	7,180,895	295,743	8,325,262	99.6%	510,098	7,180,895	295,743	8,325,262	100.1%
Statewide PL										
Personal Services	(253,608)	82,695	0	(29,933)	(0.4%)	(253,352)	83,911	0	(24,921)	(0.3%)
Fixed Costs	(1,455)	11,558	0	9,183	0.1%	(1,655)	12,091	0	9,387	0.1%
Inflation Deflation	(38)	(358)	0	(396)	(0.0%)	(26)	(242)	0	(268)	(0.0%)
Total Statewide PL	(255,101)	93,895	0	(21,146)	(0.3%)	(255,033)	95,760	0	(15,802)	(0.2%)
Present Law (PL)	10,000	(1,691)	0	8,309	0.1%	10,000	(1,691)	0	8,309	0.1%
New Proposals	49,000	0	0	49,000	0.6%	0	0	0	0	0.0%
Total HB 2 Adjustments	(196,101)	92,204	0	36,163	0.4%	(245,033)	94,069	0	(7,493)	(0.1%)
Total Budget	313,997	7,273,099	295,743	8,361,425		265,065	7,274,964	295,743	8,317,769	

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	(253,608)	82,695	0	(29,933)	0.00	(253,352)	83,911	0	(24,921)
DP 2 - Fixed Costs	0.00	(1,455)	11,558	0	9,183	0.00	(1,655)	12,091	0	9,387
DP 3 - Inflation Deflation	0.00	(38)	(358)	0	(396)	0.00	(26)	(242)	0	(268)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	0	(1,691)	0	(1,691)	0.00	0	(1,691)	0	(1,691)
DP 50008 - Ag Development CRM System Maintenance	0.00	10,000	0	0	10,000	0.00	10,000	0	0	10,000
Grand Total All Present Law Adjustments	0.00	(\$245,101)	\$92,204	\$0	(\$12,837)	0.00	(\$245,033)	\$94,069	\$0	(\$7,493)

***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: warrant writer, motor pool, 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 cost that removed new appropriations for Robert's Rules of Order training included in DP 2.

DP 50008 - Ag Development CRM System Maintenance -

The legislature adopted an increase in general fund authority to support ongoing maintenance customer relationship management system.

This proposal is related to DP 50007 - Agriculture Development CRM System.

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 50007 - Ag Development CRM System (OTO)	0.00	49,000	0	0	49,000	0.00	0	0	0	0
Total	0.00	\$49,000	\$0	\$0	\$49,000	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 50007 - Ag Development CRM System (OTO) -

The legislature adopted a one-time-only increase in general fund allocation to support the implementation of a Customer Relationship Management (CRM) system. This system would assist in marketing grants and enable the analysis and tracking of data related to customer interactions.

This decision package is related to DP 50008 - Ag Development CRM System Maintenance.