

# LONG-RANGE PLANNING PROGRAMS OVERVIEW

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## LONG-RANGE PLANNING BUDGETS BY PROGRAM

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

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

Figure 1 provides a fiscal overview of the final adopted LRP bills by program and fund type.

Figure 2 shows a map of the projects authorized in the long-range planning programs by bill. Note that for statewide projects, the locations for those facilities are not tied to a specific location and therefore those projects are not shown on the map. The interactive map tool that lists the projects by bill and program is available here:

<https://app.powerbigov.us/view?r=eyJrljoiMDEyMzdiNDEtZTM5OC00YWYxLWI3MTYtMzkyMDI4MDVmN2FkiwidCI6IjVmYzM1Mjk4LTQyMTetNDA1NC04Njc4LWIzMjgxYzM5NzI2NyJ9>

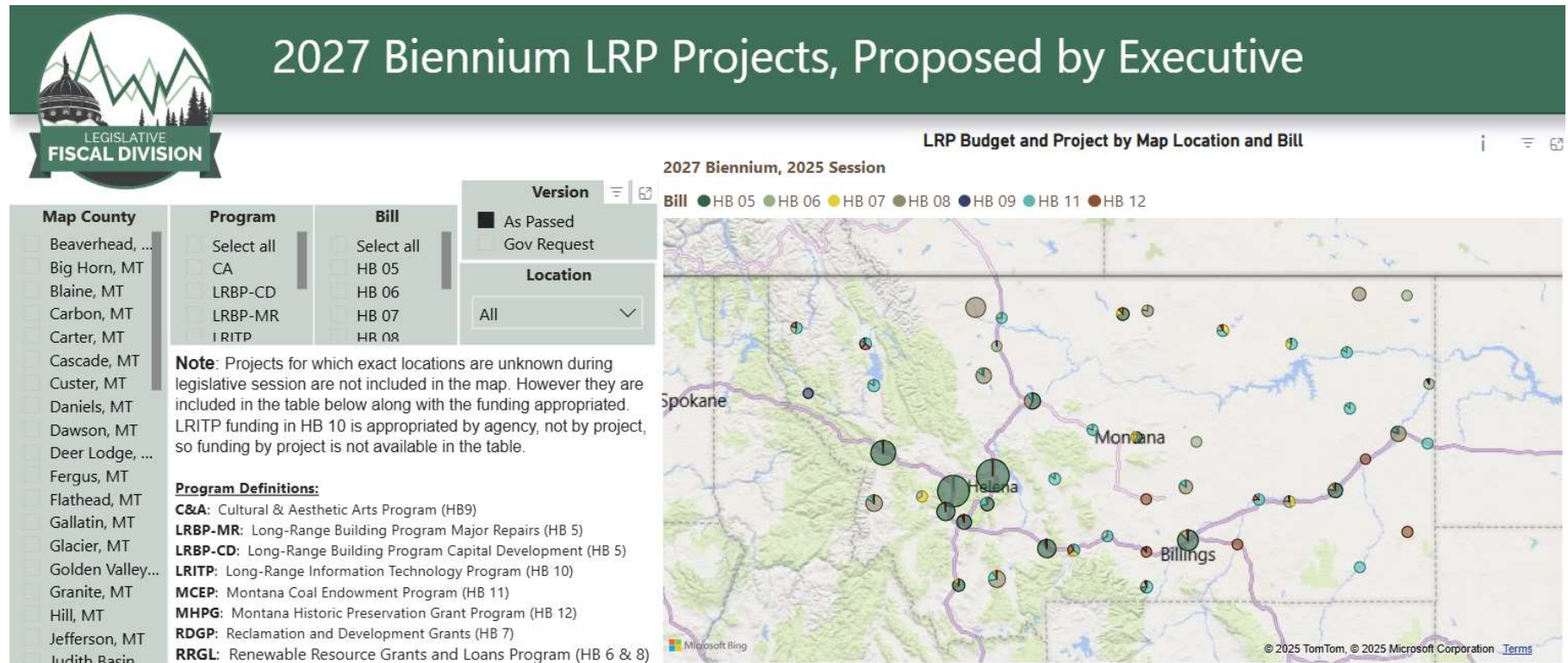
# LONG-RANGE PLANNING PROGRAMS OVERVIEW

Figure 1

LRP Total Appropriations by Bill and Fund Type								
Bill #	Program	General Fund	LRBP CD & MR Projects	State Special	Federal Special	CST Bonds	Authority (Non-State)	Total
HB 5	LRBP	\$ 193,715,000	247,540,000	130,617,180	90,652,500	-	159,950,000	\$ 822,474,680
HB 5	O&M	\$ 25,610,293	-	883,987	587,600	-	499,489	\$ 27,581,369
HB 833	Additional Correctional Capacity	\$ 246,000,000	-					\$ 246,000,000
HB 876	Sawmill Transfer Out	\$ 6,000,000	-	-	-	-	-	\$ 6,000,000
HB 924	Montana Housing Trust Transfer Out	\$ 10,000,000	-	-	-	-	-	\$ 10,000,000
Total HB 5/833/876/924		\$ 481,325,293	247,540,000	131,501,167	91,240,100	-	160,449,489	\$ 1,112,056,049
HB 6	RRGL - Grants	\$ -	-	10,144,500	-	-	-	\$ 10,144,500
HB 7	RDGP	\$ -	-	6,273,260	-	-	-	\$ 6,273,260
HB 8	RRGL - Loans	\$ -	-	-	-	133,318,288	-	\$ 133,318,288
HB 9	C&A	\$ -	-	978,520	-	-	-	\$ 978,520
HB 10	LRITP	\$ 38,702,846	-	8,447,500	6,065,155	-	-	\$ 53,215,501
HB 11	MCEP & MCEPRW	\$ -	-	33,704,241	-	-	-	\$ 33,704,241
HB 12	MHPG	\$ -	-	5,918,092	-	-	-	\$ 5,918,092
Total LRP Bills		\$ 520,028,139	247,540,000	196,967,280	97,305,255	133,318,288	160,449,489	\$ 1,355,608,451

# LONG-RANGE PLANNING PROGRAMS OVERVIEW

Figure 2



# LONG-RANGE PLANNING PROGRAMS OVERVIEW

## BUDGET COMPARISON

Figure 3 compares the 2025 biennium appropriated budget to the 2027 biennium appropriated budget by type of expenditure and source of funding.

Figure 3

Long-Range Planning Budget Comparison (\$ millions)				
Budget Item / Funding Source	Appropriated FY 24-25	Appropriated FY 26-27	Biennium \$ Change	Biennium \$ % Change
<b>Bill &amp; Program</b>				
HB 5/833/876/924 - Long-Range Building Program (LRBP) - including Other capital projects, O&M, & SBECP	\$ 1,131.6	843.5	(288.1)	-25.5%
<i>HB 5 - Operations &amp; Maintenance Funding</i>	\$ 5.8	24.1	18.3	315.5%
HB 10 - Long-Range Information Technology Program (LRITP)	\$ 240.3	53.2	(187.1)	-77.9%
HB 11 - Montana Coal Endowment Program (MCEP)	\$ 31.0	23.7	(7.3)	-23.5%
HB 11- MCEP Regional Water Program (MCEPRW)	\$ 10.0	10.0	0.0	0.0%
HB 6 & HB 8 - Renewable Resource Grant and Loan Program (RRGL)	\$ 115.1	143.5	28.4	24.7%
HB 7 - Reclamation and Development Grant Program (RDGP)	\$ 5.7	6.3	0.6	0.0%
HB 9 - Cultural and Aesthetic Grant Program (C&A)	\$ 0.6	1.0	0.4	0.0%
HB 12 - Montana Historic Grant Program (MHGP)	\$ 8.5	5.9	(2.6)	-47.3%
<b>Total Costs</b>	<b>\$ 1,542.8</b>	<b>1,111.2</b>	<b>(455.7)</b>	<b>-29.5%</b>
<b>Fund Type - All Bills</b>				
General Fund (GF)	\$ 10.3	520.0	509.7	4948.5%
Capital Projects Fund (Capital)	\$ 813.5	247.5	(566.0)	-69.6%
State Special (SS)	\$ 230.2	197.0	(33.2)	-14.4%
Federal Special (FS)	\$ 140.7	97.3	(43.4)	-30.8%
Coal Severance Tax Bonds (Bonds)	\$ 98.9	133.3	34.4	34.8%
Proprietary Fund (Prop)	\$ 1.4	0.0	(1.4)	0.0%
<b>Subtotal State Funds</b>	<b>\$ 1,295.0</b>	<b>1,195.1</b>	<b>(98.5)</b>	<b>-7.6%</b>
Authorization (Author)	\$ 247.7	160.5	(87.2)	-35.2%
<b>Total Funds</b>	<b>\$ 1,542.7</b>	<b>1,355.6</b>	<b>(185.7)</b>	<b>-12.0%</b>

## SUMMARY OF LEGISLATIVE ACTION

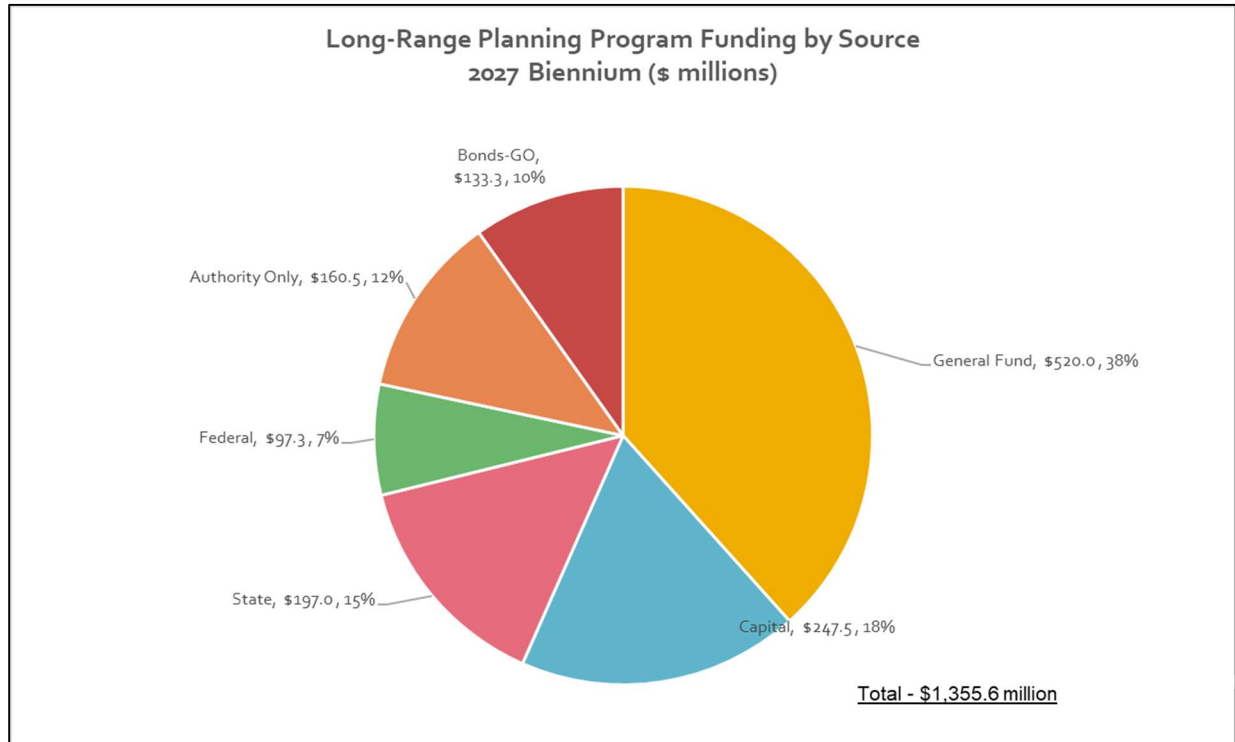
The LRP budgets are principally dedicated to state and local infrastructure projects. The state projects are made up primarily of the construction and major maintenance of state agency space, while the local infrastructure projects consist of grants to local governments for infrastructure purposes. In the 2027 biennium, the LRP budgets are \$1,131.6 million with 86.0% appropriated for state infrastructure projects and 14.0% for local government grants. Figure 3 shows a summary of the appropriations made by the 69th Legislature for each of the LRP programs. The total legislative appropriations and authorizations of \$1,131.6 million amount to a decrease of 29.5% from the appropriations provided for the 2025 biennium. While the 2027 biennium appropriation is a decrease from the 2025 biennium, it is still a substantial increase when compared to prior biennia funding for the LRP programs. Most of this increase is due to the higher cash balance in the Capital Development fund for obligated projects in process from the 2025 biennia that have not yet been expended, allowing the fund to accrue interest earnings on the higher-than-normal cash balance. Additional one-time-only funding was appropriated in the 2027 biennium for expanding capacity at state prison and mental health facilities.

# LONG-RANGE PLANNING PROGRAMS OVERVIEW

## FUNDING

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

Figure 4



2027 Biennium LRP budgets, as reflected in the appropriations and authorizations provided by the legislature, include: \$247.5 million or 18.0% of appropriations from capital project accounts, \$520.0 million or 38.0% from General Fund, \$197.0 million or 15.0% from state special revenue (SSR) accounts, and \$97.3 million or 7.0% from federal special revenue (FSR) accounts. Authority (private, non-budgeted funding) is \$160.5 million or 12.0% of total funding and, although it is not technically appropriation, it still requires legislative approval to be expended so it is included in the LRP budgets. Coal severance tax (CST) bonds included in HB 8 are authorized at \$133.3 million or 10.0% of the total funding.

## EXECUTIVE BUDGET COMPARISON

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

Figure 5

# LONG-RANGE PLANNING PROGRAMS OVERVIEW

Figure 5

Long-Range Planning Budget Comparison (\$ millions)				
Budget Item / Funding Source	Executive Proposal FY 26-27	Appropriated FY 26-27	Proposed vs. Legislative Change	Proposed vs. Legislative % Change
<b>Bill &amp; Program</b>				
HB 5/833/876/924 - Long-Range Building Program (LRBP) - including Other capital projects and O&M	\$ 720.9	1,112.0	391.1	54.3%
HB 5 - Operations & Maintenance Funding	\$ 5.8	27.6	21.8	375.9%
HB 10 - Long-Range Information Technology Program (LRITP)	\$ 54.2	53.2	(1.0)	-1.8%
HB 11 - Montana Coal Endowment Program (MCEP)	\$ 23.8	23.7	(0.1)	-0.3%
HB 11- MCEP Regional Water Program (MCEPRW)	\$ 10.0	10.0	0.0	0.0%
HB 6 & HB 8 - Renewable Resource Grant and Loan Program (RRGL)	\$ 146.2	143.5	(2.7)	-1.8%
HB 7 - Reclamation and Development Grant Program (RDGP)	\$ 13.9	6.3	(7.6)	0.0%
HB 9 - Cultural and Aesthetic Grant Program (C&A)	\$ 1.0	1.0	0.0	0.0%
HB 12 - Montana Historic Grant Program (MHGP)	\$ 6.2	5.9	(0.3)	-5.5%
<b>Total Costs</b>	<b>\$ 976.2</b>	<b>1,355.6</b>	<b>379.4</b>	<b>38.9%</b>
<b>Fund Type - All Bills</b>				
General Fund (GF)	\$ 233.0	520.0	287.0	123.2%
Capital Projects Fund (Capital)	\$ 247.3	247.5	0.2	0.1%
State Special (SS)	\$ 191.5	197.0	5.5	2.9%
Federal Special (FS)	\$ 94.8	97.3	2.5	2.6%
Coal Severance Tax Bond (Bonds)	\$ 133.3	133.3	0.0	0.0%
<b>Subtotal State Funds</b>	<b>\$ 899.9</b>	<b>1,195.1</b>	<b>295.2</b>	<b>32.8%</b>
Authorization (Author)	\$ 76.3	160.5	84.2	110.4%
<b>Total Funds</b>	<b>\$ 976.2</b>	<b>1,355.6</b>	<b>379.4</b>	<b>38.9%</b>

The 69th Legislature approved a 2027 biennium LRP budget that was \$379.4 million or 38.9% greater than the executive request. The legislature made numerous changes to the executive proposal for LRP programs. The legislature added \$391.1 million of new projects to the Long-Range Building Program (LRBP) which includes \$246.0 million in HB 833 for additional correctional capacity which was an executive proposal to address the recommendations from the HB 5 Select Committee Report from the 68<sup>th</sup> Legislative Session, \$6.0 million in HB 876 for grants to reopen sawmills, and \$10.0 million in HB 924 for the Montana Housing Trust. Funding totaling \$21.8 million was added to the executive request for required Operation and Maintenance. More information on the changes from the executive budget are discussed within the various program sections of this report.

# LONG-RANGE BUILDING PROGRAM

## LONG-RANGE BUILDING PROGRAM

### PROGRAM BUDGET COMPARISON

Figure 6 compares the Long-Range Building Program 2025 biennium appropriated budget to the 2027 biennium appropriated budget by type of expenditure and source of funding.

Figure 6

Program Comparison - Long-Range Building Program					Executive Budget Comparison		
Budget Item	Budget 2025 Bien.	Budget 2027 Bien.	Biennium Change	Biennium % Change	Executive Budget 2027 Bien.	Passed vs. Exec. Comparison	% Change
	<u>Appropriated / Authorized</u>	<u>Appropriated / Authorized</u>			<u>Proposed</u>	<u>Difference</u>	
LRBP Project Costs							
Major Repairs Subtotal	\$84,377,303	52,525,000	-31,852,303	-37.7%	50,975,000	\$1,550,000	3.04%
Capital Development Subtotal <sup>1</sup>	\$923,457,452	1,031,949,680	108,492,228	11.7%	671,000,000	\$360,949,680	53.8%
<b>LRBP Project Costs</b>	<b>\$1,007,834,755</b>	<b>1,084,474,680</b>	<b>\$76,639,925</b>	<b>7.6%</b>	<b>721,975,000</b>	<b>\$362,499,680</b>	<b>50.2%</b>
Agency Project Appropriations <sup>2</sup>	\$45,738,644	86,865,000	41,126,356	89.9%	85,565,000	\$1,300,000	1.5%
FWP Capital Program Appropriations <sup>2</sup>	\$63,121,380	109,094,680	45,973,300	72.8%	107,070,000	\$2,024,680	1.9%
SBECP Project Costs	\$3,700,000	-	(3,700,000.00)	-100.0%	-	\$0	0.0%
17-7-210 O&M	\$11,173,086	27,581,369	16,408,283	146.9%	5,747,273	\$21,834,096	379.9%
<b>Total Costs</b>	<b>\$1,131,567,865</b>	<b>1,308,015,729</b>	<b>176,447,864</b>	<b>15.6%</b>	<b>920,357,273</b>	<b>\$387,658,456</b>	<b>42.1%</b>
General Fund	\$10,300,752	465,325,293	455,024,541	4417.4%	193,315,000	\$272,010,293	140.7%
Capital Projects	\$665,915,944	263,540,000	-402,375,944	-60.4%	247,315,000	\$16,225,000	6.6%
State Special	\$146,307,006	131,501,167	-14,805,839	-10.1%	115,292,500	\$16,208,667	14.1%
Federal Special	\$59,885,929	91,240,100	31,354,171	52.4%	88,752,500	\$2,487,600	2.8%
Proprietary <sup>3</sup>	\$1,430,000	-	-1,430,000	-100.0%	-	\$0	0.0%
Authorization <sup>3</sup>	\$247,728,234	160,449,489	-87,278,745	-35.2%	76,250,000	\$84,199,489	110.4%
<b>Total Funds</b>	<b>\$1,131,567,865</b>	<b>1,112,056,049</b>	<b>-19,511,816</b>	<b>-1.7%</b>	<b>720,925,000</b>	<b>\$391,131,049</b>	<b>54.3%</b>

<sup>1</sup> Includes HB 5, HB 833, HB 876 and HB 924

<sup>2</sup> Includes major repairs and capital development appropriations made directly to various agencies

<sup>3</sup> Does not require appropriation but requires approval of the legislature

### PROGRAM DISCUSSION

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

Two primary types of projects are included in HB 5:

- Major Repairs (MR) projects – Renovation, alteration, replacement, repair, site/utility improvement projects with a total project cost of \$2.5 million; construction of new space, including new facilities or additions to existing facilities, allowed but limited to a total construction cost less than \$300,000\*
- Capital Development (CD) projects – Renovation, alteration, replacement, repair, site/utility improvement projects with a total project cost greater than \$2.5 million OR construction of a new facility with a total construction cost greater than \$300,000\*

# LONG-RANGE BUILDING PROGRAM

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\*The 69<sup>th</sup> Legislature increased this threshold in HB 5 from \$150,000 to \$300,000

For more information about LRBP funding, please refer to the LRBP Brochure “Long-Range Building Program Funding Overview” found on the 2025 Session page under Long-Range Planning Bills (<https://archive.legmt.gov/content/Publications/fiscal/2027-Biennium/Publications-and-Libraries/Brochures/LRBP-Funding-Overview.pdf>)

## SUMMARY OF LEGISLATIVE ACTION

The 69th Legislature authorized a LRBP budget in HB 4, HB 5, HB 47, HB 833, HB 876 and HB 924 that consists of 204 projects with total costs of \$1,112.1 million, along with establishing future operations and maintenance (O&M) appropriations of \$27.6 million into the respective agency base budgets. Included in the total costs, HB 5, HB 4, HB 833, HB 876, and HB 924 also provide appropriations of capital improvement funds to several agencies and programs. The 2027 LRBP budget is 54.3% more than the LRBP executive proposal, but 1.7% less than the 2025 biennium LRBP budget. The following list details the distribution of funding across programs and purposes:

- LRBP – 21 of the 83 CD projects (25.0%) are dedicated to the construction and major repairs of state-owned buildings which represent 44.0% (\$443.0 million) of the total CD budget
- Other Agency Projects – 10 of the 83 projects (12.0%) are appropriated directly to state agencies and dedicated to construction and maintenance of state buildings, amounting to \$86.9 million, or 9.0% of the total CD budget
- Fish, Wildlife, & Parks (FWP) Capital Program – 27 of the 83 projects are dedicated to land acquisition, recreational facility maintenance, and grants to recreationalists for various recreational activities, which amounts to \$109.1 million, or 11.0% of the total CD budget

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

- 56 Major repair projects
- 83 Capital development projects
- 27 FWP Land acquisition, land/water maintenance, and recreation site improvements
- 21 University projects
- 22 New building, additions, or storage space projects

## BUDGET HIGHLIGHTS

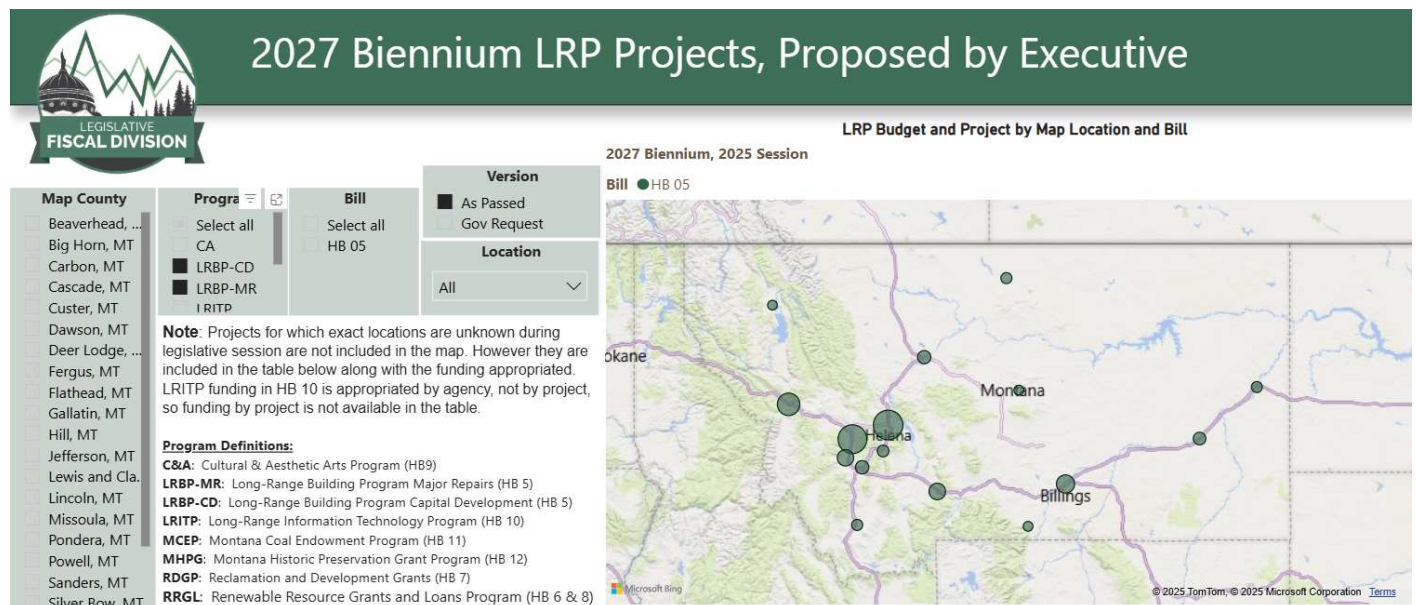
- Funding of \$10.0 million appropriated for a reserve fund within Capital Development Fund for Market, Supply Chain, and Inflationary Impacts
- Governor’s office to address Deferred Maintenance at the capitol complex with \$50.0 million from the Capital Development Fund. DOA also was appropriated \$11.8 million for capital complex renovations and \$2.0 million for capital projects planning studies
- A general fund transfer of \$150.0 million to the Capital Development Fund for the Department of Correction (DOC) project for the Montana State Prison Low-Side Housing Expansion, and \$29.8 million for other DOC facility upgrades which includes \$21.0 million for utilities to support the new low-side housing complex that was approved in the 2025 biennium

## LONG-RANGE BUILDING PROGRAM

- HB 833 includes a transfer of \$246.0 million to the CD Fund and \$246.0 in CD fund appropriations for additional correctional capacity
- Department of Natural Resources and Conservation (DNRC) was appropriated \$10.0 million for firefighter bunkhouses and \$3.0 million for a new Forestry & Trust Lands office in Missoula
- Department of Military Affairs (DMA) was appropriated \$23.1 million for an Army Aviation Support Facility in Billings, \$1.8 million for a new training drop zone for the Air National Guard, a new internment processing center at the MT State Veteran's Cemetery for \$1.9 million, and additional deferred maintenance of \$1.5 million in Capital Development Funding combined with \$4.5 million in federal funding
- Department of Justice (DOJ) was appropriated \$10.0 million for a new indoor firearms range for the Law Enforcement Academy
- Department of Public Health and Human Services (DPHHS) was appropriated \$15.2 million for [MSH?] upgrades and \$5.1 million for MSDB [define] upgrades
- The Montana University System was appropriated \$50.0 million for various upgrades and modernization projects, including an additional \$16.3 million in authority to spend non-state funds
- Fish, Wildlife & Parks (FWP) was appropriated \$96.2 million in state special funding for various facility projects, with an additional \$10.9 million in federal funding
- Montana Department of Transportation (MDT) and the Department of Military Affairs (DMA) were appropriated \$18.5 million in state special revenue funding and \$68.9 million in federal special revenue funding, respectively, for capital improvements to be performed directly by those agencies

Figure 7 shows a map of the projects included in the Long-Range Building Program. Projects for which the locations will be determined during the planning process and are currently unknown are not included on the map. Figure 8 shows by agency the projects approved by the legislature for all the major repair, capital development, FWP capital projects, and other capital projects included in HB 5, HB 833, HB 876, and HB 924.

Figure 7



## LONG-RANGE BUILDING PROGRAM

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# LONG-RANGE BUILDING PROGRAM

Figure 8

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

# LONG-RANGE BUILDING PROGRAM

Long-Range Building Program Major Repairs HB 5 - 2027 Biennium							
Approp Agency / Project Agency / Project	LRBP Major Repairs Fund	Other Capital Projects Funds	State Special	Federal Special	Prop.	Authority	Total
<b>Office of Public Instruction (1 MR Projects)</b>							
26 Montana Learning Center Site Infrastructure Upgrades	\$700,000						\$ 700,000
<b>Montana University System (22 MR Projects)</b>							
27 Completion of Montana Hall Life-Safety Improvements	\$2,100,000						\$ 2,100,000
28 Mechanical, Electrical and Accessibility Upgrades	\$2,200,000						\$ 2,200,000
29 Selected Upgrades to Exterior Steps, Stairs, and Ramps	\$710,000						\$ 710,000
30 Selected Fire Alarm System Upgrades	\$500,000						\$ 500,000
31 Campus Heating Plant Boiler System Upgrade	\$2,400,000						\$ 2,400,000
32 Campus Heating & Domestic Hot Water Upgrades	\$400,000						\$ 400,000
33 Donaldson Campus Boiler System Replacement - Helena College	\$150,000						\$ 150,000
34 Swysgood Technology Center HVAC Cooling System Replacement	\$370,000						\$ 370,000
35 Linfield Hall Roof Replacement	\$850,000						\$ 850,000
36 Cowan Hall Exterior Envelope Upgrades	\$1,725,000						\$ 1,725,000
37 Automotive Technology Building Roof Replacement	\$460,000						\$ 460,000
38 Donaldson Campus Roofing Replacement	\$2,400,000						\$ 2,400,000
39 Campus Wide Building Electrical System Upgrade	\$1,300,000						\$ 1,300,000
40 Selected Sewer Main Repair & Replacement	\$690,000						\$ 690,000
41 Steam Distribution System Upgrades	\$475,000						\$ 475,000
42 Selected Building Electrical System Upgrades	\$1,100,000						\$ 1,100,000
43 South Campus Primary Electrical Distribution Upgrades	\$1,750,000						\$ 1,750,000
44 Selected Elevator System Upgrades	\$1,675,000						\$ 1,675,000
45 Science & Engineering and ELC Building Elevator Modernization	\$400,000						\$ 400,000
46 McCall Hall Demolition	\$1,100,000					\$ 300,000	\$ 1,400,000
47 Mining & Geology Building Temperature Control Replacement	\$300,000						\$ 300,000
48 MSU Replace Failed Data Center Cooling Systems	\$1,000,000					\$ 300,000	\$ 1,300,000
<b>Department of Military Affairs (9 Projects)</b>							
49 Statewide Indoor Firing Range Remediation				\$2,450,000			\$ 2,450,000
50 MTARNG Buildings MEP Repairs				\$1,970,000			\$ 1,970,000
51 Fort Harrison Building 1009 New Generator				\$255,000			\$ 255,000
52 Helena AFRC New Underground Stormwater Piping System				\$230,000			\$ 230,000
53 Fort Harrison New Powered Fire Department Access Gate				\$225,000			\$ 225,000
54 Fort Harrison Range Operations Center Sitework				\$380,000			\$ 380,000
55 Fort Harrison Building 1017 New Shower Rooms				\$110,000			\$ 110,000
56 MTARNG Buildings New PV Solar Arrays & Repairs				\$690,000			\$ 690,000
57 FTH MIST/MINER Facility Upgrade				1,900,000			\$ 1,900,000

## LONG-RANGE BUILDING PROGRAM

Total A&E Major Repairs Appropriations	\$43,715,000	\$0	\$0	\$8,210,000	\$0	\$ 600,000	\$ 52,525,000
Total Major Repairs	\$43,715,000	\$0	\$0	\$8,210,000	\$0	\$ 600,000	\$ 52,525,000
<sup>1</sup> If funding appropriated for related capital development projects, funding must be reallocated by the department to other major repair projects.							

Major Repair Projects - HB5 2027 Biennium			
Agency	Number of Projects	MR Fund Appropriations	Total Appropriations
Department of Administration	8	\$4,395,000	\$ 4,395,000
Department of Corrections	6	\$5,330,000	\$ 5,330,000
Department of Justice	2	\$2,650,000	\$ 2,650,000
Department of Labor & Industry	1	\$325,000	\$ 325,000
Department of Public Health and Human Services	3	\$2,330,000	\$ 2,330,000
Montana School for the Deaf and Blind	2	\$2,780,000	\$ 2,780,000
Department of Agriculture	1	\$150,000	\$ 150,000
Department of Livestock	1	\$1,000,000	\$ 1,000,000
Office of Public Instruction	1	\$700,000	\$ 700,000
Montana University System	22	\$24,055,000	\$ 24,655,000
Department of Military Affairs	9	0	\$ 8,210,000
<b>TOTAL</b>	<b>56</b>	<b>\$43,715,000</b>	<b>\$ 52,525,000</b>

# LONG-RANGE BUILDING PROGRAM

Figure 9

Long-Range Building Program Capital Development HB 5 - 2027 Biennium							
Approp Agency / Project Agency / Project	General Fund	Capital Dev. Fund	State Special	Federal Special	Prop.	Authority	Total
<b>Capital Development Projects</b>							
<b>A&amp;E Capital Development Projects</b>							
<b>Department of Administration (8 CD Projects)</b>							
1 Capitol Complex Roof Replacements		\$ 4,100,000					\$ 4,100,000
2 Capitol Complex Elevator System Upgrades		\$ 5,700,000					\$ 5,700,000
3 1227 11th Avenue Building Renovation		\$ 3,600,000					\$ 3,600,000
4 1300 11th Avenue Building Renovation		\$ 4,150,000					\$ 4,150,000
5 5 South Last Chance Gulch Building Renovation		\$ 17,300,000					\$ 17,300,000
6 Capital Projects Planning Studies		\$ 2,000,000					\$ 2,000,000
7 Reserve Fund for Market, Supply Chain, and Inflationary Impacts		\$ 10,000,000					\$ 10,000,000
8 Reappropriates from HB 856 Legislative Space			\$ 15,000,000				\$ 15,000,000
<b>Department of Corrections (4 CD Projects)</b>							
9 MSP Low-Side Housing Expansion	\$ 150,000,000						\$ 150,000,000
10 Site Infrastructure Upgrades		\$ 21,000,000					\$ 21,000,000
11 Comprehensive Mechanical System Replacement		\$ 4,750,000					\$ 4,750,000
12 Construction Education Program Building and Old Territorial Prison Repair		\$ 4,200,000					\$ 4,200,000
13 HB 833 Correctional Capacity	\$ 246,000,000						\$ 246,000,000
<b>Department of Natural Resources and Conservation (2 CD Projects)</b>							
14 Missoula New Forestry & Trust Lands Office Building		\$ 2,000,000					\$ 2,000,000
15 DNRC Bunkhouses in Helena, Libby and Plains and Office Addition		\$ 1,500,000	\$ 600,000				\$ 2,100,000
<b>Department of Military Affairs (4 CD Projects)</b>							
16 SMART Deferred Maintenance Program - Statewide		\$ 1,500,000		\$ 4,500,000			\$ 6,000,000
17 Billings Limited Army Aviation Support Facility - Phase II		\$ 23,100,000					\$ 23,100,000
18 Montana Air National Guard New Training Drop Zone		\$ 1,800,000					\$ 1,800,000
19 New Internment Processing Center @ MT State Veterans Cemetery		\$ 600,000					\$ 600,000
<b>Department of Justice (1 CD Project)</b>							
20 MLEA New Indoor Firearms Range		\$ 10,000,000					\$ 10,000,000
<b>Department of Public Health and Human Services (3 CD Projects)</b>							
21 Comprehensive Mechanical System Replacement		\$ 11,200,000					\$ 11,200,000
22 Spratt Building Upgrades for Licensure and Facility Fences		\$ 14,660,000					\$ 14,660,000
23 DPHHS MMHNCC Unit D Remodel for Licensure and Facility Fences		\$ 700,000					\$ 700,000
<b>Montana School for the Deaf and Blind (1 CD Project)</b>							
24 Vocational Building Demolition and New Construction		\$ 4,000,000					\$ 4,000,000

## LONG-RANGE BUILDING PROGRAM

<b>Montana University System (8 CD Projects)</b>							
25 Selected Classrooms & Teaching Labs Modernization		\$ 11,600,000					\$ 11,600,000
26 Selected Roof Replacement Projects		\$ 3,000,000					\$ 3,000,000
27 Highlands College Roof Replacement		\$ 5,000,000					\$ 5,000,000
28 Cisel Hall HVAC & Plumbing System Upgrades		\$ 4,000,000					\$ 4,000,000
29 Lewis Hall New Elevator & ADA Upgrades		\$ 4,600,000					\$ 4,600,000
30 Music Building Renovation		\$ 7,250,000				\$ 7,250,000	\$ 14,500,000
31 Mansfield Library Renovation		\$ 9,000,000				\$ 9,000,000	\$ 18,000,000
32 Hamilton Hall 3rd & 4th Floor Renovation		\$ 5,230,000					\$ 5,230,000
<b>Governor's Office of Budget and Program Planning (1 CD Project)</b>							
33 Capitol Complex Deferred Maintenance		\$ 50,000,000					\$ 50,000,000
<b>Total A&amp;E Capital Development Appropriations</b>	<b>\$ 396,000,000</b>	<b>\$ 247,540,000</b>	<b>\$ 15,600,000</b>	<b>\$ 4,500,000</b>	<b>\$ -</b>	<b>\$ 16,250,000</b>	<b>\$ 679,890,000</b>
<b>Agency Capital Development Appropriations</b>							
<b>Department of Military Affairs (6 Projects)</b>							
34 Fort Harrison Open Bay Barracks				\$ 10,500,000			\$ 10,500,000
35 Fort Harrison Vehicle Paint Shop Construction				\$ 4,000,000			\$ 4,000,000
36 MTARNG Vehicle Maintenance Shop Construction				\$ 20,000,000			\$ 20,000,000
37 Limestone Hills Training Area Target Storage Building Replacement				\$ 60,000			\$ 60,000
38 Veteran's Cemetery Expansion, Statewide				\$ 1,000,000			\$ 1,000,000
39 DMA Capital Reserve Fund				\$ 31,505,000			\$ 31,505,000
40 Federal Spending Authority						\$ 3,000,000	\$ 3,000,000
<b>Montana Department of Transportation (3 Projects)</b>							
41 Statewide MDT Facility Repairs and Small Projects			\$ 3,000,000				\$ 3,000,000
42 Equipment Storage Buildings at Three Forks, Wolf Creek, Lodge Grass, Conrad, and Miles City			\$ 5,300,000				\$ 5,300,000
43 Purchase of Equipment Repair Shop and Property			\$ 8,500,000				\$ 8,500,000
<b>Total Agency Capital Development Appropriations</b>	<b>- \$ -</b>	<b>\$ 16,800,000</b>	<b>\$ 67,065,000</b>	<b>\$ -</b>	<b>\$ 3,000,000</b>	<b>\$ 86,865,000</b>	

## LONG-RANGE BUILDING PROGRAM

<b>Department of Fish, Wildlife, &amp; Parks (27 Projects)</b>							
44 Administrative Facility Major Maintenance			\$ 2,800,000				\$ 2,800,000
45 Central Services Site Upgrades Phase II			\$ 13,350,000				\$ 13,350,000
46 Central Services Site Upgrades Phase III			\$ 16,680,000				\$ 16,680,000
47 FWP State Park Storage Building at Cooney Park and Deadman Basin FAS			\$ 375,000				\$ 375,000
48 Fishing Access Site Major Maintenance			\$ 1,590,000				\$ 1,590,000
49 Statewide Hatchery Maintenance and Repairs			\$ 2,500,000				\$ 2,500,000
50 Fishing Access Site Noxious Weed Control			\$ 250,000				\$ 250,000
51 Wildlife Management Area Maintenance			\$ 3,380,000				\$ 3,380,000
52 State Parks Major Maintenance			\$ 4,500,000				\$ 4,500,000
53 State Parks Noxious Weed Control			\$ 250,000				\$ 250,000
54 Statewide Wildlife Habitat Management Areas Habitat Improvements			\$ 680,000				\$ 680,000
55 Future Fisheries			\$ 2,000,000				\$ 2,000,000
56 FWP Contract Programs			\$ 2,250,000				\$ 2,250,000
57 Habitat Montana			\$ 12,000,000				\$ 12,000,000
58 Fish Connectivity			\$ 1,635,000	\$ 1,775,000			\$ 3,410,000
59 Lewis & Clark Caverns State Park Water System			\$ 692,500	\$ 692,500			\$ 1,385,000
60 Community Fishing Ponds			\$ 200,000				\$ 200,000
61 Fishing Access Site Acquisition			\$ 500,000				\$ 500,000
62 Parks & Outdoor Recreation Site Development & Upgrades			\$ 4,509,680	\$ 510,000			\$ 5,019,680
63 Upland Game Bird Enhancement Program			\$ 2,000,000				\$ 2,000,000
64 Dam Maintenance			\$ 90,000				\$ 90,000
65 Habitat Montana - Enhanced 701 Funding			\$ 18,000,000				\$ 18,000,000
66 Region 5 HQ Pemberton Lane Improvements			\$ 255,000				\$ 255,000
67 FWP Grant Programs			\$ 5,800,000	\$ 7,900,000			\$ 13,700,000
68 Bannack State Park Historic Preservation			\$ 250,000				\$ 250,000
69 Forest Management Program			\$ 250,000				\$ 250,000
Tongue & Yellowstone Canal & Muggli Bypass Channel Fishery			\$ 1,430,000				\$ 1,430,000
70 Infrastructure Improvements							
<b>Total FWP Capital Development Appropriations</b>	-	\$ -	\$ 98,217,180	\$ 10,877,500	\$ -	\$ -	\$ 109,094,680

## LONG-RANGE BUILDING PROGRAM

<b>AO - Authority only - for amounts that do not require appropriation</b>							
<b>Montana University System (13 AO Projects)</b>							
71 New Art Building						\$ 13,400,000	\$ 13,400,000
72 New Bandy Ranch Field Research Housing						\$ 2,000,000	\$ 2,000,000
73 Bio Research Building Addition						\$ 8,000,000	\$ 8,000,000
74 Instructional Space Modernization						\$ 4,000,000	\$ 4,000,000
75 Law School Interior Remodel						\$ 3,000,000	\$ 3,000,000
76 McGill Hall Addition						\$ 3,000,000	\$ 3,000,000
77 Nopper Building Purchase						\$ 6,500,000	\$ 6,500,000
78 Undergraduate Research Lab Upgrades and Improvements						\$ 10,000,000	\$ 10,000,000
79 South Campus Tennis Court Complex						\$ 8,300,000	\$ 8,300,000
80 Visual Communications Building Classroom Addition						\$ 11,500,000	\$ 11,500,000
81 General Spending Authority						\$ 20,000,000	\$ 20,000,000
82 Women's Soccer Locker Room Remodel and Lighting						\$ 400,000	\$ 400,000
83 Montana Tech Campus Expansion and Upgrades						\$ 50,000,000	\$ 50,000,000
<b>Total Authority Only</b>		-	\$ -	\$ -	\$ -	\$ -	<b>\$ 140,100,000</b>
<b>Total Capital Development Appropriations</b>	\$ 396,000,000	\$ 247,540,000	\$ 130,617,180	\$ 82,442,500	\$ -	\$ 159,350,000	\$ 1,015,949,680

## LONG-RANGE BUILDING PROGRAM

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Capital Development Projects -- HB5 2027 Biennium			
	Number of Projects	CD Fund Appropriations	Total Appropriations
Department of Administration		6,850,000	\$61,850,000
Department of Corrections		9,950,000	\$425,950,000
Department of Natural Resources and Conservation		3,500,000	\$4,100,000
Department of Military Affairs	4	\$27,000,000	\$31,500,000
Department of Justice	1	\$10,000,000	\$10,000,000
Department of Public Health and Human Services	3	\$26,560,000	\$26,560,000
Montana School for the Deaf and Blind	1	\$4,000,000	\$4,000,000
Montana University System	8	\$49,680,000	\$65,930,000
Governor's Office of Budget and Program Planning	1	\$50,000,000	\$50,000,000
Department of Military Affairs	7	0	70,065,000
Montana Department of Transportation	3	0	16,800,000
Department of Fish, Wildlife, & Parks	27	0	109,094,680
Montana University System	13	0	\$140,100,000
TOTAL	83	\$397,540,000	\$1,015,949,680

# LONG-RANGE BUILDING PROGRAM

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## PROJECT DESCRIPTIONS

LRBP appropriations and authorizations amounting to \$822.5 million for capital projects are approved in HB 5, \$246.0 million in HB 833 for expansion of prison capacity, \$6.0 million in HB 876 for grants to reopen sawmills, and \$10.0 million in HB 924 for the Montana Housing Trust.

## LONG-RANGE BUILDING PROGRAM APPROPRIATIONS

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

### Major Repair Projects

#### *Department of Administration*

1. **MR-08 Aviation & Support Facility Shop Building New Fire Suppression System:** Install fire sprinkler system
2. **MR-14 Original Governor's Mansion Heating & Fire Alarm Systems Upgrades:** Replace boiler and upgrade fire alarm components
3. **MR-18 State Print & Mail Building Roof Replacement:** Replace roof
4. **MR-24 Aviation Support Facility Hangar Door Reconstruction & Replacement:** Restructure and replace east and north hangar doors
5. **MR-41 Capitol Building Interior Lighting Restoration:** Modernize 15 fixtures in Governor's Reception Room
6. **MR-42 Capitol Complex Restroom Renovations:** Upgrade restrooms in multiple buildings in Capitol Complex
7. **MR-46 Statewide Facility Condition Assessment Services for Agencies:** Extend Facility Condition Baseline Assessments by partnering with consulting firms
8. **MR-47 Statewide Selected Feasibility Studies for Agencies:** Fund studies to target building and system repairs to determine the project scope and whether budgets are appropriate and prioritized

#### *Department of Corrections*

9. **MR-07 Montana Correctional Facility New Emergency Generators:** Add generators to Motor Vehicle Maintenance Shop and Industries Building
10. **MR-16 Continuation of Xanthopoulos Building Repairs:** Replace water heaters and upgrade hot water system, replace flooring and make bathrooms accessible
11. **MR-23 Montana Correctional Facility Roof Replacement:** Replace Roof
12. **MR-31 Utility Tunnel/Heating System Repairs:** Make repairs to concrete tunnel system and replace heating water pipes, sumps, and racking support system at Pine Hills Correctional Facility
13. **MR-34 Gravel Pit Equipment Generator Replacement:** New diesel generator for Montana State Prison
14. **MR-43 MCE Toilet Room Repairs:** Increase water closets in Print and Sign Shop at Montana State Prison

#### *Department of Justice*

15. **MR-12 Boulder Highway Patrol/IBC Campus Heating System Upgrade:** Create separate heating systems for IBC and MHP that share the facility
16. **MR-44 MLEA Air Conditioning Installation:** Adds cooling system to training and meeting spaces

# LONG-RANGE BUILDING PROGRAM

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## *Department of Labor & Industry*

17. **MR-35 Kalispell Job Service Center Renovations:** Renovate 10 job centers across the state to focus on safety, accessibility, and building systems

## *Department of Public Health and Human Services*

18. **MR-02 Completion of Door Access Controls:** Completion of key card access control system
19. **MR-05 Additional Security Cameras:** Install 36 security cameras
20. **MR-20 Water Infiltration Investigation & Exterior Envelope Repairs – Eastern Montana Veterans' Home:** Replace roof

## *Montana School for the Deaf and Blind*

21. **MR-26 Completion of Parking Lot Improvements:** Regrade and repave parking lot
22. **MR-39 Selected HVAC System Upgrades:** Add HVAC to cottages and ventilation in Food Service Building

## *Department of Agriculture*

23. **MR-10 State Grain Lab Heating System Upgrades:** Replace boiler at State Grain Lab

## *Department of Livestock*

24. **MR-38 New Lab Casework and Fixed Lab Equipment – Combined Labs:** Install new lab casework, fume hoods, and other lab fixtures

## *Office of Public Instruction*

25. **MR-29 Montana Learning Center Site Infrastructure Upgrades:** Replace water piping from well house to furthest cottages, fix roads, and sidewalks

## *Montana University System*

26. **MR-01 Completion of Montana Hall Life-Safety Improvements:** Install fire suppression, fire alarm, and emergency lighting system at Montana State University
27. **MR-03 Mechanical, Electrical, and Accessibility Upgrades:** Upgrade of mechanical, electrical, and accessibility features in 2 buildings for welding, carpentry, diesel, and large engine programs at University of Montana-Missoula College West. Additionally, accessible facilities will be provided
28. **MR-04 Selected Upgrades to Exterior Steps, Stairs, and Ramps:** Replacement of entrances to Main Hall, Fine Arts, Liberal Arts Building, and Brantley Hall at the University of Montana
29. **MR-06 Selected Fire Alarm System Upgrades:** Add communication cards to existing fire system panels, replace master panel workstation, and transition to Emergency Services networking technology at University of Montana-Western
30. **MR-09 Campus Heating Plant Boiler System Upgrade:** Replace 2 boilers at Montana Technological University
31. **MR-11 Campus Heating & Domestic Hot Water Upgrades:** Replace boilers and water heaters at Great Falls College
32. **MR-13 Donaldson Campus Boiler System Replacement - Helena College:** Replace boiler
33. **MR-15 Swysgood Technology Center HVAC Cooling System Replacement:** Replace HVAC system at University of Montana-Western

## LONG-RANGE BUILDING PROGRAM

34. **MR-17 Linfield Hall Roof Replacement:** Replace roof over academic classroom and instructional lab space at Montana State University
35. **MR-19 Cowan Hall Exterior Envelope Upgrades:** Replace roof and repair of mortar
36. **MR-21 Automotive Technology Building Roof Replacement:** Replace roof for Montana State University-Northern
37. **MR-22 Donaldson Campus Roofing Replacement:** Replace roof at Helena College
38. **MR-25 Campus-wide Building Electrical System Upgrade:** Electrical system upgrades at Montana Technological University
39. **MR-27 Selected Sewer Main Repair & Replacement:** Replace sewer service connecting City of Dillon to 5 campus buildings at University of Montana-Western
40. **MR-30 Steam Distribution System Upgrades:** Replace campus-wide steam distribution system at University of Montana-Western
41. **MR-32 Selected Building Electrical System Upgrades:** Replace electrical panels in 15 buildings at University of Montana in Missoula
42. **MR-33 South Campus Primary Electrical Distribution Upgrades:** Electrical system upgrades at Montana State University South District
43. **MR-36 Selected Elevator System Upgrades:** Repair elevators in Brantly Hall and Skagg Building and Liberal Arts Building at the University of Montana
44. **MR-37 Science & Engineering and ELC Building Elevator Modernization:** Upgrade elevators at Montana Technological University
45. **MR-40 McCall Hall Demolition:** Demolition, abatement, and restoration of site for McCall Hall at Montana State University
46. **MR-45 Mining & Geology Building Temperature Control Replacement:** Upgrade control system for HVAC
47. **MSU Replace Failed Data Center Cooling Systems:** Replace failed cooling system components in the lower level of the Renne Library that serves multiple Montana State University campuses and OCHE

### *Department of Military Affairs*

48. **MR-48 Statewide Indoor Firing Range Remediation:** Encapsulate floors, ceilings, and walls to prevent lead dust contamination
49. **MR-49 MTARNG Buildings MEP Repairs:** Repair mechanical, electrical and plumbing systems in building 1009 and 0401 at Fort Harrison and Field Maintenance Shop at Missoula
50. **MR-50 Fort Harrison Building 1009 New Generator:** New natural gas/propane generator at Building 1009 at Fort Harrison
51. **MR-51 Helena AFRC New Underground Stormwater Piping System:** New subsurface stormwater drainage system at Helena Armed Forces Readiness Center
52. **MR-52 Fort Harrison New Powered Fire Department Access Gate:** Add a 24-foot motorized, self-opening gate at Fort Harrison
53. **MR-53 Fort Harrison Range Operations Center Sitework:** Regrade and install underground pipes for stormwater drainage at Fort Harrison
54. **MR-54 Fort Harrison Building 1017 New Shower Rooms:** Add showers in Building 1017 at Fort Harrison
55. **MR-55 MTARNG Buildings New PV Solar Arrays & Repairs:** Install solar at Combined Support Maintenance Shop and Army Aviation Support Facilities, and repair existing solar array at Troop Medical Clinic

## LONG-RANGE BUILDING PROGRAM

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56. **FTH MIST/MINER Facility Upgrade:** Fort Harrison Mobile Immediate Need Engineering Resource and cold weather experimentation chamber project, in partnership with the Army National Guard, Montana University System, and industry support

### Capital Development Projects

#### *Department of Administration*

1. **CD-11 Capitol Complex Roof Replacements:** Roof replacement on Cogswell Building and Scott Hart Building
2. **CD-15 Capitol Complex Elevator System Upgrades:** Upgrade four elevators in State Capitol building, one in Old Highway Building, one in Scott Hart addition, and two in Mazurek building
3. **CD-19 1227 11th Avenue Building Renovation:** Update HVAC; replace roof, doors, and windows; and interior improvements to the building
4. **CD-20 1300 11th Avenue Building Renovation:** Replace HVAC, replace doors, windows and roof, and other interior upgrades to the building
5. **CD-23 5 South Last Chance Gulch Building Renovation:** Renovate HVAC, lighting, electrical and fire safety systems, and ADA compliance at DOC and Montana Board of Crime Control building
6. **CD-31 Capital Projects Planning Studies:** Conduct capital project planning studies to align projects with strategic plans
7. **CD-32 Reserve Fund for Market, Supply Chain, and Inflationary Impacts:** Provides cushion to address market volatility, supply chain delays, labor shortages, and other unanticipated increases to construction costs
8. **Reappropriation from HB 856 Legislative Space:** Adds \$2.5 million in appropriation from the \$25.0 million previously transferred in the 2023 Session for the renovation of the four committee rooms on the first floor of the Capitol to update desks and technology which will improve public access
9. **MUS UM Clapp Building Replacement:** Adds \$25.0 million in Capital Development appropriation and \$10.0 million in federal authority for the replacement of the Clapp project that was appropriated in the 2023 Session

#### *Department of Corrections*

10. **CD-01 MSP Low-Side Housing Expansion:** Expand capacity from 768 to 1280 beds at Montana State Prison by constructing two new housing pods, a dining/programs addition, and infrastructure upgrades for sewage and electrical systems, as recommended by the Select Committee on Corrections
11. **CD-02 Site Infrastructure Upgrades:** Comprehensive upgrade of Montana State Prison infrastructure including water, electrical, and wastewater systems
12. **CD-04 Comprehensive Mechanical System Replacement:** Comprehensive upgrade of HVAC and plumbing systems at Montana State Prison
13. **CD-25 Construction Education Program Building and Old Territorial Prison Repair:** Renovation of Lumber Processing Building at Montana State Prison

#### *Department of Natural Resources and Conservation*

14. **CD-07 Missoula New Forestry & Trust Lands Office Building:** New building to retire 15 unit offices
15. **CD-08, CD-09, and CD-10 (Combined)--DNRC Bunkhouses in Helena, Libby, and Plains and Office Addition:** three new Bunkhouses to recruit and retain fire fighters

# LONG-RANGE BUILDING PROGRAM

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## *Department of Military Affairs*

16. **CD-24 SMART Deferred Maintenance Program- Statewide:** Matching funds to address repairs to state-owned armories
17. **CD-26 Billings Limited Army Aviation Support Facility - Phase II:** Continue project to construct new building and aircraft parking, install underground aircraft fuel storage tanks, and construct secure entry point at Billings LAASF
18. **CD-27 Montana Air National Guard New Training Drop Zone:** Acquire a property within an hour of Great Falls International Airport for a new drop zone
19. **CD-29 New Internment Processing Center at MT State Veterans Cemetery:** New building with administrative offices, reception area, and meeting spaces for funerals at Montana State Veterans Cemetery

## *Department of Justice*

20. **CD-28 MLEA New Indoor Firearms Range:** New indoor firearms range at Montana Law Enforcement Academy

## *Department of Public Health and Human Services*

21. **CD-03 Comprehensive Mechanical System Replacement:** Upgrade boiler plant and HVAC systems at Montana State Hospital in Warm Springs
22. **CD-05 Spratt Building Upgrades for Licensure and Facility Fences:** Replace nurse call, fire alarm, and HVAC systems along with security and facility safety enhancements at the Montana State Hospital
23. **DPHHS MMHNCC Unit D Remodel for Licensure and Facility Fences:** Remodeling of the Lewistown facility to take patients from the Spratt Building

## *Montana School for the Deaf and Blind*

24. **CD-16 Vocational Building Demolition and New Construction:** Replace roof, windows, insulation, and HVAC for Montana School for the Deaf and Blind

## *Montana University System*

25. **CD-06 Selected Classrooms & Teaching Labs Modernization:** Renovate spaces in Chemistry, Forestry, Health Sciences, Liberal Arts, and Math buildings at University of Montana
26. **CD-12 Selected Roof Replacement Projects:** Replace roofing at Forestry Building and Corbin Hall at University of Montana
27. **CD-13 Highlands College Roof Replacement:** Replace roofing at Montana University System-Highlands College
28. **CD-14 Cisel Hall HVAC & Plumbing System Upgrades:** New HVAC at Montana State University-Billings
29. **CD-17 Lewis Hall New Elevator & ADA Upgrades:** New building addition to connect three buildings at Montana State University
30. **CD-18 Music Building Renovation:** Renovate HVAC, electrical, and plumbing in School of Music building
31. **CD-21 Mansfield Library Renovation:** Upgrade Mansfield Library at University of Montana with new elevator, fire alarm system, HVAC and electrical systems, networking distribution, windows, and interior upgrades

## LONG-RANGE BUILDING PROGRAM

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32. **CD-22 Hamilton Hall 3rd & 4th Floor Renovation:** Upgrade 3<sup>rd</sup> and 4<sup>th</sup> floors of Hamilton Hall at Montana State University with fire suppression systems, electrical and plumbing, and modernize classrooms

### *Governor's Office of Budget and Program Planning*

33. **CD-30 Capitol Complex Deferred Maintenance:** Address deferred maintenance requirements on the Capitol Complex

### **Agency Capital Development Projects**

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

### *Department of Military Affairs*

34. **CD-61 Fort Harrison Open Bay Barracks:** Construction of a Collective Training Unaccompanied Housing Open-Bay Barracks facility which will consolidate 13 buildings into one at Fort Harrison
35. **CD-62 Fort Harrison Vehicle Paint Shop Construction:** Construct new Paint Shop to replace current prep and paint bays at Combined Support Maintenance Shop at Fort Harrison
36. **CD-63 MTARNG Vehicle Maintenance Shop Construction:** Construct a new Field Maintenance Shop at Billings Readiness & Innovation Campus to replace existing vehicle maintenance facilities
37. **CD-64 Limestone Hills Training Area Target Storage Building Replacement:** Demolish and replace existing target storage building at Fort Harrison
38. **CD-83 Veteran's Cemetery Expansion, Statewide:** Grants will be awarded for statewide veterans' cemeteries for improvements such as property acquisition, memorial walls and plazas, information centers, and other improvements
39. **DMA Capital Reserve Fund:** Reductions were made to federal fund authorization for specific projects to encourage reducing costs. This reserve fund provides the authority taken from individual projects to be accessible if needed
40. **CD-65 Federal Spending Authority:** Will provide DMA spending authority for federal funds for major repair or capital development projects

### *Department of Transportation*

41. **CD-66 Statewide MDT Facility Repairs and Small Projects:** Roof repair and replacement, office and building remodeling, water supply and septic systems, ADA improvements, HVAC upgrades, lighting upgrades, and insulation upgrades at various facilities
42. **CD-67, CD-68, CD-69, CD-70, CD-71 (Combined) Equipment Storage Buildings at Three Forks, Wolf Creek, Lodge Grass, Conrad, and Miles City:** New storage buildings, consolidated under one line to allow sharing of architect and engineering costs
43. **Purchase of Equipment Repair Shop and Property:** Purchase of former Decker Trucking site next to the MDT property in Missoula

### *Department of Fish, Wildlife, and Parks Capital Program*

44. **CD-33 Administrative Facility Major Maintenance:** Addresses statewide maintenance and repairs
45. **CD-34 Central Services Site Upgrades Phase II:** Continue effort to replace existing buildings at Custer Avenue Facility and Helena Area Resource Office

## LONG-RANGE BUILDING PROGRAM

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46. **CD-35 Central Services Site Upgrades Phase III:** Complete consolidation of FWP offices in Helena into Custer Avenue Facility
47. **CD-36 CD-37 FWP State Park Storage Building at Cooney Park and Deadman Basin FAS:** Replace storage building at Cooney State Park and build a new storage building at Deadman's Basin
48. **CD-39 Statewide Hatchery Maintenance and Repairs:** Repairs and maintenance to statewide Fishing Access Sites which includes resurfacing roads, repairing campsites, replacing fire rings, and upgrading picnic tables
49. **CD-40 Fishing Access Site Noxious Weed Control:** Will provide for contracted service to eradicate noxious weeds at Fishing Access sites
50. **CD-41 Wildlife Management Area Maintenance:** Will provide for weed control, fence repair, road maintenance, signing, building maintenance, water control, new storage structures, vegetation and grazing maintenance, and other maintenance for 60 Wildlife Management Areas
51. **CD-42 State Parks Major Maintenance:** Will provide for ongoing major maintenance at 55 State Parks
52. **CD-43 State Parks Noxious Weed Control:** Will provide for contracted services to control noxious weeds on State Park lands
53. **CD-44 Statewide Wildlife Habitat Management Areas Habitat Improvements:** One-time improvements for conservation easements including development of grazing systems, habitat restoration, and habitat improvement
54. **CD-45 Future Fisheries:** Statewide fish habitat restoration projects that are funded by recommendations from a panel at FWP.
55. **CD-46 FWP Contract Programs:** This supports two programs: Public Access Land Agreement program which unlocks lands for citizens of Montana to use, and Water Irrigation Infrastructure Improvement Program which improves water use and instream habitats for cold water fisheries across the state
56. **CD-47 Habitat Montana:** Purchase of wildlife habitat through conservation easements, fee title acquisition, or long-term lease
57. **CD-48 Fish Connectivity:** Addresses fish passage and habitat improvement by installing fish screens at water diversion structures, removing barriers that block fish migration, and enhancing stream habitats
58. **CD-49 Lewis & Clark Caverns State Park Water System:** Provide a new potable water system to upper facilities at the Lewis & Clark Caverns State Park
59. **CD-50 Community Fishing Ponds:** Assists with construction or improvement of public, community-based fishing ponds including fish habitat
60. **CD-51 Fishing Access Site Acquisition:** Acquire new Fishing Access Sites, expand existing sites, and renew critical leases
61. **CD-52 Parks & Outdoor Recreation Site Development & Upgrades:** Rehabilitation of existing facilities, repairs and maintenance, site improvements and construction projects at State Parks, Wildlife Management Areas, and Fishing Access Sites statewide
62. **CD-53 Upland Game Bird Enhancement Program:** Funds landowners, public land management agencies, and conservation organizations to restore, establish, protect, or enhance habitat
63. **CD-54 Dam Maintenance:** Address ongoing maintenance at eight FWP dams including replacing concrete spillways, repairing gates, and overhaul interior and exterior mechanical equipment
64. **CD-55 Habitat Montana - Enhanced 701 Funding:** Funding is statutorily earmarked for habitat conservation through conservation easements, fee title acquisition, or long-term leasing

## LONG-RANGE BUILDING PROGRAM

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- 65. **CD-56 Region 5 HQ Pemberton Lane Improvements:** Development of new Pemberton Lane property to alleviate space constraints and improve operational efficiency at Region 5 Headquarters in Billings
- 66. **CD-57 FWP Grant Programs:** Funds six grant programs including Off-Highway Vehicles, Recreational Trails Program, Land and Water Conservation Fund Program, Trail Stewardship Program, and Community Shooting Ranges
- 67. **CD-58 Bannack State Park Historic Preservation:** Funds historic preservation efforts on structure and infrastructure
- 68. **CD-59 Forest Management Program:** Forest management projects to address pine beetle infestation, fire mitigation, and wildlife habitat restoration
- 69. **CD-60 Tongue & Yellowstone Canal & Muggli Bypass Channel Fishery Infrastructure Improvements:** Replace louvers and shunts at the Tongue and Yellowstone Dam

### *Authority Only*

- 70. **CD-72 New Art Building:** New art building at the Montana State University – Billings
- 71. **CD-73 New Bandy Ranch Field Research Housing:** New lodging facility at University of Montana
- 72. **CD-74 Bio Research Building Addition:** Adds 2<sup>nd</sup> and 3<sup>rd</sup> stories to existing one-story building at University of Montana
- 73. **CD-75 Instructional Space Modernization:** Renovation of 13 instructional spaces at Montana State University
- 74. **CD-76 Law School Interior Remodel:** Renovate Moot Courtroom, Castle Center, and Law Library at University of Montana
- 75. **CD-77 McGill Hall Addition:** Increase size of McGill Hall addition at University of Montana
- 76. **CD-78 Nopper Building Purchase:** Acquisition of Nopper Building at Montana State University
- 77. **CD-79 Undergraduate Research Lab Upgrades and Improvements:** Remodel research labs at the University of Montana
- 78. **CD-80 South Campus Tennis Court Complex:** Develop an open play field adjacent to the Carol Hutchins Softball Stadium into a tennis complex at University of Montana
- 79. **CD-81 Visual Communications Building Classroom Addition:** Increase size of Visual Classroom Building addition at Montana State University
- 80. **CD-82 General Spending Authority:** Allows University System to address facility needs through projects up to \$2.5 million per project
- 81. **Women's Soccer Locker Room Remodel and Lighting:** Remodel of locker room at University of Montana in Missoula
- 82. **Montana Tech Campus Expansion and Upgrades:** New academic spaces, research labs, and facility offices in Main Hall and Engin halls

### **Other Capital Projects**

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

### *Department of Corrections*

- 1. **HB 833 Provide Funding to Increase Correctional Capacity:** \$246.0 million in General Fund transferred to Capital Development Fund, and same amount transferred out to the new Future of Corrections Fund to secure additional correctional capacity for Montana

## LONG-RANGE BUILDING PROGRAM

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### *Local Entities*

2. **HB 876 Sawmill Revitalization Act:** \$6.0 million transfer out of Capital Development fund for loans for reopening sawmills
3. **HB 924 Finance Laws:** \$10.0 million transfer out of Capital Development fund for Montana Housing Trust

### **FUTURE OPERATIONS AND MAINTENANCE COSTS**

When approving the construction of new buildings or additions to existing space within buildings, the legislature must appropriate funds for the future costs of operations and maintenance (O&M) in accordance with 17-7-210, MCA. The O&M funding is appropriated in the long-range planning bills, and then in the following biennium will become part of the agency's base budget and be appropriated in HB 2. The agency cannot utilize the appropriation until the new building/space is constructed; until that time, the appropriation will be reverted. Most of the O&M appropriations are included in HB 5.

# LONG-RANGE BUILDING PROGRAM

Figure 10

LRBP - HB 5 Operations & Maintenance Appropriations 17-7-210, MCA Required for Future Biennia						
Agency	Project	General Fund	State Special	Federal Special	Authority Only	Annual Total
DOC	MSP Low-Side Housing Expansion (108,560 sqft @ \$4.29/sqft/yr)	\$ 6,950,000				\$ 6,950,000
DOC	Correctional Capacity HB 833	\$ 3,500,000				\$ 3,500,000
DNRC	Missoula New Forestry & Trust Lands Office Building (4,600 sqft @ \$5.53/ft/yr)		\$ 50,876			\$ 50,876
DNRC	Helena Wildland Firefighter Bunkhouses (6,000 sqft @ \$5.53/ft/yr)		\$ 66,360			\$ 66,360
DNRC	Libby Wildland Firefighter Bunkhouse & Office Addition (3,000 sqft @ \$5.53/ft/yr)		\$ 33,180			\$ 33,180
DNRC	Plains Wildland Firefighter Bunkhouse (3,000 sqft @ \$5.53/ft/yr)		\$ 33,180			\$ 33,180
MUS	Lewis Hall New Elevator & ADA Upgrades (2,100 net new sqft @ \$9/sqft/yr)	\$ 37,800				\$ 37,800
DOA	5 South Last Chance Gulch Building Renovation (7,500 sqft of new @ \$11.57/ft/yr)	\$ 173,550				\$ 173,550
DMA	Billings Limited Army Aviation Support Facility - Phase II (15,500 sqft @ \$6.92/ft)			\$ 107,400		\$ 107,400
DOJ	MLEA New Indoor Firearms Range (13,500 sqft @ \$11/ft; was based on \$12M budget)		\$ 150,000			\$ 150,000
DMA	New Internment Processing Center @ MT State Veterans Cemetery (1,800 sqft * \$5/ft)	\$ 9,625				\$ 9,625
DOA	Governor's Office 720 Madison Avenue	\$ 270,250				\$ 270,250
DPHHS	Behavioral Health	\$ 10,000,000				\$ 10,000,000
<b>General Total</b>		<b>\$ 20,941,225</b>	<b>\$ 333,596</b>	<b>\$ 107,400</b>	<b>\$ -</b>	<b>\$ 21,382,221</b>
<b>DEPARTMENT OF FISH, WILDLIFE &amp; PARKS</b>						
FWP	Central Services Site Upgrades Phase II (30,000 sqft @ \$2.22/ft/yr)		\$ 133,468			\$ 133,468
FWP	Central Services Site Upgrades Phase III (18,203 sqft @ \$4.58/ft/yr)		\$ 208,545			\$ 208,545
FWP	Region 5 Cooney State Park Storage Building (3,000 sqft @ \$0.46/ft/yr)		\$ 2,778			\$ 2,778
FWP	Region 5 Deadman's Basin FAS Storage Building (3,200 sqft @ \$0.66/ft/yr)		\$ 4,250			\$ 4,250
<b>FWP Total</b>		<b>\$ -</b>	<b>\$ 349,041</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 349,041</b>
<b>DEPARTMENT OF TRANSPORTATION</b>						
MDT	Three Forks Equipment Storage Building (9,000 sqft @ \$2.68/ft/yr)		\$ 48,150			\$ 48,150
MDT	Wolf Creek Equipment Storage Building (6,500 sqft @ \$2.57/ft/yr)		\$ 33,400			\$ 33,400
MDT	Lodge Grass Equipment Storage Building (6,500 sqft @ \$2.57/ft/yr)		\$ 33,400			\$ 33,400
MDT	Conrad Equipment Storage Building (9,700 sqft @ \$2.15/ft/yr)		\$ 41,650			\$ 41,650
MDT	Miles City Equipment Storage Building (10,800 sqft @ \$2.07/ft/yr)		\$ 44,750			\$ 44,750
<b>MDT Total</b>		<b>\$ -</b>	<b>\$ 201,350</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 201,350</b>
<b>DEPARTMENT OF MILITARY AFFAIRS</b>						
DMA	Fort Harrison Open Bay Barracks (28,559 sqft @ \$3.59/ft/yr)			\$ 204,800		\$ 204,800
DMA	Fort Harrison Vehicle Paint Shop Construction (3,030 sqft @ \$6.95/ft/yr)			\$ 42,100		\$ 42,100
DMA	MTARNG Vehicle Maintenance Shop Construction (44,056 sqft @ \$1.53/ft/yr)			\$ 134,800		\$ 134,800
DMA	Fort Harrison Facility Maintenance Shop #3 (federal property transfer to state; 1/3rd w/ balance from Warehouse)	\$ 31,000				\$ 31,000
DMA	Billings Readiness & Innovation Campus, BRIC (omitted in HB 5, 68th; based on sale of BAFRC, see 03/2024 memo)	\$ 98,500		\$ 98,500		\$ 197,000
<b>DMA Total</b>		<b>\$ 129,500</b>	<b>\$ -</b>	<b>\$ 480,200</b>	<b>\$ -</b>	<b>\$ 609,700</b>
<b>MONTANA UNIVERSITY SYSTEM</b>						
MUS	New Art Building (12,500 sqft @ \$10.31/ft/yr)	\$ 257,680				\$ 257,680
MUS	New Bandy Ranch Field Research Housing (5,000 sqft @ \$10.87/ft/yr)	\$ 108,705				\$ 108,705
MUS	Bio Research Building Addition (10,000 sqft @ \$12.30/ft/yr)	\$ 246,050				\$ 246,050
MUS	McGill Hall Addition (2,450 sqft @ \$14.69/ft/yr)	\$ 71,968				\$ 71,968
MUS	Nopper Building Purchase (62,100 sqft @ 10.08/ft/yr)	\$ 1,252,186				\$ 1,252,186
MUS	South Campus Tennis Court Complex (69,500 sqft @ \$4/ft/yr)				\$ 359,086	\$ 359,086
MUS	Visual Communications Building Classroom Addition (2,875 new sqft @ \$10.31/ft/yr)	\$ 59,286			\$ 140,403	\$ 199,689
MUS	Montana Tech Campus Expansion and Upgrades	\$ 2,543,693				\$ 2,495,364
<b>MSU Total</b>		<b>\$ 4,539,568</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 499,489</b>	<b>\$ 5,039,057</b>
<b>Total</b>		<b>\$ 25,610,293</b>	<b>\$ 883,987</b>	<b>\$ 587,600</b>	<b>\$ 499,489</b>	<b>\$ 27,581,369</b>

The state's ongoing cost for the O&M of new space created by projects approved by the 2025 Legislature will add approximately \$27.6 million to agency base budgets in the 2027 biennium. These costs will be payable from all fund types including general fund, state and federal special revenues, and proprietary funds.

## FUNDING

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

### Long-Range Building Program Major Repairs Account

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

- 2.6% distribution of cigarette tax revenue
- 12.0% distribution of coal severance tax revenue

## LONG-RANGE BUILDING PROGRAM

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- HB 2 appropriated general fund transfer (transfers to bring annual major repairs spending to the level of 0.6% of the current replacement value of all LRBP eligible buildings)

Figure 11 provides the projected fund balance for the 2027 biennium. The account is projected to begin the 2027 biennium with a balance of \$12.2 million.

Total revenues are projected to be \$52.5 million into the LRBP major repairs account, including short-term interest earnings, supervisory fees charged by A&E, and SBECF energy savings transfers in the 2027 biennium. HB 5 includes a General Fund transfer to the major repairs fund of \$33.5 million, which is included in the revenue section of the fund balance table in Figure 10.

# LONG-RANGE BUILDING PROGRAM

Figure 11

LRBP Major Repairs Account Fund Balance Analysis - 2027 Biennium Fund 05007					
	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	2027 Biennium Projected
<b>Beginning Fund Balance</b>	\$ 31,703,271	\$ 74,811,247	\$ 12,177,504	\$ 13,640,690	\$ 12,177,504
<b>Revenues<sup>1</sup></b>					
Cigarette Tax	\$ 1,205,910	\$ 1,087,149	\$ 1,066,320	\$ 1,015,538	\$ 2,081,858
Coal Severance Tax	\$ 8,571,648	\$ 7,677,221	\$ 7,081,985	\$ 6,590,008	\$ 13,671,993
Interest Earnings	\$ 2,511,880	\$ 3,198,830	\$ 1,466,261	\$ 1,466,261	\$ 2,932,522
Supervisory Fees	\$ 143,536	\$ 150,000	\$ 150,000	\$ 150,000	\$ 300,000
Energy Savings Transfer	\$ -	\$ 300,000	\$ 50,000	\$ 11,882	\$ 61,882
HB 2 Major Repairs Transfers <sup>2</sup>	\$ 8,495,149	\$ 9,254,790	\$ 16,559,784	\$ 16,927,963	\$ 33,487,747
HB 5 OTO Transfer from CD Fund <sup>3</sup>	\$ 41,420,091	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 62,348,214</b>	<b>\$ 21,667,990</b>	<b>\$ 26,374,350</b>	<b>\$ 26,161,652</b>	<b>\$ 52,536,002</b>
<b>Expenditures</b>					
Operating Costs-A & E Division <sup>3</sup>	\$ 3,100,000	\$ 2,694,829	\$ 3,053,664	\$ 3,059,568	\$ 6,113,232
HB 5 (2023) Project Management & Supervision		\$ 2,000,000			\$ -
Prior Biennia Projects	\$ 10,966,876	\$ 9,950,357			\$ -
ARPA-Ineligible Projects <sup>4</sup>	\$ 2,112,000	\$ 2,856,853			\$ -
Current Biennium Projects - HB 5	\$ 3,007,800	\$ 64,352,300	\$ 21,857,500	\$ 21,857,500	\$ 43,715,000
2025 Biennium Projects - HB 817	\$ 52,605	\$ 2,447,395			
<b>Total Expenditures/Appropriations</b>	<b>\$ 19,240,238</b>	<b>\$ 84,301,734</b>	<b>\$ 24,911,164</b>	<b>\$ 24,917,068</b>	<b>\$ 49,828,232</b>
<b>Estimated Ending Fund Balance</b>	<b>\$ 74,811,247</b>	<b>\$ 12,177,504</b>	<b>\$ 13,640,690</b>	<b>\$ 14,885,274</b>	<b>\$ 14,885,274</b>
<sup>1</sup> HJ2 Projections					
<sup>2</sup> Beginning in the 2023 Biennium - HB 2 Appropriated Transfer					
<sup>3</sup> HB 2					
<sup>4</sup> There were 7 projects not eligible for ARPA funds; HB 632, section 34(1) re-establishes appropriation in the MR fund as this was the original funding					

For the 2027 biennium, the LRBP major repairs account supports \$6.1 million of administrative costs for the A&E Division. Funding for these costs is transferred from the capital projects account to an A&E state special revenue account and is appropriated in HB 2. The legislature appropriated \$43.7 million for LRBP projects from the major repairs account in HB 5. As a result, the balance at the end of the 2027 biennium is projected to be \$14.9 million. The account balance will be retained in the LRBP major repairs account and will be available for future appropriation.

## Capitol Land Grant Capital Projects Account:

Capitol land grant (CLG) revenues, derived from trust lands designated in the Enabling Act for the state capitol complex, are used as a source of LRBP funding for capital projects. Funding from this source may only be used for projects on the Montana Capitol Complex (10-mile radius from the Capitol building) per the requirements of the Enabling Act. As shown in Figure 12, the account began the 2025 biennium with a balance of \$2.9 million.

Figure 12

# LONG-RANGE BUILDING PROGRAM

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

CLG account funds are appropriated for six specific major repair projects in HB 5. Total appropriations are \$2.8 million, which provides a projected negative balance of (\$24,326) at the end of the biennium. The negative balance shows that appropriations exceed anticipated revenues; however, the program will manage spending from the account and not allow spending to exceed available revenues.

## Capital Development Account:

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

1. Appropriated general fund transfers from HB 2 (17-7-208 MCA)
  - a) 1.0% of the amount of the state general fund revenue, as determined on or before August 15 of the year preceding a legislative session, less the:
    - i. General fund general obligation bond debt service, and
    - ii. Projected general fund debt service for general fund general obligation bonds proposed in the executive budget
  - b) Recommendations for the appropriated transfers may be eliminated by the executive or the legislature
2. Overflow funding from the budget stabilization reserve fund (BSR) (17-7-130 MCA)
  - a) If the balance of the BSR exceeds an amount equal to 4.5% of all general fund appropriations in the second year of the biennium, then 50.0% of any funds in excess of that amount must be transferred to the capital development account
3. Accommodations & Campground Tax (15-68-820 MCA)
4. Other deposits/transfers made by the legislature and investment earnings (17-7-209 MCA)
  - a) This includes a \$150.0 million transfer from General Fund for the MSP Low Side Housing, HB 4 ARPA interest transfer into CD Fund, and HB 833 General Fund transfer for the additional correctional capacity

For more information about the Capital Development Fund, see the LRPB brochure found here:

<https://archive.legmt.gov/content/Publications/fiscal/2027-Biennium/Publications-and-Libraries/Brochures/Capital-Development-Fund-Brochure-April2025.pdf>

Figure 13 provides the fund balance projection for the CD account. The fund received \$75.0 million in a transfer from the budget stabilization reserve fund in the 2025 biennium.

## LONG-RANGE BUILDING PROGRAM

The account began the 2025 biennium with a balance of \$697.8 million. Resulting from the significant fund balance and higher interest rates, interest earnings revenue for the 2027 biennium are projected to total \$35.9 million. In addition, the legislature approved a one-time-only general fund transfer for the 2027 biennium, which totals \$150.0 million. A transfer of \$246.0 million of general fund to the capital development fund was included in HB 833 to provide funding for additional correctional capacity. There was also a transfer of interest earned on ARPA funds to the capital development fund included in HB 4.

Figure 13

Capital Development Account Fund Balance Analysis - 2027 Biennium					
Fund 05031					
	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	2027 Biennium Projected
<b>Beginning Fund Balance</b>	<b>\$ 697,781,259</b>	<b>\$ 682,480,221</b>	<b>\$ 197,205,921</b>	<b>\$ 1,935,054</b>	<b>\$ 197,205,921</b>
<b>Revenues</b>					
BOI Investment Earnings <sup>1</sup>	\$ 37,424,163	\$ 35,058,358	\$ 22,469,133	\$ 13,460,738	\$ 35,929,871
Transfers from BSR	\$ 4,556,937	\$ 70,421,354	\$ -	\$ -	\$ -
OTO Transfer Request 69th Session	\$ -		\$ 150,000,000	\$ -	\$ 150,000,000
HB4 ARPA Transfer		\$ 45,776,448	\$ 8,000,000		\$ 8,000,000
HB856 Sec.10 #5 - Capitol Complex Legis. Branch	\$ 5,000,000	\$ -		\$ -	\$ -
Accommodations & Campgrounds Tax <sup>1</sup>	\$ -	\$ 1,870,000	\$ 4,550,000	\$ 4,810,000	\$ 9,360,000
Present law transfer of general fund - HB 2	\$ 23,137,457	\$ 24,187,099	\$ 33,250,000	\$ 33,250,000	\$ 66,500,000
HB 833 Transfer of General Fund for Women's Prison			\$ 246,000,000		\$ 246,000,000
<b>Total Revenues</b>	<b>\$ 70,118,557</b>	<b>\$ 177,313,259</b>	<b>\$ 464,269,133</b>	<b>\$ 51,520,738</b>	<b>\$ 515,789,871</b>
<b>Expenditures</b>					
Transfer to MR Fund	\$ 41,420,091	\$ -	\$ -	\$ -	\$ -
Transfer to Capitol Land Grants fund	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -
Prior Biennia Projects	\$ 12,186,031	\$ 57,917,876	\$ -	\$ -	\$ -
Non-Qualifying ARPA 604 Projects	\$ 548,039	\$ 36,101,795	\$ -	\$ -	\$ -
HB 817 DOC Projects	\$ 3,033,284	\$ 175,407,547	\$ -	\$ -	\$ -
HB 856 LRBP Projects	\$ 1,651,653	\$ 82,043,765	\$ -	\$ -	\$ -
HB 872 - DPHHS Behavioral Health Initiative	\$ -	\$ 75,000,000		\$ -	\$ -
Current Biennium Projects - HB 5	\$ 24,580,497	\$ 236,116,576	\$ 397,540,000	\$ -	\$ 397,540,000
HB 833 Women's Prison			\$ 246,000,000	\$ -	\$ 246,000,000
HB 876 Sawmill Transfer out			\$ 6,000,000	\$ -	\$ 6,000,000
HB 924 Finance Laws - Transfer out to Montana Housing Trust			\$ 10,000,000	\$ -	\$ 10,000,000
<b>Total Expenditures/Appropriations</b>	<b>\$ 85,419,595</b>	<b>\$ 662,587,559</b>	<b>\$ 659,540,000</b>	<b>\$ -</b>	<b>\$ 659,540,000</b>
<b>Estimated Ending Fund Balance</b>	<b>\$ 682,480,221</b>	<b>\$ 197,205,921</b>	<b>\$ 1,935,054</b>	<b>\$ 53,455,792</b>	<b>\$ 53,455,792</b>

<sup>1</sup> HJ2 for FY 26-27, executive estimate for FY25

Appropriations from the CD account included in HB 833, HB 876, and HB 924 to support major construction projects in the LRBP total \$262.0 million. Both transfers and appropriations from the fund in the 2027 biennium total \$659.5 million. As a result, the fund is expected to finish the 2027 biennium with a balance of \$53.5 million. This balance may be available to fund future capital development projects or to act as a rainy-day fund if funding is needed to help with shortfalls, pending legislative authorization.

### EXECUTIVE BUDGET COMPARISON

Figure 14 provides the legislative changes from the executive budget proposal.

Figure 14

# LONG-RANGE BUILDING PROGRAM

Program Comparison - Long-Range Building Program					Executive Budget Comparison		
Budget Item	Budget 2025 Bien.	Budget 2027 Bien.	Biennium Change	Biennium % Change	Executive Budget 2027 Bien.	Passed vs. Exec. Comparison	% Change
	<u>Appropriated / Authorized</u>	<u>Appropriated / Authorized</u>			<u>Proposed</u>	<u>Difference</u>	
LRBP Project Costs							
Major Repairs Subtotal	84,377,303	52,525,000	-31,852,303	-37.7%	50,975,000	1,550,000	3.04%
Capital Development Subtotal <sup>1</sup>	923,457,452	835,990,000	-87,467,452	-9.5%	671,000,000	164,990,000	24.6%
<b>LRBP Project Costs</b>	<b>\$1,007,834,755</b>	<b>888,515,000</b>	<b>-\$119,319,755</b>	<b>-11.8%</b>	<b>721,975,000</b>	<b>166,540,000</b>	<b>23.1%</b>
Agency Project Appropriations <sup>2</sup>	45,738,644	86,865,000	41,126,356	89.9%	85,565,000	1,300,000	1.5%
FWP Capital Program Appropriations <sup>2</sup>	63,121,380	109,094,680	45,973,300	72.8%	107,070,000	2,024,680	1.9%
SBECP Project Costs	3,700,000	-	(3,700,000.00)	-100.0%	-	-	0.0%
17-7-210 O&M	11,173,086	27,581,369	16,408,283	146.9%	5,747,273	21,834,096	379.9%
<b>Total Costs</b>	<b>1,131,567,865</b>	<b>1,112,056,049</b>	<b>-19,511,816</b>	<b>-1.7%</b>	<b>920,357,273</b>	<b>191,698,776</b>	<b>20.8%</b>
General Fund	10,300,752	465,325,293	455,024,541	4417.4%	193,315,000	272,010,293	140.7%
Capital Projects	665,915,944	263,540,000	-402,375,944	-60.4%	247,315,000	16,225,000	6.6%
State Special	146,307,006	131,501,167	-14,805,839	-10.1%	115,292,500	16,208,667	14.1%
Federal Special	59,885,929	91,240,100	31,354,171	52.4%	88,752,500	2,487,600	2.8%
Proprietary <sup>3</sup>	1,430,000	-	-1,430,000	-100.0%	-	-	0.0%
Authorization <sup>3</sup>	247,728,234	160,449,489	-87,278,745	-35.2%	76,250,000	84,199,489	110.4%
<b>Total Funds</b>	<b>1,131,567,865</b>	<b>1,112,056,049</b>	<b>-19,511,816</b>	<b>-1.7%</b>	<b>720,925,000</b>	<b>391,131,049</b>	<b>54.3%</b>

<sup>1</sup> Includes HB 5, HB 833, HB 876 and HB 924

<sup>2</sup> Includes major repairs and capital development appropriations made directly to various agencies

<sup>3</sup> Does not require appropriation but requires approval of the legislature

The changes from the executive budget request for the LRBP program net to an increase of \$391.1 million or 54.3%. The legislature passed HB 4, HB 5, HB 833, HB 876 and HB 924, with funding totaling \$1,112.1 million.

## Major Repair Project Changes

For major repair projects, the following changes were made:

- Eliminated \$600,000 in MR funds for DOC MWP Perimeter Security Upgrades
- Added \$1.0 million in MR funds and \$300,000 in authority only funds for MSU Replace Failed Data Center Cooling Systems

## Capital Development Project Changes

The following changes were made to LRBP capital development projects:

- Consolidation of DNRC Bunkhouse appropriations from the separate project lines for Helena, Libby, and Plains into a single appropriation that was reduced by \$7.9 million from the executive request
- Reduction of \$1.3 million for the DMA New Internment Processing Center
- Addition of \$10.7 million for Spratt Building fencing and \$700,000 for MMHNCC Unit D Remodel for DPHHS
- Reduction in multiple DMA Federal Appropriations for multiple projects, and a new consolidated "DMA Capital Reserve Fund" for the same amount that was subtracted from each line. Additional language was added that allows the capital reserve fund to also be used for major repair projects
- Consolidation of FWP separate project lines for Cooney State Park and Deadman's Basin Storage Buildings into a single appropriation that was reduced by \$185,000
- Addition of \$2.2 million to FWP Parks & Outdoor Recreation Site Development & Upgrades for the Judith Landing State Park, with a requirement for noxious weed control at the site
- Addition of the MDT purchase of Equipment Repair Shop and Property for \$8.5 million in state special revenue funds

## LONG-RANGE BUILDING PROGRAM

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- Addition of Authority Only funding for Montana University System, Women's Soccer Locker Room project for \$400,000 and Montana Tech Campus Expansion of \$50.0 million
- Prohibition to use funds in HB 5, HB 2, or HB 872 from this biennium or prior biennium for a Guard House at Montana State Hospital
- Requirement for DOA to prioritize projects for DPHHS and DOC
- Permission for DOA to extend existing designs or contracts to expedite new projects
- Requires standardized designs for bunkhouses and storage sheds to pay for one time for the design development, and use the same design statewide
- Authority to adjust appropriation in HB 817 of 68<sup>th</sup> Legislative Session and for the 69<sup>th</sup> Legislature's HB 5 to replace security doors at Montana State Prison
- Transfer of \$2.0 million general fund to DEQ state special fund, and appropriation of the transferred funds to DEQ for leaking petroleum storage tank remediation
- Reporting requirements for DOA A&E Division for Section F and Legislative Finance Committees
- Increase of \$2.5 million and clarification of continuing authority of appropriations for legislative space capital improvements authorized by HB 856 (2023 Session) from the capitol complex legislative branch state special revenue account
- Amending of HB 872 from 2023 session to transfer funds to the Board of Investments for a behavioral health facility, and add \$10.0 million of general funds to DPHHS for the operations and maintenance costs of the facility

Other legislation that made changes for Capital Development funds:

- HB 833 – This legislation provides for a transfer of \$246.0 from general fund to the CD fund, then another transfer and appropriation from the CD fund to the new Future of Corrections Fund for \$246.0 million to secure additional correctional capacity for Montana
- HB 856 – This legislation was adopted in the 2023 Session for the renovation of the capitol complex legislative space, and the delineation of executive and legislative space. The capitol complex legislative branch fund received a \$25.0 million general fund transfer. From the legislative branch fund, \$12.5 million was appropriated to the legislative branch, of which half can be used for capital improvements to legislative space and for development of a legislative branch long-range capital development plan. The remaining balance can be used to plan, renovate, replace, and construct capital improvements based upon the legislative branch long-range capital development plan for the exclusive use of the legislative branch. HB 5 increased the \$12.5 million appropriation to \$15.0 million. This additional appropriation will be used for the renovation of legislative branch spaces within the Montana Capitol
- HB 872- This legislation was adopted in the 2023 Session to address needs in the behavioral health systems. It established a commission consisting of legislators and executive appointees to provide recommendations concerning initiatives that address behavioral health, initiatives that assist those with developmental disabilities, outcome measures, output measures, performance measures, and the amount of funding required for the initiatives. It also created a new state special revenue fund, the behavioral health systems for future generations fund, with various eligible uses, including acquisition of new or remodeling of existing infrastructure or property to support the establishment of behavioral health settings and intermediate care facilities for individuals with intellectual disabilities. A total transfer of \$225.0 million of general fund was authorized to the new state special revenue account. Additionally, a \$75.0 million transfer of general fund to the capital development fund was authorized. Of the \$75.0 million to the capital development fund, \$20.0 million was appropriated to DPHHS for the acquisition or remodeling of existing infrastructure for intermediate care facilities. The remaining \$55.0

## LONG-RANGE BUILDING PROGRAM

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million was appropriated to the Department of Administration for the behavioral health system for future generations; additionally, \$1.7 million of state special revenue was appropriated to DPHHS for operations and maintenance funding. The \$55.0 million appropriation goes into effect only after DPHHS adopts administrative rules outlined in HB 872 along with the commission transmitting its final recommendations to the governor's office

- HB 876- Creates a sawmill revitalization special revenue fund and authorizes the Board of Investments to provide loans to parties for revitalization of a closed sawmill in order to return it to a commercial operation. The act includes a transfer of \$6.0 million from the capital development fund by June 30, 2025, into the sawmill revitalization fund
- HB 924 requires the state treasurer to transfer \$10.0 million from the capital development fund to the Montana Housing Trust in fiscal year 2026

# STATE BUILDING ENERGY CONSERVATION PROGRAM

## STATE BUILDING ENERGY CONSERVATION PROGRAM

### PROGRAM BUDGET COMPARISON

Figure 15 compares the 2025 biennium appropriated budget to the 2027 biennium appropriated budget by type of expenditure and source of funding.

Figure 15

Program Comparison - State Building Energy Conservation Program				
Budget Item	Budget 2025 Biennium	Budget 2027 Biennium	Biennium Change	Biennium % Change
	<u>Appropriated</u>	<u>Proposed</u>		
Projects Costs	\$ 3,700,000.00	\$ -	\$ (3,700,000.00)	-100%
Total Costs	\$ 3,700,000.00	\$ -	\$ (3,700,000.00)	-100%
Capital Project Funds	\$ 3,700,000.00	\$ -	\$ (3,700,000.00)	-100%

### PROGRAM DISCUSSION

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

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

### SUMMARY OF LEGISLATIVE ACTION

The 69<sup>th</sup> Legislature did not appropriate funding for the 2027 biennium for the SBECP, nor did the executive request funding.

However, there was other legislation adopted which will change the SBECP program in the future:

**HB 47-** Removes DEQ authority to issue bonds and removes the transfer of funding in the Major Repairs fund

**HB 217** – Transfers administrative responsibility for the SBECP from DEQ to the Department of Administration, Architecture and Engineering Division

### FUNDING

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

# LONG-RANGE INFORMATION TECHNOLOGY PROGRAM

## LONG-RANGE INFORMATION TECHNOLOGY PROGRAM

### PROGRAM BUDGET COMPARISON

Figure 16 compares the 2025 biennium appropriated budget to the 2027 biennium appropriated budget by type of expenditure and source of funding.

Figure 16

Executive Budget Comparison - Long-Range Information Technology Program				
Budget Item	Budget	Budget	Change	% Change
	2025 Biennium	2027 Biennium		
	<u>Appropriated</u>	<u>Appropriated</u>		
Projects Cost	\$240,316,406	\$ 53,215,501	(\$187,100,905)	-77.9%
<b>Total Costs</b>	<b>\$240,316,406</b>	<b>\$ 53,215,501</b>	<b>(\$187,100,905)</b>	<b>-77.9%</b>
LRITP Capital Project Fund <sup>1</sup>	\$ 147,575,008	\$ 38,702,846	\$ (108,872,162)	\$ (1)
State Special	\$ 11,945,193	\$ 8,447,500	\$ (3,497,693)	\$ (0)
Federal Special	\$ 80,796,205	\$ 6,065,155	\$ (74,731,050)	\$ (1)
<b>Total Funds</b>	<b>\$240,316,406</b>	<b>\$ 53,215,501</b>	<b>(\$187,100,905)</b>	<b>-77.9%</b>

<sup>1</sup>The capital project fund consists of transfers from the general fund

### PROGRAM DISCUSSION

The LRITP is a program developed to fund large information technology projects; it consolidates large IT investments in one appropriation bill and defines major IT enterprises as capital projects. IT projects are complex and require significant and time-intensive planning, design, and management. Designating these projects as “capital projects” allows the appropriation to continue until completion of the project, as authorized in statute. Consolidation also allows for centralized project oversight. The program is overseen by the Department of Administration, State Information Technology Services Division (SITSD).

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

### SUMMARY OF LEGISLATIVE ACTION

- HB 10 looks different in the 2027 biennium than in prior biennia, as the appropriation is made as a total amount for all projects combined for a state agency instead of separate appropriations by project. The intent is to allow SITSD and each individual agency to better evaluate bids for the projects without preset project amounts influencing the bids. See Figure 17 for a list of HB 10 projects within each department
- Future Operating and Maintenance (O&M) costs associated with the HB 10 projects are included in Volume 9 of the Executive Budget but are not shown nor appropriated in HB 10. Each completed LRITP project will be included in future HB 2 budgets if it has O&M costs

## **LONG-RANGE INFORMATION TECHNOLOGY PROGRAM**

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- HB 10 requires any business application systems funded in the bill to have a plan approved by the Chief Information Officer for the system design, implementation, and data security to safeguard against unauthorized access or disclosure of sensitive information and to comply with state records retention policies. The project funds will not be released until the Chief Information Officer and the Budget Director approve the plans
- The budget adopted by the Legislature totals \$53.2 million for 34 projects, including:
  - \$38.7 million of LRITP capital project funds (this funding is transferred from the general fund to the LRITP fund)
  - \$8.5 million of state special revenue
  - \$6.1 million of federal special revenue

# LONG-RANGE INFORMATION TECHNOLOGY PROGRAM

Figure 17

Long-Range Information Technology Program (LRITP) HB 10 - 2027 Biennium					
Agency / Project	LRITP Capital Projects Funds	State Special	Federal Special	Total	Annual O&M
<b>DOA Department of Administration (11 projects)</b>	\$ 21,753,700			\$ 21,753,700	\$5,554,749
1 Enterprise Financial Warehouse					
2 Enterprise Data Catalog					
3 Recruiting and Onboarding Modernization					
4 eMACS/Jaegger Replacement					
5 Cybersecurity Enhancements					
6 eGov Modernization					
7 Infrastructure Upgrades & Expansion					
8 Web Site Improvements (my.mt.gov & Prosperity Portal)					
9 AI & Legacy System Modernization (Technical Debt Relief Fund)					
10 Contact Center Technology Replacement					
11 508 Compliance (Web Content Accessibility Rule)					
<b>DOC Department of Corrections (3 projects)</b>	\$3,111,000			\$ 3,111,000	\$1,911,000
1 Comprehensive Safety and Surveillance					
2 Improvements					
3 MCE/Warehouse/Maintenance Enterprise Operations System					
<b>OCHE Commissioner of Higher Ed (4 projects)</b>	\$5,018,360			\$ 5,018,360	\$2,091,946
1 CyberMontana (Security Operations Center, Workforce Training Programs, Cyber Policy Clinic)					
2 Security Information & Event Management (SEIM)					
3 Enterprise Resource Planning					
4 System Replacement (Miles Community College, Flathead Community College & Dawson Community College)					
<b>MTHS Historical Society (1 project)</b>		\$ 947,500		\$ 947,500	\$227,500
1 Museum System Operations & Management					
<b>JUD Judicial (1 project)</b>	\$ 1,475,000			\$ 1,475,000	\$30,000
1 Courts Electronic Filing System Architecture & Cybersecurity Refresh					
<b>DNRC Department of Natural Resources and Conservation (3 projects)</b>	\$ 4,890,000			\$ 4,890,000	\$400,000
1 Water Rights Information System Rewrite					
2 GIS Migration					
3 Licensing & Permitting System Replacement					
<b>OPD Office of Public Defender (1 project)</b>	\$124,135			\$ 124,135	\$ -
1 Statewide Courthouse Wi-Fi					
<b>DPHHS Department of Public Health and Human Services (7 projects)</b>	\$1,830,651		\$ 6,065,155	\$ 7,895,806	\$1,942,605
1 Comprehensive Child Welfare Information System Independent Verification & Validation Services					
2 State Directory of New Hires					
3 Montana Child Support Enforcement Automated System Replacement Independent Verification & Validation Services					
4 Secure Data Connections for Montana Benefit Programs					
5 Public Benefits System Efficiency Modernization					
6 Improving Timeliness of Public Benefit Recipient Notification					
7 Senior and Long-Term Care Legacy System Replacement					
<b>DOR Revenue (1 project)</b>	\$500,000			\$ 500,000	\$300,000
1 GenTax to AWS Hosted Environment					
<b>MDT Transportation (2 projects)</b>		\$ 7,500,000		\$ 7,500,000	\$1,500,000
1 Advanced Transportation Management System					
2 Motor Fuels System					
<b>Total - LRITP Proposed Appropriations</b>	<b>\$ 38,702,846</b>	<b>\$ 8,447,500</b>	<b>\$ 6,065,155</b>	<b>\$ 53,215,501</b>	<b>\$ 13,957,800</b>

# LONG-RANGE INFORMATION TECHNOLOGY PROGRAM

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## PROJECT DESCRIPTIONS

LRITP appropriations amounting to \$53.2 million for capital projects are approved in HB 10 from capital project, state special revenue, and federal special revenue accounts. A brief description of the LRITP projects included in Figure 17 is provided below.

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

### ***Department of Administration***

1. Enterprise Financial Warehouse
2. Enterprise Data Catalog
3. Recruiting and Onboarding Modernization
4. eMacs/Jaegger Replacement
5. Cybersecurity Enhancement
6. eGov Modernization
7. Infrastructure Upgrades and Expansion
8. My.MT.Gov and Prosperity Portal
9. AI & Technical Debt Relief Fund
10. Contact Center Replacement 508 Compliance-Web Content Accessibility Rule

### ***Department of Corrections***

11. Comprehensive Safety and Surveillance Improvements
12. MCE/Warehouse Enterprise Operations System

### ***Office of the Commissioner of Higher Education***

13. CyberMontana – Security Operations Center, Workforce Training Programs, Cyber Policy Clinic
14. Security Information and Event Management (SIEM)
15. Enterprise Resource Planning System Replacement

### ***Montana Historical Society***

16. Museum Systems Operation & Management

### ***Judicial Branch***

17. Courts Electronic Filing System Architecture and Cybersecurity Refresh

### ***Department of Natural Resources and Conservation***

18. Water Rights Information System Enhancements
19. Geographic Information System (GIS) Migration
20. Licensing and Permitting System

### ***Public Defender***

21. Statewide Courthouse WiFi

### ***Department of Public Health and Human Services***

22. Child and Family Services Division – Comprehensive Child Welfare Information System Independent Verification & Validation Services

## LONG-RANGE INFORMATION TECHNOLOGY PROGRAM

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- 23. Child Support Services Division – State Directory of New Hires
- 24. Child Support Services Division – Montana Child Support Enforcement Automated System Replacement Independent Verification & Validation Services
- 25. Human and Community Services Division – Secure Data Connections for Montana Benefit Programs
- 26. Human and Community Services Division –Public Benefits System Efficiency Modernization
- 27. Human and Community Services Division –Improving Timeliness of Public Benefit Recipient Notifications
- 28. Senior and Long-Term Care Division – Legacy System Replacements

### ***Department of Revenue***

- 29. GenTax to AWS hosted environments

### ***Department of Transportation***

- 30. 511 Integrated Advanced Transportation Management System
- 31. Motor Fuels Tax Distributor System Modernization

## **FUNDING**

Funding for LRITP capital projects is made through the LRITP capital projects fund. The LRITP fund does not have a dedicated revenue source but instead relies on fund transfers and agency funds to pay the costs of major IT projects. The program includes projects for agencies that rely on state special and federal special revenues to support their administrative costs, and their projects are funded with their program funds. In the 2027 biennium, the LRITP will receive a transfer from the general fund of \$38.7 million to fund projects not funded with state special or federal special sources.

# LONG-RANGE INFORMATION TECHNOLOGY PROGRAM

## EXECUTIVE BUDGET COMPARISON

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

Figure 18

Program Comparison - Long-Range Information Technology Program				
Budget Item	Budget 2027 Biennium	Budget 2027 Biennium	Biennium Change	Biennium % Change
	<u>Proposed</u>	<u>Appropriated</u>		
Projects Cost	54,215,501	\$ 53,215,501	(1,000,000)	-1.8%
Other Costs	0		0	-
<b>Total Costs</b>	<b>\$54,215,501</b>	<b>\$53,215,501</b>	<b>(\$1,000,000)</b>	<b>-1.8%</b>
LRITP Capital Project Fund <sup>1</sup>	39,702,846	38,702,846	(1,000,000)	-2.5%
State Special	8,447,500	8,447,500	0	0.0%
Federal Special	6,065,155	6,065,155	0	0.0%
<b>Total Funds</b>	<b>\$54,215,501</b>	<b>\$53,215,501</b>	<b>(\$1,000,000)</b>	<b>-1.8%</b>
<sup>1</sup> The capital project fund consists of transfers from the general fund				

The 69th Legislature reduced funding by \$1.0 million from the executive proposal, primarily \$900,000 from the Department of Administration as well as \$25,000 from the Department of Justice and \$75,000 from the Department of Natural Resources and Conservation.

# MONTANA COAL ENDOWMENT PROGRAM

## MONTANA COAL ENDOWMENT PROGRAM

### PROGRAM BUDGET COMPARISON

Figure 19 compares the 2025 biennium appropriated budget to the 2027 biennium appropriated budget by type of expenditure and source of funding.

Figure 19

Program Comparison - Montana Coal Endowment Program				
Budget Item	Budget 2025 Biennium	Budget 2027 Biennium	Biennium Change	Biennium % Change
Budget Item	<u>Appropriated</u>	<u>Passed</u>	<u>Change</u>	<u>% Change</u>
Number of Grants Funded (infrastructure)	41	33	(8)	-19.5%
Number of Grants Funded (bridge)	7	6	(1)	-14.3%
Infrastructure Grants Cost	\$23,577,698	\$20,287,391	(\$3,290,307)	-14.0%
Bridge Grants Cost	3,169,451	3,544,750	375,299	11.8%
Other Grants Cost	1,000,000	1,650,000	650,000	65.0%
<b>Total Costs</b>	<b>\$27,747,149</b>	<b>\$25,482,141</b>	<b>(\$2,265,008)</b>	<b>-8.2%</b>
State Special	3,169,451	25,482,141	22,312,690	704.0%
Bond Proceeds	0	0	0	0.0%
ARPA 9901-602 (HB 632)	24,577,698	0	(24,577,698)	0.0%
<b>Total Funds</b>	<b>\$27,747,149</b>	<b>\$25,482,141</b>	<b>(\$2,265,008)</b>	<b>-8.2%</b>

### PROGRAM DISCUSSION

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

Infrastructure grants are for local governments, and projects include drinking water systems, wastewater treatment facilities, sanitary sewer or storm sewer systems, solid waste disposal and separation systems, and bridges. The maximum grant award is \$750,000. Bridge projects are limited in the program to awards of up to 20.0% of the interest earnings from the MCEP trust in 90-6-710, MCA. As a result, the MCEP projects are provided in two sections in HB 11, one for bridge projects and another for infrastructure projects.

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

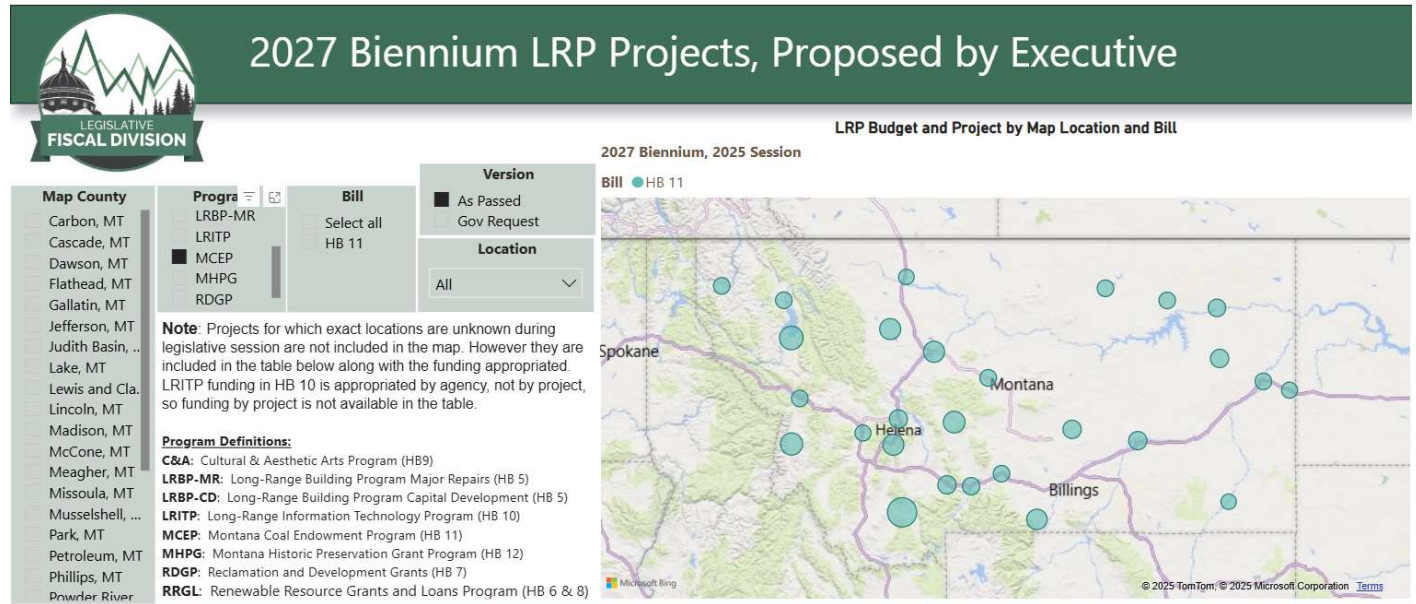
### SUMMARY OF LEGISLATIVE ACTION

- As appropriated in HB 11, the MCEP program includes:
  - 33 infrastructure grants, totaling \$20.3 million
  - 6 bridge grants, totaling \$3.5 million
  - Planning grant funding to be awarded by Department of Commerce totaling \$1.7 million

# MONTANA COAL ENDOWMENT PROGRAM

Figure 20 shows a map of the projects authorized in HB 11; the funding, denoted by the size of the marker in the map, reflects total cost of each project and includes both state and matching funds. A complete list of the MCEP projects authorized by the 69th Legislature is seen in Figure 21. Note that funding for the MCEP Regional Water program, which is also included in HB 11, is not included in the map. Projects will be identified during the biennium, and the regional water authorities will work with the DNRC for approval and funding of those projects.

Figure 20



# MONTANA COAL ENDOWMENT PROGRAM

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Figure 21

# MONTANA COAL ENDOWMENT PROGRAM

Montana Coal Endowment Program (MCEP)									
HB 11 - 2027 Biennium									
Rank	Applicant	Project	County	Type of Project	Total Project Cost	Grant Requested	Approp	Cumulative Approp	Grant % of Total Project Cost
<b>HB 11 -</b>									
1	Lewis & Clark County	Replace Augusta Clemons Road Bridge	Lewis & Clark	Bridge	\$ 1,543,700	\$ 750,000	\$ 750,000	\$ 750,000	49%
2	Madison County	Replace Silver Springs Bridge	Madison	Bridge	\$ 1,519,100	\$ 750,000	\$ 750,000	\$ 1,500,000	49%
3	Park County	Replace Main Street Bridge	Park	Bridge	\$ 1,225,500	\$ 612,750	\$ 612,750	\$ 2,112,750	50%
4	Powder River County	Replace Randall/Moorhead Road Bridge	Powder River	Bridge	\$ 727,200	\$ 363,600	\$ 363,600	\$ 2,476,350	50%
5	Wibaux County	Replace Pine Unit Road Bridge	Wibaux	Bridge	\$ 881,500	\$ 440,500	\$ 440,500	\$ 2,916,850	50%
6	Missoula County	Styler Creek West Bridge	Missoula	Bridge			\$ 500,000	\$ 2,916,850	
<b>Total HB 11 Bridge Projects</b>					<b>\$ 5,897,000</b>	<b>\$ 2,916,850</b>	<b>\$ 3,416,850</b>	<b>\$ 2,916,850</b>	<b>49%</b>
<b>HB 11 - Infrastructure Program</b>									
1	Hysham, Town of	Water treatment plant and infiltration gallery improvements	Treasure	W	\$ 2,568,571	\$ 750,000	\$ 750,000	\$ 3,666,850	29%
2	Roundup, City of	Treatment facility upgrades including new headworks, backup generator, blower and the disposal of sludge from existing lagoons	Musselshell	WW	\$ 4,952,500	\$ 750,000	\$ 750,000	\$ 4,416,850	15%
3	Twin Bridges, Town of	Distribution system improvements	Madison	W	\$ 2,119,800	\$ 750,000	\$ 750,000	\$ 5,166,850	35%
4	Harrison Water and Sewer District	Treatment system improvements, Lift Station improvements, and rehabilitate and replace components of irrigation and center pivot	Madison	WW	\$ 3,852,860	\$ 750,000	\$ 750,000	\$ 5,916,850	19%
5	Wolf Point, City of	Wastewater collection system improvements	Roosevelt	WW	\$ 2,520,303	\$ 625,000	\$ 625,000	\$ 6,541,850	25%
6	Dutton, Town of	Distribution system improvements and replacing chlorination vault	Teton	W	\$ 1,722,700	\$ 750,000	\$ 750,000	\$ 7,291,850	44%
7	Alder County Water and Sewer District	New submersible Lift Station pump and flow meter, upgraded Lift Station control panel	Madison	WW	\$ 1,847,000	\$ 750,000	\$ 750,000	\$ 8,041,850	41%
8	Shelby, City of	Rehabilitate approximately 1,750 feet of 8 and 10 inch mains with PVC 8, install 10 inch mains and connect existing services	Toole	WW	\$ 750,000	\$ 375,000	\$ 375,000	\$ 8,416,850	50%
	Red Lodge, City of	Cast in place pipe lining of 1,360 feet of 12-inch vitrified clay pipe, 1,015 linear feet of existing 10-inch VC pipe, and 1,200 linear feet of existing 8-inch VC pipe along with miscellaneous manhole replacements, and open-cut replacement of approximately 2,020 linear feet of 8-inch with High Density Polyethylene pipe		WW		\$ 500,000			
9	White Sulphur Springs, City of	Intake pond improvements and replacement of filter media	Carbon		\$ 2,102,500		\$ 500,000	\$ 8,916,850	24%
10	South Wind Crosswinds Community Water and Sewer District	Expand the treated wastewater drain field, new secondary water well, hydrogeologic study and water rights application, and provide fencing for well head protection	Meagher	W	\$ 1,787,080	\$ 625,000	\$ 625,000	\$ 9,541,850	35%
11	Circle, Town of	Replace water mains, gate valves, and fire hydrants	Cascade	W&WW	\$ 2,129,588	\$ 750,000	\$ 750,000	\$ 10,291,850	35%
12	Arllee/Lake County Water and Sewer District	Installation of new locking manhole rims, extension of sanitary sewer main, re-classification of lagoons, and upgrades to the irrigation pump state	McCone	W	\$ 2,625,000	\$ 750,000	\$ 750,000	\$ 11,041,850	29%
13	Deer Lodge, City of	Repairing and replace sewer lines, manholes, and replacing leaking service connections	Lake	WW	\$ 655,000	\$ 327,500	\$ 327,500	\$ 11,369,350	50%
14	Willow Creek Sewer District	Wastewater collection system improvements	Powell	WW	\$ 878,000	\$ 439,000	\$ 439,000	\$ 11,808,350	50%
15	Hinsdale County Water and Sewer District	Water distribution system improvements	Gallatin	WW	\$ 2,003,625	\$ 750,000	\$ 750,000	\$ 12,558,350	37%
16	Fairfield, Town of	Two new water supply wells and distribution system improvements	Valley	W	\$ 4,125,400	\$ 500,000	\$ 500,000	\$ 13,058,350	12%
17	Darby, Town of	Rehab gravity collection mains	Teton	W	\$ 3,859,700	\$ 500,000	\$ 500,000	\$ 13,558,350	13%
18	Joliet, Town of	Lagoon reconfiguration and upgrades	Ravalli	WW	\$ 2,084,993	\$ 750,000	\$ 750,000	\$ 14,308,350	36%
19	Ronan, City of	Replace the lagoon system with a SAGR operation, miscellaneous upgrades to support the SAGR operation, and sludge removal from existing lagoon	Carbon	WW	\$ 1,656,685	\$ 625,000	\$ 625,000	\$ 14,933,350	38%
20	Bigfork County Water and Sewer District	Install new natural gas generator, distribution system improvements, extend new water supply main	Lake	WW	\$ 10,859,000	\$ 750,000	\$ 750,000	\$ 15,683,350	7%
21	Richey, Town of	Replace water mains on south side of town, including replacement of gate valves and hydrants	Flathead	W	\$ 4,400,000	\$ 500,000	\$ 500,000	\$ 16,183,350	11%
22	Malta, City of	Install new water tank	Dawson	W	\$ 2,385,000	\$ 500,000	\$ 500,000	\$ 16,683,350	21%
23	Big Timber, City of	Construct new water storage tank, new transmission main to connect tank to distribution system, new valve vault, control valves, and bypass piping; and SCADA control improvements	Phillips	W	\$ 3,777,000	\$ 500,000	\$ 500,000	\$ 17,183,350	13%
24	St. Ignatius, Town of	Replace all clay tile mains, approximately 12,640 LF of the collection system	Sweet Grass	W	\$ 2,854,000	\$ 500,000	\$ 500,000	\$ 17,683,350	18%
25	Ennis, Town of	Construct new wellhouse, develop 2 new redundant water supply, replace existing water storage tank	Lake	WW	\$ 5,752,559	\$ 750,000	\$ 750,000	\$ 18,433,350	13%
26	Pinesdale, Town of	Improvements to water distribution and treatment systems	Madison	W	\$ 4,008,000	\$ 500,000	\$ 500,000	\$ 18,933,350	12%
27	Basin County Water and/or Sewer District	Replace 2,400 linear feet of water main and install 4 new hydrants	Ravalli	W	\$ 2,019,541	\$ 750,000	\$ 750,000	\$ 19,683,350	37%
28	Martinsdale Water and Sewer District	Distribution system improvements including main replacement and service meter replacement	Jefferson	W	\$ 1,514,240	\$ 500,000	\$ 500,000	\$ 20,183,350	33%
29	Sun Prairie Village County Water and Sewer District	Install new security fence, repair clearwell, repair storage tank, and replace pump station	Meagher	W	\$ 1,323,000	\$ 750,000	\$ 750,000	\$ 20,933,350	57%
30	Judith Basin County for Geyser Water and Sewer District	Rehabilitation of the lift station, replace piping, valve components and pumps, and lagoon upgrades	Cascade	W	\$ 2,238,000	\$ 500,000	\$ 500,000	\$ 21,433,350	22%
31	Whitehall, Town of	Construct a 2,300 feet long water main extension and a 2,200 feet long water main loop. Project includes new hydrants, valves, and appurtenances	Judith Basin	WW	\$ 1,081,783	\$ 520,891	\$ 520,891	\$ 21,954,241	48%
32	Libby, City of	Replace Lift Station, install new concrete wet well, and permanent backup generator	Jefferson	W	\$ 1,681,951	\$ 750,000	\$ 750,000	\$ 22,704,241	45%
33			Lincoln	WW	\$ 1,059,000	\$ 500,000	\$ 500,000	\$ 23,204,241	47%
<b>Total HB11 Water &amp; Wastewater Projects</b>					<b>\$ 89,194,379</b>	<b>\$ 20,287,391</b>	<b>\$ 20,287,391</b>	<b>\$ 23,204,241</b>	<b>23%</b>
<b>Total MCEP Projects</b>					<b>\$ 95,091,379</b>	<b>\$ 23,204,241</b>	<b>\$ 23,704,241</b>	<b>\$ 23,204,241</b>	<b>24%</b>

# MONTANA COAL ENDOWMENT PROGRAM

## FUNDING

Figure 22 shows the projected ending fund balance of the MCEP state special revenue account for the 2027 biennium. The MCEP account began the 2025 biennium with a fund balance of \$25.6 million, and MCEP interest earnings are expected to be \$24.0 million for the 2027 biennium.

Figure 22

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

Appropriations for the 2027 biennium total \$27.2 million; this includes both grants and administrative costs, which are appropriated in HB 2. The administrative costs include the pay plan adjustments. The 2027 biennium ending fund balance is projected to be approximately \$4.3 million.

# MONTANA COAL ENDOWMENT PROGRAM

## EXECUTIVE BUDGET COMPARISON

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

Figure 23

Executive Budget Comparison - Montana Coal Endowment Program				
Budget Item	Budget 2027 Biennium	Budget 2027 Biennium	Biennium Change	Biennium % Change
Budget Item	<u>Executive Proposal</u>	<u>As Passed</u>	<u>Change</u>	<u>% Change</u>
Number of Grants Funded (infrastructure)	33	33	0	0.0%
Number of	6	6	0	0.0%
Infrastructure Grants Cost	\$ 20,287,391	\$ 20,287,391	\$ -	0.0%
Bridge Grants Cost	\$ 3,544,750	\$ 3,544,750	\$ -	0.0%
Other Grants Cost	\$ 1,650,000	\$ 1,650,000	\$ -	0.0%
<b>Total Costs</b>	<b>\$25,482,141</b>	<b>\$25,482,141</b>	<b>\$0</b>	<b>0.0%</b>
State Special	25,482,141	25,482,141	0	0.0%
<b>Total Funds</b>	<b>\$25,482,141</b>	<b>\$25,482,141</b>	<b>\$0</b>	<b>0.0%</b>

As seen in Figure 23, the appropriated dollars in 2027 biennium are identical to the executive proposal for the MCEP program. However, there were a couple of legislative changes to specific projects:

- The Petroleum County bridge project for \$627,900 was withdrawn, and Missoula County Stigler Creek West Bridge was added for \$500,000
- Arlee/Lake County Water and Sewer/Wastewater project was removed and later restored

# MONTANA COAL ENDOWMENT REGIONAL WATER PROGRAM

## MONTANA COAL ENDOWMENT REGIONAL WATER PROGRAM

### PROGRAM BUDGET COMPARISON

Figure 24 compares the 2025 biennium appropriated budget to the 2027 biennium appropriated budget by type of expenditure and source of funding.

Figure 24

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

### PROGRAM DISCUSSION

The 1999 Legislature created the Montana coal endowment regional water system fund as a new sub-trust within the coal tax permanent trust. The program is administered by the Department of Natural Resources and Conservation (DNRC). The program, established in 90-6-715, MCA, was created to finance the regional drinking water systems that supply water to large geographical areas and serve multiple local governments.

### SUMMARY OF LEGISLATIVE ACTION

- The executive budget proposed appropriations of \$10.0 million for regional water system projects
- Revenue is anticipated to be \$7.8 million from coal sub-trust earnings, and the 2027 biennium is anticipated to begin with a balance of \$1.4 million
- The legislature did not make any changes to the executive's request for MCEPRW funding

# MONTANA COAL ENDOWMENT REGIONAL WATER PROGRAM

Figure 25

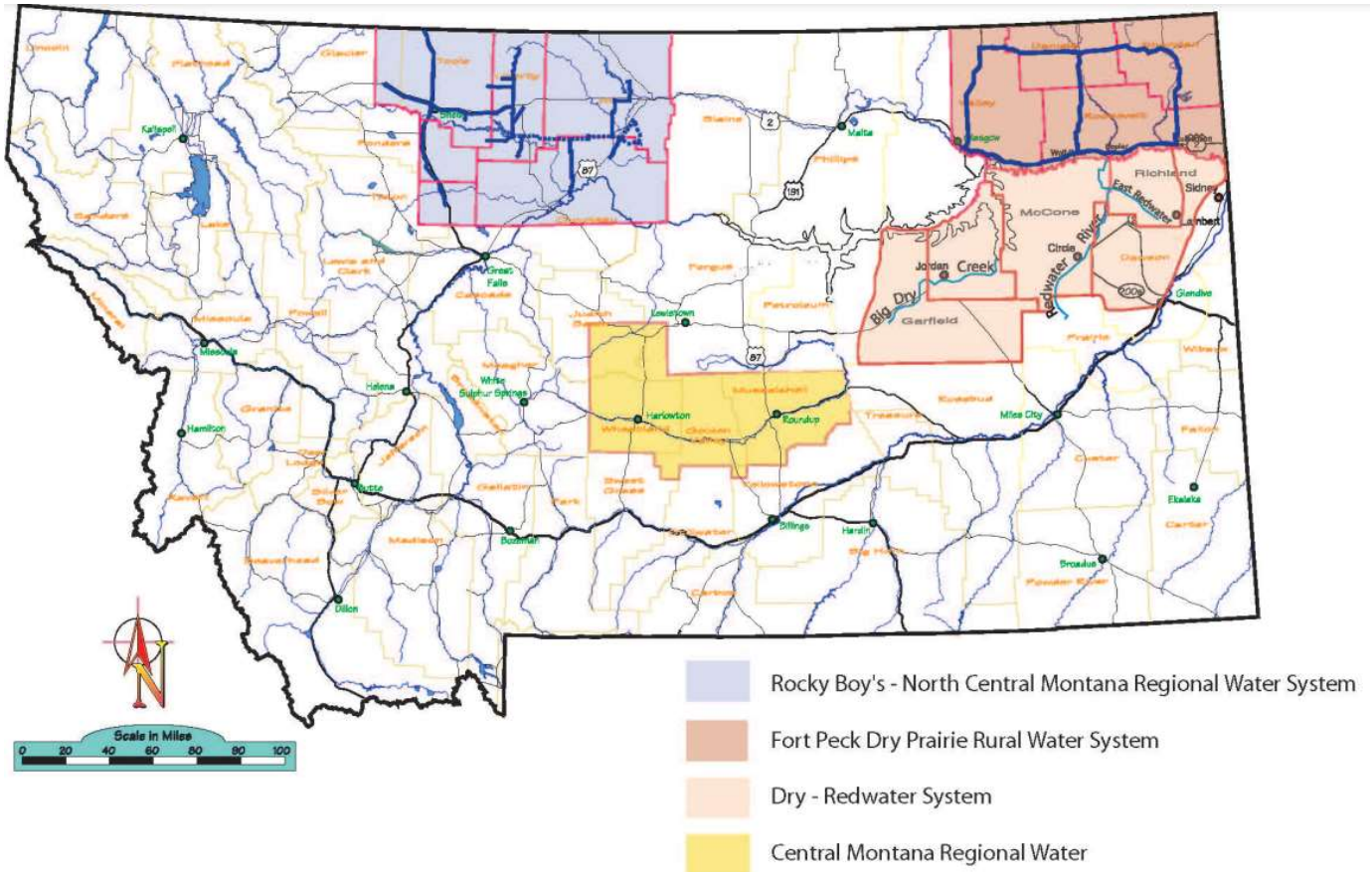


Image from the Department of Natural Resources & Conservation, Nov. 2022

## FUNDING

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

There are currently four regional water systems, including:

- Fort Peck Indian Reservation/Dry Prairie Regional Water System
- Rocky Boy’s Indian Reservation/North Central Montana Regional Water system
- Central Montana Musselshell-Judith Regional Water System
- Dry-Redwater Regional Water System

The regional water authorities submit prioritized construction projects for funding consideration. DNRC then prioritizes project funding based on several criteria, with the main three being: need, feasibility, and cost/funding.

Figure 26 shows the estimate for the MCEPRW fund balance. The MCEPRW account began the 2025 biennium with a balance of \$5.9 million. Interest and earnings in the 2027 biennium are projected to be \$7.8 million.

# MONTANA COAL ENDOWMENT REGIONAL WATER PROGRAM

Figure 26

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

The legislature appropriated DNRC administrative costs of \$553,000 from the MCEPRW account in HB 2. Appropriations in HB 2 and HB 11 for regional water systems are \$10.6 million for the 2027 biennium. The ending fund balance is projected to be negative by \$1.4 million. However, spending in the account will be limited to the funds available and cannot exceed the cash balance.

## EXECUTIVE BUDGET COMPARISON

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

Figure 27

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

The legislature did not make any changes to the MCEPRW program as compared to the executive proposal.

# RENEWABLE RESOURCE GRANT & LOAN PROGRAM

## RENEWABLE RESOURCE GRANT & LOAN PROGRAM

### PROGRAM BUDGET COMPARISON

Figure 28 compares the 2025 biennium appropriated budget to the 2027 biennium appropriated budget by type of expenditure and source of funding.

Figure 28

Program Comparison - Renewable Resource Grant and Loan Program				
Budget Item	2025 Budget Biennium	2027 Budget Biennium	Biennium Change	Biennium % Change
Number of Grants Funded	72	68	(4)	-5.9%
Number of Loans Funded	12	16	4	25.0%
	<u>Appropriated</u>	<u>Adopted</u>		
Grants Cost	\$8,750,000	\$7,494,500	(1,255,500)	-16.8%
Other Grants	7,400,000	2,650,000	(4,750,000)	-179.2%
Loan Program	98,945,000	133,318,288	34,373,288	25.8%
<b>Total Costs</b>	<b>\$115,095,000</b>	<b>\$143,462,788</b>	<b>\$28,367,788</b>	<b>19.8%</b>
State Special	16,150,000	10,144,500	(6,005,500)	-59.2%
CST Bond Proceeds	98,945,000	133,318,288	34,373,288	25.8%
<b>Total Funds</b>	<b>\$115,095,000</b>	<b>\$143,462,788</b>	<b>\$28,367,788</b>	<b>19.8%</b>

### PROGRAM DISCUSSION – (RRGL GRANTS)

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

### SUMMARY OF LEGISLATIVE ACTION

#### HB 6 (Grants)

**Funding:** The natural resource projects state special revenue fund (02577) is the funding source for the RRGL grants, as well as HB 7 (RDGP grants). Revenues are anticipated to be \$11.5 million over the 2027 biennium. Funding sources include:

- Interest income of the resource indemnity trust (RIT) fund, as provided in and subject to the conditions of 15-38-202, MCA
- Resource indemnity and ground water assessment tax (RIGWA)
- Oil and gas production tax, as provided in 15-36-331, MCA
- HB 4 includes a transfer of \$4.2 million from ARPA interest earnings in FY 2025.

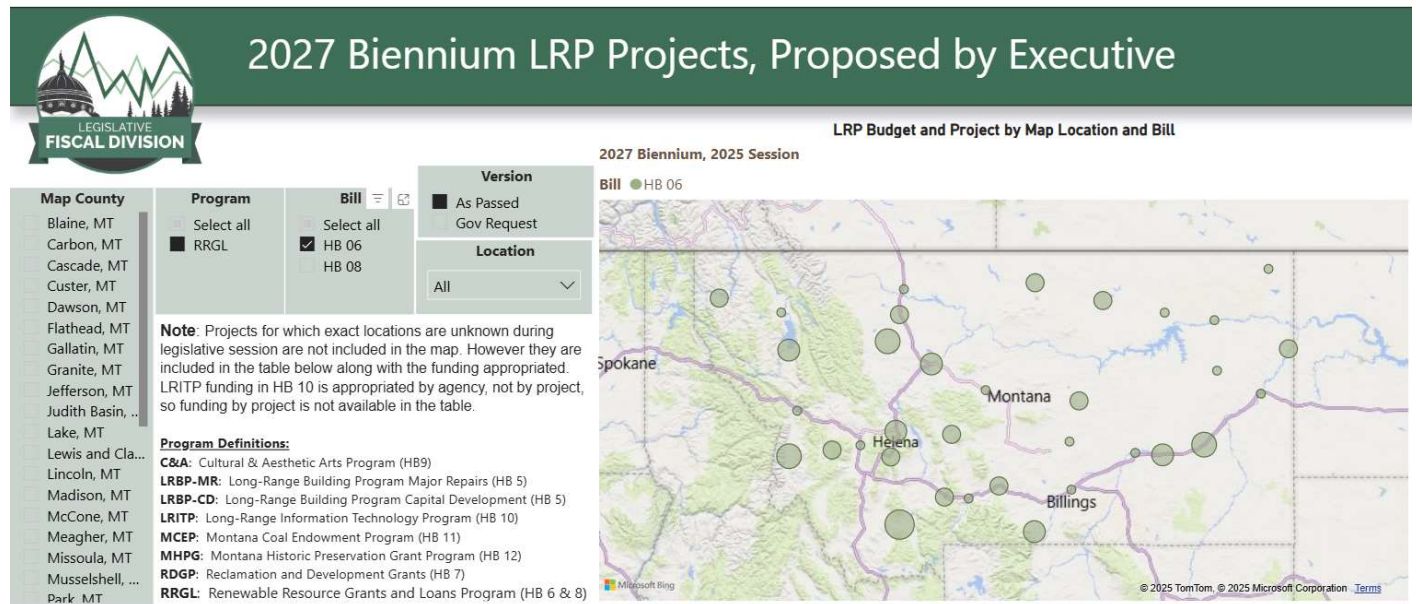
#### General Notes:

# RENEWABLE RESOURCE GRANT & LOAN PROGRAM

- The RRGL grant program is appropriated \$7.5 million to fund 61 applications (38 water/wastewater/stormwater/planning projects and 23 irrigation district projects)
  - There is an additional \$2.7 million appropriated for other grant types to provide for emergency projects, planning, irrigation development, non-point source reduction grants, and private grants
- Language was adopted in HB 6 to encourage local governments to provide a match for the RRGL grant funding, directing DNRC to prioritize projects with such match

Figure 30 shows a map of the HB 6 projects that were authorized, including the loan for the Milk River Project. The funding, denoted by the size of the marker in the map, includes both state and matching funds for some projects. Many of the water and wastewater projects included in HB 6 are also funded in HB 11; for those projects, the matching funds are included in Figure 20, the map of HB 11 projects. A complete list of the RRGL project grants authorized by the 69th Legislature is provided in Figure 31.

Figure 27



# RENEWABLE RESOURCE GRANT & LOAN PROGRAM

Figure 28

Renewable Resource Grants (RRGL) HB 6 - 2027 Biennium								
Rank	Applicant	Project	Project Type	County	Total Project Cost	Grant Requested	Approp	Grant % of Total Project Cost
HB 6 Projects: Water/Wastewater								
1	Arlee Lake County Water and Sewer District	Arlee Lake County Water & Sewer District Wastewater System Upgrades	Wastewater – Infrastructure	Lake	\$ 655,000	\$125,000	\$125,000	19%
2	Whitehall, Town of	Whitehall Drinking Water System Improvements	Drinking Water – Infrastructure	Jefferson	\$ 1,681,951	\$125,000	\$125,000	7%
3	Deer Lodge, City of	Deer Lodge Wastewater Collection System Improvements	Wastewater – Infrastructure	Powell	\$ 878,000	\$125,000	\$125,000	14%
4	Harrison Water and Sewer District	Harrison Wastewater System Improvements	Wastewater – Infrastructure	Madison	\$ 3,879,860	\$125,000	\$125,000	3%
5	Madison County	Madison County Pennington Bridge Big Hole River Restoration	Restoration	Madison	\$ 777,359	\$125,000	\$125,000	16%
6	South Wind County Water and Sewer District	South Wind Drinking Water and Wastewater Improvements, Phase 4	Drinking Water - Infrastructure	Cascade	\$ 2,129,588	\$125,000	\$125,000	6%
7	Willow Creek Sewer District	Willow Creek Sewer District Wastewater System Improvements	Wastewater – Infrastructure	Gallatin	\$ 2,003,625	\$125,000	\$125,000	6%
8	Roundup, City of	Roundup Wastewater Lagoon System Upgrades	Wastewater – Infrastructure	Musselshell	\$ 4,952,500	\$125,000	\$125,000	3%
9	Judith Basin County	Judith Basin County Geyser Wastewater Treatment System Improvements	Wastewater – Infrastructure	Judith Basin	\$ 1,081,783	\$125,000	\$125,000	12%
10	Martinsdale Water and Sewer District	Martinsdale Water and Sewer District Water System Improvements	Drinking Water - Infrastructure	Meagher	\$ 1,323,000	\$125,000	\$125,000	9%
11	Alder Water and Sewer District	Alder Water and Sewer District Wastewater System Improvements	Wastewater – Infrastructure	Madison	\$ 1,847,000	\$125,000	\$125,000	7%
12	Fairfield, Town of	Fairfield Drinking Water System Improvements	Drinking Water - Infrastructure	Teton	\$ 3,589,700	\$125,000	\$125,000	3%
13	Dutton, Town of	Dutton Drinking Water System Improvements, Phase 2	Drinking Water - Infrastructure	Teton	\$ 1,718,700	\$125,000	\$125,000	7%
14	Circle, Town of	Circle Water System Improvements, Phase 5	Drinking Water - Infrastructure	McCone	\$ 2,625,000	\$125,000	\$125,000	5%
15	Malta, City of	Malta Drinking Water System Improvements	Drinking Water - Infrastructure	Phillips	\$ 3,777,000	\$125,000	\$125,000	3%
16	Red Lodge, City of	Red Lodge Wastewater System Improvements, Phases 2 and 3	Wastewater – Infrastructure	Carbon	\$ 2,102,500	\$125,000	\$125,000	6%
17	Hysham, Town of	Hysham Drinking Water System Improvements, Phase 2	Drinking Water - Infrastructure	Treasure	\$ 2,568,571	\$125,000	\$125,000	5%
18	Darby, Town of	Darby Wastewater System Improvements	Wastewater – Infrastructure	Ravalli	\$ 2,084,993	\$125,000	\$125,000	6%
19	Sheridan, Town of	Sheridan Drinking Water System Improvements	Drinking Water - Infrastructure	Madison	\$ 1,185,225	\$125,000	\$125,000	11%
20	Richey, Town of	Richey Drinking Water System Improvements, Phase 3	Drinking Water - Infrastructure	Dawson	\$ 2,375,000	\$125,000	\$125,000	5%
21	Ennis, Town of	Ennis Drinking Water System Improvements	Drinking Water - Infrastructure	Madison	\$ 4,008,000	\$125,000	\$125,000	3%
22	Basin Water and/or Sewer District	Basin Water and/or Sewer District Drinking Water System Improvements	Drinking Water - Infrastructure	Jefferson	\$ 1,514,240	\$125,000	\$125,000	8%
23	Manhattan, Town of	Manhattan Water System Improvements	Drinking Water - Infrastructure	Gallatin	\$ 1,172,000	\$125,000	\$125,000	11%
24	Cooke City Water District	Cooke City Drinking Water Infrastructure Improvements	Drinking Water - Infrastructure	Park	\$ 1,794,205	\$125,000	\$125,000	7%
25	Treasure State Acres Water and Sewer District	Improvements	Wastewater – Infrastructure	Lewis and Clark	\$ 515,000	\$125,000	\$125,000	24%
26	St. Ignatius, Town of	St. Ignatius Wastewater Collection Main Replacement	Wastewater – Infrastructure	Lake	\$ 5,752,559	\$125,000	\$125,000	2%
27	Twin Bridges, Town of	Twin Bridges Drinking Water System Improvements	Drinking Water - Infrastructure	Madison	\$ 2,119,800	\$125,000	\$125,000	6%
28	Libby, City of	Libby Wastewater System Improvements	Wastewater – Infrastructure	Lincoln	\$ 1,059,000	\$125,000	\$125,000	12%
29	Sun Prairie Village County Water and Sewer District	Sun Prairie Village Drinking Water System Upgrades	Drinking Water - Infrastructure	Cascade	\$ 2,238,000	\$125,000	\$125,000	6%
30	Plentywood, City of	Plentywood Drinking Water System Improvements	Drinking Water - Infrastructure	Sheridan	\$ 2,333,268	\$125,000	\$125,000	5%
31	White Sulphur Springs, City of	White Sulphur Springs Drinking Water System Improvements	Drinking Water - Infrastructure	Meagher	\$ 1,787,080	\$125,000	\$125,000	7%
32	Big Timber, City of	Big Timber Drinking Water Storage Improvements	Drinking Water - Infrastructure	Sweet Grass	\$ 2,854,000	\$125,000	\$125,000	4%
33	Wolf Point, City of	Wolf Point Wastewater System Improvements, Phase 3	Wastewater – Infrastructure	Roosevelt	\$ 2,500,000	\$125,000	\$125,000	5%
34	Bigfork County Water and Sewer District	Bigfork Drinking Water System Improvements	Drinking Water – Infrastructure	Flathead	\$ 4,400,000	\$125,000	\$125,000	3%
35	Shelby, City of	Shelby Wastewater System Improvements	Wastewater – Infrastructure	Toole	\$ 1,125,000	\$125,000	\$125,000	11%
36	Ronan, City Of	Ronan Wastewater System Improvements	Wastewater – Infrastructure	Lake	\$ 12,484,000	\$125,000	\$125,000	1%
37	Bearcreek, Town of	Bearcreek Drinking Water System Improvements, Phase 1	Drinking Water - Infrastructure	Carbon	\$ 1,042,627	\$125,000	\$125,000	12%
38	Conrad, City of	Conrad Wastewater System Improvements	Wastewater – Infrastructure	Pondera	\$ 2,528,698	\$125,000	\$125,000	5%
39	Pinesdale, Town of	Pinesdale Drinking Water System Improvements	Drinking Water - Infrastructure	Ravalli	\$ 2,019,541	\$125,000	\$0	4,750,000 6%
40	Hinsdale County Water and Sewer District	Hinsdale County Water and Sewer District Water System Upgrades	Drinking Water - Infrastructure	Valley	\$ 4,000,400	\$125,000	\$0	4,750,000 3%
41	Joliet, Town of	Joliet Wastewater System Improvements	Wastewater – Infrastructure	Carbon	\$ 1,531,685	\$125,000	\$0	4,750,000 8%
1	Pondera County Conservation District	Pondera County Conservation District S-Canal Pipeline Conversion	Irrigation	Pondera	\$ 490,328	\$125,000	\$125,000	25%
2	Yellowstone County	Yellowstone County Billings Bench Water Association Rattlesnake Reservoir Water Management Improvements	Irrigation	Yellowstone	\$ 529,150	\$125,000	\$125,000	24%
3	Yellowstone Irrigation District	Yellowstone Irrigation District Canal Rehabilitation	Irrigation	Rosebud	\$ 130,700	\$125,000	\$125,000	96%
4	Lower Yellowstone Irrigation District #1	Lower Yellowstone Irrigation District Thomas Point Pump Station Rehabilitation, Phase 2	Irrigation	Richland	\$ 415,364	\$125,000	\$125,000	30%
5	Savage Irrigation District	Savage Irrigation District Pumping Plant Rehabilitation, Phase 2	Irrigation	Richland	\$ 411,596	\$125,000	\$125,000	30%
6	Clinton Irrigation District	Clinton Irrigation District Schoolhouse Lateral Pipeline Conversion, Phase 4	Irrigation	Missoula	\$ 142,931	\$125,000	\$125,000	87%
7	Helena Valley Irrigation District	Helena Valley Irrigation District Lateral 26.6 and Lateral 20.7-3.3 Seepage Mitigation	Irrigation	Lewis and Clark	\$ 181,360	\$125,000	\$125,000	69%
8	Helena Valley Irrigation District	Helena Valley Irrigation District Pumping Plant Automation	Irrigation	Lewis and Clark	\$ 397,285	\$125,000	\$125,000	31%
9	Greenfields Irrigation District	Greenfields Irrigation District Check Replacement, Phase 2	Irrigation	Teton	\$ 964,632	\$125,000	\$125,000	13%
10	Tongue and Yellowstone River Irrigation District	Tongue and Yellowstone River Irrigation District Cowles Creek	Irrigation	Custer	\$ 649,814	\$125,000	\$125,000	19%
11	Tongue and Yellowstone River Irrigation District	Flume and Canal Conversion	Irrigation	Custer	\$ 1,294,637	\$125,000	\$125,000	10%
12	Bitterroot Conservation District	Bitterroot Conservation District Union Diversion Resource Improvements	Irrigation	Ravalli	\$ 183,885	\$125,000	\$125,000	68%
13	Fort Belknap Irrigation District	Fort Belknap Irrigation District Main Canal Lining Project	Irrigation	Blaine	\$ 334,983	\$125,000	\$125,000	37%
14	Petroleum County Conservation District	Petroleum County Conservation District McDonald Creek Diversion Structures Replacement	Irrigation	Petroleum	\$ 825,050	\$125,000	\$125,000	15%
15	Malta Irrigation District	Malta Irrigation District Black Coulee Siphon Replacement	Irrigation	Phillips	\$ 431,595	\$125,000	\$125,000	29%
16	Yellowstone Irrigation District	Yellowstone Irrigation District Lateral 17.6 Rehabilitation, Phase 1	Irrigation	Rosebud	\$ 130,800	\$125,000	\$125,000	96%
17	Sweet Grass Conservation District	Sweet Grass Conservation District Crest Ditch Headgate Rehabilitation	Irrigation	Sweet Grass	\$ 262,452	\$125,000	\$125,000	48%
18	Petrolia Irrigation District	Petrolia Irrigation District Main Canal Pipeline Conversion	Irrigation	Petroleum	\$ 258,047	\$125,000	\$125,000	48%
19	Glen Lake Irrigation District	Glen Lake Irrigation District Doxie Slough Seepage Mitigation Project	Irrigation	Lincoln	\$ 182,561	\$125,000	\$125,000	68%

# RENEWABLE RESOURCE GRANT & LOAN PROGRAM

20 Hammond Irrigation District	Hammond Irrigation District Big Porcupine Siphon Rehabilitation	Irrigation	Rosebud	\$	731,131	\$125,000	\$125,000	\$2,500,000	17%
21 Sunset Irrigation District	Headgate Repair	Irrigation					\$20,000	\$2,520,000	
22 Greenfields Irrigation District	Greenfields Irrigation District J-Wasteway Modernization	Irrigation	Teton	\$	333,476	\$125,000	\$125,000	\$2,645,000	37%
23 Bitter Root Irrigation District	Bitter Root Irrigation District Diversion Control Modernization	Irrigation	Ravalli	\$	104,500	\$99,500	\$99,500	\$2,744,500	95%
24 Zurich Irrigation District	Zurich Irrigation District Brown Creek Siphon Rehabilitation	Irrigation	Blaine	\$	1,005,989	\$125,000	\$0	\$2,744,500	12%
25 Kinsey Irrigation District	Kinsey Irrigation District Harris Creek Spill Structure Rehabilitation	Irrigation	Custer	\$	642,660	\$125,000	\$0	\$2,744,500	19%
26 Kinsey Irrigation District	Kinsey Irrigation District Hammerbacker Lateral to Pipeline Conversion	Irrigation	Custer	\$	971,963	\$125,000	\$0	\$2,744,500	13%
27 Fort Shaw Irrigation District	Fort Shaw Irrigation District Simms Creek Siphon Replacement	Irrigation	Cascade	\$	5,320,072	\$125,000	\$0	\$2,744,500	2%
<b>Total HB6 Projects</b>				<b>\$</b>	<b>119,342,419</b>	<b>\$8,349,500</b>	<b>\$7,494,500</b>	<b>\$7,494,500</b>	<b>7%</b>

HB 6

Program	Project	Project Type	County	Grant Requested	Approp	Cumulative Total
RRG Emergency	Grants for local governments to respond to emergency events that impact renewable resources.	Infrastructure, Irrigation, Restoration	Statewide	\$500,000	\$500,000	\$500,000
RRG Planning	Grants for local governments to plan and design projects that benefit renewable resources.	Infrastructure, Irrigation, Restoration	Statewide	\$2,000,000	\$1,000,000	\$1,500,000
RRG Irrigation Development	Grants for private individuals to develop irrigation systems to benefit renewable resources.	Irrigation	Statewide	\$500,000	\$500,000	\$2,000,000
RRG Private	Grants for private individuals to preserve, conserve, develop or manage water resources or other renewable resources.	Infrastructure, Irrigation, Restoration	Statewide	\$150,000	\$150,000	\$2,150,000
RRG Nonpoint Source Pollution Reduction	Grants for private individuals or local governments to preserve surface or groundwater quality.	Infrastructure, Irrigation, Restoration	Statewide	\$1,000,000	\$500,000	\$2,650,000
Watershed Management Grants	Watershed related planning and management activities	Management, capacity building & Planning, implementation of projects	Statewide	\$0	\$0	\$2,650,000
<b>Total Program Grants</b>				<b>\$4,150,000</b>	<b>\$2,650,000</b>	<b>\$2,650,000</b>

## Program Discussion – (RRGL loans)

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

## SUMMARY OF LEGISLATIVE ACTION

### HB 8 (Loans)

The Renewable Resource Grants and Loan (RRGL) program was created by the 1993 Legislature. The loan portion of the program is authorized under HB 8. The loan program authorizes the issuance of coal severance tax collateralized bonds to finance RRGL project loans.

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

### General Notes:

- As proposed by the executive, HB 8 contains 16 loans, including 7 new loans and 9 loans to be reauthorized
- Loans to be re-authorized include:
  - \$30.0 million (\$7.5 million each) for the 4 regional water authorities
  - \$6.7 million for refinancing existing debt or rehabilitation of infrastructure facilities

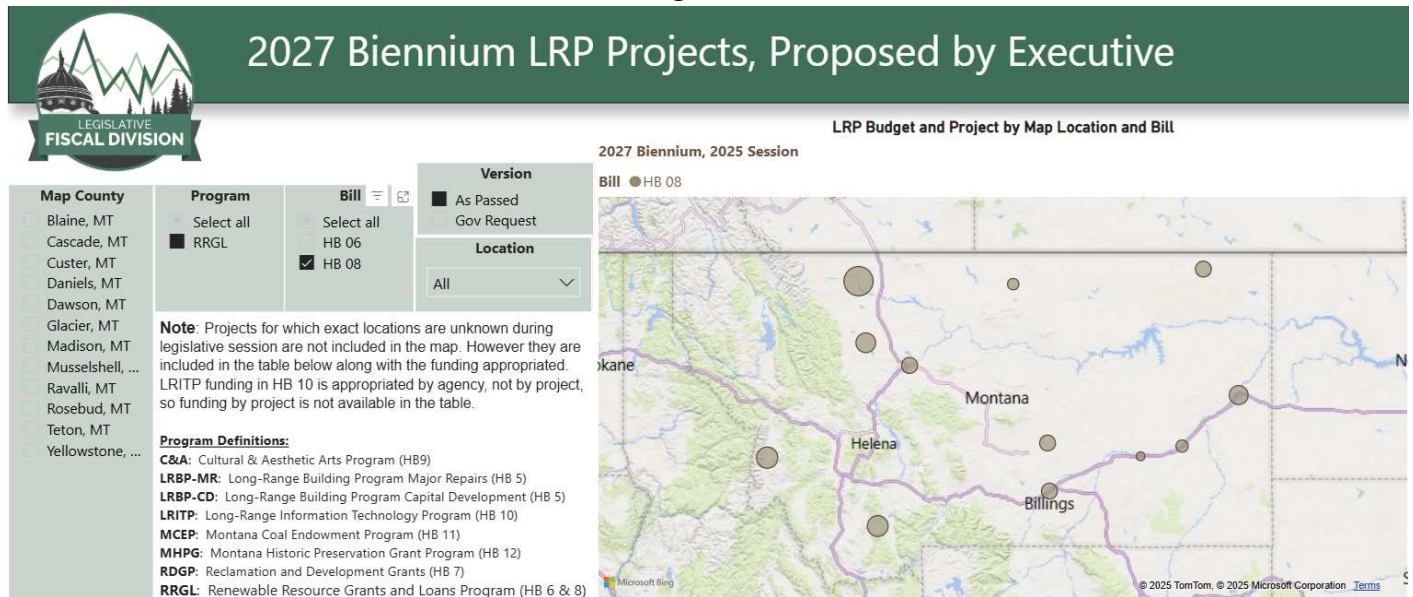
# RENEWABLE RESOURCE GRANT & LOAN PROGRAM

- St. Mary's Diversion Project local share - \$40.0 million
- Total loan funding was adopted at \$133.3 million

There were no changes made to HB 8 by the legislature from the executive proposal.

The 69th Legislature provided \$133.3 million of appropriations for the RRGL loan program for the 2027 biennium. Figure 32 shows a map of the projects for which loans were authorized with the size of the marker denoting the funding for the loans. Note that the loan for refinancing water and sewer facility existing debt and the loan reserve are not included in the map as the locations for the refinancing of debt have not yet been identified. Figure 33 lists the RRGL loan program projects by loan sponsor/applicant and project.

Figure 29



# RENEWABLE RESOURCE GRANT & LOAN PROGRAM

Figure 30

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

## EXECUTIVE BUDGET COMPARISON

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

Figure 31

Executive Comparison - Renewable Resource Grant and Loan Program				
Budget Item	2027 Budget Biennium	2027 Budget Biennium	Biennium Change	Biennium % Change
Number of Grants Func	70	68	(2)	-2.9%
Number of Loans Fundi	16	16	0	0.0%
	<u>Proposed</u>	<u>Appropriated</u>		
Grants Cost	\$8,724,500	\$7,494,500	(1,230,000)	-16.4%
Other Grants	4,150,000	2,650,000	(1,500,000)	-56.6%
Loan Program	133,318,288	133,318,288	0	0.0%
<b>Total Costs</b>	<b>\$146,192,788</b>	<b>\$143,462,788</b>	<b>(\$2,730,000)</b>	<b>-1.9%</b>
State Special	12,874,500	10,144,500	(2,730,000)	-26.9%
CST Bond Proceeds	133,318,288	133,318,288	0	0.0%
<b>Total Funds</b>	<b>\$146,192,788</b>	<b>\$143,462,788</b>	<b>(\$2,730,000)</b>	<b>-1.9%</b>

As shown in Figure 34, the legislature appropriated a RRGL budget that was \$143.5 million, or 1.9% less than the executive proposal. The legislature made the following changes to the executive proposal:

- Removed funding for the Granite Conservation District Allendale Ditch Rehabilitation
- Added funding for Sunset Irrigation District for Headgate Repair - \$20,000
- Removed \$4,750,000 of funding for infrastructure grants, which would have funded 23 of the 28 projects recommended in the executive budget
- Removed \$2,744,500 of funding, which would have funded 38 of the 41 projects recommended in the executive budget
- Reduced planning grants from \$2.5 million to \$1.0 million
- Reduced irrigation development grants from \$3.0 million to \$500,000
- Reduced private grants from \$3.2 million to \$150,000
- Reduced nonpoint source pollution reduction grants from \$4.2 million to \$500,000

## **RENEWABLE RESOURCE GRANT & LOAN PROGRAM**

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- Eliminated \$4.2 million in watershed management grants
- Language was adopted in HB 8 to encourage local governments to provide a match for the RRGL grant funding, directing DNRC to prioritize projects with such match

### **OTHER LEGISLATION**

HB 4 provides for \$4.2 million in ARPA interest earnings to be transferred to the Natural Resource Project Account.

# RECLAMATION AND DEVELOPMENT GRANTS PROGRAM

## RECLAMATION AND DEVELOPMENT GRANTS PROGRAM

### PROGRAM BUDGET COMPARISON

Figure 35 compares the 2025 biennium appropriated budget to the 2027 biennium appropriated budget by type of expenditure and source of funding.

Figure 32

Program Comparison - Reclamation and Development Grant Program				
Budget Item	2025 Budget Biennium	2027 Budget Biennium	Biennium Change	Biennium % Change
Number of Grants	10	11	1	10.0%
	<u>Appropriated</u>	<u>Appropriated</u>		
Grants Cost	\$3,653,347	\$5,523,260	\$1,869,913	51.2%
Other Grants Cost	2,000,000	750,000	-1,250,000	-62.5%
<b>Total Costs</b>	<b>\$5,653,347</b>	<b>\$6,273,260</b>	<b>\$619,913</b>	<b>11.0%</b>
State Special	\$5,653,347	\$6,273,260	\$619,913	11.0%
<b>Total Funds</b>	<b>\$5,653,347</b>	<b>\$6,273,260</b>	<b>\$619,913</b>	<b>11.0%</b>

### PROGRAM DISCUSSION

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

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

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

### LEGISLATIVE ACTION

- 14 projects were proposed in HB 7 for addressing hazardous waste remediation, steam bank stabilization, wastewater, and other projects to meet crucial state needs; project grants totaled \$6.8 million in the executive proposal. The legislature appropriated approximately \$5.5 million, funding the top 11 projects
- Reclamation Development Planning Grants was reduced from the executive proposal of \$1.5 million to \$750,000 and pilot water storage planning and projects were eliminated

Figure 36 shows a map of the HB 7 projects that were authorized; the funding, denoted by the size of the marker in the map, includes both state and matching funds. Figure 37 provides a complete list of the RDGP grants authorized by the 69th Legislature.

# RECLAMATION AND DEVELOPMENT GRANTS PROGRAM

Figure 33

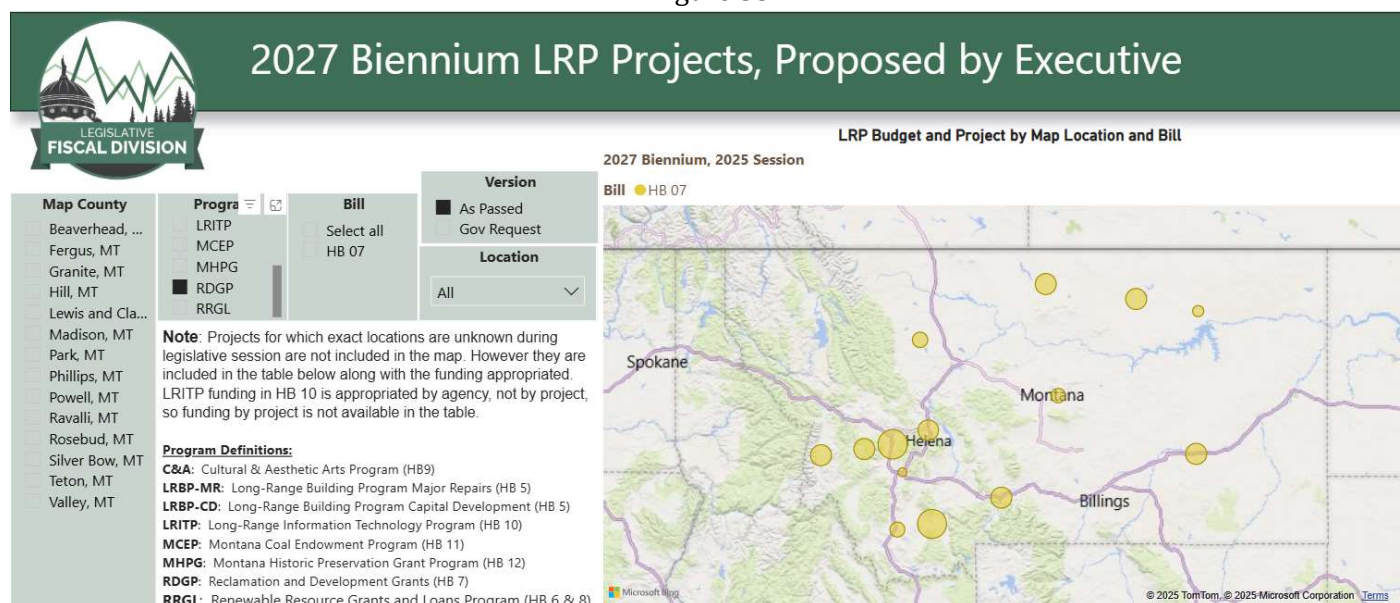


Figure 34

Reclamation and Development Grants (RDGP) HB 7 - 2027 Biennium									
Rank	Applicant	Project Description	Project Type	County	Project Total Cost	Grant Proposed	Approp	Cumulative Total	Grant % of Project Total
Grants Funded in HB 7									
1	Powell County	Upper Little Blackfoot Watershed Mine Reclamation Project	Reclamation	Powell	\$ 3,370,123	\$495,123	\$495,123	\$495,123	15%
2	Lewis and Clark County	Upper Blackfoot Mining Complex Water Treatment Plant Upgrades	Reclamation	Lewis and Clark	\$ 493,077	\$479,085	\$479,085	\$974,208	97%
3	Montana Department of Environmental Quality	DEQ Landusky Biological Treatment Plant Improvement	Reclamation	Phillips	\$ 771,425	\$500,000	\$500,000	\$1,474,208	65%
4	Powell County	Milwaukee Roundhouse Soil Remediation Phase 2	Reclamation	Powell	\$ 512,000	\$500,000	\$500,000	\$1,974,208	98%
5	Cooke Pass, Cooke City, Silver Gate Sewer District	Cooke City Wastewater System	Other Crucial	Park	\$ 14,678,996	\$500,000	\$500,000	\$2,474,208	3%
6	Beaverhead Conservation District	Elkhorn Mine and Mill Remedy and Restoration	Reclamation	Beaverhead	\$ 3,044,676	\$300,000	\$300,000	\$2,774,208	10%
7	DNRC Water Resources Division	DNRC Willow Creek Dam Rehabilitation	Crucial State	Madison	\$ 27,335,000	\$500,000	\$500,000	\$3,274,208	2%
8	DNRC Water Resources Division	DNRC East Fork of Rock Creek Dam Rehabilitation	Crucial State	Granite	\$ 21,471,828	\$500,000	\$500,000	\$3,774,208	2%
9	Montana Department of Environmental Quality	DEQ CR Kendall Mine Long-term Seep Water Management	Reclamation	Fergus	\$ 294,830	\$290,352	\$290,352	\$4,064,560	98%
10	Ruby Valley Conservation District	Upper Ruby River Habitat Rehabilitation Demonstration	Crucial State	Madison	\$ 458,700	\$458,700	\$458,700	\$4,523,260	100%
11	DNRC Water Resources Division	DNRC Painted Rocks Dam Rehabilitation Phase 1	Crucial State	Ravalli	\$ 24,530,000	\$500,000	\$500,000	\$5,023,260	2%
12	Milk River Joint Board of Control	Milk River Joint Board of Control Fresno Dam and Spillway	Crucial State	Hill	\$ 2,500,000	\$500,000	\$500,000	\$5,523,260	20%
13	Glasgow, City of	Glasgow Levee Improvements	Other Crucial	Valley	\$ 305,445	\$243,445	\$0	\$5,523,260	80%
14	Forsyth, City of	Forsyth Slaughterhouse Creek Flood Mitigation	Other Crucial	Rosebud	\$ 9,379,000	\$500,000	\$0	\$5,523,260	5%
15	DNRC Water Resources Division	DNRC Front Range Flood Preparedness	Other Crucial	Teton, Glacier	\$ 310,000	\$310,000	\$0	\$5,523,260	100%
16	Montana Technological University	Phytomining Remediation and Minerals Recovery Demonstration	Reclamation	Silver Bow	\$ 252,270	\$234,270	\$0	\$5,523,260	93%
<b>Total Grants</b>					<b>\$ 109,707,370</b>	<b>\$6,810,975</b>	<b>\$5,523,260</b>	<b>\$5,523,260</b>	<b>6%</b>
NA	Reclamation Development Planning Grants	Grants to local governments to plan and design projects eligible for the RDGP Program.	Reclamation, Crucial State Need	Statewide		\$1,500,000	\$750,000	\$750,000	
NA	Pilot Water Storage Planning and Project Grants	Grants to local governments to plan, design and implement water storage pilot projects to address drought	Crucial State Need	Statewide		\$5,300,000			

## FUNDING

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

## EXECUTIVE BUDGET COMPARISON

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

Figure 35

## RECLAMATION AND DEVELOPMENT GRANTS PROGRAM

Executive Comparison - Reclamation and Development Grant Program				
Budget Item	2027 Budget Biennium	2027 Budget Biennium	Biennium Change	Biennium % Change
Number of Grants	17 <u>Proposed</u>	11 <u>Appropriated</u>	(6)	-35.3%
Grants Cost	\$7,110,975	\$5,523,260	(1,587,715.00)	-22.3%
Other Grants Cost	6,800,000	750,000	(6,050,000.00)	-89.0%
<b>Total Costs</b>	<b>\$13,910,975</b>	<b>\$6,273,260</b>	<b>(7,637,715.00)</b>	<b>-54.9%</b>
State Special	\$13,910,975	\$6,273,260	(7,637,715.00)	-54.9%
<b>Total Funds</b>	<b>\$13,910,975</b>	<b>\$6,273,260</b>	<b>(\$7,637,715)</b>	<b>-54.9%</b>

The following changes were made to the executive budget proposal by the 69<sup>th</sup> Legislature:

- Grant funding was reduced to \$5,523,260 to balance the fund with estimated revenues, which funded the top 11 projects
- Reclamation Development Planning Grants was reduced from the executive proposal of \$1.5 million to \$750,000 and pilot water storage planning and projects were eliminated

# NATURAL RESOURCE PROJECTS ACCOUNT

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## NATURAL RESOURCE PROJECT ACCOUNT

Figure 39 shows the projected fund balance for the natural resource project account for the 2027 biennium. The natural resource projects account provides funding for the RRGL and RDGP programs, along with the funding for other natural resource projects and programs.

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

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

# NATURAL RESOURCE PROJECTS ACCOUNT

Figure 36

Natural Resource Project Account Fund Balance Analysis - 2027 Biennium					
Fund 02577					
	FY 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	2027 Biennium Projected
<b>Available Balance</b>	<b>\$18,956,192</b>	<b>\$48,157,549</b>	<b>\$4,824,308</b>	<b>\$2,017,308</b>	<b>\$4,824,308</b>
<b>Revenue Projections<sup>1</sup></b>					
RIT Interest Earnings	\$ 2,529,536	\$ 3,048,922	\$ 2,410,292	\$ 3,200,000	\$ 5,610,292
Resource Indemnity & Groundwater	\$ 2,268,369	\$ 1,894,738	\$ 1,388,128	\$ 1,248,114	\$ 2,636,242
Oil and Gas Tax	\$ 1,541,945	\$ 1,514,112	\$ 1,603,460	\$ 1,645,057	\$ 3,248,517
Other Revenues	\$ 22,250	\$ 1,000	\$ -	\$ -	\$ -
HB 6 General Fund Transfer	\$ 26,000,000	\$ -	\$ -	\$ -	\$ -
HB 4 ARPA Interest		\$ 4,223,552			
<b>Total Revenues</b>	<b>\$ 32,362,100</b>	<b>\$ 10,682,324</b>	<b>\$ 5,401,880</b>	<b>\$ 6,093,171</b>	<b>\$ 11,495,051</b>
<b>RRGL Appropriations - HB 6</b>					
Emergency Grants	\$ 108,725	\$ 191,275	\$ 250,000	\$ 250,000	\$ 500,000
Project Planning Grants	\$ 247,843	\$ 3,252,158	\$ 500,000	\$ 500,000	\$ 1,000,000
Irrigation Development Grants	\$ 30,000	\$ 470,000	\$ 250,000	\$ 250,000	\$ 500,000
Watershed Grants	\$ -	\$ 500,000	\$ -	\$ -	\$ -
Private Grants	\$ 37,952	\$ 62,048	\$ 75,000	\$ 75,000	\$ 150,000
Nonpoint source pollution reduction grants	\$ -	\$ 2,500,000	\$ 250,000	\$ 250,000	\$ 500,000
Project Grants Infrastructure	\$ 572,065	\$ 5,777,935	\$ 2,375,000	\$ 2,375,000	\$ 4,750,000
Project Grants Irrigation	\$ 21,070	\$ 2,538,930	\$ 1,372,250	\$ 1,372,250	\$ 2,744,500
Prior Biennia	\$ 996,936	\$ 6,036,803	\$ -	\$ -	\$ -
<b>Total RRGL Expenditures/Appropriations</b>	<b>\$ 2,014,591</b>	<b>\$ 21,329,149</b>	<b>\$ 5,072,250</b>	<b>\$ 5,072,250</b>	<b>\$ 10,144,500</b>
<b>RRGL Appropriations - HB 6</b>					
Milk River Project Loan Funding	\$ -	\$ 26,000,000	\$ -	\$ -	\$ -
<b>Total Milk River Project Loan Funding</b>	<b>\$ -</b>	<b>\$ 26,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>RDGP Appropriations - HB 7</b>					
Planning Grants	\$ 41,834	\$ 1,958,166	\$ 375,000	\$ 375,000	\$ 750,000
Prior Biennia	\$ 1,131,339	\$ 1,088,437		\$ -	\$ -
Current Biennium Grants	\$ 347,790	\$ 3,639,812	\$ 2,761,630	\$ 2,761,630	\$ 5,523,260
<b>Total RDGP Expenditures/Appropriations</b>	<b>\$ 1,520,963</b>	<b>\$ 6,686,415</b>	<b>\$ 3,136,630</b>	<b>\$ 3,136,630</b>	<b>\$ 6,273,260</b>
<b>Total Expenditures/Appropriations</b>	<b>\$ 3,535,554</b>	<b>\$ 54,015,564</b>	<b>\$ 8,208,880</b>	<b>\$ 8,208,880</b>	<b>\$ 16,417,760</b>
<b>Estimated Ending Fund Balance</b>	<b>\$48,157,549</b>	<b>\$ 4,824,308</b>	<b>\$ 2,017,308</b>	<b>\$ (98,401)</b>	<b>\$ (98,401)</b>

<sup>1</sup>HJ 2 projections

As shown in Figure 39, the natural resources state special revenue account is expected to begin the 2027 biennium with a fund balance of approximately \$4.8 million. Projected revenues to the account are \$11.4 million. This includes \$4.2 million transferred from ARPA interest earnings under HB 4.

In the 2027 biennium, appropriations for the RRGL grant program total \$10.1 million; this funding is for project grants authorized in HB 6 and other types of grants such as planning, emergency, private, and non-point source pollution reduction. Remaining appropriations from the natural resource projects account include \$750,000 of appropriation for RDGP planning grants and appropriations amounting to \$5.2 million in HB 7 for RDGP projects. The resulting ending fund balance is estimated to be negative by almost \$100,000 at the end of the 2027 biennium, but spending is limited by the available funds in the cash balance of the account.

# CULTURAL AND AESTHETIC GRANT PROGRAM

## CULTURAL AND AESTHETIC GRANT PROGRAM

### PROGRAM BUDGET COMPARISON

Figure 40 compares the 2025 biennium appropriated budget to the 2027 biennium appropriated budget by type of expenditure and source of funding.

Figure 37

Program Comparison - Cultural and Aesthetic Trust				
Budget Item	2025 Budget Biennium	2027 Budget Biennium	Biennium Change	Biennium % Change
Number of Grants	65	59	(6)	-9.2%
	<u>Appropriated</u>	<u>Appropriated</u>		
Grants Cost	\$ 558,876	\$ 953,500	\$ 394,624	70.6%
Capitol Complex Works of Art	\$ 30,000	\$ 30,000	\$ -	0.0%
<b>Total Costs</b>	<b>\$ 588,876</b>	<b>\$ 983,500</b>	<b>\$ 394,624</b>	<b>67.0%</b>
State Special	\$ 588,876	\$ 983,500	\$ 394,624	67.0%
<b>Total Funds</b>	<b>\$ 588,876</b>	<b>\$ 983,500</b>	<b>\$ 394,624</b>	<b>67.0%</b>

### PROGRAM DISCUSSION

The Cultural and Aesthetic (C&A) program provides appropriations for the protection of works of art in the State Capitol, and grants for cultural and aesthetic projects, including, but not limited to the visual, performing, literary, media arts, and folk arts; history, archaeology, archives, collections, research, and historic preservation; and the construction or renovation of cultural facilities.

The 3 categories of projects include: special projects, operating expenses, or capital expenditures

1. Special Projects
  - specific activities, services, or events of limited duration
  - the expansion of on-going programs to meet defined needs
  - projects which generate new sources of revenue
  - matching Requirement: Generally, each grant dollar must be matched with one dollar in cash or in-kind goods and services
2. Operational Support
  - matching Requirement: Generally, each grant dollar must be matched with one dollar in cash or in-kind goods and services
3. Capital Expenditure Projects
  - additions to a collection
  - acquisition of works of art, artifacts, or historical documents
  - historic preservation
  - construction or renovation of cultural facilities
  - currently, capital expenditure grants are limited to 25.0% of all grant funds available

## **CULTURAL AND AESTHETIC GRANT PROGRAM**

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- matching Requirement: Generally, each grant dollar must be matched with three dollars in cash or in-kind.

# CULTURAL AND AESTHETIC GRANT PROGRAM

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## Funding:

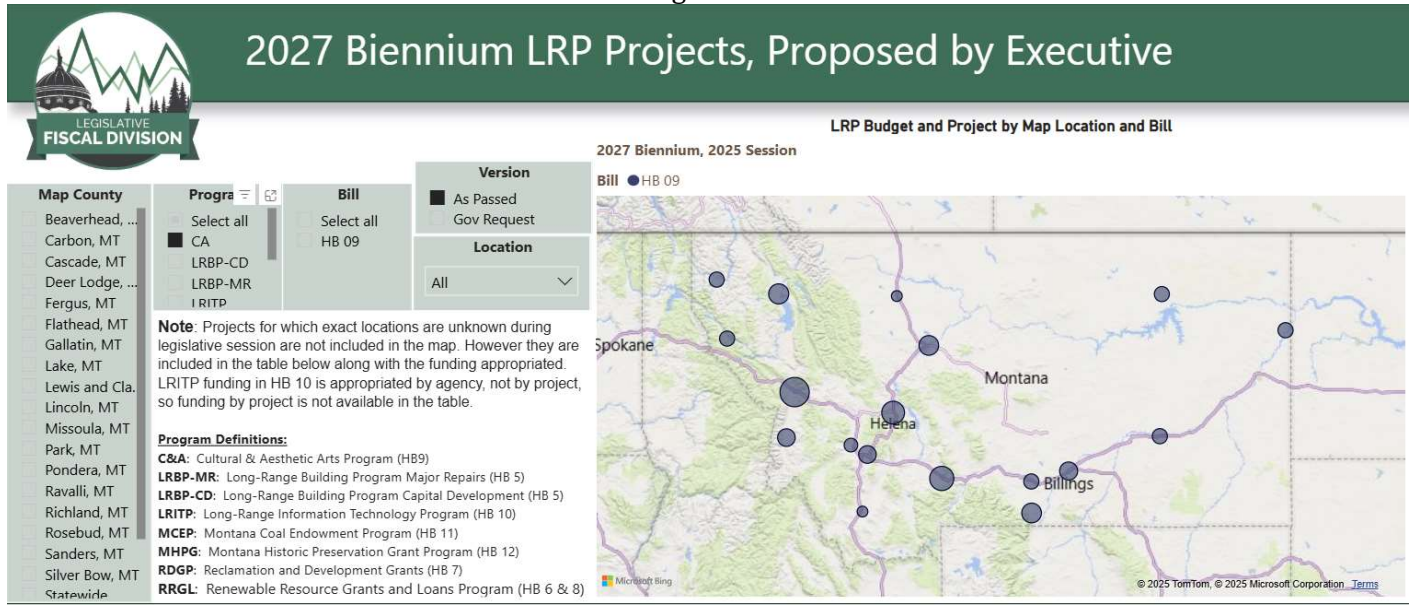
Funding for the C&A program comes from the interest earnings from the cultural trust, which are deposited into the Cultural & Aesthetic Arts Fund 2009. The trust receives a statutorily dedicated 0.63% of coal severance tax revenues. Funding is anticipated to be \$1.4 million over the 2027 biennium. The fund is projected to have a balance of \$222,048 at the end of the 2027 biennium.

## SUMMARY OF LEGISLATIVE ACTION

- The executive proposal included, in addition to the \$30,000 for the capital complex works of art, 74 C&A grants funded at \$953,500
- The 69th Legislature made a number of changes to the individual grants to prioritize the projects that provided testimony:
  - 17 projects did not provide any testimony and their funding was eliminated
    - Emerson Center for the Arts & Culture
    - Mission Valley Live
    - Alberta Bair Theater
    - Alpine Theatre Project
    - Billings Symphony Society
    - Bitterroot Performing Arts Council
    - Butte Citizens for Preservation and Revitalization
    - Cohesion Dance Project
    - Daly Mansion Preservation Trust
    - Glacier Symphony and Chorale
    - Grandstreet Broadwater Productions, Inc.
    - Lewistown Art Center
    - Montana Repertory Theatre, University of Montana
    - Opera Montana (Formerly Intermountain Opera)
    - Park County Museum of Art
    - Preserve Montana
    - Queen City Ballet Company
  - Preserve Montana funding was eliminated because a fiscal agreement was requested and not provided
  - 10 projects provided written-only testimony, and their funding was reduced to \$2,000
    - The Extreme History Project
    - Art Mobile of Montana
    - Bozeman Art Museum
    - C.M. Russell Museum
    - Helena Symphony
    - Montana Dance Arts Association
    - North Valley Music School
    - Pondera Arts Council
    - Whitefish Review, Inc.
    - Whitefish Theatre Co.
  - The amount from the project reductions was then reallocated to the projects that provided in-person or zoom testimony. Each project received an additional \$7,160 in recommended funding from the subcommittee recommendations
  - Total appropriation remained at \$983,500. Per section 4 of HB 9, \$25,020 was reduced for all projects exceeding \$2000 on a pro rata basis so that total would match appropriation of \$953,500

# CULTURAL AND AESTHETIC GRANT PROGRAM

Figure 38



# CULTURAL AND AESTHETIC GRANT PROGRAM

Figure 39

Cultural & Aesthetic Arts Program (C&A) HB 9 - 2027 Biennium								
Proj. #	Applicant / Project	Description	Community	Total Project Cost	Request	Appropriated	Cummulative Total	
Special Projects								
2601	Billings Preservation Society	Native American Artifact Exhibit Expansion	Billings	\$ 40,000	\$ 20,000	\$ 11,989	\$ 11,989	
2602	Chickadee Community Services	IndigiPalooza: A Celebration of Indigenous Creativity	Missoula	\$ 72,765	\$ 20,000	\$ 19,649	\$ 31,639	
2604	Great Falls Public Library	Indigenous Programming & Engagement	Great Falls	\$ 40,000	\$ 20,000	\$ 19,149	\$ 50,788	
2605	International Choral Festival	2025 Montana International Choral Festival	Missoula	\$ 295,750	\$ 20,000	\$ 19,649	\$ 70,438	
2607	Montana Jewish Project	Montana Jewish Project Staff Support	Helena	\$ 600,466	\$ 20,000	\$ 19,649	\$ 90,087	
2608	The Extreme History Project	The Story of Us: The Women Who Shaped Montana	Bozeman	\$ 122,310	\$ 20,000	\$ 2,000	\$ 92,087	
2609	Working Quiet	Dear Butte: Writer and Musician Residency Program	Butte	\$ 26,344	\$ 19,968	\$ 19,649	\$ 111,736	
Total Special Projects				\$ 1,197,635	\$ 139,968	\$ 111,736		
Operational Support								
2612	Alpine Theatre Project	Alpine Theatre Project FY26-27 Cultural Trust	Whitefish	\$ 786,048	\$ 20,000	\$ 20,149	\$ 131,886	
2613	Archie Bray Foundation	Supporting community growth and enrichment	Helena	\$ 2,242,035	\$ 20,000	\$ 19,149	\$ 151,035	
2614	Art Mobile of Montana	Operational Costs for Art Mobile of Montana	Dillon	\$ 48,839	\$ 20,000	\$ 2,000	\$ 153,035	
2615	Arts Missoula	Breaking barriers for Arts Missoula	Missoula	\$ 625,980	\$ 20,000	\$ 19,149	\$ 172,184	
2616	Bare Bait Dance	Bare Bait Dance and the Westside Theater	Missoula	\$ 261,379	\$ 20,000	\$ 19,149	\$ 191,334	
2619	Bozeman Art Museum	Operational Support for the Bozeman Art Museum	Bozeman	\$ 209,844	\$ 20,000	\$ 2,000	\$ 193,334	
2620	Bozeman Symphony Society	Bozeman Symphony Orchestra Operational Support	Bozeman	\$ 2,070,157	\$ 20,000	\$ 19,149	\$ 212,483	
2622	C.M. Russell Museum	C.M. Russell Museum Operational Support	Great Falls	\$ 3,333,700	\$ 20,000	\$ 2,000	\$ 214,483	
2623	Carbon County Arts Guild & Depot Gallery	Operational Support FY25-27	Red Lodge	\$ 178,582	\$ 20,000	\$ 20,149	\$ 234,633	
2624	Carbon County Historical Society	Operational Support for the Carbon County Historical So	Red Lodge	\$ 136,420	\$ 20,000	\$ 20,149	\$ 254,782	
2625	Clay Studio of Missoula	Clay and Community - the Clay Studio of Missoula	Missoula	\$ 440,852	\$ 20,000	\$ 19,149	\$ 273,931	
2630	Great Falls Symphony	Operational Support for the Great Falls Symphony	Great Falls	\$ 1,172,974	\$ 50,000	\$ 19,149	\$ 293,081	
2631	Hamilton Players, Inc	Hamilton Players Operational Support	Hamilton	\$ 192,304	\$ 20,000	\$ 19,649	\$ 312,730	
2632	Helena Symphony	Investing in Artistic & Audience Growth	Helena	\$ 1,145,553	\$ 20,000	\$ 2,000	\$ 314,730	
2633	Hockaday Museum of Art	Continuing the Artistic Legacy	Kalispell	\$ 364,506	\$ 20,000	\$ 19,149	\$ 333,880	
2634	Holter Museum of Art	Regenerative Operational Support	Helena	\$ 741,329	\$ 20,000	\$ 19,149	\$ 353,029	
2635	Humanities Montana	Rural MT Conversations & Speakers in Schools	Statewide	\$ 930,523	\$ 20,000	\$ 19,649	\$ 372,678	
2637	MAGDA (Montana Art Gallery Directors Association)	Connecting and Enhancing the Art and Culture of MT	Statewide	\$ 64,687	\$ 20,000	\$ 20,149	\$ 392,828	
2638	Mai Wah Society Museum	Operational Support for Montana's Chinese History Mus	Butte	\$ 16,120	\$ 20,046	\$ 19,649	\$ 412,477	
2639	MAPS Media Institute	MAPS Media Institute	Hamilton	\$ 546,868	\$ 20,000	\$ 19,649	\$ 432,127	
2640	MCT, Inc.	Missoula Children's Theatre: Vibrant Theater Experiences	Missoula	\$ 4,618,505	\$ 20,000	\$ 19,149	\$ 451,276	
2641	Missoula Art Museum	Expand MAM's Art for All Initiatives	Missoula	\$ 987,109	\$ 20,000	\$ 19,149	\$ 470,425	
2642	Missoula Symphony Association	Missoula Symphony Association Operational Support	Missoula	\$ 877,039	\$ 20,000	\$ 19,149	\$ 489,575	
2643	Missoula Writing Collaborative	Missoula Writing Collaborative: Youth Writing Residency	Missoula	\$ 347,484	\$ 20,000	\$ 19,149	\$ 508,724	
2644	MonDak Heritage Center	MonDak Heritage Center Operations	Sidney	\$ 177,336	\$ 20,000	\$ 20,149	\$ 528,873	
2645	Montana Association of Symphony Orchestras	Montana Association of Symphony Orchestras	Statewide	\$ 52,858	\$ 20,000	\$ 20,149	\$ 549,023	
2646	Montana Ballet Company	Operational Support	Bozeman	\$ 587,695	\$ 20,000	\$ 19,149	\$ 568,172	

## CULTURAL AND AESTHETIC GRANT PROGRAM

2647	Montana Dance Arts Association	Operational Support	Statewide	\$ 85,268	\$ 20,000	\$ 2,000	\$ 570,172
2648	Montana Performing Arts Consortium	Rural Consortium Operational Support	Statewide	\$ 48,085	\$ 20,000	\$ 20,149	\$ 590,322
2649	Montana Playwrights Network	Operational Support	Helena	\$ 49,870	\$ 20,000	\$ 19,649	\$ 609,971
2651	Montana Shakespeare in the Parks	Operational Support	Bozeman	\$ 1,110,918	\$ 20,000	\$ 19,149	\$ 629,120
2652	Montana Youth Symphony	Montana Youth Symphony	Bozeman	\$ 99,994	\$ 20,000	\$ 19,649	\$ 648,770
2653	North Valley Music School	North Valley Music School Cultural Trust FY26-27	Whitefish	\$ 487,568	\$ 20,000	\$ 2,000	\$ 650,770
2655	Paris Gibson Square Museum of Art	Operational Support	Great Falls	\$ 790,601	\$ 20,000	\$ 19,149	\$ 669,919
2657	Pondera Arts Council	Operational Support	Conrad	\$ 119,853	\$ 20,000	\$ 2,000	\$ 671,919
2660	Schoolhouse History & Art Center	Operational Support	Colstrip	\$ 114,534	\$ 20,000	\$ 20,149	\$ 692,069
2661	St. Timothy's Summer Music Festival	Sponsorship Support for Two Summer Music Festival Co	Anaconda	\$ 26,611	\$ 5,000	\$ 11,649	\$ 703,718
2662	Stillwater Historical Society	Stillwater Historical Society	Columbus	\$ 127,379	\$ 20,000	\$ 20,149	\$ 723,867
2663	Stumptown Art Studio	Supporting a Vibrant Art's Community	Whitefish	\$ 470,652	\$ 20,000	\$ 19,149	\$ 743,017
2664	Sunburst Arts and Education	Developing Cultural Opportunities	Eureka	\$ 45,609	\$ 20,000	\$ 20,149	\$ 763,166
2665	The Myrna Loy	Operational Support for High-Impact Arts and Culture Pr	Helena	\$ 750,848	\$ 20,000	\$ 19,149	\$ 782,316
2666	The Paradise Center	Pursuing Artistic Horizons	Paradise	\$ 166,878	\$ 20,000	\$ 20,149	\$ 802,465
2667	The Roxy Theater	Missoula's Historic Non-Profit Community Cinema	Missoula	\$ 1,371,425	\$ 20,000	\$ 19,149	\$ 821,614
2668	Tinworks Art	Tinworks Art Operating Support	Bozeman	\$ 653,531	\$ 20,000	\$ 19,149	\$ 840,764
2669	Verge Theater	Using theater to improve mental health and community	Bozeman	\$ 291,332	\$ 20,000	\$ 19,149	\$ 859,913
2670	Western Heritage Center	Operational Support	Billings	\$ 361,000	\$ 20,000	\$ 11,989	\$ 871,902
2671	Whitefish Review, Inc.	Whitefish Review	Whitefish	\$ 91,159	\$ 20,000	\$ 2,000	\$ 873,902
2672	Whitefish Theatre Co	Operating Support	Whitefish	\$ 541,061	\$ 20,000	\$ 2,000	\$ 875,902
2673	Zootown Arts Community Center	Operational Support	Missoula	\$ 936,322	\$ 20,000	\$ 19,149	\$ 895,052
<b>Total Operational Support</b>				<b>\$ 31,897,215</b>	<b>\$ 995,046</b>	<b>\$ 783,316</b>	
<b>Capital Expenditures</b>							
2674	Fort Peck Fine Arts Council, Inc.	Mechanicals Improvement Project	Glasgow	\$ 1,208,755	\$ 20,000	\$ 19,649	\$ 914,701
2675	Red Lodge Area Community Foundation	Roosevelt Center East Entrance Restoration	Red Lodge	\$ 40,115	15000	\$ 19,649	\$ 934,351
2676	Yellowstone Art Museum	Building Maintenance HVAC	Billings	\$ 81,375	\$ 20,000	\$ 19,149	\$ 953,500
<b>Total Capital Expenditures</b>				<b>\$ 1,330,245</b>	<b>\$ 55,000</b>	<b>\$ 58,448</b>	
<b>Total CA</b>				<b>\$ 34,425,095</b>	<b>\$ 1,190,014</b>	<b>\$ 953,500</b>	<b>\$ 953,500</b>

<sup>1</sup>Project expenses or average of most recent two years operating expenses

# CULTURAL AND AESTHETIC GRANT PROGRAM

## FUNDING

Figure 43 shows the projected fund balance for the C&A state special revenue account for the 2027 biennium. The C&A grant program is funded through the interest earnings of a statutory trust, which was created with deposits of coal severance tax distributions. The balance at the beginning for the 2027 biennium in the state special revenue account is estimated to be \$253,047. Interest income from the coal tax-funded cultural trust is projected to be \$1.4 million in the 2027 biennium.

Figure 40

Cultural & Aesthetic Grant Fund Balance Analysis - 2027 Biennium					
Funds - 02009					
	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	2027 Biennium Projected
<b>Estimated Beginning Fund Balance</b>	<b>\$ 904</b>	<b>\$ 148,654</b>	<b>\$ 253,047</b>	<b>\$ 235,172</b>	<b>\$ 253,047</b>
Revenues					
Interest Earnings Transferred-02009 <sup>1</sup>	\$648,340	\$ 651,942	\$ 681,709	\$ 716,918	\$ 1,398,627
<b>Total Revenues</b>	<b>\$648,340</b>	<b>\$ 641,590</b>	<b>\$ 681,709</b>	<b>\$ 716,918</b>	<b>\$ 1,398,627</b>
Expenditures					
MAC Administration <sup>2</sup>	\$221,387	\$ 227,760	\$ 222,835	\$ 223,292	\$ 446,127
Capitol Cmplx Works of Art	\$ -	\$ 30,000	\$ -	\$ 30,000	\$ 30,000
State Fund Dividend	\$ (236)	\$ (178)			\$ -
2027 Biennium Grants	\$279,439	\$ 279,437	\$ 476,750	\$ 476,750	\$ 953,500
<b>Total Expenditures/Appropriations</b>	<b>\$500,590</b>	<b>\$ 537,197</b>	<b>\$ 699,585</b>	<b>\$ 730,042</b>	<b>\$ 1,429,627</b>
<b>Ending Fund Balance</b>	<b>\$148,654</b>	<b>\$ 253,047</b>	<b>\$ 235,172</b>	<b>\$ 222,048</b>	<b>\$ 222,048</b>
<sup>1</sup> HJ 2					
<sup>2</sup> HB 2					

The appropriation in HB 2 for administration costs is \$446,127 for the 2027 biennium; administrative costs entail both the C&A project grant administration as well as administration of other grants and awards. Appropriations in HB 9 include \$30,000 for capitol complex artwork and \$978,520 for the authorized grants. Total appropriations from the C&A state special revenue account in the 2027 biennium total \$1.5 million, providing an estimated fund balance of \$197,028 by the end of the 2027 biennium.

# CULTURAL AND AESTHETIC GRANT PROGRAM

## EXECUTIVE BUDGET COMPARISON

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

Figure 41

Executive Comparison - Cultural and Aesthetic Trust					
Budget Item	2027 Budget Biennium	2027 Budget Biennium	Biennium Change	Biennium % Change	
Number of Grants	76	59	(17)	-22.4%	
	<u>Proposed</u>	<u>Appropriated</u>			
Grants Cost	\$ 953,500	\$ 953,500	\$ -	0.0%	
Capitol Complex Works of Art	\$ 30,000	\$ 30,000	\$ -	0.0%	
<b>Total Costs</b>	<b>\$ 983,500</b>	<b>\$ 983,500</b>	<b>\$ -</b>	<b>0.0%</b>	
State Special	\$ 983,500	\$ 983,500	\$ -	0.0%	
<b>Total Funds</b>	<b>\$ 983,500</b>	<b>\$ 983,500</b>	<b>\$ -</b>	<b>0.0%</b>	

As shown in Figure 44, the 69th Legislature appropriated the same amount of funding as proposed by the executive for the C&A grant program.

## OTHER LEGISLATION

The 69th Legislature enacted the following legislation that impacts the C&A grant program:

- HB 757: Revises criteria used by the Montana Arts Council to make recommendations for grants awarded under C&A grant program.
  - Criteria must prioritize:
    - Status of the applicant's previous grant awards in this order:
      - 1st priority given to those who have not received prior awards
      - 2nd priority given to those with 1 award in previous 3 funding cycles
      - 3rd priority given to those with 2 awards in previous 3 funding cycles
      - 4th priority given to those with 3 awards in previous 3 funding cycles
    - Size of the applicant's annual operating budget (which shall be adjusted for inflation between each funding cycle)
      - 1st priority given to those who have total operating budget less than \$99,999
      - 2nd priority given to those who have total operating budget between \$100,000 - \$249,999
      - 3rd priority given to those who have total operating budget between \$250,000 - \$499,999
      - 4th priority given to those who have total operating budget equal to or greater than \$500,000
    - Grant applicants with total program budget below \$100,000 and who do not receive federal funds are exempt from requirement to obtain a SAMs federal system grant award management number if the requirement would be burdensome

# MONTANA HISTORIC PRESERVATION GRANT PROGRAM

## MONTANA HISTORIC PRESERVATION GRANT PROGRAM

### PROGRAM BUDGET COMPARISON

Figure 45 compares the 2025 biennium appropriated budget to the 2027 biennium appropriated budget by type of expenditure and source of funding.

Figure 42

Program Comparison -Montana Historic Preservation Grant Program				
Budget Item	2025 Budget Biennium	2027 Budget Biennium	Biennium Change	Biennium % Change
Number of Grants	29	31	2	6.9%
Grants Cost	<u>Appropriated</u> \$ 8,501,314	<u>Appropriated</u> \$ 5,918,092	(2,583,222)	-30.4%
<b>Total Costs</b>	<b>\$ 8,501,314</b>	<b>\$ 5,918,092</b>	<b>(\$2,583,222)</b>	<b>-30.4%</b>
State Special	\$ 8,501,314	\$ 5,918,092	(2,583,222)	-30.4%
<b>Total Funds</b>	<b>\$ 8,501,314</b>	<b>\$ 5,918,092</b>	<b>(\$2,583,222)</b>	<b>-30.4%</b>

### PROGRAM DISCUSSION

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

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

1. Support of economic activity or stimulus
2. Purpose and need of proposed project
3. Project timeline and matching funds
4. State historic or heritage value
5. Experience and capacity to complete proposed project
6. Ongoing and future state economic benefit
7. The degree of local contribution
8. The anticipated public benefit

### SUMMARY OF LEGISLATIVE ACTION

The executive budget recommended 17 projects to be funded for a total of \$6.2 million, including 14 historic sites and 3 history museums (2 of the history museums are also historic sites).

Changes made by the 69th Legislature include:

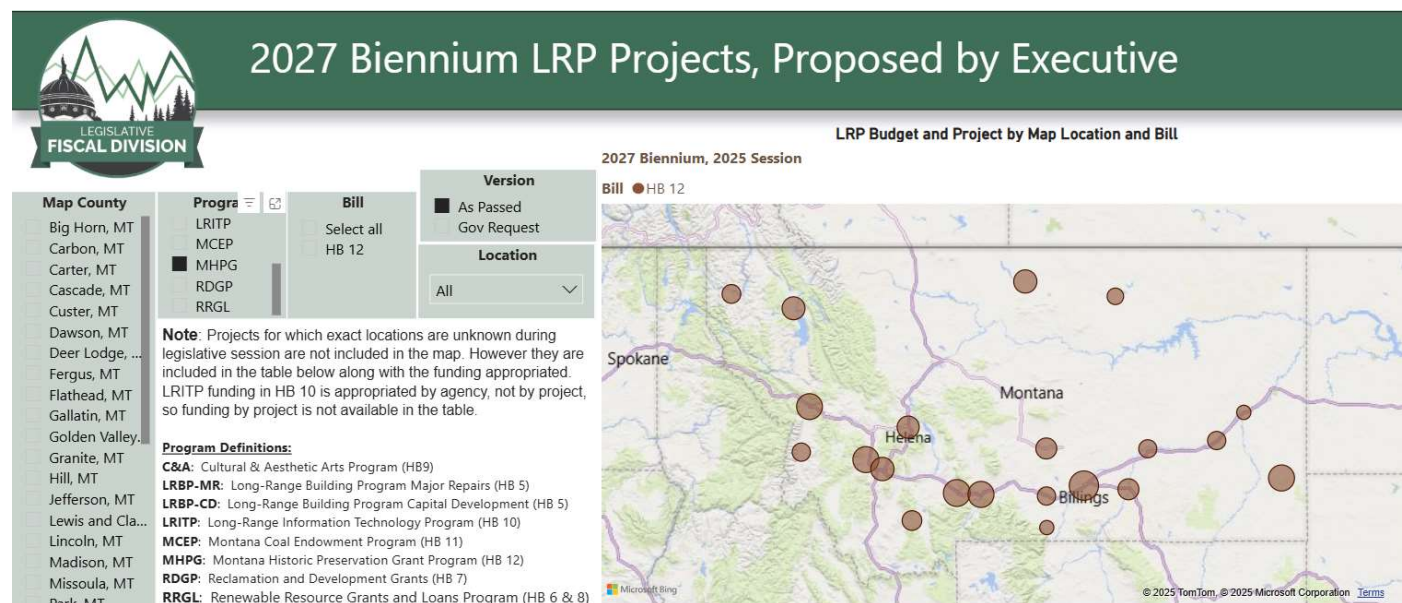
- Appropriations reduced for most projects to focus on historic preservation efforts only, and the total amount of funding decreased to approximately \$5.9 million

# MONTANA HISTORIC PRESERVATION GRANT PROGRAM

- Projects that were funded were those deemed to be historic preservation projects and not remodeling projects. Also, the projects that protect the building's envelope (roof, structure) and HVAC were prioritized

Figure 46 shows a map of the HB 12 projects that were authorized; the funding, denoted by the size of the marker on the map, includes both state and matching funds. Figure 47 on the following pages provides a complete listing of the grants authorized by the 69th Legislature.

Figure 43



# MONTANA HISTORIC PRESERVATION GRANT PROGRAM

Figure 44

Montana Historic Preservation Grant Program (MHPG) HB 12 - 2027 Biennium							
Rank	Applicant	Project/Project Description	County	Project Type	Total Project Cost	Appropriated	Cumulative Appropriation
1	Carter County Geological Society	Carter County Museum	Carter	History Museum	\$ 1,500,000	\$300,000	\$300,000
2	Lincoln County	Yaak Community Hall	Lincoln	Historic Site	\$ 210,000	\$168,000	\$468,000
2	Missoula Local Government Building Special District	John Engen Building	Missoula	Historic Site	\$ 623,800	\$350,000	\$818,000
5	Lincoln School Foundation	Lincoln School	Park	Historic Site	\$ 633,591	\$300,000	\$1,118,000
6	Moleo Media Group, LLC	KPRK Building	Gallatin	Historic Site	\$ 784,503	\$250,000	\$1,368,000
7	Lavina Public Schools	Historic Lavina School	Golden Valley	Historic Site	\$ 497,660	\$250,000	\$1,618,000
8	Metagabbro LLC	Red Lodge Pea Cannery and Brewery Building	Carbon	Historic Site	\$ 1,301,406	\$50,000	\$1,668,000
8	Yellowstone Art Museum	Yellowstone Art Museum Main Building	Yellowstone	History Museum	\$ 410,000	\$210,000	\$1,878,000
11	Madison County	Octagonal Pavilion	Madison	Historic Site	\$ 1,392,645	\$200,000	\$2,078,000
13	Friends of the Historical Museum at Fort Missoula	St. Michael's Church	Missoula	History Museum / Historic Site	\$ 143,115	\$114,492	\$2,192,492
13	Hamilton, City of	Historic Hamilton Town Hall	Ravalli	Historic Site	\$ 382,009	\$150,000	\$2,342,492
<b>Funding Line</b>							
18	Little Big Horn College	Apsaalooke Center for Culture and History	Big Horn	History Museum	\$ 625,000	\$250,000	\$2,592,492
19	Hill County	Hill County Courthouse	Hill	Historic Site	\$ 2,250,000	\$350,000	\$2,942,492
23	Sandstone Preservation Community	Sandstone and Cobblestone Schools Complex	Stillwater	Historic Site	\$ 655,000	\$150,000	\$3,092,492
25	Mathson Design, LLC	The Recording Center	Missoula	Historic Site	\$ 74,660	\$24,600	\$3,117,092
26	Treasure County 89ers, Inc.	Yucca Theatre	Treasure	History Museum	\$ 174,000	\$145,000	\$3,262,092
29	Anaconda-Deer Lodge County	Anaconda-Deer Lodge County Courthouse	Anaconda-Deer Lodge	Historic Site	\$ 550,000	\$200,000	\$3,462,092

## MONTANA HISTORIC PRESERVATION GRANT PROGRAM

		Kalispell Community Thrift/Scandinavian Methodist Church					
31	Community Thrift LLC		Flathead	Historic Site	\$ 288,500	\$50,000	\$3,512,092
32	Kalispell, City of	Kalispell Train Depot Building	Flathead	Historic Site	\$ 357,922	\$150,000	\$3,662,092
34	MSTB, LLC	Mountain States Telephone Building	Custer	Historic Site	\$ 1,230,000	\$150,000	\$3,812,092
35	Headwaters RC&D Area, Inc. on behalf of S-Team LLC	Butte Steam Plant Event Center	Butte-Silver Bow	Historic Site	\$ 769,000	\$200,000	\$4,012,092
39	Native American Development Corporation	Shrine Auditorium	Yellowstone	Historic Site	\$ 3,300,000	\$350,000	\$4,362,092
42	Lewis & Clark County	Lewis & Clark County Courthouse	Lewis & Clark	Historic Site	\$ 995,853	\$300,000	\$4,662,092
42	World Museum of Mining	St. Patrick's Mission	Butte-Silver Bow	History Museum / Historic Site	\$ 210,000	\$155,000	\$4,817,092
44	Anaconda Restoration Association	The Montana Hotel	Anaconda-Deer Lodge	Historic Site	\$ 142,724	\$51,000	\$4,868,092
48	Anaconda Benevolent Protective Order of Elks Lodge 239	Anaconda Elks Club	Anaconda-Deer Lodge	Historic Site	\$ 459,000	\$250,000	\$5,118,092
53	Billings Depot, Inc.	Billings Depot Caboose	Yellowstone	Historic Site	\$ 295,000	\$150,000	\$5,268,092
53	West Yellowstone, Town of	Union Pacific Dining Lodge	Gallatin	Historic Site	\$ 1,130,000	\$300,000	\$5,568,092
55	Prairie County Museum & Evelyn Cameron Gallery, Inc.	Prairie County Museum & Evelyn Cameron Gallery	Prairie	History Museum / Historic Site	\$ 89,011	\$50,000	\$5,618,092
59	Villa Theatre Foundation	Villa Theatre	Phillips	Historic Site	\$ 600,000	\$100,000	\$5,718,092
61	Yellowstone Gateway Museum Foundation	Yellowstone Gateway Museum of Park County	Park	History Museum	\$ 604,620	\$200,000	\$5,918,092
<b>Total MHPG</b>					<b>\$ 22,679,019</b>	<b>\$5,918,092</b>	

# MONTANA HISTORIC PRESERVATION GRANT PROGRAM

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## FUNDING

The historic preservation grants account funds appropriations for MHPG projects authorized by the legislature. The account receives 6.0% of revenues as established in 15-68-820, MCA, the accommodations sales tax.

The allowable uses of the historic preservation account, as provided in 22-3-1307, MCA, “may be used only for historic preservation grants to be administered by the department of commerce.” Unlike many of the other grant programs of the LRP budget, administrative costs are not funded through the grants account. Figure 48 shows the projected balance of the historic preservation grants state special fund for the 2027 biennium. The fund is expected to begin the 2027 biennium with a negative fund balance if all prior biennium grants were expended, which cannot happen since spending is limited to available cash in the fund. Total revenue deposited into the account in the 2027 biennium is projected to be \$7.9 million.

Figure 45

## MONTANA HISTORIC PRESERVATION GRANT PROGRAM

Montana Historic Preservation Grants - 2027 Biennium					
Fund 02217					
	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	2027 Biennium Projected
Estimated Beginning Fund Balance	\$ 5,421,966	\$ 5,345,241	\$ (2,402,027)	\$ (1,512,453)	\$ (2,402,027)
Revenue Projections <sup>1</sup>					
Accommodation Sales Tax	\$ 2,974,585	\$ 3,425,443	\$ 3,848,620	\$ 4,006,418	\$ 7,855,038
Expenditures					
Prior Biennium	\$ 567,028	\$ 2,288,943			\$ -
2027 Biennium Grants <sup>2</sup>	\$ 2,484,276	\$ 8,883,768	\$ 2,959,046	\$ 2,959,046	\$ 5,918,092
Fund Balance Adjustment	\$ 7	\$ -			\$ -
<b>Total Expenditures/Appropriations</b>	<b>\$ 3,051,310</b>	<b>\$ 11,172,711</b>	<b>\$ 2,959,046</b>	<b>\$ 2,959,046</b>	<b>\$ 5,918,092</b>
<b>Ending Fund Balance</b>	<b>\$ 5,345,241</b>	<b>\$ (2,402,027)</b>	<b>\$ (1,512,453)</b>	<b>\$ (465,081)</b>	<b>\$ (465,081)</b>
<sup>1</sup> HJ 2 <sup>2</sup> Approx \$1.18 million expected to revert at end of year because of projects that met start-up conditions but decided to withdraw, which is still included at this time.					

Total appropriations from the account for projects authorized are \$5.9 million. The resulting ending fund balance at the end of the 2027 biennium is projected to be negative by \$465,081.

### EXECUTIVE BUDGET COMPARISON

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

Figure 46

## MONTANA HISTORIC PRESERVATION GRANT PROGRAM

Executive Comparison -Montana Historic Preservation Grant Program				
Budget Item	2027 Budget Biennium	2027 Budget Biennium	Biennium Change	Biennium % Change
Number of Grants	29	11	(18)	-62.1%
Grants Cost	<u>Proposed</u> \$ 6,229,375	<u>Appropriated</u> \$ 5,918,092	(311,283)	-5.0%
<b>Total Costs</b>	<b>\$ 6,229,375</b>	<b>\$ 5,918,092</b>	<b>(\$311,283)</b>	<b>-5.0%</b>
State Special	\$ 6,229,375	\$ 5,918,092	(311,283)	-5.0%
<b>Total Funds</b>	<b>\$ 6,229,375</b>	<b>\$ 5,918,092</b>	<b>(\$311,283)</b>	<b>-5.0%</b>

As shown in Figure 49, the legislature appropriated a MHPG budget that was \$311,283, or 5.0% lower than the executive proposal, and the number of MHPG grant awards was decreased. The executive proposed appropriations of \$6.2 million to fund 29 projects out of the 63 projects that were included for authorization in HB 12. After the legislative reductions, it will fund 11 projects out of 31 projects that were included for authorization in HB 12.

### OTHER LEGISLATION

The 69th Legislature enacted the following legislation that impacts the MHPG:

- HB 756: Revises criteria used by Department of Commerce to make recommendations for grants awarded under MHPG. Criteria must prioritize:
  - Public access and use with public benefit
  - The degree which the project will protect the building envelope (structure's walls, roof, doors, windows and/or foundation) and internal utility systems (electric, plumbing and HVAC)
  - The degree of economic stimulus or economic activity including job and work creation
  - The purpose of the project to address infrastructure, maintenance, or building code issues
  - Timing of the project, including access to matching funds and permit approvals for work to be completed without delay
  - Historic or heritage value to State of Montana
  - Successful track record or experience of the organization
  - Local contribution toward cost