

Agency Base Budget Comparison

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

| Agency Base Budget Comparison | | | | | | |
|--------------------------------|-------------------|-------------------|-------------------|---------------------------|----------------|--|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent | |
| PB | 169.34 | 171.59 | 171.59 | 2.25 | 0.7% | |
| General Fund | 24,272,162 | 28,113,980 | 24,888,329 | 4,457,985 | 9.2% | |
| State/Other Special Rev. Funds | 2,419,181 | 3,158,103 | 3,149,586 | 1,469,327 | 30.4% | |
| Total Funds | 26,691,343 | 31,272,083 | 28,037,915 | 5,927,312 | 11.1% | |
| Personal Services | 19,841,829 | 21,302,092 | 20,852,939 | 2,471,373 | 6.2% | |
| Operating Expenses | 6,124,127 | 7,050,351 | 5,658,936 | 461,033 | 3.8% | |
| Equipment & Intangible Assets | 530,347 | 2,769,640 | 1,376,040 | 3,084,986 | 290.8% | |
| Transfers | 195,040 | 150,000 | 150,000 | (90,080) | (23.1%) | |
| Total Expenditures | 26,691,343 | 31,272,083 | 28,037,915 | 5,927,312 | 11.1% | |
| Total Ongoing | 26,691,343 | 30,961,656 | 27,859,660 | 5,438,630 | 10.2% | |
| Total One-Time-Only | 1,105,750 | 310,427 | 178,255 | (1,722,818) | (77.9%) | |

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Agency Highlights

| Legislative Branch Major Budget Highlights |
|--|
| <ul style="list-style-type: none"> • The Legislative Branch’s 2027 biennium budget is approximately \$5.9 million or 11.1% higher than the FY 2025 base budget. Significant legislative changes include: <ul style="list-style-type: none"> ◦ An increase in general fund of approximately \$2.9 million primarily for information technology upgrades ◦ An increase in general fund and state special revenue of \$1.4 million for personal services because of benefits, longevity, and pay rate changes ◦ An increase in general fund of \$880,000 in Legislative Committees and Activities because of the cyclical nature of the legislative cycle and increases in the allowed lodging and mileage rates and legislator activity dues ◦ An increase of approximately \$334,000 for the estimated costs of the school funding interim commission that is statutorily required to meet once every ten years |

Agency Actuals and Budget Comparison

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

| Agency Actuals and Budget Comparison | | | | | |
|--------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 17,208,312 | 18,540,509 | 19,841,829 | 21,302,092 | 20,852,939 |
| Operating Expenses | 6,483,294 | 7,137,725 | 6,199,127 | 7,050,351 | 5,658,936 |
| Equipment & Intangible Assets | 1,034,370 | 1,783,173 | 1,561,097 | 2,769,640 | 1,376,040 |
| Transfers | 125,000 | 200,560 | 195,040 | 150,000 | 150,000 |
| Total Expenditures | \$24,850,976 | \$27,661,967 | \$27,797,093 | \$31,272,083 | \$28,037,915 |
| General Fund | 22,527,740 | 25,140,407 | 25,377,912 | 28,113,980 | 24,888,329 |
| State/Other Special Rev. Funds | 2,323,236 | 2,521,560 | 2,419,181 | 3,158,103 | 3,149,586 |
| Total Funds | \$24,850,976 | \$27,661,967 | \$27,797,093 | \$31,272,083 | \$28,037,915 |
| Total Ongoing | \$24,395,795 | \$26,375,717 | \$26,691,343 | \$30,961,656 | \$27,859,660 |
| Total OTO | \$455,181 | \$1,286,250 | \$1,105,750 | \$310,427 | \$178,255 |

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Executive Budget Comparison

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

| Executive Budget Comparison | | | | | | | | |
|--------------------------------|------------------------|------------------------------------|--------------------------------------|--|------------------------------------|--------------------------------------|--|--|
| Budget Item | Approp. Fiscal 2025 | Executive Budget Fiscal 2026 | Legislative Budget Fiscal 2026 | Leg — Exec. Difference Fiscal 2026 | Executive Budget Fiscal 2027 | Legislative Budget Fiscal 2027 | Leg — Exec. Difference Fiscal 2027 | Biennium Difference Fiscal 26-27 |
| Personal Services | 19,841,829 | 21,170,933 | 21,302,092 | 131,159 | 20,852,939 | 20,852,939 | 0 | 131,159 |
| Operating Expenses | 6,174,127 | 6,715,749 | 7,050,351 | 334,602 | 5,325,654 | 5,658,936 | 333,282 | 667,884 |
| Equipment & Intangible Assets | 530,347 | 2,769,640 | 2,769,640 | 0 | 1,376,040 | 1,376,040 | 0 | 0 |
| Transfers | 195,040 | 150,000 | 150,000 | 0 | 150,000 | 150,000 | 0 | 0 |
| Total Costs | \$26,741,343 | \$30,806,322 | \$31,272,083 | \$465,761 | \$27,704,633 | \$28,037,915 | \$333,282 | \$799,043 |
| General Fund | 24,322,162 | 27,645,732 | 28,113,980 | 468,248 | 24,552,399 | 24,888,329 | 335,930 | 804,178 |
| State/other Special Rev. Funds | 2,419,181 | 3,160,590 | 3,158,103 | (2,487) | 3,152,234 | 3,149,586 | (2,648) | (5,135) |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Funds | \$26,741,343 | \$30,806,322 | \$31,272,083 | \$465,761 | \$27,704,633 | \$28,037,915 | \$333,282 | \$799,043 |
| Total Ongoing | \$26,691,343 | \$30,520,895 | \$30,961,656 | \$440,761 | \$27,551,378 | \$27,859,660 | \$308,282 | \$749,043 |
| Total OTO | \$50,000 | \$285,427 | \$310,427 | \$25,000 | \$153,255 | \$178,255 | \$25,000 | \$50,000 |

The legislature adopted appropriations that are approximately \$799,000 greater than the proposed appropriations for the 2027 biennium. The significant biennial differences in the legislative budget compared to the proposed budget include:

- The legislature adopted an increase of \$660,000 for information technology costs to correct for an error in the proposed budget in the statewide present law adjustment for fixed costs
- The legislature adopted increases of approximately \$131,000 for additional personal services funding for the Senate and House of Representatives. This funding was inadvertently left out of HB 1
- The legislature adopted a one-time-only increase of \$50,000 for Legislative Audit Division hotline cases and other contingencies
- The legislature adopted a decrease of approximately \$42,000 in fixed costs for rent

Funding

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

| Total Legislative Branch Funding by Source of Authority 2027 Biennium Budget Request | | | | | | |
|---|-------------------|------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds | HB2 Ongoing | HB2 OTO | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds |
| 01100 General Fund | 53,196,624 | (194,315) | | | 53,002,309 | 89.4% |
| 02042 Legislative Audit | 5,155,933 | 682,997 | | | 5,838,930 | 9.8% |
| 02800 Reimbursable Activities | 468,759 | | | | 468,759 | 0.8% |
| State Special Revenue Total | 5,624,692 | 682,997 | - | - | 6,307,689 | 10.6% |
| Federal Special Revenue Total | - | - | - | - | - | 0.0% |
| Proprietary Fund Total | - | - | - | - | - | 0.0% |
| Total of All Funds | 58,821,316 | 488,682 | - | - | 59,309,998 | |
| Percent of All Sources of Authority | 99.2% | 0.8% | 0.0% | 0.0% | | |

HB 2 Appropriations

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

Statutory Appropriations

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

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

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

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

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

Legislative Budget

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

| Legislative Branch 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|--|-------------------|------------------|-----------------|-------------------|---------------------|-------------------|------------------|-----------------|-------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 24,272,162 | 2,419,181 | 0 | 26,691,343 | 85.4% | 24,272,162 | 2,419,181 | 0 | 26,691,343 | 95.2% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 599,130 | 130,050 | 0 | 729,180 | 2.3% | 568,755 | 130,985 | 0 | 699,740 | 2.5% |
| Fixed Costs | (591,805) | (2,525) | 0 | (594,330) | (1.9%) | (677,669) | (2,525) | 0 | (680,194) | (2.4%) |
| Inflation Deflation | (376) | (233) | 0 | (609) | (0.0%) | (254) | (157) | 0 | (411) | (0.0%) |
| Total Statewide PL | 6,949 | 127,292 | 0 | 134,241 | 0.4% | (109,168) | 128,303 | 0 | 19,135 | 0.1% |
| Present Law (PL) | 3,669,471 | 159,622 | 0 | 3,829,093 | 12.2% | 889,457 | 141,742 | 0 | 1,031,199 | 3.7% |
| New Proposals | 165,398 | 452,008 | 0 | 617,406 | 2.0% | (164,122) | 460,360 | 0 | 296,238 | 1.1% |
| Total HB 2 Adjustments | 3,841,818 | 738,922 | 0 | 4,580,740 | 14.6% | 616,167 | 730,405 | 0 | 1,346,572 | 4.8% |
| Total Budget | 28,113,980 | 3,158,103 | 0 | 31,272,083 | | 24,888,329 | 3,149,586 | 0 | 28,037,915 | |

Language and Statutory Authority

All appropriations for the Legislative Branch are biennial.

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

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

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

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

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | |
|--------------------------------|-------------------|-------------------|-------------------|---------------------------|-----------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| PB | 88.17 | 90.17 | 90.17 | 2.00 | 1.1% |
| General Fund | 16,034,692 | 18,481,070 | 16,435,922 | 2,847,608 | 8.9% |
| State/Other Special Rev. Funds | 51,028 | 238,739 | 230,020 | 366,703 | 359.3% |
| Total Funds | 16,085,720 | 18,719,809 | 16,665,942 | 3,214,311 | 10.0% |
| Personal Services | 10,446,093 | 10,979,486 | 11,072,427 | 1,159,727 | 5.6% |
| Operating Expenses | 4,914,240 | 4,820,683 | 4,067,475 | (940,322) | (9.6%) |
| Equipment & Intangible Assets | 530,347 | 2,769,640 | 1,376,040 | 3,084,986 | 290.8% |
| Transfers | 195,040 | 150,000 | 150,000 | (90,080) | (23.1%) |
| Total Expenditures | 16,085,720 | 18,719,809 | 16,665,942 | 3,214,311 | 10.0% |
| Total Ongoing | 16,085,720 | 18,719,809 | 16,665,942 | 3,214,311 | 10.0% |
| Total One-Time-Only | 1,055,750 | | | (2,111,500) | (100.0%) |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Budget Item | Actuals | Approp. | Approp. | Legislative | Legislative |
| | Fiscal 2024 | Fiscal 2024 | Fiscal 2025 | Fiscal 2026 | Fiscal 2027 |
| Personal Services | 9,027,108 | 9,506,032 | 10,446,093 | 10,979,486 | 11,072,427 |
| Operating Expenses | 5,264,759 | 5,299,475 | 4,939,240 | 4,820,683 | 4,067,475 |
| Equipment & Intangible Assets | 1,034,370 | 1,783,173 | 1,561,097 | 2,769,640 | 1,376,040 |
| Transfers | 125,000 | 200,560 | 195,040 | 150,000 | 150,000 |
| Total Expenditures | \$15,451,237 | \$16,789,240 | \$17,141,470 | \$18,719,809 | \$16,665,942 |
| General Fund | 15,211,032 | 16,539,748 | 17,090,442 | 18,481,070 | 16,435,922 |
| State/Other Special Rev. Funds | 240,205 | 249,492 | 51,028 | 238,739 | 230,020 |
| Total Funds | \$15,451,237 | \$16,789,240 | \$17,141,470 | \$18,719,809 | \$16,665,942 |
| Total Ongoing | \$15,003,640 | \$15,567,990 | \$16,085,720 | \$18,719,809 | \$16,665,942 |
| Total OTO | \$447,597 | \$1,221,250 | \$1,055,750 | \$0 | \$0 |

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Funding

HB 2 Appropriations

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

Legislative Budget

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

| Legislative Services Division 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|-------------------|----------------|-----------------|-------------------|---------------------|-------------------|----------------|-----------------|-------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 16,034,692 | 51,028 | 0 | 16,085,720 | 85.9% | 16,034,692 | 51,028 | 0 | 16,085,720 | 96.5% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 365,100 | 0 | 0 | 365,100 | 2.0% | 458,040 | 0 | 0 | 458,040 | 2.7% |
| Fixed Costs | (588,718) | 0 | 0 | (588,718) | (3.1%) | (674,582) | 0 | 0 | (674,582) | (4.0%) |
| Inflation Deflation | (16) | 0 | 0 | (16) | (0.0%) | (11) | 0 | 0 | (11) | (0.0%) |
| Total Statewide PL | (223,634) | 0 | 0 | (223,634) | (1.2%) | (216,553) | 0 | 0 | (216,553) | (1.3%) |
| Present Law (PL) | 2,788,533 | 137,352 | 0 | 2,925,885 | 15.6% | 736,662 | 128,633 | 0 | 865,295 | 5.2% |
| New Proposals | (118,521) | 50,359 | 0 | (68,162) | (0.4%) | (118,879) | 50,359 | 0 | (68,520) | (0.4%) |
| Total HB 2 Adjustments | 2,446,378 | 187,711 | 0 | 2,634,089 | 14.1% | 401,230 | 178,992 | 0 | 580,222 | 3.5% |
| Total Budget | 18,481,070 | 238,739 | 0 | 18,719,809 | | 16,435,922 | 230,020 | 0 | 16,665,942 | |

Present Law Adjustments -

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

| Present Law Adjustments | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|---|-----------------------|--------------------|------------------|-----------------|--------------------|-----------------------|------------------|------------------|-----------------|------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 365,100 | 0 | 0 | 365,100 | 0.00 | 458,040 | 0 | 0 | 458,040 |
| DP 2 - Fixed Costs | 0.00 | (588,718) | 0 | 0 | (588,718) | 0.00 | (674,582) | 0 | 0 | (674,582) |
| DP 3 - Inflation Deflation | 0.00 | (16) | 0 | 0 | (16) | 0.00 | (11) | 0 | 0 | (11) |
| DP 4 - Present Law | 0.00 | 2,473,405 | 137,352 | 0 | 2,610,757 | 0.00 | 422,496 | 128,633 | 0 | 551,129 |
| DP 23 - Fixed Costs Adjustment for Office/Non-Office Rent | 0.00 | (14,872) | 0 | 0 | (14,872) | 0.00 | (15,834) | 0 | 0 | (15,834) |
| DP 2010 - Information Technology | 0.00 | 330,000 | 0 | 0 | 330,000 | 0.00 | 330,000 | 0 | 0 | 330,000 |
| Grand Total All Present Law Adjustments | 0.00 | \$2,564,899 | \$137,352 | \$0 | \$2,702,251 | 0.00 | \$520,109 | \$128,633 | \$0 | \$648,742 |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 4 - Present Law -

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

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

DP 23 - Fixed Costs Adjustment for Office/Non-Office Rent -

The legislature adopted an adjustment to fixed costs that reduced office and non-office rent included in DP 2.

DP 2010 - Information Technology -

The legislature adopted general fund appropriations for information technology costs.

New Proposals -

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

| New Proposals | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|------------------------------------|-----------------------|--------------------|-----------------|-----------------|-------------------|-----------------------|--------------------|-----------------|-----------------|-------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 2005 - Capitol Security | 0.00 | 60,000 | 0 | 0 | 60,000 | 0.00 | 60,000 | 0 | 0 | 60,000 |
| DP 2006 - Mitchell Building Rent | 0.00 | (128,162) | 0 | 0 | (128,162) | 0.00 | (128,520) | 0 | 0 | (128,520) |
| DP 2007 - 1st Level Account Switch | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 |
| DP 2008 - Modified PB to Permanent | 2.00 | 0 | 0 | 0 | 0 | 2.00 | 0 | 0 | 0 | 0 |
| DP 2009 - Fund Switch | 0.00 | (50,359) | 50,359 | 0 | 0 | 0.00 | (50,359) | 50,359 | 0 | 0 |
| Total | 2.00 | (\$118,521) | \$50,359 | \$0 | (\$68,162) | 2.00 | (\$118,879) | \$50,359 | \$0 | (\$68,520) |

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

DP 2005 - Capitol Security -

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

DP 2006 - Mitchell Building Rent -

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

DP 2007 - 1st Level Account Switch -

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

DP 2008 - Modified PB to Permanent -

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

DP 2009 - Fund Switch -

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

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | |
|--------------------------------|------------------|------------------|------------------|---------------------------|--------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| PB | 1.92 | 1.92 | 1.92 | 0.00 | 0.0% |
| General Fund | 1,049,002 | 2,141,424 | 1,214,790 | 1,258,210 | 60.0% |
| State/Other Special Rev. Funds | 117 | | | (234) | (100.0%) |
| Total Funds | 1,049,119 | 2,141,424 | 1,214,790 | 1,257,976 | 60.0% |
| Personal Services | 260,779 | 641,138 | 274,775 | 394,355 | 75.6% |
| Operating Expenses | 788,340 | 1,500,286 | 940,015 | 863,621 | 54.8% |
| Total Expenditures | 1,049,119 | 2,141,424 | 1,214,790 | 1,257,976 | 60.0% |
| Total Ongoing | 1,049,119 | 1,907,497 | 1,114,535 | 923,794 | 44.0% |
| Total One-Time-Only | | 233,927 | 100,255 | 334,182 | 0.0% |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Budget Item | Actuals | Approp. | Approp. | Legislative | Legislative |
| | Fiscal 2024 | Fiscal 2024 | Fiscal 2025 | Fiscal 2026 | Fiscal 2027 |
| Personal Services | 191,171 | 400,328 | 260,779 | 641,138 | 274,775 |
| Operating Expenses | 840,332 | 1,258,041 | 788,340 | 1,500,286 | 940,015 |
| Total Expenditures | \$1,031,503 | \$1,658,369 | \$1,049,119 | \$2,141,424 | \$1,214,790 |
| General Fund | 1,031,503 | 1,658,252 | 1,049,002 | 2,141,424 | 1,214,790 |
| State/Other Special Rev. Funds | 0 | 117 | 117 | 0 | 0 |
| Total Funds | \$1,031,503 | \$1,658,369 | \$1,049,119 | \$2,141,424 | \$1,214,790 |
| Total Ongoing | \$1,031,503 | \$1,658,369 | \$1,049,119 | \$1,907,497 | \$1,114,535 |
| Total OTO | \$0 | \$0 | \$0 | \$233,927 | \$100,255 |

Page Reference

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Funding

HB 2 Appropriations

Legislative Committees and Activities is funded entirely with general fund.

Legislative Budget

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

| Legislative Committees and Activities 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|------------------|---------------|-----------------|------------------|---------------------|------------------|---------------|-----------------|------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 1,049,002 | 117 | 0 | 1,049,119 | 49.0% | 1,049,002 | 117 | 0 | 1,049,119 | 86.4% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 2,793 | 0 | 0 | 2,793 | 0.1% | (103,199) | 0 | 0 | (103,199) | (8.5%) |
| Fixed Costs | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Inflation Deflation | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Total Statewide PL | 2,793 | 0 | 0 | 2,793 | 0.1% | (103,199) | 0 | 0 | (103,199) | (8.5%) |
| Present Law (PL) | 754,489 | (117) | 0 | 754,372 | 35.2% | 125,356 | (117) | 0 | 125,239 | 10.3% |
| New Proposals | 335,140 | 0 | 0 | 335,140 | 15.7% | 143,631 | 0 | 0 | 143,631 | 11.8% |
| Total HB 2 Adjustments | 1,092,422 | (117) | 0 | 1,092,305 | 51.0% | 165,788 | (117) | 0 | 165,671 | 13.6% |
| Total Budget | 2,141,424 | 0 | 0 | 2,141,424 | | 1,214,790 | 0 | 0 | 1,214,790 | |

Present Law Adjustments -

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

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

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

DP 1 - Personal Services -

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

DP 4 - Present Law -

The legislature adopted an increase in general fund appropriations in FY 2026 and FY 2027. The cyclical nature of legislative business in Legislative Committees and Activities results in uneven appropriations for each fiscal year. Appropriations in the first year of the biennium are higher because most of the interim committee work is completed during this time, and the base budget is based on the second year of the biennium, which has a lower appropriation. The biennial increase is also partially due to an increase in the allowed lodging and mileage rates, and legislator activities and dues. The legislature also adopted a reduction in state special revenue funds. This fund has not been in use by the Legislative Branch since FY 2023, does not have a dedicated revenue source, and there is no remaining fund balance.

New Proposals -

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

| New Proposals | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|--|-----------------------|------------------|---------------|-----------------|------------------|-----------------------|------------------|---------------|-----------------|------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 2105 - 5-20-301, MCA School Funding Study (RST, OTO) | 0.00 | 233,927 | 0 | 0 | 233,927 | 0.00 | 100,255 | 0 | 0 | 100,255 |
| DP 2106 - Legislator Days | 0.00 | 66,213 | 0 | 0 | 66,213 | 0.00 | 28,376 | 0 | 0 | 28,376 |
| DP 2107 - Legislator Participation for Educational Opportunities | 0.00 | 35,000 | 0 | 0 | 35,000 | 0.00 | 15,000 | 0 | 0 | 15,000 |
| Total | 0.00 | \$335,140 | \$0 | \$0 | \$335,140 | 0.00 | \$143,631 | \$0 | \$0 | \$143,631 |

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

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

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

DP 2106 - Legislator Days -

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

DP 2107 - Legislator Participation for Educational Opportunities -

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

Program Base Budget Comparison

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

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

Page Reference

N/A

Program Actuals and Budget Comparison

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

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

Page Reference

N/A

Funding

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

Legislative Budget

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

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

New Proposals -

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

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

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

DP 2501 - Senate Funding -

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

Program Base Budget Comparison

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

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

Page Reference

N/A

Program Actuals and Budget Comparison

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

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

Page Reference

N/A

Funding

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

Legislative Budget

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

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

New Proposals -

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

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

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

DP 2601 - House Funding -

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

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | | |
|--------------------------------|------------------|------------------|------------------|---------------------------|-------------|--|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent | |
| PB | 26.50 | 26.50 | 26.50 | 0.00 | 0.0% | |
| General Fund | 3,563,708 | 3,786,505 | 3,681,752 | 340,841 | 4.8% | |
| Total Funds | 3,563,708 | 3,786,505 | 3,681,752 | 340,841 | 4.8% | |
| Personal Services | 3,385,662 | 3,497,406 | 3,450,757 | 176,839 | 2.6% | |
| Operating Expenses | 178,046 | 289,099 | 230,995 | 164,002 | 46.1% | |
| Total Expenditures | 3,563,708 | 3,786,505 | 3,681,752 | 340,841 | 4.8% | |
| Total Ongoing | 3,563,708 | 3,735,005 | 3,628,752 | 236,341 | 3.3% | |
| Total One-Time-Only | 50,000 | 51,500 | 53,000 | 4,500 | 4.5% | |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Budget Item | Actuals | Approp. | Approp. | Legislative | Legislative |
| | Fiscal 2024 | Fiscal 2024 | Fiscal 2025 | Fiscal 2026 | Fiscal 2027 |
| Personal Services | 2,841,203 | 3,141,260 | 3,385,662 | 3,497,406 | 3,450,757 |
| Operating Expenses | 134,754 | 296,675 | 228,046 | 289,099 | 230,995 |
| Total Expenditures | \$2,975,957 | \$3,437,935 | \$3,613,708 | \$3,786,505 | \$3,681,752 |
| General Fund | 2,975,957 | 3,437,935 | 3,613,708 | 3,786,505 | 3,681,752 |
| Total Funds | \$2,975,957 | \$3,437,935 | \$3,613,708 | \$3,786,505 | \$3,681,752 |
| Total Ongoing | \$2,968,373 | \$3,372,935 | \$3,563,708 | \$3,735,005 | \$3,628,752 |
| Total OTO | \$7,584 | \$65,000 | \$50,000 | \$51,500 | \$53,000 |

Page Reference

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Funding

HB 2 Appropriations

The Legislative Fiscal Division is funded entirely with general fund.

Legislative Budget

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

| Financial and Data Analysis 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|------------------|---------------|-----------------|------------------|---------------------|------------------|---------------|-----------------|------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 3,563,708 | 0 | 0 | 3,563,708 | 94.1% | 3,563,708 | 0 | 0 | 3,563,708 | 96.8% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 72,286 | 0 | 0 | 72,286 | 1.9% | 53,821 | 0 | 0 | 53,821 | 1.5% |
| Fixed Costs | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Inflation Deflation | (76) | 0 | 0 | (76) | (0.0%) | (51) | 0 | 0 | (51) | (0.0%) |
| Total Statewide PL | 72,210 | 0 | 0 | 72,210 | 1.9% | 53,770 | 0 | 0 | 53,770 | 1.5% |
| Present Law (PL) | 99,087 | 0 | 0 | 99,087 | 2.6% | 11,274 | 0 | 0 | 11,274 | 0.3% |
| New Proposals | 51,500 | 0 | 0 | 51,500 | 1.4% | 53,000 | 0 | 0 | 53,000 | 1.4% |
| Total HB 2 Adjustments | 222,797 | 0 | 0 | 222,797 | 5.9% | 118,044 | 0 | 0 | 118,044 | 3.2% |
| Total Budget | 3,786,505 | 0 | 0 | 3,786,505 | | 3,681,752 | 0 | 0 | 3,681,752 | |

Present Law Adjustments -

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

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

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

DP 1 - Personal Services -

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

DP 3 - Inflation Deflation -

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

DP 4 - Present Law -

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

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

New Proposals -

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

| New Proposals | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|-----------------------------------|-----------------------|-----------------|---------------|-----------------|-----------------|-----------------------|-----------------|---------------|-----------------|-----------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 2705 - Pension Actuarial (OTO) | 0.00 | 51,500 | 0 | 0 | 51,500 | 0.00 | 53,000 | 0 | 0 | 53,000 |
| Total | 0.00 | \$51,500 | \$0 | \$0 | \$51,500 | 0.00 | \$53,000 | \$0 | \$0 | \$53,000 |

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

DP 2705 - Pension Actuarial (OTO) -

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

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | | |
|--------------------------------|------------------|------------------|------------------|---------------------------|-------------|--|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent | |
| PB | 52.75 | 53.00 | 53.00 | 0.25 | 0.2% | |
| General Fund | 3,624,760 | 3,573,822 | 3,555,865 | (119,833) | (1.7%) | |
| State/Other Special Rev. Funds | 2,368,036 | 2,919,364 | 2,919,566 | 1,102,858 | 23.3% | |
| Total Funds | 5,992,796 | 6,493,186 | 6,475,431 | 983,025 | 8.2% | |
| Personal Services | 5,749,295 | 6,052,903 | 6,054,980 | 609,293 | 5.3% | |
| Operating Expenses | 243,501 | 440,283 | 420,451 | 373,732 | 76.7% | |
| Total Expenditures | 5,992,796 | 6,493,186 | 6,475,431 | 983,025 | 8.2% | |
| Total Ongoing | 5,992,796 | 6,468,186 | 6,450,431 | 933,025 | 7.8% | |
| Total One-Time-Only | | 25,000 | 25,000 | 50,000 | 0.0% | |

Page Reference

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|---------------------|---------------------|---------------------|-------------------------|-------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 5,148,830 | 5,492,889 | 5,749,295 | 6,052,903 | 6,054,980 |
| Operating Expenses | 243,449 | 283,534 | 243,501 | 440,283 | 420,451 |
| Total Expenditures | \$5,392,279 | \$5,776,423 | \$5,992,796 | \$6,493,186 | \$6,475,431 |
| General Fund | 3,309,248 | 3,504,472 | 3,624,760 | 3,573,822 | 3,555,865 |
| State/Other Special Rev. Funds | 2,083,031 | 2,271,951 | 2,368,036 | 2,919,364 | 2,919,566 |
| Total Funds | \$5,392,279 | \$5,776,423 | \$5,992,796 | \$6,493,186 | \$6,475,431 |
| Total Ongoing | \$5,392,279 | \$5,776,423 | \$5,992,796 | \$6,468,186 | \$6,450,431 |
| Total OTO | \$0 | \$0 | \$0 | \$25,000 | \$25,000 |

Page Reference

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Funding

HB 2 Appropriations

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

Legislative Budget

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

| Audit and Examination 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|------------------|------------------|-----------------|------------------|---------------------|------------------|------------------|-----------------|------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 3,624,760 | 2,368,036 | 0 | 5,992,796 | 92.3% | 3,624,760 | 2,368,036 | 0 | 5,992,796 | 92.5% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 158,951 | 130,050 | 0 | 289,001 | 4.5% | 160,093 | 130,985 | 0 | 291,078 | 4.5% |
| Fixed Costs | (3,087) | (2,525) | 0 | (5,612) | (0.1%) | (3,087) | (2,525) | 0 | (5,612) | (0.1%) |
| Inflation Deflation | (284) | (233) | 0 | (517) | (0.0%) | (192) | (157) | 0 | (349) | (0.0%) |
| Total Statewide PL | 155,580 | 127,292 | 0 | 282,872 | 4.4% | 156,814 | 128,303 | 0 | 285,117 | 4.4% |
| Present Law (PL) | 27,362 | 22,387 | 0 | 49,749 | 0.8% | 16,165 | 13,226 | 0 | 29,391 | 0.5% |
| New Proposals | (233,880) | 401,649 | 0 | 167,769 | 2.6% | (241,874) | 410,001 | 0 | 168,127 | 2.6% |
| Total HB 2 Adjustments | (50,938) | 551,328 | 0 | 500,390 | 7.7% | (68,895) | 551,530 | 0 | 482,635 | 7.5% |
| Total Budget | 3,573,822 | 2,919,364 | 0 | 6,493,186 | | 3,555,865 | 2,919,566 | 0 | 6,475,431 | |

Present Law Adjustments -

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

| Present Law Adjustments | Fiscal 2026 | | | | | Fiscal 2027 | | | | |
|---|-------------|------------------|------------------|-----------------|------------------|-------------|------------------|------------------|-----------------|------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 158,951 | 130,050 | 0 | 289,001 | 0.00 | 160,093 | 130,985 | 0 | 291,078 |
| DP 2 - Fixed Costs | 0.00 | (3,087) | (2,525) | 0 | (5,612) | 0.00 | (3,087) | (2,525) | 0 | (5,612) |
| DP 3 - Inflation Deflation | 0.00 | (284) | (233) | 0 | (517) | 0.00 | (192) | (157) | 0 | (349) |
| DP 4 - Present Law | 0.00 | 30,401 | 24,874 | 0 | 55,275 | 0.00 | 19,401 | 15,874 | 0 | 35,275 |
| DP 23 - Fixed Costs Adjustment for Office/Non-Office Rent | 0.00 | (3,039) | (2,487) | 0 | (5,526) | 0.00 | (3,236) | (2,648) | 0 | (5,884) |
| Grand Total All Present Law Adjustments | 0.00 | \$182,942 | \$149,679 | \$0 | \$332,621 | 0.00 | \$172,979 | \$141,529 | \$0 | \$314,508 |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 4 - Present Law -

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

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

In FY 2027, significant increases include:

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

DP 23 - Fixed Costs Adjustment for Office/Non-Office Rent -

The legislature adopted an adjustment to fixed costs that reduced office and non-office rent included in DP 2.

New Proposals -

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

| New Proposals | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|---|-----------------------|--------------------|------------------|-----------------|------------------|-----------------------|--------------------|------------------|-----------------|------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 2006 - Mitchell Building Rent | 0.00 | 70,489 | 57,673 | 0 | 128,162 | 0.00 | 70,686 | 57,834 | 0 | 128,520 |
| DP 2805 - Modified PB to Permanent | 0.25 | 8,034 | 6,573 | 0 | 14,607 | 0.25 | 8,034 | 6,573 | 0 | 14,607 |
| DP 2806 - Fund Switch - Audit Appropriations (OTO) | 0.00 | (469,568) | 469,568 | 0 | 0 | 0.00 | (477,759) | 477,759 | 0 | 0 |
| DP 2807 - Fund Switch - Statewide Risk Assessment (OTO) | 0.00 | 132,165 | (132,165) | 0 | 0 | 0.00 | 132,165 | (132,165) | 0 | 0 |
| DP 2808 - Hotline Cases and Other Contingencies (BIEN, OTO) | 0.00 | 25,000 | 0 | 0 | 25,000 | 0.00 | 25,000 | 0 | 0 | 25,000 |
| Total | 0.25 | (\$233,880) | \$401,649 | \$0 | \$167,769 | 0.25 | (\$241,874) | \$410,001 | \$0 | \$168,127 |

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

DP 2006 - Mitchell Building Rent -

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

DP 2805 - Modified PB to Permanent -

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

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

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

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

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

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

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

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

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

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

Agency Base Budget Comparison

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

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

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Agency Highlights

| Consumer Counsel Major Budget Highlights |
|---|
| <ul style="list-style-type: none"> • The legislature adopted an increase to the 2027 biennium budget for the Consumer Counsel of approximately 13.3%, or \$433,000 as compared to the FY 2025 base budget. Changes adopted include: <ul style="list-style-type: none"> ◦ An increase of 17.9% in operating expenses, primarily due to the adoption of a caseload contingency fund of \$300,000 ◦ Debt service increase of 11.3% for an increase in anticipated rent payments ◦ An increase in personal services of \$121,000 over the biennium due to an increase in the cost of benefits and the change in pay rate for positions within the agency |

Agency Actuals and Budget Comparison

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

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

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Executive Budget Comparison

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

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

The legislature adopted the executive budget as proposed for the Montana Consumer Counsel.

Funding

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

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

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

Legislative Budget

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

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

Page Reference

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Page Reference

N/A

Present Law Adjustments -

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

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

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 4 - Operating Expenses -

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

DP 6 - Debt Service Increase -

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

New Proposals -

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

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

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

DP 5 - Contingency Fund -

The legislature adopted an increase in state special revenue authority for the agency's contingency fund. This authority is to be used as a caseload contingency in the event of rate cases which would require staff to be contracted by the agency.

DP 7 - PB -

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

Agency Base Budget Comparison

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

| Agency Base Budget Comparison | | | | | | |
|--------------------------------|------------------|-------------------|-------------------|---------------------------|---------------|--|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent | |
| PB | 60.57 | 60.57 | 60.57 | 0.00 | 0.0% | |
| General Fund | 7,973,728 | 13,498,817 | 13,331,504 | 10,882,865 | 68.2% | |
| State/Other Special Rev. Funds | 50,000 | 3,901,760 | 3,850,000 | 7,651,760 | 7,651.8% | |
| Federal Spec. Rev. Funds | | 2,579,332 | 2,500,000 | 5,079,332 | 0.0% | |
| Proprietary Funds | | 1,352,843 | 1,300,000 | 2,652,843 | 0.0% | |
| Total Funds | 8,023,728 | 21,332,752 | 20,981,504 | 26,266,800 | 163.7% | |
| Personal Services | 6,441,766 | 19,501,104 | 19,513,292 | 26,130,864 | 202.8% | |
| Operating Expenses | 1,581,962 | 1,831,648 | 1,468,212 | 135,936 | 4.3% | |
| Total Expenditures | 8,023,728 | 21,332,752 | 20,981,504 | 26,266,800 | 163.7% | |
| Total Ongoing | 8,023,728 | 21,332,752 | 20,981,504 | 26,266,800 | 163.7% | |
| Total One-Time-Only | | | | | 0.0% | |

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Agency Highlights

| Governor's Office Major Budget Highlights |
|---|
| <ul style="list-style-type: none"> • The Governor's Office 2027 biennium budget is approximately \$26.3 million or 163.7% higher than the FY 2025 base budget. The majority of the biennial change adopted by the legislature is due to: <ul style="list-style-type: none"> ◦ An increase in general fund of \$10.6 million, state special revenue of \$7.6 million, federal special revenue of \$5.0 million, and proprietary funds of \$2.6 million. This funding is biennial and restricted to address personnel recruitment and retention issues within Executive Branch agencies • If the adopted appropriations for the recruitment and retention contingency funding are removed, the Governor's Office budget for ordinary operations is a biennial increase of \$467,000 or 2.9% |

Agency Actuals and Budget Comparison

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

| Agency Actuals and Budget Comparison | | | | | |
|--------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 5,827,545 | 6,090,678 | 6,441,766 | 19,501,104 | 19,513,292 |
| Operating Expenses | 1,277,481 | 1,645,308 | 1,581,962 | 1,831,648 | 1,468,212 |
| Total Expenditures | \$7,105,026 | \$7,735,986 | \$8,023,728 | \$21,332,752 | \$20,981,504 |
| General Fund | 7,082,813 | 7,685,986 | 7,973,728 | 13,498,817 | 13,331,504 |
| State/Other Special Rev. Funds | 22,213 | 50,000 | 50,000 | 3,901,760 | 3,850,000 |
| Federal Spec. Rev. Funds | 0 | 0 | 0 | 2,579,332 | 2,500,000 |
| Proprietary Funds | 0 | 0 | 0 | 1,352,843 | 1,300,000 |
| Total Funds | \$7,105,026 | \$7,735,986 | \$8,023,728 | \$21,332,752 | \$20,981,504 |
| Total Ongoing | \$7,105,026 | \$7,735,986 | \$8,023,728 | \$21,332,752 | \$20,981,504 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

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Executive Budget Comparison

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

| Executive Budget Comparison | | | | | | | | |
|--------------------------------|------------------------|------------------------------------|--------------------------------------|--|------------------------------------|--------------------------------------|--|--|
| Budget Item | Approp. Fiscal 2025 | Executive Budget Fiscal 2026 | Legislative Budget Fiscal 2026 | Leg — Exec. Difference Fiscal 2026 | Executive Budget Fiscal 2027 | Legislative Budget Fiscal 2027 | Leg — Exec. Difference Fiscal 2027 | Biennium Difference Fiscal 26-27 |
| Personal Services | 6,441,766 | 29,601,104 | 19,501,104 | (10,100,000) | 29,613,292 | 19,513,292 | (10,100,000) | (20,200,000) |
| Operating Expenses | 1,581,962 | 1,846,251 | 1,831,648 | (14,603) | 1,483,782 | 1,468,212 | (15,570) | (30,173) |
| Grants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Costs | \$8,023,728 | \$31,447,355 | \$21,332,752 | (\$10,114,603) | \$31,097,074 | \$20,981,504 | (\$10,115,570) | (\$20,230,173) |
| General Fund | 7,973,728 | 20,213,420 | 13,498,817 | (6,714,603) | 20,047,074 | 13,331,504 | (6,715,570) | (13,430,173) |
| State/other Special Rev. Funds | 50,000 | 7,101,760 | 3,901,760 | (3,200,000) | 7,050,000 | 3,850,000 | (3,200,000) | (6,400,000) |
| Federal Spec. Rev. Funds | 0 | 3,579,332 | 2,579,332 | (1,000,000) | 3,500,000 | 2,500,000 | (1,000,000) | (2,000,000) |
| Other | 0 | 552,843 | 1,352,843 | 800,000 | 500,000 | 1,300,000 | 800,000 | 1,600,000 |
| Total Funds | \$8,023,728 | \$31,447,355 | \$21,332,752 | (\$10,114,603) | \$31,097,074 | \$20,981,504 | (\$10,115,570) | (\$20,230,173) |
| Total Ongoing | \$8,023,728 | \$31,447,355 | \$21,332,752 | (\$10,114,603) | \$31,097,074 | \$20,981,504 | (\$10,115,570) | (\$20,230,173) |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

The legislature adopted appropriations that are approximately \$20.2 million lower than the proposed appropriations for the 2027 biennium. The significant biennial differences in the legislative budget compared to the proposed budget include:

- A reduction of \$20.2 million for the recruitment and retention contingency fund. The legislature adopted a recommendation from the Office of Budget and Program Planning to reduce the amount of this contingency fund, to better reflect estimated needs
- The legislature adopted decreases of approximately \$23,000 in fixed costs for rent and Robert's Rules of Order
- The legislature did not adopt proposed general fund appropriations of \$7,300 for subscription costs related to economic data

Funding

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

| Total Governor's Office Funding by Source of Authority 2027 Biennium Budget Request | | | | | | |
|--|-------------------|-------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds | HB2 Ongoing | HB2 OTO | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds |
| 01100 General Fund | 26,830,321 | | | 16,500,000 | 43,330,321 | 73.7% |
| 02038 Governor's Office SSR | 7,751,760 | | | | 7,751,760 | 13.2% |
| State Special Revenue Total | 7,751,760 | - | - | - | 7,751,760 | 13.2% |
| 03001 Governor's Office FSR | 5,079,332 | | | | 5,079,332 | 8.6% |
| Federal Special Revenue Total | 5,079,332 | - | - | - | 5,079,332 | 8.6% |
| 06510 Governor's Office Proprietary Fund | 2,652,843 | | | | 2,652,843 | 4.5% |
| Proprietary Fund Total | 2,652,843 | - | - | - | 2,652,843 | 4.5% |
| Total of All Funds | 42,314,256 | - | - | 16,500,000 | 58,814,256 | |
| Percent of All Sources of Authority | 71.9% | 0.0% | 0.0% | 28.1% | | |

HB 2 Appropriations

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

For the 2027 biennium, the budget includes additional general fund, state special revenue, federal special revenue, and proprietary fund appropriations in HB 2. These appropriations are mainly to create a contingency fund to address personnel recruitment and retention issues as they arise in the Executive Branch and a smaller proportion for legislative audit costs related to the federal single audit.

Legislative Budget

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

| Governor's Office 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|-------------------|------------------|------------------|-------------------|---------------------|-------------------|------------------|------------------|-------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 7,973,728 | 50,000 | 0 | 8,023,728 | 37.6% | 7,973,728 | 50,000 | 0 | 8,023,728 | 38.2% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 159,338 | 0 | 0 | 159,338 | 0.7% | 171,526 | 0 | 0 | 171,526 | 0.8% |
| Fixed Costs | 71,362 | 51,760 | 79,332 | 255,297 | 1.2% | (108,120) | 0 | 0 | (108,120) | (0.5%) |
| Inflation Deflation | (2,048) | 0 | 0 | (2,048) | (0.0%) | (1,383) | 0 | 0 | (1,383) | (0.0%) |
| Total Statewide PL | 228,652 | 51,760 | 79,332 | 412,587 | 1.9% | 62,023 | 0 | 0 | 62,023 | 0.3% |
| Present Law (PL) | (6,063) | 0 | 0 | (6,063) | (0.0%) | (6,747) | 0 | 0 | (6,747) | (0.0%) |
| New Proposals | 5,302,500 | 3,800,000 | 2,500,000 | 12,902,500 | 60.5% | 5,302,500 | 3,800,000 | 2,500,000 | 12,902,500 | 61.5% |
| Total HB 2 Adjustments | 5,525,089 | 3,851,760 | 2,579,332 | 13,309,024 | 62.4% | 5,357,776 | 3,800,000 | 2,500,000 | 12,957,776 | 61.8% |
| Total Budget | 13,498,817 | 3,901,760 | 2,579,332 | 21,332,752 | | 13,331,504 | 3,850,000 | 2,500,000 | 20,981,504 | |

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | |
|--------------------------------|------------------|------------------|------------------|---------------------------|-------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| PB | 29.00 | 29.00 | 29.00 | 0.00 | 0.0% |
| General Fund | 3,655,878 | 3,723,504 | 3,725,907 | 137,655 | 1.9% |
| Total Funds | 3,655,878 | 3,723,504 | 3,725,907 | 137,655 | 1.9% |
| Personal Services | 3,059,362 | 3,139,936 | 3,140,654 | 161,866 | 2.6% |
| Operating Expenses | 596,516 | 583,568 | 585,253 | (24,211) | (2.0%) |
| Total Expenditures | 3,655,878 | 3,723,504 | 3,725,907 | 137,655 | 1.9% |
| Total Ongoing | 3,655,878 | 3,723,504 | 3,725,907 | 137,655 | 1.9% |
| Total One-Time-Only | | | | | 0.0% |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 2,682,951 | 2,934,415 | 3,059,362 | 3,139,936 | 3,140,654 |
| Operating Expenses | 470,530 | 575,484 | 596,516 | 583,568 | 585,253 |
| Total Expenditures | \$3,153,481 | \$3,509,899 | \$3,655,878 | \$3,723,504 | \$3,725,907 |
| General Fund | 3,153,481 | 3,509,899 | 3,655,878 | 3,723,504 | 3,725,907 |
| Total Funds | \$3,153,481 | \$3,509,899 | \$3,655,878 | \$3,723,504 | \$3,725,907 |
| Total Ongoing | \$3,153,481 | \$3,509,899 | \$3,655,878 | \$3,723,504 | \$3,725,907 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

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Funding

HB 2 Appropriations

The Executive Office is entirely funded with general fund.

Legislative Budget

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

| Executive Office Program 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|--|------------------|---------------|-----------------|------------------|---------------------|------------------|---------------|-----------------|------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 3,655,878 | 0 | 0 | 3,655,878 | 98.2% | 3,655,878 | 0 | 0 | 3,655,878 | 98.1% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 80,574 | 0 | 0 | 80,574 | 2.2% | 81,292 | 0 | 0 | 81,292 | 2.2% |
| Fixed Costs | (5,102) | 0 | 0 | (5,102) | (0.1%) | (3,260) | 0 | 0 | (3,260) | (0.1%) |
| Inflation Deflation | (859) | 0 | 0 | (859) | (0.0%) | (580) | 0 | 0 | (580) | (0.0%) |
| Total Statewide PL | 74,613 | 0 | 0 | 74,613 | 2.0% | 77,452 | 0 | 0 | 77,452 | 2.1% |
| Present Law (PL) | (6,987) | 0 | 0 | (6,987) | (0.2%) | (7,423) | 0 | 0 | (7,423) | (0.2%) |
| New Proposals | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Total HB 2 Adjustments | 67,626 | 0 | 0 | 67,626 | 1.8% | 70,029 | 0 | 0 | 70,029 | 1.9% |
| Total Budget | 3,723,504 | 0 | 0 | 3,723,504 | | 3,725,907 | 0 | 0 | 3,725,907 | |

Present Law Adjustments -

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

| Present Law Adjustments | Fiscal 2026 | | | | | Fiscal 2027 | | | | |
|---|-------------|-----------------|---------------|-----------------|-----------------|-------------|-----------------|---------------|-----------------|-----------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 80,574 | 0 | 0 | 80,574 | 0.00 | 81,292 | 0 | 0 | 81,292 |
| DP 2 - Fixed Costs | 0.00 | (5,102) | 0 | 0 | (5,102) | 0.00 | (3,260) | 0 | 0 | (3,260) |
| DP 3 - Inflation Deflation | 0.00 | (859) | 0 | 0 | (859) | 0.00 | (580) | 0 | 0 | (580) |
| DP 22 - Fixed Cost Adjustment for Robert's Rules | 0.00 | (238) | 0 | 0 | (238) | 0.00 | (238) | 0 | 0 | (238) |
| DP 23 - Fixed Costs Adjustment for Office/Non-Office Rent | 0.00 | (6,749) | 0 | 0 | (6,749) | 0.00 | (7,185) | 0 | 0 | (7,185) |
| Grand Total All Present Law Adjustments | 0.00 | \$67,626 | \$0 | \$0 | \$67,626 | 0.00 | \$70,029 | \$0 | \$0 | \$70,029 |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

DP 23 - Fixed Costs Adjustment for Office/Non-Office Rent -

The legislature adopted an adjustment to fixed costs that reduced office and non-office rent included in DP 2.

Program Base Budget Comparison

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

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

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Program Actuals and Budget Comparison

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

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

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Funding

HB 2 Appropriations

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

Legislative Budget

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

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

Present Law Adjustments -

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

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

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | |
|--------------------------------|------------------|-------------------|-------------------|---------------------------|---------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| PB | 23.00 | 23.00 | 23.00 | 0.00 | 0.0% |
| General Fund | 3,434,883 | 8,897,049 | 8,724,847 | 10,752,130 | 156.5% |
| State/Other Special Rev. Funds | | 3,851,760 | 3,800,000 | 7,651,760 | 0.0% |
| Federal Spec. Rev. Funds | | 2,579,332 | 2,500,000 | 5,079,332 | 0.0% |
| Proprietary Funds | | 1,352,843 | 1,300,000 | 2,652,843 | 0.0% |
| Total Funds | 3,434,883 | 16,680,984 | 16,324,847 | 26,136,065 | 380.5% |
| Personal Services | 2,639,970 | 15,626,358 | 15,635,799 | 25,982,217 | 492.1% |
| Operating Expenses | 794,913 | 1,054,626 | 689,048 | 153,848 | 9.7% |
| Total Expenditures | 3,434,883 | 16,680,984 | 16,324,847 | 26,136,065 | 380.5% |
| Total Ongoing | 3,434,883 | 16,680,984 | 16,324,847 | 26,136,065 | 380.5% |
| Total One-Time-Only | | | | | 0.0% |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|--------------------|--------------------|--------------------|---------------------|---------------------|
| Budget Item | Actuals | Approp. | Approp. | Legislative | Legislative |
| | Fiscal 2024 | Fiscal 2024 | Fiscal 2025 | Fiscal 2026 | Fiscal 2027 |
| Personal Services | 2,552,963 | 2,529,522 | 2,639,970 | 15,626,358 | 15,635,799 |
| Operating Expenses | 696,431 | 882,646 | 794,913 | 1,054,626 | 689,048 |
| Total Expenditures | \$3,249,394 | \$3,412,168 | \$3,434,883 | \$16,680,984 | \$16,324,847 |
| General Fund | 3,249,394 | 3,412,168 | 3,434,883 | 8,897,049 | 8,724,847 |
| State/Other Special Rev. Funds | 0 | 0 | 0 | 3,851,760 | 3,800,000 |
| Federal Spec. Rev. Funds | 0 | 0 | 0 | 2,579,332 | 2,500,000 |
| Proprietary Funds | 0 | 0 | 0 | 1,352,843 | 1,300,000 |
| Total Funds | \$3,249,394 | \$3,412,168 | \$3,434,883 | \$16,680,984 | \$16,324,847 |
| Total Ongoing | \$3,249,394 | \$3,412,168 | \$3,434,883 | \$16,680,984 | \$16,324,847 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

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Funding

HB 2 Appropriations

The Office of Budget and Program Planning has historically been entirely funded with general fund. For the 2027 biennium, the budget includes additional general fund, state special revenue, federal special revenue, and proprietary fund appropriations in HB 2. These appropriations are mainly to address personnel recruitment and retention issues as they arise in the Executive Branch and a smaller proportion for legislative audit costs related to the federal single audit.

Legislative Budget

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

| Office of Budget and Program Planning 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|------------------|------------------|------------------|-------------------|---------------------|------------------|------------------|------------------|-------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 3,434,883 | 0 | 0 | 3,434,883 | 20.6% | 3,434,883 | 0 | 0 | 3,434,883 | 21.0% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 86,388 | 0 | 0 | 86,388 | 0.5% | 95,829 | 0 | 0 | 95,829 | 0.6% |
| Fixed Costs | 79,247 | 51,760 | 79,332 | 263,182 | 1.6% | (102,192) | 0 | 0 | (102,192) | (0.6%) |
| Inflation Deflation | (20) | 0 | 0 | (20) | (0.0%) | (13) | 0 | 0 | (13) | (0.0%) |
| Total Statewide PL | 165,615 | 51,760 | 79,332 | 349,550 | 2.1% | (6,376) | 0 | 0 | (6,376) | (0.0%) |
| Present Law (PL) | (3,449) | 0 | 0 | (3,449) | (0.0%) | (3,660) | 0 | 0 | (3,660) | (0.0%) |
| New Proposals | 5,300,000 | 3,800,000 | 2,500,000 | 12,900,000 | 77.3% | 5,300,000 | 3,800,000 | 2,500,000 | 12,900,000 | 79.0% |
| Total HB 2 Adjustments | 5,462,166 | 3,851,760 | 2,579,332 | 13,246,101 | 79.4% | 5,289,964 | 3,800,000 | 2,500,000 | 12,889,964 | 79.0% |
| Total Budget | 8,897,049 | 3,851,760 | 2,579,332 | 16,680,984 | | 8,724,847 | 3,800,000 | 2,500,000 | 16,324,847 | |

Present Law Adjustments -

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

| Present Law Adjustments | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|---|-----------------------|------------------|-----------------|-----------------|------------------|-----------------------|-------------------|---------------|-----------------|-------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 86,388 | 0 | 0 | 86,388 | 0.00 | 95,829 | 0 | 0 | 95,829 |
| DP 2 - Fixed Costs | 0.00 | 79,247 | 51,760 | 79,332 | 263,182 | 0.00 | (102,192) | 0 | 0 | (102,192) |
| DP 3 - Inflation Deflation | 0.00 | (20) | 0 | 0 | (20) | 0.00 | (13) | 0 | 0 | (13) |
| DP 22 - Fixed Cost Adjustment for Robert's Rules | 0.00 | (189) | 0 | 0 | (189) | 0.00 | (189) | 0 | 0 | (189) |
| DP 23 - Fixed Costs Adjustment for Office/Non-Office Rent | 0.00 | (3,260) | 0 | 0 | (3,260) | 0.00 | (3,471) | 0 | 0 | (3,471) |
| Grand Total All Present Law Adjustments | 0.00 | \$162,166 | \$51,760 | \$79,332 | \$346,101 | 0.00 | (\$10,036) | \$0 | \$0 | (\$10,036) |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

DP 23 - Fixed Costs Adjustment for Office/Non-Office Rent -

The legislature adopted an adjustment to fixed costs that reduced office and non-office rent included in DP 2.

New Proposals -

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

| New Proposals | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|---|-----------------------|--------------------|--------------------|--------------------|---------------------|-----------------------|--------------------|--------------------|--------------------|---------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 403 - Recruitment and Retention Contingency Fund (RST, BIEN) | 0.00 | 5,300,000 | 3,800,000 | 2,500,000 | 12,900,000 | 0.00 | 5,300,000 | 3,800,000 | 2,500,000 | 12,900,000 |
| Total | 0.00 | \$5,300,000 | \$3,800,000 | \$2,500,000 | \$12,900,000 | 0.00 | \$5,300,000 | \$3,800,000 | \$2,500,000 | \$12,900,000 |

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

DP 403 - Recruitment and Retention Contingency Fund (RST, BIEN) -

The legislature adopted general fund, state special revenue, federal special revenue, and proprietary funds for a contingency fund for Executive Branch agencies. This contingency fund will be used when personnel recruitment and retention issues arise and must be dealt with, but the agency does not have the financial capacity to do so. The contingency fund will be managed by the Office of Budget and Program Planning and each request will require Budget Director approval. The funds will be used to adjust base pay for employees upon approval, so the appropriation authority will be transferred to the requesting agency and become a part of the base budget of that agency. The appropriation is restricted and biennial.

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | | |
|--------------------------------|----------------|------------------|----------------|---------------------------|-------------|--|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent | |
| PB | 2.00 | 2.00 | 2.00 | 0.00 | 0.0% | |
| General Fund | 224,607 | 233,990 | 234,406 | 19,182 | 4.3% | |
| State/Other Special Rev. Funds | 50,000 | 50,000 | 50,000 | | 0.0% | |
| Total Funds | 274,607 | 283,990 | 284,406 | 19,182 | 3.5% | |
| Personal Services | 181,418 | 192,227 | 192,226 | 21,617 | 6.0% | |
| Operating Expenses | 93,189 | 91,763 | 92,180 | (2,435) | (1.3%) | |
| Total Expenditures | 274,607 | 283,990 | 284,406 | 19,182 | 3.5% | |
| Total Ongoing | 274,607 | 283,990 | 284,406 | 19,182 | 3.5% | |
| Total One-Time-Only | | | | | 0.0% | |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 154,218 | 172,766 | 181,418 | 192,227 | 192,226 |
| Operating Expenses | 46,524 | 92,027 | 93,189 | 91,763 | 92,180 |
| Total Expenditures | \$200,742 | \$264,793 | \$274,607 | \$283,990 | \$284,406 |
| General Fund | 178,529 | 214,793 | 224,607 | 233,990 | 234,406 |
| State/Other Special Rev. Funds | 22,213 | 50,000 | 50,000 | 50,000 | 50,000 |
| Total Funds | \$200,742 | \$264,793 | \$274,607 | \$283,990 | \$284,406 |
| Total Ongoing | \$200,742 | \$264,793 | \$274,607 | \$283,990 | \$284,406 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

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Funding

HB 2 Appropriations

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

Legislative Budget

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

| Office of Indian Affairs 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|--|----------------|---------------|-----------------|----------------|---------------------|----------------|---------------|-----------------|----------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 224,607 | 50,000 | 0 | 274,607 | 96.7% | 224,607 | 50,000 | 0 | 274,607 | 96.6% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 10,809 | 0 | 0 | 10,809 | 3.8% | 10,808 | 0 | 0 | 10,808 | 3.8% |
| Fixed Costs | 38 | 0 | 0 | 38 | 0.0% | 101 | 0 | 0 | 101 | 0.0% |
| Inflation Deflation | (1,150) | 0 | 0 | (1,150) | (0.4%) | (777) | 0 | 0 | (777) | (0.3%) |
| Total Statewide PL | 9,697 | 0 | 0 | 9,697 | 3.4% | 10,132 | 0 | 0 | 10,132 | 3.6% |
| Present Law (PL) | (314) | 0 | 0 | (314) | (0.1%) | (333) | 0 | 0 | (333) | (0.1%) |
| New Proposals | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Total HB 2 Adjustments | 9,383 | 0 | 0 | 9,383 | 3.3% | 9,799 | 0 | 0 | 9,799 | 3.4% |
| Total Budget | 233,990 | 50,000 | 0 | 283,990 | | 234,406 | 50,000 | 0 | 284,406 | |

Present Law Adjustments -

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

| Present Law Adjustments | Fiscal 2026 | | | | | Fiscal 2027 | | | | |
|---|-------------|----------------|---------------|-----------------|----------------|-------------|----------------|---------------|-----------------|----------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 10,809 | 0 | 0 | 10,809 | 0.00 | 10,808 | 0 | 0 | 10,808 |
| DP 2 - Fixed Costs | 0.00 | 38 | 0 | 0 | 38 | 0.00 | 101 | 0 | 0 | 101 |
| DP 3 - Inflation Deflation | 0.00 | (1,150) | 0 | 0 | (1,150) | 0.00 | (777) | 0 | 0 | (777) |
| DP 22 - Fixed Cost Adjustment for Robert's Rules | 0.00 | (17) | 0 | 0 | (17) | 0.00 | (17) | 0 | 0 | (17) |
| DP 23 - Fixed Costs Adjustment for Office/Non-Office Rent | 0.00 | (297) | 0 | 0 | (297) | 0.00 | (316) | 0 | 0 | (316) |
| Grand Total All Present Law Adjustments | 0.00 | \$9,383 | \$0 | \$0 | \$9,383 | 0.00 | \$9,799 | \$0 | \$0 | \$9,799 |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

DP 23 - Fixed Costs Adjustment for Office/Non-Office Rent -

The legislature adopted an adjustment to fixed costs that reduced office and non-office rent included in DP 2.

31010 - Governor's Office 20-Mental Disabilities Board of Visitors and Mental Health Ombudsman

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | | |
|--------------------------------|------------------------|------------------|----------------|---------------------------|---------------|--|
| Budget Item | Base Budget FY 2025 | Requested Budget | | Biennium Change from Base | | |
| | | FY 2026 | FY 2027 | Amount | Percent | |
| PB | 5.00 | 5.00 | 5.00 | 0.00 | 0.0% | |
| General Fund | 516,311 | 511,995 | 514,078 | (6,549) | (0.6%) | |
| Total Funds | 516,311 | 511,995 | 514,078 | (6,549) | (0.6%) | |
| Personal Services | 468,908 | 458,171 | 460,203 | (19,442) | (2.1%) | |
| Operating Expenses | 47,403 | 53,824 | 53,875 | 12,893 | 13.6% | |
| Total Expenditures | 516,311 | 511,995 | 514,078 | (6,549) | (0.6%) | |
| Total Ongoing | 516,311 | 511,995 | 514,078 | (6,549) | (0.6%) | |
| Total One-Time-Only | | | | | 0.0% | |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | | |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|--|
| Budget Item | Actuals | Approp. | Approp. | Legislative | Legislative | |
| | Fiscal 2024 | Fiscal 2024 | Fiscal 2025 | Fiscal 2026 | Fiscal 2027 | |
| Personal Services | 437,413 | 448,454 | 468,908 | 458,171 | 460,203 | |
| Operating Expenses | 34,474 | 46,058 | 47,403 | 53,824 | 53,875 | |
| Total Expenditures | \$471,887 | \$494,512 | \$516,311 | \$511,995 | \$514,078 | |
| General Fund | 471,887 | 494,512 | 516,311 | 511,995 | 514,078 | |
| Total Funds | \$471,887 | \$494,512 | \$516,311 | \$511,995 | \$514,078 | |
| Total Ongoing | \$471,887 | \$494,512 | \$516,311 | \$511,995 | \$514,078 | |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 | |

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Funding

HB 2 Appropriations

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

31010 - Governor's Office 20-Mental Disabilities Board of Visitors and Mental Health Ombudsman

Legislative Budget

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

| Mental Disabilities Board of Visitors and Mental Health Ombudsman 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|-----------------|---------------|-----------------|-----------------|---------------------|----------------|---------------|-----------------|----------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 516,311 | 0 | 0 | 516,311 | 100.8% | 516,311 | 0 | 0 | 516,311 | 100.4% |
| Statewide PL | | | | | | | | | | |
| Personal Services | (10,737) | 0 | 0 | (10,737) | (2.1%) | (8,705) | 0 | 0 | (8,705) | (1.7%) |
| Fixed Costs | (747) | 0 | 0 | (747) | (0.1%) | (684) | 0 | 0 | (684) | (0.1%) |
| Inflation Deflation | (19) | 0 | 0 | (19) | (0.0%) | (13) | 0 | 0 | (13) | (0.0%) |
| Total Statewide PL | (11,503) | 0 | 0 | (11,503) | (2.2%) | (9,402) | 0 | 0 | (9,402) | (1.8%) |
| Present Law (PL) | 4,687 | 0 | 0 | 4,687 | 0.9% | 4,669 | 0 | 0 | 4,669 | 0.9% |
| New Proposals | 2,500 | 0 | 0 | 2,500 | 0.5% | 2,500 | 0 | 0 | 2,500 | 0.5% |
| Total HB 2 Adjustments | (4,316) | 0 | 0 | (4,316) | (0.8%) | (2,233) | 0 | 0 | (2,233) | (0.4%) |
| Total Budget | 511,995 | 0 | 0 | 511,995 | | 514,078 | 0 | 0 | 514,078 | |

Present Law Adjustments -

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

| Present Law Adjustments | | | | | | | | | | |
|---|-----------------------|------------------|---------------|-----------------|------------------|-----------------------|------------------|---------------|-----------------|------------------|
| | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | (10,737) | 0 | 0 | (10,737) | 0.00 | (8,705) | 0 | 0 | (8,705) |
| DP 2 - Fixed Costs | 0.00 | (747) | 0 | 0 | (747) | 0.00 | (684) | 0 | 0 | (684) |
| DP 3 - Inflation Deflation | 0.00 | (19) | 0 | 0 | (19) | 0.00 | (13) | 0 | 0 | (13) |
| DP 22 - Fixed Cost Adjustment for Robert's Rules | 0.00 | (41) | 0 | 0 | (41) | 0.00 | (41) | 0 | 0 | (41) |
| DP 23 - Fixed Costs Adjustment for Office/Non-Office Rent | 0.00 | (272) | 0 | 0 | (272) | 0.00 | (290) | 0 | 0 | (290) |
| DP 2001 - MHOB Travel Increase | 0.00 | 5,000 | 0 | 0 | 5,000 | 0.00 | 5,000 | 0 | 0 | 5,000 |
| Grand Total All Present Law Adjustments | 0.00 | (\$6,816) | \$0 | \$0 | (\$6,816) | 0.00 | (\$4,733) | \$0 | \$0 | (\$4,733) |

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

DP 1 - Personal Services -

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

31010 - Governor's Office 20-Mental Disabilities Board of Visitors and Mental Health Ombudsman

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

DP 23 - Fixed Costs Adjustment for Office/Non-Office Rent -

The legislature adopted an adjustment to fixed costs that reduced office and non-office rent included in DP 2.

DP 2001 - MHOB Travel Increase -

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

New Proposals -

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

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

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

DP 2002 - BOV Operating Increase -

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

Agency Base Budget Comparison

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

| Agency Base Budget Comparison | | | | | | |
|-------------------------------|----------------|------------------|------------------|---------------------------|--------------|--|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent | |
| PB | 7.00 | 8.00 | 8.00 | 1.00 | 7.1% | |
| General Fund | 930,662 | 1,067,804 | 1,063,036 | 269,516 | 14.5% | |
| Total Funds | 930,662 | 1,067,804 | 1,063,036 | 269,516 | 14.5% | |
| Personal Services | 633,769 | 781,986 | 784,152 | 298,600 | 23.6% | |
| Operating Expenses | 296,893 | 285,818 | 278,884 | (29,084) | (4.9%) | |
| Total Expenditures | 930,662 | 1,067,804 | 1,063,036 | 269,516 | 14.5% | |
| Total Ongoing | 930,662 | 951,841 | 949,873 | 40,390 | 2.2% | |
| Total One-Time-Only | | 115,963 | 113,163 | 229,126 | 0.0% | |

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Agency Highlights

| Commissioner of Political Practices Major Budget Highlights |
|--|
| <ul style="list-style-type: none"> • The legislature adopted an increase in the Commissioner of Political Practices of 2.2% in the 2027 biennium. Significant changes include: <ul style="list-style-type: none"> ◦ Increases in personal services funding of \$84,000 over the next biennium because of increases for benefits and pay rates for positions ◦ Operating expenses decrease by \$40,000 in the next two fiscal years primarily due to decreases in information technology costs • The legislature also adopted one-time-only funding of \$229,000 over the biennium for 1.00 PB to account increase public access to lobbying information |

Agency Actuals and Budget Comparison

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

| Agency Actuals and Budget Comparison | | | | | |
|--------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 541,201 | 604,854 | 633,769 | 781,986 | 784,152 |
| Operating Expenses | 145,527 | 292,134 | 296,893 | 285,818 | 278,884 |
| Total Expenditures | \$686,728 | \$896,988 | \$930,662 | \$1,067,804 | \$1,063,036 |
| General Fund | 686,728 | 896,988 | 930,662 | 1,067,804 | 1,063,036 |
| Total Funds | \$686,728 | \$896,988 | \$930,662 | \$1,067,804 | \$1,063,036 |
| Total Ongoing | \$686,728 | \$896,988 | \$930,662 | \$951,841 | \$949,873 |
| Total OTO | \$0 | \$0 | \$0 | \$115,963 | \$113,163 |

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Executive Budget Comparison

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

| Executive Budget Comparison | | | | | | | | |
|-----------------------------|------------------------|------------------------------------|--------------------------------------|--|------------------------------------|--------------------------------------|--|--|
| Budget Item | Approp. Fiscal 2025 | Executive Budget Fiscal 2026 | Legislative Budget Fiscal 2026 | Leg — Exec. Difference Fiscal 2026 | Executive Budget Fiscal 2027 | Legislative Budget Fiscal 2027 | Leg — Exec. Difference Fiscal 2027 | Biennium Difference Fiscal 26-27 |
| Personal Services | 633,769 | 674,823 | 781,986 | 107,163 | 676,989 | 784,152 | 107,163 | 214,326 |
| Operating Expenses | 296,893 | 278,804 | 285,818 | 7,014 | 274,785 | 278,884 | 4,099 | 11,113 |
| Transfers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Costs | \$930,662 | \$953,627 | \$1,067,804 | \$114,177 | \$951,774 | \$1,063,036 | \$111,262 | \$225,439 |
| General Fund | 930,662 | 953,627 | 1,067,804 | 114,177 | 951,774 | 1,063,036 | 111,262 | 225,439 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Funds | \$930,662 | \$953,627 | \$1,067,804 | \$114,177 | \$951,774 | \$1,063,036 | \$111,262 | \$225,439 |
| Total Ongoing | \$930,662 | \$953,627 | \$951,841 | (\$1,786) | \$951,774 | \$949,873 | (\$1,901) | (\$3,687) |
| Total OTO | \$0 | \$0 | \$115,963 | \$115,963 | \$0 | \$113,163 | \$113,163 | \$229,126 |

The legislature adopted two changes the executive proposed budget for the 2027 biennium in the Commissioner of Political Practices, which includes:

- Appropriations to support 1.00 PB for the purpose of hiring an auditor relating to public access to lobbying information. This included personal services and operating expense appropriation authority
- A decrease in the office and non-office rent for buildings owned by the Department of Administration

Funding

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

| Total Commissioner of Political Practices Funding by Source of Authority 2027 Biennium Budget Request | | | | | | |
|--|------------------|----------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds | HB2 Ongoing | HB2 OTO | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds |
| 01100 General Fund | 1,901,714 | 229,126 | | | 2,130,840 | 100.0% |
| State Special Revenue Total | - | - | - | - | - | 0.0% |
| Federal Special Revenue Total | - | - | - | - | - | 0.0% |
| Proprietary Fund Total | - | - | - | - | - | 0.0% |
| Total of All Funds | 1,901,714 | 229,126 | - | - | 2,130,840 | |
| Percent of All Sources of Authority | 89.2% | 10.8% | 0.0% | 0.0% | | |

HB 2 Appropriations

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

Legislative Budget

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

| Commissioner of Political Practices 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|------------------|------------------|--------------------|------------------|---------------------------|------------------|------------------|--------------------|------------------|---------------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 930,662 | 0 | 0 | 930,662 | 87.2% | 930,662 | 0 | 0 | 930,662 | 87.5% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 41,054 | 0 | 0 | 41,054 | 3.8% | 43,220 | 0 | 0 | 43,220 | 4.1% |
| Fixed Costs | (18,050) | 0 | 0 | (18,050) | (1.7%) | (22,082) | 0 | 0 | (22,082) | (2.1%) |
| Inflation Deflation | (39) | 0 | 0 | (39) | (0.0%) | (26) | 0 | 0 | (26) | (0.0%) |
| Total Statewide PL | 22,965 | 0 | 0 | 22,965 | 2.2% | 21,112 | 0 | 0 | 21,112 | 2.0% |
| Present Law (PL) | (1,786) | 0 | 0 | (1,786) | (0.2%) | (1,901) | 0 | 0 | (1,901) | (0.2%) |
| New Proposals | 115,963 | 0 | 0 | 115,963 | 10.9% | 113,163 | 0 | 0 | 113,163 | 10.6% |
| Total HB 2 Adjustments | 137,142 | 0 | 0 | 137,142 | 12.8% | 132,374 | 0 | 0 | 132,374 | 12.5% |
| Total Budget | 1,067,804 | 0 | 0 | 1,067,804 | | 1,063,036 | 0 | 0 | 1,063,036 | |

Language and Statutory Authority

It is the intent of the Legislature that the Public Access to Lobbying Information PB line item be used towards the hire of an auditor to exercise the office's audit authority on a regular basis according to the Legislature Audit Division recommendation, pursuant to page 10 of the "Public Access to Lobbying Information" report published November 2024.

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N/A

Present Law Adjustments -

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

| Present Law Adjustments | Fiscal 2026 | | | | | Fiscal 2027 | | | | |
|---|-------------|-----------------|---------------|-----------------|-----------------|-------------|-----------------|---------------|-----------------|-----------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 41,054 | 0 | 0 | 41,054 | 0.00 | 43,220 | 0 | 0 | 43,220 |
| DP 2 - Fixed Costs | 0.00 | (18,050) | 0 | 0 | (18,050) | 0.00 | (22,082) | 0 | 0 | (22,082) |
| DP 3 - Inflation Deflation | 0.00 | (39) | 0 | 0 | (39) | 0.00 | (26) | 0 | 0 | (26) |
| DP 23 - Fixed Cost Adjustment for Facilities Management | 0.00 | (1,786) | 0 | 0 | (1,786) | 0.00 | (1,901) | 0 | 0 | (1,901) |
| Grand Total All Present Law Adjustments | 0.00 | \$21,179 | \$0 | \$0 | \$21,179 | 0.00 | \$19,211 | \$0 | \$0 | \$19,211 |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 23 - Fixed Cost Adjustment for Facilities Management -

The legislature adopted an adjustment to fixed costs that reduced office and non-office rent included in DP 2.

New Proposals -

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

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

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

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

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

Agency Base Budget Comparison

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

| Agency Base Budget Comparison | | | | | | |
|--------------------------------|-------------------|-------------------|-------------------|---------------------------|-----------------|--|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent | |
| PB | 72.50 | 72.50 | 72.50 | 0.00 | 0.0% | |
| General Fund | 157,393 | | | (314,786) | (100.0%) | |
| State/Other Special Rev. Funds | 19,963,567 | 28,950,394 | 31,989,112 | 21,012,372 | 52.6% | |
| Federal Spec. Rev. Funds | 34,100,000 | 45,028,466 | 50,000,000 | 26,828,466 | 39.3% | |
| Total Funds | 54,220,960 | 73,978,860 | 81,989,112 | 47,526,052 | 43.8% | |
| Personal Services | 7,615,321 | 7,552,086 | 7,564,468 | (114,088) | (0.7%) | |
| Operating Expenses | 1,856,991 | 3,248,126 | 3,245,996 | 2,780,140 | 74.9% | |
| Equipment & Intangible Assets | 7,994 | 37,994 | 37,994 | 60,000 | 375.3% | |
| Grants | 44,031,143 | 62,431,143 | 70,431,143 | 44,800,000 | 50.9% | |
| Benefits & Claims | 157,393 | 157,393 | 157,393 | | 0.0% | |
| Debt Service | 552,118 | 552,118 | 552,118 | | 0.0% | |
| Total Expenditures | 54,220,960 | 73,978,860 | 81,989,112 | 47,526,052 | 43.8% | |
| Total Ongoing | 54,220,960 | 73,978,860 | 81,989,112 | 47,526,052 | 43.8% | |
| Total One-Time-Only | 1,470,000 | | | (2,940,000) | (100.0%) | |

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Agency Highlights

| State Auditor's Office Major Budget Highlights |
|---|
| <ul style="list-style-type: none"> • The State Auditor's Office's 2027 biennium appropriations are approximately \$47.5 million or 43.8% higher than the FY 2025 base budget. The legislature adopted budget includes: <ul style="list-style-type: none"> ◦ Increased federal and state special revenue for the Montana Reinsurance Program for grant distributions ◦ Increased state special revenue for contract costs for insurer examinations and long-term care, health, property, and casualty rate filings |

Agency Actuals and Budget Comparison

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

| Agency Actuals and Budget Comparison | | | | | |
|--------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 6,465,819 | 7,100,646 | 7,615,321 | 7,552,086 | 7,564,468 |
| Operating Expenses | 2,637,790 | 3,336,445 | 3,326,991 | 3,248,126 | 3,245,996 |
| Equipment & Intangible Assets | 100,000 | 107,994 | 7,994 | 37,994 | 37,994 |
| Grants | 46,157,546 | 46,457,467 | 44,031,143 | 62,431,143 | 70,431,143 |
| Benefits & Claims | 8,754 | 20,000 | 157,393 | 157,393 | 157,393 |
| Debt Service | 502,224 | 552,118 | 552,118 | 552,118 | 552,118 |
| Total Expenditures | \$55,872,133 | \$57,574,670 | \$55,690,960 | \$73,978,860 | \$81,989,112 |
| General Fund | 8,754 | 20,000 | 157,393 | 0 | 0 |
| State/Other Special Rev. Funds | 22,063,300 | 23,454,670 | 21,433,567 | 28,950,394 | 31,989,112 |
| Federal Spec. Rev. Funds | 33,800,079 | 34,100,000 | 34,100,000 | 45,028,466 | 50,000,000 |
| Total Funds | \$55,872,133 | \$57,574,670 | \$55,690,960 | \$73,978,860 | \$81,989,112 |
| Total Ongoing | \$54,796,746 | \$56,204,670 | \$54,220,960 | \$73,978,860 | \$81,989,112 |
| Total OTO | \$1,075,387 | \$1,370,000 | \$1,470,000 | \$0 | \$0 |

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Executive Budget Comparison

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

| Executive Budget Comparison | | | | | | | | |
|--------------------------------|------------------------|------------------------------------|--------------------------------------|--|------------------------------------|--------------------------------------|--|--|
| Budget Item | Approp. Fiscal 2025 | Executive Budget Fiscal 2026 | Legislative Budget Fiscal 2026 | Leg — Exec. Difference Fiscal 2026 | Executive Budget Fiscal 2027 | Legislative Budget Fiscal 2027 | Leg — Exec. Difference Fiscal 2027 | Biennium Difference Fiscal 26-27 |
| Personal Services | 7,615,321 | 7,552,086 | 7,552,086 | 0 | 7,564,468 | 7,564,468 | 0 | 0 |
| Operating Expenses | 3,326,991 | 3,198,126 | 3,248,126 | 50,000 | 3,195,996 | 3,245,996 | 50,000 | 100,000 |
| Equipment & Intangible Assets | 7,994 | 37,994 | 37,994 | 0 | 37,994 | 37,994 | 0 | 0 |
| Grants | 44,031,143 | 62,431,143 | 62,431,143 | 0 | 70,431,143 | 70,431,143 | 0 | 0 |
| Benefits & Claims | 157,393 | 157,393 | 157,393 | 0 | 157,393 | 157,393 | 0 | 0 |
| Transfers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Debt Service | 552,118 | 552,118 | 552,118 | 0 | 552,118 | 552,118 | 0 | 0 |
| Total Costs | \$55,690,960 | \$73,928,860 | \$73,978,860 | \$50,000 | \$81,939,112 | \$81,989,112 | \$50,000 | \$100,000 |
| General Fund | 157,393 | 157,393 | 0 | (157,393) | 157,393 | 0 | (157,393) | (314,786) |
| State/other Special Rev. Funds | 21,433,567 | 28,743,001 | 28,950,394 | 207,393 | 31,781,719 | 31,989,112 | 207,393 | 414,786 |
| Federal Spec. Rev. Funds | 34,100,000 | 45,028,466 | 45,028,466 | 0 | 50,000,000 | 50,000,000 | 0 | 0 |
| Total Funds | \$55,690,960 | \$73,928,860 | \$73,978,860 | \$50,000 | \$81,939,112 | \$81,989,112 | \$50,000 | \$100,000 |
| Total Ongoing | \$54,220,960 | \$73,928,860 | \$73,978,860 | \$50,000 | \$81,939,112 | \$81,989,112 | \$50,000 | \$100,000 |
| Total OTO | \$1,470,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

The legislature adopted ongoing appropriations that are \$100,000 greater than the proposed appropriations for the 2027 biennium. Significant changes include:

- The legislature adopted DP 9, which increased state special revenue authority by \$50,000 each fiscal year of the 2027 biennium for consumer outreach and fraud prevention education expenses in the Central Management Division
- The legislature adopted DP 10, which moved all general fund authority for deferred benefit services to state special revenue in the Insurance Division

Funding

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

| Total State Auditor's Office Funding by Source of Authority 2027 Biennium Budget Request | | | | | | |
|---|--------------------|-------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds | HB2 Ongoing | HB2 OTO | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds |
| 01100 General Fund | | | | 105,201,283 | 105,201,283 | 40.2% |
| 02323 Reinsurance Assessment SB 125 | 37,862,286 | | | | 37,862,286 | 14.5% |
| 02235 Insurance Fee Account | 17,420,066 | | | | 17,420,066 | 6.7% |
| 02283 Securities Fee Account | 4,452,890 | | | | 4,452,890 | 1.7% |
| 02528 Captive Account | 1,204,264 | | | | 1,204,264 | 0.5% |
| 02091 Securities Restitution Fund | | | | 300,000 | 300,000 | 0.1% |
| State Special Revenue Total | 60,939,506 | - | - | 300,000 | 61,239,506 | 23.4% |
| 03543 Reinsurance Federal SB 125 | 95,028,466 | | | | 95,028,466 | 36.3% |
| Federal Special Revenue Total | 95,028,466 | - | - | - | 95,028,466 | 36.3% |
| Proprietary Fund Total | - | - | - | - | - | 0.0% |
| Total of All Funds | 155,967,972 | - | - | 105,501,283 | 261,469,255 | |
| Percent of All Sources of Authority | 59.7% | 0.0% | 0.0% | 40.3% | | |

HB 2 Authority

State Special Revenue

The operations of the State Auditor's Office are partially funded with state special revenue. State special revenue comes from the Montana Reinsurance Program, insurance fee account, securities fee account, and the captive account.

Federal Special Revenue

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

Statutory Authority

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

In addition, there is state special revenue statutory appropriations for securities restitution payments paid to victims of security crimes.

Legislative Budget

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

| State Auditor's Office 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|--|------------------|-------------------|-------------------|-------------------|---------------------|------------------|-------------------|-------------------|-------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 157,393 | 19,963,567 | 34,100,000 | 54,220,960 | 73.3% | 157,393 | 19,963,567 | 34,100,000 | 54,220,960 | 66.1% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 0 | (63,235) | 0 | (63,235) | (0.1%) | 0 | (50,853) | 0 | (50,853) | (0.1%) |
| Fixed Costs | 0 | 137,880 | 28,466 | 166,346 | 0.2% | 0 | 139,147 | 0 | 139,147 | 0.2% |
| Inflation Deflation | 0 | (211) | 0 | (211) | (0.0%) | 0 | (142) | 0 | (142) | (0.0%) |
| Total Statewide PL | 0 | 74,434 | 28,466 | 102,900 | 0.1% | 0 | 88,152 | 0 | 88,152 | 0.1% |
| Present Law (PL) | 0 | 8,325,000 | 10,900,000 | 19,225,000 | 26.0% | 0 | 11,350,000 | 15,900,000 | 27,250,000 | 33.2% |
| New Proposals | (157,393) | 587,393 | 0 | 430,000 | 0.6% | (157,393) | 587,393 | 0 | 430,000 | 0.5% |
| Total HB 2 Adjustments | (157,393) | 8,986,827 | 10,928,466 | 19,757,900 | 26.7% | (157,393) | 12,025,545 | 15,900,000 | 27,768,152 | 33.9% |
| Total Budget | 0 | 28,950,394 | 45,028,466 | 73,978,860 | | 0 | 31,989,112 | 50,000,000 | 81,989,112 | |

Program Base Budget Comparison

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

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

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Program Actuals and Budget Comparison

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

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

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Funding

HB 2 Authority

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

Legislative Budget

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

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

Present Law Adjustments -

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

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

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

New Proposals -

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

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

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

DP 4 - Systems and Business Modernization -

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

DP 9 - Consumer Outreach and Fraud Prevention Education -

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

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | |
|--------------------------------|-------------------|-------------------|-------------------|---------------------------|-----------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| PB | 44.00 | 44.00 | 44.00 | 0.00 | 0.0% |
| General Fund | 157,393 | | | (314,786) | (100.0%) |
| State/Other Special Rev. Funds | 15,970,533 | 24,454,489 | 27,449,731 | 19,963,154 | 62.5% |
| Federal Spec. Rev. Funds | 34,100,000 | 45,028,466 | 50,000,000 | 26,828,466 | 39.3% |
| Total Funds | 50,227,926 | 69,482,955 | 77,449,731 | 46,476,834 | 46.3% |
| Personal Services | 4,485,865 | 4,440,379 | 4,449,304 | (82,047) | (0.9%) |
| Operating Expenses | 1,205,948 | 2,106,463 | 2,064,314 | 1,758,881 | 72.9% |
| Equipment & Intangible Assets | 5,109 | 5,109 | 5,109 | | 0.0% |
| Grants | 44,031,143 | 62,431,143 | 70,431,143 | 44,800,000 | 50.9% |
| Benefits & Claims | 157,393 | 157,393 | 157,393 | | 0.0% |
| Debt Service | 342,468 | 342,468 | 342,468 | | 0.0% |
| Total Expenditures | 50,227,926 | 69,482,955 | 77,449,731 | 46,476,834 | 46.3% |
| Total Ongoing | 50,227,926 | 69,482,955 | 77,449,731 | 46,476,834 | 46.3% |
| Total One-Time-Only | 1,470,000 | | | (2,940,000) | (100.0%) |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 3,852,133 | 4,103,751 | 4,485,865 | 4,440,379 | 4,449,304 |
| Operating Expenses | 2,156,154 | 2,670,883 | 2,675,948 | 2,106,463 | 2,064,314 |
| Equipment & Intangible Assets | 0 | 5,109 | 5,109 | 5,109 | 5,109 |
| Grants | 46,157,546 | 46,457,467 | 44,031,143 | 62,431,143 | 70,431,143 |
| Benefits & Claims | 8,754 | 20,000 | 157,393 | 157,393 | 157,393 |
| Debt Service | 311,144 | 342,468 | 342,468 | 342,468 | 342,468 |
| Total Expenditures | \$52,485,731 | \$53,599,678 | \$51,697,926 | \$69,482,955 | \$77,449,731 |
| General Fund | 8,754 | 20,000 | 157,393 | 0 | 0 |
| State/Other Special Rev. Funds | 18,676,898 | 19,479,678 | 17,440,533 | 24,454,489 | 27,449,731 |
| Federal Spec. Rev. Funds | 33,800,079 | 34,100,000 | 34,100,000 | 45,028,466 | 50,000,000 |
| Total Funds | \$52,485,731 | \$53,599,678 | \$51,697,926 | \$69,482,955 | \$77,449,731 |
| Total Ongoing | \$51,510,344 | \$52,329,678 | \$50,227,926 | \$69,482,955 | \$77,449,731 |
| Total OTO | \$975,387 | \$1,270,000 | \$1,470,000 | \$0 | \$0 |

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Funding

HB 2 Authority

The Insurance Division is entirely funded with HB 2 authority, the majority of which comes from federal special revenue.

State Special Revenue

State special revenue accounts for over a third of the agency's funding. A portion of the funding is from the insurance fee account, which is supported by insurance licensure fees, examination fees, and penalties. The Insurance Division also is appropriated funds from the captive account, which supports the administration of the Captive Insurance Program. Fees and assessments from captive insurance providers are deposited into the state special revenue fund while fines and penalties are deposited into the general fund. At the end of the fiscal year, the balance of the captive account is transferred to the general fund.

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

Federal Special Revenue

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

Legislative Budget

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

| | Insurance 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | |
|-------------------------------|---|-------------------|-------------------|-------------------|---------------------|------------------|-------------------|-------------------|-------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 157,393 | 15,970,533 | 34,100,000 | 50,227,926 | 72.3% | 157,393 | 15,970,533 | 34,100,000 | 50,227,926 | 64.9% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 0 | (45,486) | 0 | (45,486) | (0.1%) | 0 | (36,561) | 0 | (36,561) | (0.0%) |
| Fixed Costs | 0 | 47,173 | 28,466 | 75,639 | 0.1% | 0 | 8,450 | 0 | 8,450 | 0.0% |
| Inflation Deflation | 0 | (124) | 0 | (124) | (0.0%) | 0 | (84) | 0 | (84) | (0.0%) |
| Total Statewide PL | 0 | 1,563 | 28,466 | 30,029 | 0.0% | 0 | (28,195) | 0 | (28,195) | (0.0%) |
| Present Law (PL) | 0 | 8,325,000 | 10,900,000 | 19,225,000 | 27.7% | 0 | 11,350,000 | 15,900,000 | 27,250,000 | 35.2% |
| New Proposals | (157,393) | 157,393 | 0 | 0 | 0.0% | (157,393) | 157,393 | 0 | 0 | 0.0% |
| Total HB 2 Adjustments | (157,393) | 8,483,956 | 10,928,466 | 19,255,029 | 27.7% | (157,393) | 11,479,198 | 15,900,000 | 27,221,805 | 35.1% |
| Total Budget | 0 | 24,454,489 | 45,028,466 | 69,482,955 | | 0 | 27,449,731 | 50,000,000 | 77,449,731 | |

Present Law Adjustments -

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

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

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 5 - Insurer Examination & Rate Review -

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

DP 6 - Montana Reinsurance Program -

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

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

New Proposals -

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

| New Proposals | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|--------------------------------------|-----------------------|--------------------|------------------|-----------------|-------------|-----------------------|--------------------|------------------|-----------------|-------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 10 - Deferred Benefit Fund Switch | 0.00 | (157,393) | 157,393 | 0 | 0 | 0.00 | (157,393) | 157,393 | 0 | 0 |
| Total | 0.00 | (\$157,393) | \$157,393 | \$0 | \$0 | 0.00 | (\$157,393) | \$157,393 | \$0 | \$0 |

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

DP 10 - Deferred Benefit Fund Switch -

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

Program Base Budget Comparison

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

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

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Program Actuals and Budget Comparison

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

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

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Funding

HB 2 Authority

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

Statutory Appropriations

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

Legislative Budget

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

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

Present Law Adjustments -

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

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

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

New Proposals -

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

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

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

DP 7 - Investigations Tracking and Management System -

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

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

DP 8 - Outreach and Education -

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

Agency Base Budget Comparison

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

| Agency Base Budget Comparison | | | | | |
|--------------------------------|--------------------|--------------------|--------------------|---------------------------|-----------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| PB | 668.92 | 674.56 | 686.56 | 17.64 | 1.3% |
| General Fund | 66,890,920 | 69,415,682 | 71,978,693 | 7,612,535 | 5.7% |
| State/Other Special Rev. Funds | 98,549,795 | 99,667,748 | 99,779,817 | 2,347,975 | 1.2% |
| Federal Spec. Rev. Funds | 503,023 | 503,023 | 503,023 | | 0.0% |
| Proprietary Funds | 224,030,446 | 224,531,518 | 224,547,989 | 1,018,615 | 0.2% |
| Total Funds | 389,974,184 | 394,117,971 | 396,809,522 | 10,979,125 | 1.4% |
| Personal Services | 56,603,989 | 58,571,732 | 60,288,335 | 5,652,089 | 5.0% |
| Operating Expenses | 159,377,905 | 161,553,949 | 162,492,401 | 5,290,540 | 1.7% |
| Equipment & Intangible Assets | 153,154 | 153,154 | 188,650 | 35,496 | 11.6% |
| Local Assistance | 2,000,000 | 2,000,000 | 2,000,000 | | 0.0% |
| Transfers | 170,601,500 | 170,601,500 | 170,602,500 | 1,000 | 0.0% |
| Debt Service | 1,237,636 | 1,237,636 | 1,237,636 | | 0.0% |
| Total Expenditures | 389,974,184 | 394,117,971 | 396,809,522 | 10,979,125 | 1.4% |
| Total Ongoing | 389,974,184 | 394,117,971 | 396,809,522 | 10,979,125 | 1.4% |
| Total One-Time-Only | 135,000 | | | (270,000) | (100.0%) |

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Agency Highlights

| Department of Revenue Major Budget Highlights |
|---|
| <ul style="list-style-type: none"> • The Department of Revenue’s 2027 biennium HB 2 appropriations are \$11.0 million, or 1.4% higher than the FY 2025 base budget. Significant biennial changes include: <ul style="list-style-type: none"> ◦ Increases of \$2.2 million for software operating and maintenance costs primarily for GenTax, seed-to-sale, and liquor warehouse software ◦ An increase of approximately \$1.0 million for 4.00 PB within the Cannabis Control Division for compliance related to statutory changes ◦ Increases of \$3.4 million across the Director's Office, Information Management and Collections Division, and Property Assessment Division for personal services and operating expenses contingent on HB 231 ◦ An increase of \$1.1 million of general fund appropriations for property tax revision implementation related to HB 154. This appropriation would support 12.00 PB in FY 2027 ◦ Increase of \$730,000 for temporary staff, overtime, and termination payouts in the Alcoholic Beverage and Control Division |

Agency Actuals and Budget Comparison

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

| Agency Actuals and Budget Comparison | | | | | |
|--------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 53,482,112 | 53,616,317 | 56,738,989 | 58,571,732 | 60,288,335 |
| Operating Expenses | 135,060,268 | 156,773,164 | 159,377,905 | 161,553,949 | 162,492,401 |
| Equipment & Intangible Assets | 2,774,829 | 2,775,198 | 153,154 | 153,154 | 188,650 |
| Local Assistance | 0 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| Transfers | 108,204,085 | 161,207,720 | 170,601,500 | 170,601,500 | 170,602,500 |
| Debt Service | 1,274,044 | 1,274,072 | 1,237,636 | 1,237,636 | 1,237,636 |
| Total Expenditures | \$300,795,338 | \$377,646,471 | \$390,109,184 | \$394,117,971 | \$396,809,522 |
| General Fund | 62,068,379 | 64,349,841 | 66,890,920 | 69,415,682 | 71,978,693 |
| State/Other Special Rev. Funds | 60,558,320 | 88,824,420 | 98,549,795 | 99,667,748 | 99,779,817 |
| Federal Spec. Rev. Funds | 502,175 | 502,175 | 503,023 | 503,023 | 503,023 |
| Proprietary Funds | 177,666,464 | 223,970,035 | 224,165,446 | 224,531,518 | 224,547,989 |
| Total Funds | \$300,795,338 | \$377,646,471 | \$390,109,184 | \$394,117,971 | \$396,809,522 |
| Total Ongoing | \$299,988,675 | \$376,718,854 | \$389,974,184 | \$394,117,971 | \$396,809,522 |
| Total OTO | \$806,663 | \$927,617 | \$135,000 | \$0 | \$0 |

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Executive Budget Comparison

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

| Executive Budget Comparison | | | | | | | | |
|--------------------------------|------------------------|------------------------------------|--------------------------------------|--|------------------------------------|--------------------------------------|--|--|
| Budget Item | Approp. Fiscal 2025 | Executive Budget Fiscal 2026 | Legislative Budget Fiscal 2026 | Leg — Exec. Difference Fiscal 2026 | Executive Budget Fiscal 2027 | Legislative Budget Fiscal 2027 | Leg — Exec. Difference Fiscal 2027 | Biennium Difference Fiscal 26-27 |
| Personal Services | 56,738,989 | 58,816,616 | 58,571,732 | (244,884) | 59,582,409 | 60,288,335 | 705,926 | 461,042 |
| Operating Expenses | 159,377,905 | 161,660,552 | 161,553,949 | (106,603) | 162,481,972 | 162,492,401 | 10,429 | (96,174) |
| Equipment & Intangible Assets | 153,154 | 153,154 | 153,154 | 0 | 153,154 | 188,650 | 35,496 | 35,496 |
| Capital Outlay | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Local Assistance | 2,000,000 | 2,000,000 | 2,000,000 | 0 | 2,000,000 | 2,000,000 | 0 | 0 |
| Transfers | 170,601,500 | 170,601,500 | 170,601,500 | 0 | 170,601,500 | 170,602,500 | 1,000 | 1,000 |
| Debt Service | 1,237,636 | 1,237,636 | 1,237,636 | 0 | 1,237,636 | 1,237,636 | 0 | 0 |
| Total Costs | \$390,109,184 | \$394,469,458 | \$394,117,971 | (\$351,487) | \$396,056,671 | \$396,809,522 | \$752,851 | \$401,364 |
| General Fund | 66,890,920 | 69,378,119 | 69,415,682 | 37,563 | 70,845,180 | 71,978,693 | 1,133,513 | 1,171,076 |
| State/other Special Rev. Funds | 98,549,795 | 100,056,798 | 99,667,748 | (389,050) | 100,160,479 | 99,779,817 | (380,662) | (769,712) |
| Federal Spec. Rev. Funds | 503,023 | 503,023 | 503,023 | 0 | 503,023 | 503,023 | 0 | 0 |
| Other | 224,165,446 | 224,531,518 | 224,531,518 | 0 | 224,547,989 | 224,547,989 | 0 | 0 |
| Total Funds | \$390,109,184 | \$394,469,458 | \$394,117,971 | (\$351,487) | \$396,056,671 | \$396,809,522 | \$752,851 | \$401,364 |
| Total Ongoing | \$389,974,184 | \$394,469,458 | \$394,117,971 | (\$351,487) | \$396,056,671 | \$396,809,522 | \$752,851 | \$401,364 |
| Total OTO | \$135,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

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

- Increases in general fund appropriations for HB 154 and HB 155, which revise property taxes. The HB 2 appropriations are both contingent on the corresponding bills
- A reduction in state special revenue appropriations as compared to the executive request. The legislature adopted funding for 4.00 PB rather than the 7.00 PB in the Cannabis Control Division proposed by the executive

Funding

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

| Total Department of Revenue Funding by Source of Authority 2027 Biennium Budget Request | | | | | | |
|--|--------------------|-------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds | HB2 Ongoing | HB2 OTO | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds |
| 01100 General Fund | 141,394,375 | | | 352,583,000 | 493,977,375 | 38.1% |
| 02442 Cannabis | 197,366,157 | | | | 197,366,157 | 15.2% |
| 02168 MT Oil Production Tax | | | | 130,606,005 | 130,606,005 | 10.1% |
| 02083 Oil & Gas Local Assistance | | | | 10,242,000 | 10,242,000 | 0.8% |
| 02008 Tobacco And Cig. Tribal Agree. | | | | 6,159,910 | 6,159,910 | 0.5% |
| 02966 Tribal Agreement - Alcohol | | | | 2,018,000 | 2,018,000 | 0.2% |
| Other State Special Revenue | 2,081,408 | | | 3,912,037 | 5,993,445 | 0.5% |
| State Special Revenue Total | 199,447,565 | - | - | 152,937,952 | 352,385,517 | 27.2% |
| 03928 Royalty Audit - NRCT | 1,006,046 | | | | 1,006,046 | 0.1% |
| Federal Special Revenue Total | 1,006,046 | - | - | - | 1,006,046 | 0.1% |
| 06005 Liquor Division | 449,079,507 | | | | 449,079,507 | 34.6% |
| 06554 Bad Debt Collection Services | | | 700,666 | | 700,666 | 0.1% |
| Proprietary Fund Total | 449,079,507 | - | 700,666 | - | 449,780,173 | 34.7% |
| Total of All Funds | 790,927,493 | - | 700,666 | 505,520,952 | 1,297,149,111 | |
| Percent of All Sources of Authority | 61.0% | 0.0% | 0.1% | 39.0% | | |

HB 2 Appropriations

General Fund

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

State Special Revenue

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

Federal Special Revenue

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

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

Non-Budgeted Proprietary Funds

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

Statutory Appropriations

General Fund

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

State Special Revenue

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

Legislative Budget

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

| Department of Revenue 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|-------------------|-------------------|-----------------|--------------------|---------------------|-------------------|-------------------|-----------------|--------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 66,890,920 | 98,549,795 | 503,023 | 389,974,184 | 98.9% | 66,890,920 | 98,549,795 | 503,023 | 389,974,184 | 98.3% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 34,125 | 23,323 | 0 | 42,947 | 0.0% | 169,836 | 28,345 | 0 | 190,599 | 0.0% |
| Fixed Costs | 593,219 | (13,577) | 0 | 558,384 | 0.1% | 687,532 | (10,015) | 0 | 658,556 | 0.2% |
| Inflation Deflation | (27,526) | (3,479) | 0 | (31,174) | (0.0%) | (18,603) | (2,352) | 0 | (21,069) | (0.0%) |
| Total Statewide PL | 599,818 | 6,267 | 0 | 570,157 | 0.1% | 838,765 | 15,978 | 0 | 828,086 | 0.2% |
| Present Law (PL) | 452,542 | 1,056,186 | 0 | 1,559,728 | 0.4% | 858,850 | 1,157,544 | 0 | 2,068,594 | 0.5% |
| New Proposals | 1,472,402 | 55,500 | 0 | 2,013,902 | 0.5% | 3,390,158 | 56,500 | 0 | 3,938,658 | 1.0% |
| Total HB 2 Adjustments | 2,524,762 | 1,117,953 | 0 | 4,143,787 | 1.1% | 5,087,773 | 1,230,022 | 0 | 6,835,338 | 1.7% |
| Total Budget | 69,415,682 | 99,667,748 | 503,023 | 394,117,971 | | 71,978,693 | 99,779,817 | 503,023 | 396,809,522 | |

Language and Statutory Authority

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

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

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

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

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | |
|--------------------------------|-------------------|-------------------|-------------------|---------------------------|-------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| PB | 65.19 | 65.19 | 65.19 | 0.00 | 0.0% |
| General Fund | 10,123,168 | 10,517,287 | 10,540,223 | 811,174 | 4.0% |
| State/Other Special Rev. Funds | 348,540 | 368,540 | 368,540 | 40,000 | 5.7% |
| Proprietary Funds | 155,750 | 155,750 | 155,750 | | 0.0% |
| Total Funds | 10,627,458 | 11,041,577 | 11,064,513 | 851,174 | 4.0% |
| Personal Services | 6,496,111 | 6,765,543 | 6,780,727 | 554,048 | 4.3% |
| Operating Expenses | 2,119,434 | 2,264,121 | 2,271,873 | 297,126 | 7.0% |
| Local Assistance | 2,000,000 | 2,000,000 | 2,000,000 | | 0.0% |
| Transfers | 1,500 | 1,500 | 1,500 | | 0.0% |
| Debt Service | 10,413 | 10,413 | 10,413 | | 0.0% |
| Total Expenditures | 10,627,458 | 11,041,577 | 11,064,513 | 851,174 | 4.0% |
| Total Ongoing | 10,627,458 | 11,041,577 | 11,064,513 | 851,174 | 4.0% |
| Total One-Time-Only | | | | | 0.0% |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 6,327,153 | 6,328,595 | 6,496,111 | 6,765,543 | 6,780,727 |
| Operating Expenses | 1,523,708 | 1,656,928 | 2,119,434 | 2,264,121 | 2,271,873 |
| Local Assistance | 0 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| Transfers | 0 | 1,500 | 1,500 | 1,500 | 1,500 |
| Debt Service | 8,364 | 8,364 | 10,413 | 10,413 | 10,413 |
| Total Expenditures | \$7,859,225 | \$9,995,387 | \$10,627,458 | \$11,041,577 | \$11,064,513 |
| General Fund | 7,082,948 | 9,218,610 | 10,123,168 | 10,517,287 | 10,540,223 |
| State/Other Special Rev. Funds | 620,519 | 621,018 | 348,540 | 368,540 | 368,540 |
| Proprietary Funds | 155,758 | 155,759 | 155,750 | 155,750 | 155,750 |
| Total Funds | \$7,859,225 | \$9,995,387 | \$10,627,458 | \$11,041,577 | \$11,064,513 |
| Total Ongoing | \$7,783,459 | \$9,919,621 | \$10,627,458 | \$11,041,577 | \$11,064,513 |
| Total OTO | \$75,766 | \$75,766 | \$0 | \$0 | \$0 |

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Funding

HB 2 Appropriations

General Fund

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

State Special Revenue

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

Proprietary Funding

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

Statutory Appropriations

General Fund

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

State Special Revenue

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

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

Legislative Budget

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

| Director's Office 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|-------------------|----------------|-----------------|-------------------|---------------------|-------------------|----------------|-----------------|-------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 10,123,168 | 348,540 | 0 | 10,627,458 | 96.2% | 10,123,168 | 348,540 | 0 | 10,627,458 | 96.0% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 138,615 | 0 | 0 | 138,615 | 1.3% | 152,028 | 0 | 0 | 152,028 | 1.4% |
| Fixed Costs | 59,557 | 0 | 0 | 59,557 | 0.5% | 69,042 | 0 | 0 | 69,042 | 0.6% |
| Inflation Deflation | (846) | 0 | 0 | (846) | (0.0%) | (571) | 0 | 0 | (571) | (0.0%) |
| Total Statewide PL | 197,326 | 0 | 0 | 197,326 | 1.8% | 220,499 | 0 | 0 | 220,499 | 2.0% |
| Present Law (PL) | (6,635) | 0 | 0 | (6,635) | (0.1%) | (6,985) | 0 | 0 | (6,985) | (0.1%) |
| New Proposals | 203,428 | 20,000 | 0 | 223,428 | 2.0% | 203,541 | 20,000 | 0 | 223,541 | 2.0% |
| Total HB 2 Adjustments | 394,119 | 20,000 | 0 | 414,119 | 3.8% | 417,055 | 20,000 | 0 | 437,055 | 4.0% |
| Total Budget | 10,517,287 | 368,540 | 0 | 11,041,577 | | 10,540,223 | 368,540 | 0 | 11,064,513 | |

Present Law Adjustments -

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

| Present Law Adjustments | Fiscal 2026 | | | | | Fiscal 2027 | | | | |
|---|-------------|------------------|---------------|-----------------|------------------|-------------|------------------|---------------|-----------------|------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 138,615 | 0 | 0 | 138,615 | 0.00 | 152,028 | 0 | 0 | 152,028 |
| DP 2 - Fixed Costs | 0.00 | 59,557 | 0 | 0 | 59,557 | 0.00 | 69,042 | 0 | 0 | 69,042 |
| DP 3 - Inflation Deflation | 0.00 | (846) | 0 | 0 | (846) | 0.00 | (571) | 0 | 0 | (571) |
| DP 22 - Fixed Cost Adjustment for Robert's Rules | 0.00 | (1,235) | 0 | 0 | (1,235) | 0.00 | (1,235) | 0 | 0 | (1,235) |
| DP 23 - Fixed Cost Adjustment for Facilities Management | 0.00 | (5,400) | 0 | 0 | (5,400) | 0.00 | (5,750) | 0 | 0 | (5,750) |
| Grand Total All Present Law Adjustments | 0.00 | \$190,691 | \$0 | \$0 | \$190,691 | 0.00 | \$213,514 | \$0 | \$0 | \$213,514 |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

DP 23 - Fixed Cost Adjustment for Facilities Management -

The legislature adopted an adjustment to fixed costs that reduced office and non-office rent included in DP 2.

New Proposals -

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

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

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

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

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

DP 101 - DO E-Stop Budget Increase -

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

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

The legislature adopted an increase in general fund authority to fund 1.00 modified PB within this program, as well as operating expenses for rent, communications, and supplies. This request is contingent on HB 231.

Program Base Budget Comparison

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

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

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Program Actuals and Budget Comparison

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

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

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Funding

HB 2 Appropriations

General Fund

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

State Special Revenue

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

Proprietary

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

Legislative Budget

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

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

Present Law Adjustments -

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

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

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

DP 201 - TSD Hardware and Software Maintenance -

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

New Proposals -

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

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

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

DP 202 - TSD Agriculture Fee Collection -

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

DP 203 - TSD Liquor Warehouse Software Maintenance -

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

Program Base Budget Comparison

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

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

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Program Actuals and Budget Comparison

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

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

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Funding

HB 2 Appropriations

Proprietary

The division is funded with a direct appropriation of Alcoholic Beverage Control Division proprietary funds. Net revenues from liquor sales are transferred to the general fund after operating costs are deducted from gross revenues. Consequently, any proposals funded through this program are an indirect use of state general fund.

Legislative Budget

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

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

Present Law Adjustments -

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

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

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 301 - ABCD Warehouse Administrative Resources -

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

New Proposals -

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

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

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

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

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

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | |
|--------------------------------|-------------------|-------------------|-------------------|---------------------------|-------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| PB | 35.00 | 39.00 | 39.00 | 4.00 | 5.7% |
| State/Other Special Rev. Funds | 96,943,985 | 97,996,938 | 98,084,007 | 2,192,975 | 1.1% |
| Total Funds | 96,943,985 | 97,996,938 | 98,084,007 | 2,192,975 | 1.1% |
| Personal Services | 3,203,049 | 3,616,994 | 3,622,016 | 832,912 | 13.0% |
| Operating Expenses | 2,565,936 | 3,204,944 | 3,286,991 | 1,360,063 | 26.5% |
| Transfers | 91,100,000 | 91,100,000 | 91,100,000 | | 0.0% |
| Debt Service | 75,000 | 75,000 | 75,000 | | 0.0% |
| Total Expenditures | 96,943,985 | 97,996,938 | 98,084,007 | 2,192,975 | 1.1% |
| Total Ongoing | 96,943,985 | 97,996,938 | 98,084,007 | 2,192,975 | 1.1% |
| Total One-Time-Only | | | | | 0.0% |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 2,995,750 | 2,996,251 | 3,203,049 | 3,616,994 | 3,622,016 |
| Operating Expenses | 991,437 | 1,952,352 | 2,565,936 | 3,204,944 | 3,286,991 |
| Transfers | 53,726,297 | 81,000,000 | 91,100,000 | 91,100,000 | 91,100,000 |
| Debt Service | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 |
| Total Expenditures | \$57,788,484 | \$86,023,603 | \$96,943,985 | \$97,996,938 | \$98,084,007 |
| State/Other Special Rev. Funds | 57,788,484 | 86,023,603 | 96,943,985 | 97,996,938 | 98,084,007 |
| Total Funds | \$57,788,484 | \$86,023,603 | \$96,943,985 | \$97,996,938 | \$98,084,007 |
| Total Ongoing | \$57,788,484 | \$86,023,603 | \$96,943,985 | \$97,996,938 | \$98,084,007 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

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Funding

HB 2 Appropriations

State Special Revenue

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

Legislative Budget

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

| Cannabis Control Division 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|--------------|-------------------|-----------------|-------------------|---------------------|--------------|-------------------|-----------------|-------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 0 | 96,943,985 | 0 | 96,943,985 | 98.9% | 0 | 96,943,985 | 0 | 96,943,985 | 98.8% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 0 | 23,323 | 0 | 23,323 | 0.0% | 0 | 28,345 | 0 | 28,345 | 0.0% |
| Fixed Costs | 0 | (13,577) | 0 | (13,577) | (0.0%) | 0 | (10,015) | 0 | (10,015) | (0.0%) |
| Inflation Deflation | 0 | (3,479) | 0 | (3,479) | (0.0%) | 0 | (2,352) | 0 | (2,352) | (0.0%) |
| Total Statewide PL | 0 | 6,267 | 0 | 6,267 | 0.0% | 0 | 15,978 | 0 | 15,978 | 0.0% |
| Present Law (PL) | 0 | 1,031,186 | 0 | 1,031,186 | 1.1% | 0 | 1,107,544 | 0 | 1,107,544 | 1.1% |
| New Proposals | 0 | 15,500 | 0 | 15,500 | 0.0% | 0 | 16,500 | 0 | 16,500 | 0.0% |
| Total HB 2 Adjustments | 0 | 1,052,953 | 0 | 1,052,953 | 1.1% | 0 | 1,140,022 | 0 | 1,140,022 | 1.2% |
| Total Budget | 0 | 97,996,938 | 0 | 97,996,938 | | 0 | 98,084,007 | 0 | 98,084,007 | |

Present Law Adjustments -

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

| Present Law Adjustments | Fiscal 2026 | | | | | Fiscal 2027 | | | | |
|---|-------------|--------------|--------------------|-----------------|--------------------|-------------|--------------|--------------------|-----------------|--------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 0 | 23,323 | 0 | 23,323 | 0.00 | 0 | 28,345 | 0 | 28,345 |
| DP 2 - Fixed Costs | 0.00 | 0 | (13,577) | 0 | (13,577) | 0.00 | 0 | (10,015) | 0 | (10,015) |
| DP 3 - Inflation Deflation | 0.00 | 0 | (3,479) | 0 | (3,479) | 0.00 | 0 | (2,352) | 0 | (2,352) |
| DP 23 - Fixed Cost Adjustment for Facilities Management | 0.00 | 0 | (2,899) | 0 | (2,899) | 0.00 | 0 | (3,087) | 0 | (3,087) |
| DP 402 - CCD Contract Increase (RST, BIEN) | 0.00 | 0 | 519,215 | 0 | 519,215 | 0.00 | 0 | 607,197 | 0 | 607,197 |
| DP 403 - Compliance Resources, Reduced PB | 4.00 | 0 | 514,870 | 0 | 514,870 | 4.00 | 0 | 503,434 | 0 | 503,434 |
| Grand Total All Present Law Adjustments | 4.00 | \$0 | \$1,037,453 | \$0 | \$1,037,453 | 4.00 | \$0 | \$1,123,522 | \$0 | \$1,123,522 |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 23 - Fixed Cost Adjustment for Facilities Management -

The legislature adopted an adjustment to fixed costs that reduced office and non-office rent included in DP 2.

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

The legislature adopted a restricted, biennial increase in state special revenue appropriations authority for the upcoming biennium to pay for seed-to-sale software. The department pays a variety of fees, including program and support fees and monthly cloud hosting fees. Some fees are based on the number of cannabis licensees, and the division estimates up to 500 additional licensees will enter the recreational cannabis market beginning July 1, 2025. This appropriation is restricted so the department can only spend the appropriation on costs related to this software.

DP 403 - Compliance Resources, Reduced PB -

The legislature adopted an increase in state special revenue to support 4.00 PB for the division. The current moratorium on new marijuana licensees is set to expire June 30, 2025, after which the department expects an influx of approximately 500 new sites. This increase in appropriations and PB will support new inspectors in the divisions to accommodate the increase. This decision package is contingent on a bill that extends the date of new marijuana licensees to July 1, 2027, or later pursuant to 16-12-201, MCA.

New Proposals -

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

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

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

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

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

Program Base Budget Comparison

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

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

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Program Actuals and Budget Comparison

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

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

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Funding

HB 2 Appropriations

General Fund

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

State Special Revenue

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

Proprietary

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

Non-Budgeted Proprietary Funds

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

Legislative Budget

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

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

Present Law Adjustments -

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

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

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

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

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

DP 501 - IMCD Administrative Resources -

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

New Proposals -

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

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

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

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

The legislature adopted an increase in general fund authority regarding mailing communications for property tax revisions. This request is contingent on HB 231.

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | |
|--------------------------------|-------------------|-------------------|-------------------|---------------------------|-------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| PB | 134.36 | 135.50 | 135.50 | 1.14 | 0.4% |
| General Fund | 12,436,572 | 12,766,824 | 12,830,136 | 723,816 | 2.9% |
| State/Other Special Rev. Funds | 926,758 | 951,758 | 976,758 | 75,000 | 4.0% |
| Federal Spec. Rev. Funds | 503,023 | 503,023 | 503,023 | | 0.0% |
| Total Funds | 13,866,353 | 14,221,605 | 14,309,917 | 798,816 | 2.9% |
| Personal Services | 11,731,091 | 11,837,433 | 11,897,874 | 273,125 | 1.2% |
| Operating Expenses | 2,127,704 | 2,376,614 | 2,404,485 | 525,691 | 12.4% |
| Debt Service | 7,558 | 7,558 | 7,558 | | 0.0% |
| Total Expenditures | 13,866,353 | 14,221,605 | 14,309,917 | 798,816 | 2.9% |
| Total Ongoing | 13,866,353 | 14,221,605 | 14,309,917 | 798,816 | 2.9% |
| Total One-Time-Only | | | | | 0.0% |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|---------------------|---------------------|---------------------|-------------------------|-------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 11,336,344 | 11,343,799 | 11,731,091 | 11,837,433 | 11,897,874 |
| Operating Expenses | 2,198,127 | 2,207,512 | 2,127,704 | 2,376,614 | 2,404,485 |
| Debt Service | 8,122 | 8,122 | 7,558 | 7,558 | 7,558 |
| Total Expenditures | \$13,542,593 | \$13,559,433 | \$13,866,353 | \$14,221,605 | \$14,309,917 |
| General Fund | 11,541,905 | 11,558,001 | 12,436,572 | 12,766,824 | 12,830,136 |
| State/Other Special Rev. Funds | 1,498,513 | 1,499,257 | 926,758 | 951,758 | 976,758 |
| Federal Spec. Rev. Funds | 502,175 | 502,175 | 503,023 | 503,023 | 503,023 |
| Total Funds | \$13,542,593 | \$13,559,433 | \$13,866,353 | \$14,221,605 | \$14,309,917 |
| Total Ongoing | \$12,925,983 | \$12,942,582 | \$13,866,353 | \$14,221,605 | \$14,309,917 |
| Total OTO | \$616,610 | \$616,851 | \$0 | \$0 | \$0 |

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Funding

HB 2 Appropriations

General Fund

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

State Special Revenue

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

Federal Special Revenue

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

Statutory Appropriations

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

Legislative Budget

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

| Business and Income Taxes Division 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|--|-------------------|----------------|-----------------|-------------------|---------------------|-------------------|----------------|-----------------|-------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 12,436,572 | 926,758 | 503,023 | 13,866,353 | 97.5% | 12,436,572 | 926,758 | 503,023 | 13,866,353 | 96.9% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 22,629 | 0 | 0 | 22,629 | 0.2% | 58,069 | 0 | 0 | 58,069 | 0.4% |
| Fixed Costs | 244,739 | 0 | 0 | 244,739 | 1.7% | 272,298 | 0 | 0 | 272,298 | 1.9% |
| Inflation Deflation | (116) | 0 | 0 | (116) | (0.0%) | (78) | 0 | 0 | (78) | (0.0%) |
| Total Statewide PL | 267,252 | 0 | 0 | 267,252 | 1.9% | 330,289 | 0 | 0 | 330,289 | 2.3% |
| Present Law (PL) | 47,500 | 25,000 | 0 | 72,500 | 0.5% | 46,775 | 50,000 | 0 | 96,775 | 0.7% |
| New Proposals | 15,500 | 0 | 0 | 15,500 | 0.1% | 16,500 | 0 | 0 | 16,500 | 0.1% |
| Total HB 2 Adjustments | 330,252 | 25,000 | 0 | 355,252 | 2.5% | 393,564 | 50,000 | 0 | 443,564 | 3.1% |
| Total Budget | 12,766,824 | 951,758 | 503,023 | 14,221,605 | | 12,830,136 | 976,758 | 503,023 | 14,309,917 | |

Present Law Adjustments -

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

| | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|---|-----------------------|------------------|-----------------|-----------------|------------------|-----------------------|------------------|-----------------|-----------------|------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 22,629 | 0 | 0 | 22,629 | 0.00 | 58,069 | 0 | 0 | 58,069 |
| DP 2 - Fixed Costs | 0.00 | 244,739 | 0 | 0 | 244,739 | 0.00 | 272,298 | 0 | 0 | 272,298 |
| DP 3 - Inflation Deflation | 0.00 | (116) | 0 | 0 | (116) | 0.00 | (78) | 0 | 0 | (78) |
| DP 23 - Fixed Cost Adjustment for Facilities Management | 0.00 | (11,213) | 0 | 0 | (11,213) | 0.00 | (11,939) | 0 | 0 | (11,939) |
| DP 701 - BITD Cannabis Local-Option Tax Administration | 0.00 | 0 | 25,000 | 0 | 25,000 | 0.00 | 0 | 50,000 | 0 | 50,000 |
| DP 702 - BITD Administrative Resources | 1.14 | 58,713 | 0 | 0 | 58,713 | 1.14 | 58,714 | 0 | 0 | 58,714 |
| Grand Total All Present Law Adjustments | 1.14 | \$314,752 | \$25,000 | \$0 | \$339,752 | 1.14 | \$377,064 | \$50,000 | \$0 | \$427,064 |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 23 - Fixed Cost Adjustment for Facilities Management -

The legislature adopted an adjustment to fixed costs that reduced office and non-office rent included in DP 2.

DP 701 - BITD Cannabis Local-Option Tax Administration -

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

DP 702 - BITD Administrative Resources -

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

New Proposals -

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

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

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

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

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

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | |
|--------------------------------|-------------------|-------------------|-------------------|---------------------------|-------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| PB | 287.42 | 287.92 | 299.92 | 12.50 | 2.2% |
| General Fund | 27,035,288 | 28,367,977 | 30,309,575 | 4,606,976 | 8.5% |
| State/Other Special Rev. Funds | 17,276 | 17,276 | 17,276 | | 0.0% |
| Total Funds | 27,052,564 | 28,385,253 | 30,326,851 | 4,606,976 | 8.5% |
| Personal Services | 22,754,166 | 23,620,617 | 25,227,249 | 3,339,534 | 7.3% |
| Operating Expenses | 3,445,263 | 3,911,501 | 4,209,971 | 1,230,946 | 17.9% |
| Equipment & Intangible Assets | | | 35,496 | 35,496 | 0.0% |
| Transfers | | | 1,000 | 1,000 | 0.0% |
| Debt Service | 853,135 | 853,135 | 853,135 | | 0.0% |
| Total Expenditures | 27,052,564 | 28,385,253 | 30,326,851 | 4,606,976 | 8.5% |
| Total Ongoing | 27,052,564 | 28,385,253 | 30,326,851 | 4,606,976 | 8.5% |
| Total One-Time-Only | | | | | 0.0% |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 21,492,991 | 21,495,898 | 22,754,166 | 23,620,617 | 25,227,249 |
| Operating Expenses | 3,433,013 | 3,456,005 | 3,445,263 | 3,911,501 | 4,209,971 |
| Equipment & Intangible Assets | 0 | 0 | 0 | 0 | 35,496 |
| Transfers | 0 | 0 | 0 | 0 | 1,000 |
| Debt Service | 881,911 | 881,911 | 853,135 | 853,135 | 853,135 |
| Total Expenditures | \$25,807,915 | \$25,833,814 | \$27,052,564 | \$28,385,253 | \$30,326,851 |
| General Fund | 25,793,632 | 25,816,538 | 27,035,288 | 28,367,977 | 30,309,575 |
| State/Other Special Rev. Funds | 14,283 | 17,276 | 17,276 | 17,276 | 17,276 |
| Total Funds | \$25,807,915 | \$25,833,814 | \$27,052,564 | \$28,385,253 | \$30,326,851 |
| Total Ongoing | \$25,807,915 | \$25,833,814 | \$27,052,564 | \$28,385,253 | \$30,326,851 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

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Funding

HB 2 Appropriations

General Fund

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

State Special Revenue

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

Legislative Budget

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

| Property Assessment Division 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|--|-------------------|---------------|-----------------|-------------------|---------------------|-------------------|---------------|-----------------|-------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 27,035,288 | 17,276 | 0 | 27,052,564 | 95.3% | 27,035,288 | 17,276 | 0 | 27,052,564 | 89.2% |
| Statewide PL | | | | | | | | | | |
| Personal Services | (88,193) | 0 | 0 | (88,193) | (0.3%) | (23,740) | 0 | 0 | (23,740) | (0.1%) |
| Fixed Costs | 201,764 | 0 | 0 | 201,764 | 0.7% | 229,383 | 0 | 0 | 229,383 | 0.8% |
| Inflation Deflation | (26,533) | 0 | 0 | (26,533) | (0.1%) | (17,933) | 0 | 0 | (17,933) | (0.1%) |
| Total Statewide PL | 87,038 | 0 | 0 | 87,038 | 0.3% | 187,710 | 0 | 0 | 187,710 | 0.6% |
| Present Law (PL) | 48,177 | 0 | 0 | 48,177 | 0.2% | 88,060 | 0 | 0 | 88,060 | 0.3% |
| New Proposals | 1,197,474 | 0 | 0 | 1,197,474 | 4.2% | 2,998,517 | 0 | 0 | 2,998,517 | 9.9% |
| Total HB 2 Adjustments | 1,332,689 | 0 | 0 | 1,332,689 | 4.7% | 3,274,287 | 0 | 0 | 3,274,287 | 10.8% |
| Total Budget | 28,367,977 | 17,276 | 0 | 28,385,253 | | 30,309,575 | 17,276 | 0 | 30,326,851 | |

Present Law Adjustments -

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

| Present Law Adjustments | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|---|-----------------------|------------------|---------------|-----------------|------------------|-----------------------|------------------|---------------|-----------------|------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | (88,193) | 0 | 0 | (88,193) | 0.00 | (23,740) | 0 | 0 | (23,740) |
| DP 2 - Fixed Costs | 0.00 | 201,764 | 0 | 0 | 201,764 | 0.00 | 229,383 | 0 | 0 | 229,383 |
| DP 3 - Inflation Deflation | 0.00 | (26,533) | 0 | 0 | (26,533) | 0.00 | (17,933) | 0 | 0 | (17,933) |
| DP 16 - TSD, PAD, and IMCD - Administrative Cost Adjustment | 0.00 | 50,000 | 0 | 0 | 50,000 | 0.00 | 90,000 | 0 | 0 | 90,000 |
| DP 23 - Fixed Cost Adjustment for Facilities Management | 0.00 | (1,823) | 0 | 0 | (1,823) | 0.00 | (1,940) | 0 | 0 | (1,940) |
| Grand Total All Present Law Adjustments | 0.00 | \$135,215 | \$0 | \$0 | \$135,215 | 0.00 | \$275,770 | \$0 | \$0 | \$275,770 |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

DP 23 - Fixed Cost Adjustment for Facilities Management -

The legislature adopted an adjustment to fixed costs that reduced office and non-office rent included in DP 2.

New Proposals -

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

| New Proposals | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|---|-----------------------|--------------------|---------------|-----------------|--------------------|-----------------------|--------------------|---------------|-----------------|--------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 15 - DO, CCD, BITD, PAD Administrative Resources | 0.00 | 108,500 | 0 | 0 | 108,500 | 0.00 | 115,500 | 0 | 0 | 115,500 |
| DP 801 - PAD Property Tax Revision Implementation (BIEN) | 0.00 | 1,031,740 | 0 | 0 | 1,031,740 | 0.00 | 1,728,640 | 0 | 0 | 1,728,640 |
| DP 802 - HB 155 - Property Tax Revision Implementation (BIEN) | 0.50 | 57,234 | 0 | 0 | 57,234 | 0.50 | 57,234 | 0 | 0 | 57,234 |
| DP 803 - HB 154 - Property Tax Revision Implementation (BIEN) | 0.00 | 0 | 0 | 0 | 0 | 12.00 | 1,097,143 | 0 | 0 | 1,097,143 |
| Total | 0.50 | \$1,197,474 | \$0 | \$0 | \$1,197,474 | 12.50 | \$2,998,517 | \$0 | \$0 | \$2,998,517 |

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

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

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

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

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

DP 802 - HB 155 - Property Tax Revision Implementation (BIEN) -

The legislature adopted an increase in general fund appropriations for personal services and operating expenses in the upcoming biennium. This includes appropriations to support 0.50 PB in HB 2 for both fiscal years in the biennium. This is contingent on HB 155.

DP 803 - HB 154 - Property Tax Revision Implementation (BIEN) -

The legislature adopted an increase in general fund appropriations in FY 2027. These appropriations are in personal services and operating expenses to support 12.00 PB if HB 154 is passed and approved. This is contingent on HB 154.

Agency Base Budget Comparison

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

| Agency Base Budget Comparison | | | | | |
|--------------------------------|-------------------|-------------------|-------------------|---------------------------|--------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| PB | 143.92 | 144.92 | 144.92 | 1.00 | 0.3% |
| General Fund | 40,438,885 | 57,946,364 | 57,227,514 | 34,296,108 | 42.4% |
| State/Other Special Rev. Funds | 8,098,255 | 8,774,739 | 8,783,050 | 1,361,279 | 8.4% |
| Federal Spec. Rev. Funds | 18,535 | 28,535 | 28,535 | 20,000 | 54.0% |
| Proprietary Funds | 6,729,573 | 6,924,026 | 6,780,165 | 245,045 | 1.8% |
| Total Funds | 55,285,248 | 73,673,664 | 72,819,264 | 35,922,432 | 32.5% |
| Personal Services | 14,499,936 | 14,855,030 | 14,898,778 | 753,936 | 2.6% |
| Operating Expenses | 6,836,169 | 8,676,420 | 7,344,844 | 2,348,926 | 17.2% |
| Equipment & Intangible Assets | 50,000 | 50,000 | 50,000 | | 0.0% |
| Local Assistance | 28,979 | 38,979 | 38,979 | 20,000 | 34.5% |
| Transfers | 33,441,889 | 49,744,535 | 50,177,963 | 33,038,720 | 49.4% |
| Debt Service | 428,275 | 308,700 | 308,700 | (239,150) | (27.9%) |
| Total Expenditures | 55,285,248 | 73,673,664 | 72,819,264 | 35,922,432 | 32.5% |
| Total Ongoing | 55,285,248 | 73,673,664 | 72,819,264 | 35,922,432 | 32.5% |
| Total One-Time-Only | | | | | 0.0% |

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Agency Highlights

| Department of Administration Major Budget Highlights |
|---|
| <ul style="list-style-type: none"> • The Department of Administration's 2027 biennium appropriations are approximately \$35.9 million or 32.5% higher than the FY 2025 base budget. The legislature's adopted budget includes: <ul style="list-style-type: none"> ◦ Approximately \$33.0 million of this increase is due to a general fund transfer to the Long-Range Building Program capital development account and major repair and maintenance account, as included in statute ◦ Increased authority due to statewide present law adjustments for personal services and fixed costs, the majority of which takes place in FY 2026 for biennial legislative audit costs ◦ Funding for 1.00 PB to support the work of the Education and Workforce Data Governance Board |

Agency Actuals and Budget Comparison

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

| Agency Actuals and Budget Comparison | | | | | |
|--------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 13,475,783 | 13,815,770 | 14,499,936 | 14,855,030 | 14,898,778 |
| Operating Expenses | 7,144,595 | 7,545,362 | 6,836,169 | 8,676,420 | 7,344,844 |
| Equipment & Intangible Assets | 77,090 | 85,000 | 50,000 | 50,000 | 50,000 |
| Local Assistance | 30,854 | 28,979 | 28,979 | 38,979 | 38,979 |
| Transfers | 31,632,606 | 31,632,606 | 33,441,889 | 49,744,535 | 50,177,963 |
| Debt Service | 828,907 | 828,908 | 428,275 | 308,700 | 308,700 |
| Total Expenditures | \$53,189,835 | \$53,936,625 | \$55,285,248 | \$73,673,664 | \$72,819,264 |
| General Fund | 39,092,268 | 39,342,813 | 40,438,885 | 57,946,364 | 57,227,514 |
| State/Other Special Rev. Funds | 7,688,212 | 7,863,100 | 8,098,255 | 8,774,739 | 8,783,050 |
| Federal Spec. Rev. Funds | 13,650 | 5,828 | 18,535 | 28,535 | 28,535 |
| Proprietary Funds | 6,395,705 | 6,724,884 | 6,729,573 | 6,924,026 | 6,780,165 |
| Total Funds | \$53,189,835 | \$53,936,625 | \$55,285,248 | \$73,673,664 | \$72,819,264 |
| Total Ongoing | \$53,189,835 | \$53,936,625 | \$55,285,248 | \$73,673,664 | \$72,819,264 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

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Executive Budget Comparison

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

| Executive Budget Comparison | | | | | | | | |
|--------------------------------|------------------------|------------------------------------|--------------------------------------|--|------------------------------------|--------------------------------------|--|--|
| Budget Item | Approp. Fiscal 2025 | Executive Budget Fiscal 2026 | Legislative Budget Fiscal 2026 | Leg — Exec. Difference Fiscal 2026 | Executive Budget Fiscal 2027 | Legislative Budget Fiscal 2027 | Leg — Exec. Difference Fiscal 2027 | Biennium Difference Fiscal 26-27 |
| Personal Services | 14,499,936 | 14,855,030 | 14,855,030 | 0 | 14,898,778 | 14,898,778 | 0 | 0 |
| Operating Expenses | 6,836,169 | 8,688,486 | 8,676,420 | (12,066) | 7,359,816 | 7,344,844 | (14,972) | (27,038) |
| Equipment & Intangible Assets | 50,000 | 50,000 | 50,000 | 0 | 50,000 | 50,000 | 0 | 0 |
| Local Assistance | 28,979 | 38,979 | 38,979 | 0 | 38,979 | 38,979 | 0 | 0 |
| Transfers | 33,441,889 | 49,744,535 | 49,744,535 | 0 | 50,177,963 | 50,177,963 | 0 | 0 |
| Debt Service | 428,275 | 308,700 | 308,700 | 0 | 308,700 | 308,700 | 0 | 0 |
| Total Costs | \$55,285,248 | \$73,685,730 | \$73,673,664 | (\$12,066) | \$72,834,236 | \$72,819,264 | (\$14,972) | (\$27,038) |
| General Fund | 40,438,885 | 57,954,872 | 57,946,364 | (8,508) | 57,237,343 | 57,227,514 | (9,829) | (18,337) |
| State/other Special Rev. Funds | 8,098,255 | 8,777,396 | 8,774,739 | (2,657) | 8,786,700 | 8,783,050 | (3,650) | (6,307) |
| Federal Spec. Rev. Funds | 18,535 | 28,535 | 28,535 | 0 | 28,535 | 28,535 | 0 | 0 |
| Other | 6,729,573 | 6,924,927 | 6,924,026 | (901) | 6,781,658 | 6,780,165 | (1,493) | (2,394) |
| Total Funds | \$55,285,248 | \$73,685,730 | \$73,673,664 | (\$12,066) | \$72,834,236 | \$72,819,264 | (\$14,972) | (\$27,038) |
| Total Ongoing | \$55,285,248 | \$73,685,730 | \$73,673,664 | (\$12,066) | \$72,834,236 | \$72,819,264 | (\$14,972) | (\$27,038) |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

The legislature adopted ongoing appropriations that are \$27,000 less than the proposed appropriations for the 2027 biennium. Significant changes include:

- The legislature adopted adjustments to fixed costs which removed the newly proposed Robert’s Rules of Order training from the budget and reduced the rate charged for office and non-office space

- The legislature adopted an adjustment to the Department of Administrations human resources rate charged to internal divisions

Funding

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

| Total Department of Administration Funding by Source of Authority 2027 Biennium Budget Request | | | | | | |
|---|--------------------|-------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds | HB2 Ongoing | HB2 OTO | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds |
| 01100 General Fund | 115,173,878 | | | 182,795,928 | 297,969,806 | 20.9% |
| 02858 Mineral Impact | | | | 16,908,187 | 16,908,187 | 1.2% |
| 02077 Financial Institutions Div | 10,240,659 | | | | 10,240,659 | 0.7% |
| 02030 Arch & Engin Construction | 6,109,353 | | | | 6,109,353 | 0.4% |
| 02211 Procurement Special Revenue | 1,207,777 | | | | 1,207,777 | 0.1% |
| 02098 Insurance Proceeds - State Bld | | | | 91,000 | 91,000 | 0.0% |
| State Special Revenue Total | 17,557,789 | | | 16,999,187 | 34,556,976 | 2.4% |
| 03425 Forest Reserve Shared Revenue | | | | 9,760,900 | 9,760,900 | 0.7% |
| 03095 Taylor Grazing Act Dist. | | | | 250,000 | 250,000 | 0.0% |
| 03369 Flood Control Payments | 45,414 | | | | 45,414 | 0.0% |
| 03320 CMIA Funds | 11,656 | | | | 11,656 | 0.0% |
| Federal Special Revenue Total | 57,070 | | | 10,010,900 | 10,067,970 | 0.7% |
| 06559 Group Benefits Claims A/C | | | 521,459,403 | | 521,459,403 | 36.5% |
| 06001 State Lottery Fund | 13,528,435 | | | 207,292,700 | 220,821,135 | 15.5% |
| 06522 ISD Proprietary | | | 158,882,974 | | 158,882,974 | 11.1% |
| 06532 Agency Insurance Int. Svc. | | | 76,433,266 | | 76,433,266 | 5.4% |
| 06528 Rent And Maintenance | | | 27,384,352 | | 27,384,352 | 1.9% |
| Other Proprietary Fund | 175,756 | | 80,612,621 | | 80,788,377 | 5.7% |
| Proprietary Fund Total | 13,704,191 | | 864,772,616 | 207,292,700 | 1,085,769,507 | 76.0% |
| Total of All Funds | 146,492,928 | | 864,772,616 | 417,098,715 | 1,428,364,259 | |
| Percent of All Sources of Authority | 10.3% | 0.0% | 60.5% | 29.2% | | |

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

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

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

Legislative Budget

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

| Department of Administration 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|--|-------------------|------------------|-----------------|-------------------|---------------------|-------------------|------------------|-----------------|-------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 40,438,885 | 8,098,255 | 18,535 | 55,285,248 | 75.0% | 40,438,885 | 8,098,255 | 18,535 | 55,285,248 | 75.9% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 101,686 | 144,270 | 0 | 269,805 | 0.4% | 116,129 | 162,642 | 0 | 313,552 | 0.4% |
| Fixed Costs | 1,191,882 | 62,158 | 0 | 1,421,723 | 1.9% | 23,797 | 47,862 | 0 | 84,565 | 0.1% |
| Inflation Deflation | (151) | (6,119) | 0 | (6,276) | (0.0%) | (102) | (4,136) | 0 | (4,242) | (0.0%) |
| Total Statewide PL | 1,293,417 | 200,309 | 0 | 1,685,252 | 2.3% | 139,824 | 206,368 | 0 | 393,875 | 0.5% |
| Present Law (PL) | 16,313,983 | 287,965 | 10,000 | 16,614,875 | 22.6% | 16,746,917 | 292,025 | 10,000 | 17,051,851 | 23.4% |
| New Proposals | (99,921) | 188,210 | 0 | 88,289 | 0.1% | (98,112) | 186,402 | 0 | 88,290 | 0.1% |
| Total HB 2 Adjustments | 17,507,479 | 676,484 | 10,000 | 18,388,416 | 25.0% | 16,788,629 | 684,795 | 10,000 | 17,534,016 | 24.1% |
| Total Budget | 57,946,364 | 8,774,739 | 28,535 | 73,673,664 | | 57,227,514 | 8,783,050 | 28,535 | 72,819,264 | |

Language and Statutory Authority

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

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

In each fiscal year of the 2027 biennium, if the Department of Administration is not able to deliver draft statewide financial statements to the Legislative Auditor by October 31st, the Director of the Department of Administration must make a written report to the Legislative Audit Committee explaining the reasons for any delay and identifying whether any specific agencies or component units have not provided information to the department in a timely manner.

It is the legislature's intent that the gambling services contract require the new contract winner to pay up to \$50,000 per year for problem gambling addiction services.

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | | |
|--------------------------------|-------------------|-------------------|-------------------|---------------------------|--------------|--|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent | |
| PB | 2.50 | 3.50 | 3.50 | 1.00 | 20.0% | |
| General Fund | 33,884,609 | 50,294,548 | 50,729,365 | 33,254,695 | 49.1% | |
| Federal Spec. Rev. Funds | 12,707 | 22,707 | 22,707 | 20,000 | 78.7% | |
| Total Funds | 33,897,316 | 50,317,255 | 50,752,072 | 33,274,695 | 49.1% | |
| Personal Services | 336,129 | 395,883 | 398,152 | 121,777 | 18.1% | |
| Operating Expenses | 105,002 | 152,541 | 151,661 | 94,198 | 44.9% | |
| Local Assistance | 14,296 | 24,296 | 24,296 | 20,000 | 69.9% | |
| Transfers | 33,441,889 | 49,744,535 | 50,177,963 | 33,038,720 | 49.4% | |
| Total Expenditures | 33,897,316 | 50,317,255 | 50,752,072 | 33,274,695 | 49.1% | |
| Total Ongoing | 33,897,316 | 50,317,255 | 50,752,072 | 33,274,695 | 49.1% | |
| Total One-Time-Only | | | | | 0.0% | |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|---------------------|---------------------|---------------------|-------------------------|-------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 295,181 | 349,507 | 336,129 | 395,883 | 398,152 |
| Operating Expenses | 902,058 | 1,036,020 | 105,002 | 152,541 | 151,661 |
| Local Assistance | 12,707 | 14,296 | 14,296 | 24,296 | 24,296 |
| Transfers | 31,632,606 | 31,632,606 | 33,441,889 | 49,744,535 | 50,177,963 |
| Total Expenditures | \$32,842,552 | \$33,032,429 | \$33,897,316 | \$50,317,255 | \$50,752,072 |
| General Fund | 32,829,845 | 33,032,429 | 33,884,609 | 50,294,548 | 50,729,365 |
| Federal Spec. Rev. Funds | 12,707 | 0 | 12,707 | 22,707 | 22,707 |
| Total Funds | \$32,842,552 | \$33,032,429 | \$33,897,316 | \$50,317,255 | \$50,752,072 |
| Total Ongoing | \$32,842,552 | \$33,032,429 | \$33,897,316 | \$50,317,255 | \$50,752,072 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

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Funding

*HB 2 Appropriations*General Fund

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

Federal Special Revenue

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

Non-Budgeted Proprietary Appropriations

A small portion of the Director's Office functions are supported by non-budgeted proprietary funds. These funds are discussed in the Proprietary Rates section of the narrative.

Statutory

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

| Department of Administration Director's Office Statutory Appropriations | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | FY 2024 Actual | FY 2025 Estimated | FY 2026 Estimated | FY 2027 Estimated |
| General Fund | | | | |
| Debt Service | \$ 73,319 | \$ 97,965 | \$ 97,965 | \$ 97,965 |
| Local Government PERD Contribution | 662,124 | 1,343,615 | 1,467,185 | 1,514,868 |
| School District PERD Contribution | 714,149 | 743,445 | 750,879 | 758,388 |
| TRS GABA | 1,079,927 | 1,142,000 | 1,151,263 | 1,188,679 |
| TRS Supplemental Contribution | 47,768,291 | 49,837,000 | 49,018,339 | 49,655,578 |
| State Fund Division | 745,286 | 539,000 | 535,000 | 535,000 |
| Public Employees Retirement Transfers | 35,329,705 | 35,683,002 | 36,039,832 | 36,400,230 |
| Lodging Tax | 118,778 | 186,000 | 186,000 | 186,000 |
| Total General Fund | 86,491,579 | 89,572,027 | 89,246,463 | 90,336,708 |
| State Special Revenues | | | | |
| Mineral Impact | 11,923,593 | 6,764,000 | 8,518,514 | 8,389,673 |
| Total State Special Revenue | 11,923,593 | 6,764,000 | 8,518,514 | 8,389,673 |
| Federal Special Revenue | | | | |
| Taylor Grazing Act Fees | 125,000 | 125,000 | 125,000 | 125,000 |
| Forest Reserve Funds | 13,396,642 | 4,682,450 | 4,802,450 | 4,958,450 |
| Total Federal Special Revenue | 13,521,642 | 4,807,450 | 4,927,450 | 5,083,450 |
| Total Statutory Appropriations | \$ 111,936,815 | \$ 101,143,477 | \$ 102,692,427 | \$ 103,809,831 |

Legislative Budget

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

| Director's Office 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|-------------------|---------------|-----------------|-------------------|---------------------|-------------------|---------------|-----------------|-------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 33,884,609 | 0 | 12,707 | 33,897,316 | 67.4% | 33,884,609 | 0 | 12,707 | 33,897,316 | 66.8% |
| Statewide PL | | | | | | | | | | |
| Personal Services | (25,535) | 0 | 0 | (25,535) | (0.1%) | (23,267) | 0 | 0 | (23,267) | (0.0%) |
| Fixed Costs | 34,587 | 0 | 0 | 34,587 | 0.1% | 33,707 | 0 | 0 | 33,707 | 0.1% |
| Inflation Deflation | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Total Statewide PL | 9,052 | 0 | 0 | 9,052 | 0.0% | 10,440 | 0 | 0 | 10,440 | 0.0% |
| Present Law (PL) | 16,312,598 | 0 | 10,000 | 16,322,598 | 32.4% | 16,746,026 | 0 | 10,000 | 16,756,026 | 33.0% |
| New Proposals | 88,289 | 0 | 0 | 88,289 | 0.2% | 88,290 | 0 | 0 | 88,290 | 0.2% |
| Total HB 2 Adjustments | 16,409,939 | 0 | 10,000 | 16,419,939 | 32.6% | 16,844,756 | 0 | 10,000 | 16,854,756 | 33.2% |
| Total Budget | 50,294,548 | 0 | 22,707 | 50,317,255 | | 50,729,365 | 0 | 22,707 | 50,752,072 | |

Present Law Adjustments -

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

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

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: audit fees, Capitol

complex rent, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 4 - Allocate Department Indirect/Administrative Costs -

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

DP 5 - Management Services HR Rate Adjustment -

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

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

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

DP 103 - GF Transfer to Capital Development Authority -

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

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

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

DP 107 - Increase Flood Control Appropriation -

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

New Proposals -

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

| New Proposals | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|---|-----------------------|-----------------|---------------|-----------------|-----------------|-----------------------|-----------------|---------------|-----------------|-----------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 102 - Education Workforce Data Governing Board | 1.00 | 88,289 | 0 | 0 | 88,289 | 1.00 | 88,290 | 0 | 0 | 88,290 |
| Total | 1.00 | \$88,289 | \$0 | \$0 | \$88,289 | 1.00 | \$88,290 | \$0 | \$0 | \$88,290 |

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

DP 102 - Education Workforce Data Governing Board -

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

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | |
|--------------------------------|------------------|------------------|------------------|---------------------------|--------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| PB | 16.67 | 16.67 | 16.67 | 0.00 | 0.0% |
| General Fund | 1,798,057 | 3,014,785 | 1,859,321 | 1,277,992 | 35.5% |
| Federal Spec. Rev. Funds | 5,828 | 5,828 | 5,828 | | 0.0% |
| Proprietary Funds | 87,878 | 87,878 | 87,878 | | 0.0% |
| Total Funds | 1,891,763 | 3,108,491 | 1,953,027 | 1,277,992 | 33.8% |
| Personal Services | 1,624,979 | 1,659,059 | 1,663,383 | 72,484 | 2.2% |
| Operating Expenses | 266,784 | 1,449,432 | 289,644 | 1,205,508 | 225.9% |
| Total Expenditures | 1,891,763 | 3,108,491 | 1,953,027 | 1,277,992 | 33.8% |
| Total Ongoing | 1,891,763 | 3,108,491 | 1,953,027 | 1,277,992 | 33.8% |
| Total One-Time-Only | | | | | 0.0% |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 1,514,467 | 1,551,128 | 1,624,979 | 1,659,059 | 1,663,383 |
| Operating Expenses | 282,675 | 272,510 | 266,784 | 1,449,432 | 289,644 |
| Debt Service | 21,613 | 0 | 0 | 0 | 0 |
| Total Expenditures | \$1,818,755 | \$1,823,638 | \$1,891,763 | \$3,108,491 | \$1,953,027 |
| General Fund | 1,733,703 | 1,733,702 | 1,798,057 | 3,014,785 | 1,859,321 |
| Federal Spec. Rev. Funds | 943 | 5,828 | 5,828 | 5,828 | 5,828 |
| Proprietary Funds | 84,109 | 84,108 | 87,878 | 87,878 | 87,878 |
| Total Funds | \$1,818,755 | \$1,823,638 | \$1,891,763 | \$3,108,491 | \$1,953,027 |
| Total Ongoing | \$1,818,755 | \$1,823,638 | \$1,891,763 | \$3,108,491 | \$1,953,027 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

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Funding

HB 2 Appropriations

General Fund

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

Federal Special Revenue

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

Proprietary Fund

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

Non-budgeted Proprietary Appropriations

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

Statutory Appropriations

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

Legislative Budget

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

| State Financial Services Division 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|------------------|---------------|-----------------|------------------|---------------------|------------------|---------------|-----------------|------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 1,798,057 | 0 | 5,828 | 1,891,763 | 60.9% | 1,798,057 | 0 | 5,828 | 1,891,763 | 96.9% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 34,080 | 0 | 0 | 34,080 | 1.1% | 38,404 | 0 | 0 | 38,404 | 2.0% |
| Fixed Costs | 1,168,315 | 0 | 0 | 1,168,315 | 37.6% | 8,669 | 0 | 0 | 8,669 | 0.4% |
| Inflation Deflation | (74) | 0 | 0 | (74) | (0.0%) | (50) | 0 | 0 | (50) | (0.0%) |
| Total Statewide PL | 1,202,321 | 0 | 0 | 1,202,321 | 38.7% | 47,023 | 0 | 0 | 47,023 | 2.4% |
| Present Law (PL) | 14,407 | 0 | 0 | 14,407 | 0.5% | 14,241 | 0 | 0 | 14,241 | 0.7% |
| New Proposals | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Total HB 2 Adjustments | 1,216,728 | 0 | 0 | 1,216,728 | 39.1% | 61,264 | 0 | 0 | 61,264 | 3.1% |
| Total Budget | 3,014,785 | 0 | 5,828 | 3,108,491 | | 1,859,321 | 0 | 5,828 | 1,953,027 | |

Present Law Adjustments -

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

| Present Law Adjustments | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|--|-----------------------|--------------------|---------------|-----------------|--------------------|-----------------------|-----------------|---------------|-----------------|-----------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 34,080 | 0 | 0 | 34,080 | 0.00 | 38,404 | 0 | 0 | 38,404 |
| DP 2 - Fixed Costs | 0.00 | 1,168,315 | 0 | 0 | 1,168,315 | 0.00 | 8,669 | 0 | 0 | 8,669 |
| DP 3 - Inflation Deflation | 0.00 | (74) | 0 | 0 | (74) | 0.00 | (50) | 0 | 0 | (50) |
| DP 4 - Allocate Department Indirect/Administrative Costs | 0.00 | 2,871 | 0 | 0 | 2,871 | 0.00 | 3,130 | 0 | 0 | 3,130 |
| DP 5 - Management Services HR Rate Adjustment | 0.00 | (217) | 0 | 0 | (217) | 0.00 | (483) | 0 | 0 | (483) |
| DP 22 - Fixed Cost Adjustment for Robert's Rules | 0.00 | (134) | 0 | 0 | (134) | 0.00 | (134) | 0 | 0 | (134) |
| DP 23 - Fixed Costs Adjustment for Office/Non-Office Rent | 0.00 | (2,467) | 0 | 0 | (2,467) | 0.00 | (2,626) | 0 | 0 | (2,626) |
| DP 302 - General Fund Transfer to Correct SFSD and SPSD Starting Point | 0.00 | 14,354 | 0 | 0 | 14,354 | 0.00 | 14,354 | 0 | 0 | 14,354 |
| Grand Total All Present Law Adjustments | 0.00 | \$1,216,728 | \$0 | \$0 | \$1,216,728 | 0.00 | \$61,264 | \$0 | \$0 | \$61,264 |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 4 - Allocate Department Indirect/Administrative Costs -

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

DP 5 - Management Services HR Rate Adjustment -

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

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

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

DP 23 - Fixed Costs Adjustment for Office/Non-Office Rent -

The legislature adopted an adjustment to fixed costs that reduced office and non-office rent included in DP 2.

DP 302 - General Fund Transfer to Correct SFSD and SPSD Starting Point -

The legislature adopted a general fund transfer from the State Procurement Services Division to the State Financial Services Division to adjust starting points due to a budget change document (BCD) not processing in time to correct the starting points.

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | | |
|--------------------------------|------------------|------------------|------------------|---------------------------|-------------|--|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent | |
| PB | 18.00 | 18.00 | 18.00 | 0.00 | 0.0% | |
| State/Other Special Rev. Funds | 2,832,783 | 3,051,923 | 3,057,430 | 443,787 | 7.8% | |
| Total Funds | 2,832,783 | 3,051,923 | 3,057,430 | 443,787 | 7.8% | |
| Personal Services | 2,035,563 | 2,154,363 | 2,159,709 | 242,946 | 6.0% | |
| Operating Expenses | 797,220 | 897,560 | 897,721 | 200,841 | 12.6% | |
| Total Expenditures | 2,832,783 | 3,051,923 | 3,057,430 | 443,787 | 7.8% | |
| Total Ongoing | 2,832,783 | 3,051,923 | 3,057,430 | 443,787 | 7.8% | |
| Total One-Time-Only | | | | | 0.0% | |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Budget Item | Actuals | Approp. | Approp. | Legislative | Legislative |
| | Fiscal 2024 | Fiscal 2024 | Fiscal 2025 | Fiscal 2026 | Fiscal 2027 |
| Personal Services | 1,999,129 | 1,950,281 | 2,035,563 | 2,154,363 | 2,159,709 |
| Operating Expenses | 669,738 | 836,096 | 797,220 | 897,560 | 897,721 |
| Total Expenditures | \$2,668,867 | \$2,786,377 | \$2,832,783 | \$3,051,923 | \$3,057,430 |
| State/Other Special Rev. Funds | 2,668,867 | 2,786,377 | 2,832,783 | 3,051,923 | 3,057,430 |
| Total Funds | \$2,668,867 | \$2,786,377 | \$2,832,783 | \$3,051,923 | \$3,057,430 |
| Total Ongoing | \$2,668,867 | \$2,786,377 | \$2,832,783 | \$3,051,923 | \$3,057,430 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

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Funding

HB 2 Authority

The Architecture & Engineering Division is entirely funded with HB 2 state special revenue authority. The majority of this authority comes from funds transferred from the long-range building major repairs fund to the Architecture & Engineering state special revenue fund, which was established for administrative expenses related to the support of the state Long-

Range Building Program.

Legislative Budget

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

| Architecture and Engineering Division 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|--------------|------------------|-----------------|------------------|---------------------|--------------|------------------|-----------------|------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 0 | 2,832,783 | 0 | 2,832,783 | 92.8% | 0 | 2,832,783 | 0 | 2,832,783 | 92.7% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 0 | 118,800 | 0 | 118,800 | 3.9% | 0 | 124,146 | 0 | 124,146 | 4.1% |
| Fixed Costs | 0 | 14,812 | 0 | 14,812 | 0.5% | 0 | 10,185 | 0 | 10,185 | 0.3% |
| Inflation Deflation | 0 | (2,178) | 0 | (2,178) | (0.1%) | 0 | (1,472) | 0 | (1,472) | (0.0%) |
| Total Statewide PL | 0 | 131,434 | 0 | 131,434 | 4.3% | 0 | 132,859 | 0 | 132,859 | 4.3% |
| Present Law (PL) | 0 | 87,706 | 0 | 87,706 | 2.9% | 0 | 91,788 | 0 | 91,788 | 3.0% |
| New Proposals | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Total HB 2 Adjustments | 0 | 219,140 | 0 | 219,140 | 7.2% | 0 | 224,647 | 0 | 224,647 | 7.3% |
| Total Budget | 0 | 3,051,923 | 0 | 3,051,923 | | 0 | 3,057,430 | 0 | 3,057,430 | |

Present Law Adjustments -

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

| Present Law Adjustments | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|---|-----------------------|--------------|------------------|-----------------|------------------|-----------------------|--------------|------------------|-----------------|------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 0 | 118,800 | 0 | 118,800 | 0.00 | 0 | 124,146 | 0 | 124,146 |
| DP 2 - Fixed Costs | 0.00 | 0 | 14,812 | 0 | 14,812 | 0.00 | 0 | 10,185 | 0 | 10,185 |
| DP 3 - Inflation Deflation | 0.00 | 0 | (2,178) | 0 | (2,178) | 0.00 | 0 | (1,472) | 0 | (1,472) |
| DP 4 - Allocate Department Indirect/Administrative Costs | 0.00 | 0 | 1,847 | 0 | 1,847 | 0.00 | 0 | 2,126 | 0 | 2,126 |
| DP 5 - Management Services HR Rate Adjustment | 0.00 | 0 | (256) | 0 | (256) | 0.00 | 0 | (570) | 0 | (570) |
| DP 22 - Fixed Cost Adjustment for Robert's Rules | 0.00 | 0 | (203) | 0 | (203) | 0.00 | 0 | (203) | 0 | (203) |
| DP 23 - Fixed Costs Adjustment for Office/Non-Office Rent | 0.00 | 0 | (1,282) | 0 | (1,282) | 0.00 | 0 | (1,365) | 0 | (1,365) |
| DP 401 - Rental Expense Increase | 0.00 | 0 | 87,600 | 0 | 87,600 | 0.00 | 0 | 91,800 | 0 | 91,800 |
| Grand Total All Present Law Adjustments | 0.00 | \$0 | \$219,140 | \$0 | \$219,140 | 0.00 | \$0 | \$224,647 | \$0 | \$224,647 |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 4 - Allocate Department Indirect/Administrative Costs -

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

DP 5 - Management Services HR Rate Adjustment -

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

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

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

DP 23 - Fixed Costs Adjustment for Office/Non-Office Rent -

The legislature adopted an adjustment to fixed costs that reduced office and non-office rent included in DP 2.

DP 401 - Rental Expense Increase -

The legislature adopted an increase in the Architecture & Engineering Division's operating budget to pay rental costs for the division's new location.

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | |
|--------------------------------|------------------|------------------|------------------|---------------------------|-------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| PB | 12.25 | 12.25 | 12.25 | 0.00 | 0.0% |
| General Fund | 1,673,615 | 1,438,013 | 1,439,081 | (470,136) | (14.0%) |
| State/Other Special Rev. Funds | 213,662 | 604,999 | 602,778 | 780,453 | 182.6% |
| Total Funds | 1,887,277 | 2,043,012 | 2,041,859 | 310,317 | 8.2% |
| Personal Services | 1,160,102 | 1,203,418 | 1,205,524 | 88,738 | 3.8% |
| Operating Expenses | 727,175 | 839,594 | 836,335 | 221,579 | 15.2% |
| Total Expenditures | 1,887,277 | 2,043,012 | 2,041,859 | 310,317 | 8.2% |
| Total Ongoing | 1,887,277 | 2,043,012 | 2,041,859 | 310,317 | 8.2% |
| Total One-Time-Only | | | | | 0.0% |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Budget Item | Actuals | Approp. | Approp. | Legislative | Legislative |
| | Fiscal 2024 | Fiscal 2024 | Fiscal 2025 | Fiscal 2026 | Fiscal 2027 |
| Personal Services | 1,190,980 | 1,168,122 | 1,160,102 | 1,203,418 | 1,205,524 |
| Operating Expenses | 352,052 | 363,623 | 727,175 | 839,594 | 836,335 |
| Debt Service | 381,119 | 402,733 | 0 | 0 | 0 |
| Total Expenditures | \$1,924,151 | \$1,934,478 | \$1,887,277 | \$2,043,012 | \$2,041,859 |
| General Fund | 1,599,625 | 1,608,880 | 1,673,615 | 1,438,013 | 1,439,081 |
| State/Other Special Rev. Funds | 324,526 | 325,598 | 213,662 | 604,999 | 602,778 |
| Total Funds | \$1,924,151 | \$1,934,478 | \$1,887,277 | \$2,043,012 | \$2,041,859 |
| Total Ongoing | \$1,924,151 | \$1,934,478 | \$1,887,277 | \$2,043,012 | \$2,041,859 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

Page Reference

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Funding

HB 2 Authority

The State Procurement Services Division is entirely funded with HB 2 authority. General fund supports the majority of the division’s general operational expenses.

The procurement state special revenue fund receives revenue from all rebates credited to the department from using state procurement cards and term contracts. The revenue must be used to administer the state’s procurement card programs, administer term contracts established by the department, and reimburse applicable funds to the federal government. The unreserved, unexpended balance of funds collected must be deposited in the general fund by the end of the fiscal year.

Legislative Budget

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

| State Procurement Services Division 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|------------------|----------------|-----------------|------------------|---------------------|------------------|----------------|-----------------|------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 1,673,615 | 213,662 | 0 | 1,887,277 | 92.4% | 1,673,615 | 213,662 | 0 | 1,887,277 | 92.4% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 43,309 | 7 | 0 | 43,316 | 2.1% | 45,119 | 303 | 0 | 45,422 | 2.2% |
| Fixed Costs | (74,044) | 6,943 | 0 | (67,101) | (3.3%) | (76,461) | 6,234 | 0 | (70,227) | (3.4%) |
| Inflation Deflation | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Total Statewide PL | (30,735) | 6,950 | 0 | (23,785) | (1.2%) | (31,342) | 6,537 | 0 | (24,805) | (1.2%) |
| Present Law (PL) | (16,657) | 196,177 | 0 | 179,520 | 8.8% | (16,790) | 196,177 | 0 | 179,387 | 8.8% |
| New Proposals | (188,210) | 188,210 | 0 | 0 | 0.0% | (186,402) | 186,402 | 0 | 0 | 0.0% |
| Total HB 2 Adjustments | (235,602) | 391,337 | 0 | 155,735 | 7.6% | (234,534) | 389,116 | 0 | 154,582 | 7.6% |
| Total Budget | 1,438,013 | 604,999 | 0 | 2,043,012 | | 1,439,081 | 602,778 | 0 | 2,041,859 | |

Present Law Adjustments -

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

| Present Law Adjustments | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|--|-----------------------|-------------------|------------------|-----------------|------------------|-----------------------|-------------------|------------------|-----------------|------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 43,309 | 7 | 0 | 43,316 | 0.00 | 45,119 | 303 | 0 | 45,422 |
| DP 2 - Fixed Costs | 0.00 | (74,044) | 6,943 | 0 | (67,101) | 0.00 | (76,461) | 6,234 | 0 | (70,227) |
| DP 4 - Allocate Department Indirect/Administrative Costs | 0.00 | (68) | 3,922 | 0 | 3,854 | 0.00 | 122 | 3,938 | 0 | 4,060 |
| DP 5 - Management Services HR Rate Adjustment | 0.00 | (159) | (13) | 0 | (172) | 0.00 | (355) | (29) | 0 | (384) |
| DP 22 - Fixed Cost Adjustment for Robert's Rules | 0.00 | (113) | (25) | 0 | (138) | 0.00 | (113) | (25) | 0 | (138) |
| DP 23 - Fixed Costs Adjustment for Office/Non-Office Rent | 0.00 | (1,963) | 0 | 0 | (1,963) | 0.00 | (2,090) | 0 | 0 | (2,090) |
| DP 302 - General Fund Transfer to Correct SFSD and SPSD Starting Point | 0.00 | (14,354) | 0 | 0 | (14,354) | 0.00 | (14,354) | 0 | 0 | (14,354) |
| DP 502 - Increase in SSR Operations | 0.00 | 0 | 192,293 | 0 | 192,293 | 0.00 | 0 | 192,293 | 0 | 192,293 |
| Grand Total All Present Law Adjustments | 0.00 | (\$47,392) | \$203,127 | \$0 | \$155,735 | 0.00 | (\$48,132) | \$202,714 | \$0 | \$154,582 |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 4 - Allocate Department Indirect/Administrative Costs -

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

DP 5 - Management Services HR Rate Adjustment -

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

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

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

DP 23 - Fixed Costs Adjustment for Office/Non-Office Rent -

The legislature adopted an adjustment to fixed costs that reduced office and non-office rent included in DP 2.

DP 302 - General Fund Transfer to Correct SFSD and SPSD Starting Point -

The legislature adopted a general fund transfer from the State Procurement Services Division to the State Financial Services Division to adjust starting points due to a budget change document (BCD) not processing in time to correct the starting points.

DP 502 - Increase in SSR Operations -

The legislature adopted funding for additional state special revenue for overall operations of the division due to increased contract costs.

New Proposals -

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

| New Proposals | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|---------------------------------------|-----------------------|--------------------|------------------|-----------------|-------------|-----------------------|--------------------|------------------|-----------------|-------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 503 - General Fund/SSR FTE Funding | 0.00 | (188,210) | 188,210 | 0 | 0 | 0.00 | (186,402) | 186,402 | 0 | 0 |
| Total | 0.00 | (\$188,210) | \$188,210 | \$0 | \$0 | 0.00 | (\$186,402) | \$186,402 | \$0 | \$0 |

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

DP 503 - General Fund/SSR FTE Funding -

The legislature adopted a funding switch for 2.00 PB from general fund to state special revenue. The state special revenue is generated by term contract rebates and administrative fees as allowed in 18-4-227, MCA. This statute allows the division to use money in the procurement and term rebate account to administer term contracts established by the department. The division has identified the term contract area for strategic contracting opportunities for potential growth for contracts to reach across the enterprise and reduce duplicate services.

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | |
|--------------------------------|------------------|------------------|------------------|---------------------------|-------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| PB | 36.00 | 36.00 | 36.00 | 0.00 | 0.0% |
| State/Other Special Rev. Funds | 5,051,810 | 5,117,817 | 5,122,842 | 137,039 | 1.4% |
| Total Funds | 5,051,810 | 5,117,817 | 5,122,842 | 137,039 | 1.4% |
| Personal Services | 3,891,164 | 3,916,627 | 3,929,357 | 63,656 | 0.8% |
| Operating Expenses | 998,351 | 1,158,470 | 1,150,765 | 312,533 | 15.7% |
| Debt Service | 162,295 | 42,720 | 42,720 | (239,150) | (73.7%) |
| Total Expenditures | 5,051,810 | 5,117,817 | 5,122,842 | 137,039 | 1.4% |
| Total Ongoing | 5,051,810 | 5,117,817 | 5,122,842 | 137,039 | 1.4% |
| Total One-Time-Only | | | | | 0.0% |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 3,578,837 | 3,602,627 | 3,891,164 | 3,916,627 | 3,929,357 |
| Operating Expenses | 953,687 | 986,203 | 998,351 | 1,158,470 | 1,150,765 |
| Debt Service | 162,295 | 162,295 | 162,295 | 42,720 | 42,720 |
| Total Expenditures | \$4,694,819 | \$4,751,125 | \$5,051,810 | \$5,117,817 | \$5,122,842 |
| State/Other Special Rev. Funds | 4,694,819 | 4,751,125 | 5,051,810 | 5,117,817 | 5,122,842 |
| Total Funds | \$4,694,819 | \$4,751,125 | \$5,051,810 | \$5,117,817 | \$5,122,842 |
| Total Ongoing | \$4,694,819 | \$4,751,125 | \$5,051,810 | \$5,117,817 | \$5,122,842 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

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Funding

HB 2 Authority

The Banking and Financial Institutions Division is entirely funded with state special revenues generated from assessments,

application fees, and examination fees paid by the regulated financial institutions.

Legislative Budget

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

| Banking and Financial Institutions Division 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|--------------|------------------|-----------------|------------------|---------------------|--------------|------------------|-----------------|------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 0 | 5,051,810 | 0 | 5,051,810 | 98.7% | 0 | 5,051,810 | 0 | 5,051,810 | 98.6% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 0 | 25,463 | 0 | 25,463 | 0.5% | 0 | 38,193 | 0 | 38,193 | 0.7% |
| Fixed Costs | 0 | 40,403 | 0 | 40,403 | 0.8% | 0 | 31,443 | 0 | 31,443 | 0.6% |
| Inflation Deflation | 0 | (3,941) | 0 | (3,941) | (0.1%) | 0 | (2,664) | 0 | (2,664) | (0.1%) |
| Total Statewide PL | 0 | 61,925 | 0 | 61,925 | 1.2% | 0 | 66,972 | 0 | 66,972 | 1.3% |
| Present Law (PL) | 0 | 4,082 | 0 | 4,082 | 0.1% | 0 | 4,060 | 0 | 4,060 | 0.1% |
| New Proposals | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Total HB 2 Adjustments | 0 | 66,007 | 0 | 66,007 | 1.3% | 0 | 71,032 | 0 | 71,032 | 1.4% |
| Total Budget | 0 | 5,117,817 | 0 | 5,117,817 | | 0 | 5,122,842 | 0 | 5,122,842 | |

Present Law Adjustments -

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

| Present Law Adjustments | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|--|-----------------------|--------------|-----------------|-----------------|-----------------|-----------------------|--------------|-----------------|-----------------|-----------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 0 | 25,463 | 0 | 25,463 | 0.00 | 0 | 38,193 | 0 | 38,193 |
| DP 2 - Fixed Costs | 0.00 | 0 | 40,403 | 0 | 40,403 | 0.00 | 0 | 31,443 | 0 | 31,443 |
| DP 3 - Inflation Deflation | 0.00 | 0 | (3,941) | 0 | (3,941) | 0.00 | 0 | (2,664) | 0 | (2,664) |
| DP 4 - Allocate Department Indirect/Administrative Costs | 0.00 | 0 | 4,960 | 0 | 4,960 | 0.00 | 0 | 5,518 | 0 | 5,518 |
| DP 5 - Management Services HR Rate Adjustment | 0.00 | 0 | (471) | 0 | (471) | 0.00 | 0 | (1,051) | 0 | (1,051) |
| DP 22 - Fixed Cost Adjustment for Robert's Rules | 0.00 | 0 | (407) | 0 | (407) | 0.00 | 0 | (407) | 0 | (407) |
| DP 1401 - Adjust BFID Debt Service Budget | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 |
| Grand Total All Present Law Adjustments | 0.00 | \$0 | \$66,007 | \$0 | \$66,007 | 0.00 | \$0 | \$71,032 | \$0 | \$71,032 |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 4 - Allocate Department Indirect/Administrative Costs -

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

DP 5 - Management Services HR Rate Adjustment -

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

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

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

DP 1401 - Adjust BFID Debt Service Budget -

The legislature adopted moving debt services authority to operating expense authority. The Banking and Financial Institutions Division, Helena office, recently moved into a state-owned property and no longer occupies the space that was previously leased. This expense is now recorded as rent, rather than lease payments, requiring budget authority to be moved from debt service to operating expense. No additional authority was adopted.

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | |
|--------------------------------|------------------|------------------|------------------|---------------------------|-------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| PB | 36.75 | 36.75 | 36.75 | 0.00 | 0.0% |
| Proprietary Funds | 6,641,695 | 6,836,148 | 6,692,287 | 245,045 | 1.8% |
| Total Funds | 6,641,695 | 6,836,148 | 6,692,287 | 245,045 | 1.8% |
| Personal Services | 3,127,461 | 3,151,310 | 3,162,242 | 58,630 | 0.9% |
| Operating Expenses | 3,247,418 | 3,418,022 | 3,263,229 | 186,415 | 2.9% |
| Equipment & Intangible Assets | 50,000 | 50,000 | 50,000 | | 0.0% |
| Debt Service | 216,816 | 216,816 | 216,816 | | 0.0% |
| Total Expenditures | 6,641,695 | 6,836,148 | 6,692,287 | 245,045 | 1.8% |
| Total Ongoing | 6,641,695 | 6,836,148 | 6,692,287 | 245,045 | 1.8% |
| Total One-Time-Only | | | | | 0.0% |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 2,978,675 | 2,968,668 | 3,127,461 | 3,151,310 | 3,162,242 |
| Operating Expenses | 3,039,015 | 3,370,292 | 3,247,418 | 3,418,022 | 3,263,229 |
| Equipment & Intangible Assets | 77,090 | 85,000 | 50,000 | 50,000 | 50,000 |
| Debt Service | 216,816 | 216,816 | 216,816 | 216,816 | 216,816 |
| Total Expenditures | \$6,311,596 | \$6,640,776 | \$6,641,695 | \$6,836,148 | \$6,692,287 |
| Proprietary Funds | 6,311,596 | 6,640,776 | 6,641,695 | 6,836,148 | 6,692,287 |
| Total Funds | \$6,311,596 | \$6,640,776 | \$6,641,695 | \$6,836,148 | \$6,692,287 |
| Total Ongoing | \$6,311,596 | \$6,640,776 | \$6,641,695 | \$6,836,148 | \$6,692,287 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

Page Reference

LFD Budget Analysis, A-174

Funding

HB 2 Appropriations

The Montana State Lottery is funded entirely with an enterprise proprietary fund derived from lottery game revenues. Net revenue is transferred quarterly to the general fund.

Statutory Appropriations

The Montana State Lottery has statutory appropriations for expenditures in three main areas:

- Lottery prizes
- Commissions paid to lottery ticket or chance sales agents
- Lottery contractor fees

Legislative Budget

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

| Montana State Lottery 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|--------------|---------------|-----------------|------------------|---------------------|--------------|---------------|-----------------|------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 0 | 0 | 0 | 6,641,695 | 97.2% | 0 | 0 | 0 | 6,641,695 | 99.2% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 0 | 0 | 0 | 23,849 | 0.3% | 0 | 0 | 0 | 34,781 | 0.5% |
| Fixed Costs | 0 | 0 | 0 | 167,683 | 2.5% | 0 | 0 | 0 | 12,906 | 0.2% |
| Inflation Deflation | 0 | 0 | 0 | (6) | (0.0%) | 0 | 0 | 0 | (4) | (0.0%) |
| Total Statewide PL | 0 | 0 | 0 | 191,526 | 2.8% | 0 | 0 | 0 | 47,683 | 0.7% |
| Present Law (PL) | 0 | 0 | 0 | 2,927 | 0.0% | 0 | 0 | 0 | 2,909 | 0.0% |
| New Proposals | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Total HB 2 Adjustments | 0 | 0 | 0 | 194,453 | 2.8% | 0 | 0 | 0 | 50,592 | 0.8% |
| Total Budget | 0 | 0 | 0 | 6,836,148 | | 0 | 0 | 0 | 6,692,287 | |

Present Law Adjustments -

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

| | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|--|-----------------------|--------------|---------------|-----------------|------------------|-----------------------|--------------|---------------|-----------------|-----------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 0 | 0 | 0 | 23,849 | 0.00 | 0 | 0 | 0 | 34,781 |
| DP 2 - Fixed Costs | 0.00 | 0 | 0 | 0 | 167,683 | 0.00 | 0 | 0 | 0 | 12,906 |
| DP 3 - Inflation Deflation | 0.00 | 0 | 0 | 0 | (6) | 0.00 | 0 | 0 | 0 | (4) |
| DP 4 - Allocate Department Indirect/Administrative Costs | 0.00 | 0 | 0 | 0 | 3,828 | 0.00 | 0 | 0 | 0 | 4,402 |
| DP 5 - Management Services HR Rate Adjustment | 0.00 | 0 | 0 | 0 | (482) | 0.00 | 0 | 0 | 0 | (1,074) |
| DP 22 - Fixed Cost Adjustment for Robert's Rules | 0.00 | 0 | 0 | 0 | (419) | 0.00 | 0 | 0 | 0 | (419) |
| Grand Total All Present Law Adjustments | 0.00 | \$0 | \$0 | \$0 | \$194,453 | 0.00 | \$0 | \$0 | \$0 | \$50,592 |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 4 - Allocate Department Indirect/Administrative Costs -

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

DP 5 - Management Services HR Rate Adjustment -

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

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

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

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | |
|--------------------------------|------------------|------------------|------------------|---------------------------|-------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| PB | 16.25 | 16.25 | 16.25 | 0.00 | 0.0% |
| General Fund | 2,318,359 | 2,401,238 | 2,400,701 | 165,221 | 3.6% |
| Total Funds | 2,318,359 | 2,401,238 | 2,400,701 | 165,221 | 3.6% |
| Personal Services | 1,779,689 | 1,815,294 | 1,818,724 | 74,640 | 2.1% |
| Operating Expenses | 538,670 | 585,944 | 581,977 | 90,581 | 8.4% |
| Total Expenditures | 2,318,359 | 2,401,238 | 2,400,701 | 165,221 | 3.6% |
| Total Ongoing | 2,318,359 | 2,401,238 | 2,400,701 | 165,221 | 3.6% |
| Total One-Time-Only | | | | | 0.0% |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Budget Item | Actuals | Approp. | Approp. | Legislative | Legislative |
| | Fiscal 2024 | Fiscal 2024 | Fiscal 2025 | Fiscal 2026 | Fiscal 2027 |
| Personal Services | 1,365,642 | 1,704,407 | 1,779,689 | 1,815,294 | 1,818,724 |
| Operating Expenses | 834,265 | 525,940 | 538,670 | 585,944 | 581,977 |
| Total Expenditures | \$2,199,907 | \$2,230,347 | \$2,318,359 | \$2,401,238 | \$2,400,701 |
| General Fund | 2,199,907 | 2,230,347 | 2,318,359 | 2,401,238 | 2,400,701 |
| Total Funds | \$2,199,907 | \$2,230,347 | \$2,318,359 | \$2,401,238 | \$2,400,701 |
| Total Ongoing | \$2,199,907 | \$2,230,347 | \$2,318,359 | \$2,401,238 | \$2,400,701 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

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Funding

HB 2 Appropriations

The State Human Resources Division receives general fund appropriations in HB 2 for support of the Human Resources Policy and Programs Bureau. This bureau establishes the human resource rules, policies, and standards for Montana's executive branch.

Non-Budgeted Proprietary Appropriations

The majority of the State Human Resources Division’s operations are supported by proprietary funds. The Human Resource Information Services Bureau (HRIS) is funded through a fee charged to state agencies for each employee payroll processed in a pay period. This fund is considered and approved as rates charged to other state agencies is discussed in greater detail in the Proprietary Rates budget analysis.

Legislative Budget

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

| State Human Resources Division 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|--|------------------|---------------|-----------------|------------------|---------------------|------------------|---------------|-----------------|------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 2,318,359 | 0 | 0 | 2,318,359 | 96.5% | 2,318,359 | 0 | 0 | 2,318,359 | 96.6% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 35,605 | 0 | 0 | 35,605 | 1.5% | 39,035 | 0 | 0 | 39,035 | 1.6% |
| Fixed Costs | 43,935 | 0 | 0 | 43,935 | 1.8% | 40,142 | 0 | 0 | 40,142 | 1.7% |
| Inflation Deflation | (59) | 0 | 0 | (59) | (0.0%) | (40) | 0 | 0 | (40) | (0.0%) |
| Total Statewide PL | 79,481 | 0 | 0 | 79,481 | 3.3% | 79,137 | 0 | 0 | 79,137 | 3.3% |
| Present Law (PL) | 3,398 | 0 | 0 | 3,398 | 0.1% | 3,205 | 0 | 0 | 3,205 | 0.1% |
| New Proposals | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Total HB 2 Adjustments | 82,879 | 0 | 0 | 82,879 | 3.5% | 82,342 | 0 | 0 | 82,342 | 3.4% |
| Total Budget | 2,401,238 | 0 | 0 | 2,401,238 | | 2,400,701 | 0 | 0 | 2,400,701 | |

Present Law Adjustments -

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

| Present Law Adjustments | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|---|-----------------------|-----------------|---------------|-----------------|-----------------|-----------------------|-----------------|---------------|-----------------|-----------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 35,605 | 0 | 0 | 35,605 | 0.00 | 39,035 | 0 | 0 | 39,035 |
| DP 2 - Fixed Costs | 0.00 | 43,935 | 0 | 0 | 43,935 | 0.00 | 40,142 | 0 | 0 | 40,142 |
| DP 3 - Inflation Deflation | 0.00 | (59) | 0 | 0 | (59) | 0.00 | (40) | 0 | 0 | (40) |
| DP 4 - Allocate Department Indirect/Administrative Costs | 0.00 | 6,659 | 0 | 0 | 6,659 | 0.00 | 6,911 | 0 | 0 | 6,911 |
| DP 5 - Management Services HR Rate Adjustment | 0.00 | (211) | 0 | 0 | (211) | 0.00 | (471) | 0 | 0 | (471) |
| DP 22 - Fixed Cost Adjustment for Robert's Rules | 0.00 | (183) | 0 | 0 | (183) | 0.00 | (183) | 0 | 0 | (183) |
| DP 23 - Fixed Costs Adjustment for Office/Non-Office Rent | 0.00 | (2,867) | 0 | 0 | (2,867) | 0.00 | (3,052) | 0 | 0 | (3,052) |
| Grand Total All Present Law Adjustments | 0.00 | \$82,879 | \$0 | \$0 | \$82,879 | 0.00 | \$82,342 | \$0 | \$0 | \$82,342 |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 4 - Allocate Department Indirect/Administrative Costs -

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

DP 5 - Management Services HR Rate Adjustment -

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

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

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

DP 23 - Fixed Costs Adjustment for Office/Non-Office Rent -

The legislature adopted an adjustment to fixed costs that reduced office and non-office rent included in DP 2.

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | | |
|--------------------------------|----------------|------------------|----------------|---------------------------|-------------|--|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent | |
| PB | 5.50 | 5.50 | 5.50 | 0.00 | 0.0% | |
| General Fund | 764,245 | 797,780 | 799,046 | 68,336 | 4.5% | |
| Total Funds | 764,245 | 797,780 | 799,046 | 68,336 | 4.5% | |
| Personal Services | 544,849 | 559,076 | 561,687 | 31,065 | 2.9% | |
| Operating Expenses | 155,549 | 174,857 | 173,512 | 37,271 | 12.0% | |
| Local Assistance | 14,683 | 14,683 | 14,683 | | 0.0% | |
| Debt Service | 49,164 | 49,164 | 49,164 | | 0.0% | |
| Total Expenditures | 764,245 | 797,780 | 799,046 | 68,336 | 4.5% | |
| Total Ongoing | 764,245 | 797,780 | 799,046 | 68,336 | 4.5% | |
| Total One-Time-Only | | | | | 0.0% | |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 552,872 | 521,030 | 544,849 | 559,076 | 561,687 |
| Operating Expenses | 111,105 | 154,678 | 155,549 | 174,857 | 173,512 |
| Local Assistance | 18,147 | 14,683 | 14,683 | 14,683 | 14,683 |
| Debt Service | 47,064 | 47,064 | 49,164 | 49,164 | 49,164 |
| Total Expenditures | \$729,188 | \$737,455 | \$764,245 | \$797,780 | \$799,046 |
| General Fund | 729,188 | 737,455 | 764,245 | 797,780 | 799,046 |
| Total Funds | \$729,188 | \$737,455 | \$764,245 | \$797,780 | \$799,046 |
| Total Ongoing | \$729,188 | \$737,455 | \$764,245 | \$797,780 | \$799,046 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

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Funding

HB 2 Appropriations

The Montana Tax Appeal Board is fully funded with general fund. General fund provides support for travel expenses, compensation, and all other incidental expenses of the county tax boards. Office space and equipment for the county tax appeal boards must be furnished by the county.

Legislative Budget

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

| Montana Tax Appeal Board 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|--|----------------|---------------|-----------------|----------------|---------------------|----------------|---------------|-----------------|----------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 764,245 | 0 | 0 | 764,245 | 95.8% | 764,245 | 0 | 0 | 764,245 | 95.6% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 14,227 | 0 | 0 | 14,227 | 1.8% | 16,838 | 0 | 0 | 16,838 | 2.1% |
| Fixed Costs | 19,089 | 0 | 0 | 19,089 | 2.4% | 17,740 | 0 | 0 | 17,740 | 2.2% |
| Inflation Deflation | (18) | 0 | 0 | (18) | (0.0%) | (12) | 0 | 0 | (12) | (0.0%) |
| Total Statewide PL | 33,298 | 0 | 0 | 33,298 | 4.2% | 34,566 | 0 | 0 | 34,566 | 4.3% |
| Present Law (PL) | 237 | 0 | 0 | 237 | 0.0% | 235 | 0 | 0 | 235 | 0.0% |
| New Proposals | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Total HB 2 Adjustments | 33,535 | 0 | 0 | 33,535 | 4.2% | 34,801 | 0 | 0 | 34,801 | 4.4% |
| Total Budget | 797,780 | 0 | 0 | 797,780 | | 799,046 | 0 | 0 | 799,046 | |

Present Law Adjustments -

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

| Present Law Adjustments | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|--|-----------------------|-----------------|---------------|-----------------|-----------------|-----------------------|-----------------|---------------|-----------------|-----------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 14,227 | 0 | 0 | 14,227 | 0.00 | 16,838 | 0 | 0 | 16,838 |
| DP 2 - Fixed Costs | 0.00 | 19,089 | 0 | 0 | 19,089 | 0.00 | 17,740 | 0 | 0 | 17,740 |
| DP 3 - Inflation Deflation | 0.00 | (18) | 0 | 0 | (18) | 0.00 | (12) | 0 | 0 | (12) |
| DP 4 - Allocate Department Indirect/Administrative Costs | 0.00 | 371 | 0 | 0 | 371 | 0.00 | 457 | 0 | 0 | 457 |
| DP 5 - Management Services HR Rate Adjustment | 0.00 | (71) | 0 | 0 | (71) | 0.00 | (159) | 0 | 0 | (159) |
| DP 22 - Fixed Cost Adjustment for Robert's Rules | 0.00 | (63) | 0 | 0 | (63) | 0.00 | (63) | 0 | 0 | (63) |
| Grand Total All Present Law Adjustments | 0.00 | \$33,535 | \$0 | \$0 | \$33,535 | 0.00 | \$34,801 | \$0 | \$0 | \$34,801 |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 4 - Allocate Department Indirect/Administrative Costs -

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

DP 5 - Management Services HR Rate Adjustment -

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

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

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

Agency Base Budget Comparison

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

| Agency Base Budget Comparison | | | | | | |
|--------------------------------|-------------------|-------------------|-------------------|---------------------------|-----------------|--|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent | |
| PB | 61.30 | 61.30 | 61.30 | 0.00 | 0.0% | |
| General Fund | 6,126,479 | 6,444,742 | 6,471,009 | 662,793 | 5.4% | |
| State/Other Special Rev. Funds | 10,391,489 | 10,423,717 | 10,432,075 | 72,814 | 0.4% | |
| Federal Spec. Rev. Funds | 19,830,377 | 21,889,314 | 21,801,888 | 4,030,448 | 10.2% | |
| Total Funds | 36,348,345 | 38,757,773 | 38,704,972 | 4,766,055 | 6.6% | |
| Personal Services | 5,939,238 | 5,600,044 | 5,619,630 | (658,802) | (5.5%) | |
| Operating Expenses | 13,601,447 | 8,780,106 | 8,695,581 | (9,727,207) | (35.8%) | |
| Equipment & Intangible Assets | 150,000 | 150,000 | 150,000 | | 0.0% | |
| Capital Outlay | 300,000 | 300,000 | 300,000 | | 0.0% | |
| Local Assistance | 46,000 | 46,000 | 46,000 | | 0.0% | |
| Grants | 16,017,004 | 23,569,931 | 23,569,901 | 15,105,824 | 47.2% | |
| Transfers | 1,124 | 1,124 | 1,124 | | 0.0% | |
| Debt Service | 293,532 | 310,568 | 322,736 | 46,240 | 7.9% | |
| Total Expenditures | 36,348,345 | 38,757,773 | 38,704,972 | 4,766,055 | 6.6% | |
| Total Ongoing | 36,348,345 | 38,757,773 | 38,704,972 | 4,766,055 | 6.6% | |
| Total One-Time-Only | 53,950 | | | (107,900) | (100.0%) | |

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Agency Highlights

| Department of Commerce Major Budget Highlights |
|--|
| <ul style="list-style-type: none"> • The Department of Commerce’s 2027 biennium appropriations are approximately \$4.8 million or 6.6% higher than the FY 2025 base budget. The legislature adopted budget includes: <ul style="list-style-type: none"> ◦ Approximately \$3.7 million biennial increase due to increased federal authority for the Housing Trust Fund (HTF) and HOME programs for increased grant authority ◦ Statewide present law adjustments for personal services, fixed costs, and inflation ◦ An administrative cost adjustment increase due to non-state building leases and indirect costs paid to the Director’s Office for support services |

Agency Actuals and Budget Comparison

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

| Agency Actuals and Budget Comparison | | | | | |
|--------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 4,685,848 | 5,327,491 | 5,982,968 | 5,600,044 | 5,619,630 |
| Operating Expenses | 5,027,165 | 13,515,666 | 13,611,667 | 8,780,106 | 8,695,581 |
| Equipment & Intangible Assets | 0 | 0 | 150,000 | 150,000 | 150,000 |
| Capital Outlay | 697,835 | 750,000 | 300,000 | 300,000 | 300,000 |
| Local Assistance | 0 | 46,000 | 46,000 | 46,000 | 46,000 |
| Grants | 21,724,178 | 16,231,004 | 16,017,004 | 23,569,931 | 23,569,901 |
| Transfers | 0 | 1,124 | 1,124 | 1,124 | 1,124 |
| Debt Service | 229,834 | 279,532 | 293,532 | 310,568 | 322,736 |
| Total Expenditures | \$32,364,860 | \$36,150,817 | \$36,402,295 | \$38,757,773 | \$38,704,972 |
| General Fund | 5,391,107 | 5,577,740 | 6,180,429 | 6,444,742 | 6,471,009 |
| State/Other Special Rev. Funds | 7,767,640 | 10,282,643 | 10,391,489 | 10,423,717 | 10,432,075 |
| Federal Spec. Rev. Funds | 19,206,113 | 20,290,434 | 19,830,377 | 21,889,314 | 21,801,888 |
| Total Funds | \$32,364,860 | \$36,150,817 | \$36,402,295 | \$38,757,773 | \$38,704,972 |
| Total Ongoing | \$32,344,621 | \$36,094,582 | \$36,348,345 | \$38,757,773 | \$38,704,972 |
| Total OTO | \$20,239 | \$56,235 | \$53,950 | \$0 | \$0 |

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Executive Budget Comparison

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

| Executive Budget Comparison | | | | | | | | |
|--------------------------------|------------------------|------------------------------------|--------------------------------------|--|------------------------------------|--------------------------------------|--|--|
| Budget Item | Approp. Fiscal 2025 | Executive Budget Fiscal 2026 | Legislative Budget Fiscal 2026 | Leg — Exec. Difference Fiscal 2026 | Executive Budget Fiscal 2027 | Legislative Budget Fiscal 2027 | Leg — Exec. Difference Fiscal 2027 | Biennium Difference Fiscal 26-27 |
| Personal Services | 5,982,968 | 5,600,044 | 5,600,044 | 0 | 5,619,630 | 5,619,630 | 0 | 0 |
| Operating Expenses | 13,611,667 | 8,831,670 | 8,780,106 | (51,564) | 8,747,145 | 8,695,581 | (51,564) | (103,128) |
| Equipment & Intangible Assets | 150,000 | 150,000 | 150,000 | 0 | 150,000 | 150,000 | 0 | 0 |
| Capital Outlay | 300,000 | 300,000 | 300,000 | 0 | 300,000 | 300,000 | 0 | 0 |
| Local Assistance | 46,000 | 46,000 | 46,000 | 0 | 46,000 | 46,000 | 0 | 0 |
| Grants | 16,017,004 | 23,569,931 | 23,569,931 | 0 | 23,569,901 | 23,569,901 | 0 | 0 |
| Benefits & Claims | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers | 1,124 | 1,124 | 1,124 | 0 | 1,124 | 1,124 | 0 | 0 |
| Debt Service | 293,532 | 310,568 | 310,568 | 0 | 322,736 | 322,736 | 0 | 0 |
| Total Costs | \$36,402,295 | \$38,809,337 | \$38,757,773 | (\$51,564) | \$38,756,536 | \$38,704,972 | (\$51,564) | (\$103,128) |
| General Fund | 6,180,429 | 6,445,549 | 6,444,742 | (807) | 6,471,816 | 6,471,009 | (807) | (1,614) |
| State/other Special Rev. Funds | 10,391,489 | 10,474,334 | 10,423,717 | (50,617) | 10,482,692 | 10,432,075 | (50,617) | (101,234) |
| Federal Spec. Rev. Funds | 19,830,377 | 21,889,454 | 21,889,314 | (140) | 21,802,028 | 21,801,888 | (140) | (280) |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Funds | \$36,402,295 | \$38,809,337 | \$38,757,773 | (\$51,564) | \$38,756,536 | \$38,704,972 | (\$51,564) | (\$103,128) |
| Total Ongoing | \$36,348,345 | \$38,809,337 | \$38,757,773 | (\$51,564) | \$38,756,536 | \$38,704,972 | (\$51,564) | (\$103,128) |
| Total OTO | \$53,950 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

The legislature adopted ongoing appropriations that are \$103,000 less than the proposed appropriations for the 2027 biennium. Significant changes include:

- The legislature adopted a reduction to decision package (DP) 5105 which is the administrative cost adjustment for the Business MT Division. This adjustment reduced the state special revenue appropriations requested by the executive by \$50,000 in each fiscal year of the 2027 biennium
- The legislature adopted adjustments to fixed costs which removed the newly proposed Robert’s Rules of Order training from the budget

Funding

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

| Total Department of Commerce Funding by Source of Authority 2027 Biennium Budget Request | | | | | | |
|---|-------------------|-------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds | HB2 Ongoing | HB2 OTO | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds |
| 01100 General Fund | 12,915,751 | | | 3,600,000 | 16,515,751 | 4.4% |
| 02116 Accommodation Tax Account | 1,066,238 | | | 32,566,553 | 33,632,791 | 8.9% |
| 02254 Regional Accommodation Tax | | | | 31,079,986 | 31,079,986 | 8.2% |
| 02771 Big Sky Economic Dev Program | 961,531 | | | 17,656,591 | 18,618,122 | 4.9% |
| 02279 Accom. Tax - Tourism Grants | | | | 17,328,778 | 17,328,778 | 4.6% |
| 02277 Accom. Tax - Rural Tourism | | | | 16,950,821 | 16,950,821 | 4.5% |
| Other State Special Revenue | 18,828,023 | | | 10,991,645 | 29,819,668 | 7.9% |
| State Special Revenue Total | 20,855,792 | - | - | 126,574,374 | 147,430,166 | 38.9% |
| 03059 Community Development Block | 15,065,588 | | | | 15,065,588 | 4.0% |
| 03585 HTF | 12,576,671 | | | | 12,576,671 | 3.3% |
| 03300 Home Grants | 11,560,034 | | | | 11,560,034 | 3.1% |
| 03092 Distressed Woods Federal | | | | 2,001,215 | 2,001,215 | 0.5% |
| 03207 Small Business Dev. Centers | 1,776,703 | | | | 1,776,703 | 0.5% |
| Other Federal Special Revenue | 2,712,206 | | | | 2,712,206 | 0.7% |
| Federal Special Revenue Total | 43,691,202 | - | - | 2,001,215 | 45,692,417 | 12.1% |
| 06074 SEC 8 Project Based | | | 57,291,001 | | 57,291,001 | 15.1% |
| 06054 Section 8 HAP | | | 48,101,012 | | 48,101,012 | 12.7% |
| 06527 Investment Division | | | 15,394,102 | | 15,394,102 | 4.1% |
| 06014 BOI Municipal Finance Programs | | | 1,085,144 | 10,600,000 | 11,685,144 | 3.1% |
| 06075 Section 8 Vouchers | | | 8,264,967 | | 8,264,967 | 2.2% |
| Other Proprietary Fund | | | 28,552,994 | | 28,552,994 | 7.5% |
| Proprietary Fund Total | - | - | 158,689,220 | 10,600,000 | 169,289,220 | 44.7% |
| Total of All Funds | 77,462,745 | - | 158,689,220 | 142,775,589 | 378,927,554 | |
| Percent of All Sources of Authority | 20.4% | 0.0% | 41.9% | 37.7% | | |

Over 75.0% of the overall funding in the Department of Commerce is not budgeted through HB 2 but provided as either non-budgeted proprietary funding or as statutory appropriations. HB 2 appropriations of general fund, state special revenue, and federal special revenue comprise the remaining funding for the Department of Commerce and will be discussed in further detail at the program level. Non-budgeted proprietary funds are discussed in a separate report on non-budgeted proprietary funds.

Statutory appropriations are explained in further detail within each program receiving and spending those funds.

Legislative Budget

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

| Department of Commerce 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|--|------------------|-------------------|-------------------|-------------------|---------------------|------------------|-------------------|-------------------|-------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 6,126,479 | 10,391,489 | 19,830,377 | 36,348,345 | 93.8% | 6,126,479 | 10,391,489 | 19,830,377 | 36,348,345 | 93.9% |
| Statewide PL | | | | | | | | | | |
| Personal Services | (8,005) | (335,975) | 80,336 | (263,644) | (0.7%) | 4,002 | (332,837) | 84,779 | (244,056) | (0.6%) |
| Fixed Costs | 95,507 | (1,471) | 103,429 | 197,465 | 0.5% | 99,442 | 434 | 8,560 | 108,436 | 0.3% |
| Inflation Deflation | (1,003) | (401) | (305) | (1,709) | (0.0%) | (677) | (271) | (206) | (1,154) | (0.0%) |
| Total Statewide PL | 86,499 | (337,847) | 183,460 | (67,888) | (0.2%) | 102,767 | (332,674) | 93,133 | (136,774) | (0.4%) |
| Present Law (PL) | 231,764 | 370,075 | 1,875,477 | 2,477,316 | 6.4% | 241,763 | 373,260 | 1,878,378 | 2,493,401 | 6.4% |
| New Proposals | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Total HB 2 Adjustments | 318,263 | 32,228 | 2,058,937 | 2,409,428 | 6.2% | 344,530 | 40,586 | 1,971,511 | 2,356,627 | 6.1% |
| Total Budget | 6,444,742 | 10,423,717 | 21,889,314 | 38,757,773 | | 6,471,009 | 10,432,075 | 21,801,888 | 38,704,972 | |

Language and Statutory Authority

All federal special revenue appropriations in the Housing MT Division are biennial.

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | |
|--------------------------------|------------------|------------------|------------------|---------------------------|-------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| PB | 13.50 | 13.50 | 13.50 | 0.00 | 0.0% |
| General Fund | 2,963,478 | 3,050,764 | 3,060,559 | 184,367 | 3.1% |
| State/Other Special Rev. Funds | 2,441,077 | 2,429,321 | 2,430,335 | (22,498) | (0.5%) |
| Federal Spec. Rev. Funds | 870,678 | 887,795 | 888,908 | 35,347 | 2.0% |
| Total Funds | 6,275,233 | 6,367,880 | 6,379,802 | 197,216 | 1.6% |
| Personal Services | 1,609,566 | 1,287,413 | 1,291,753 | (639,966) | (19.9%) |
| Operating Expenses | 2,790,229 | 3,243,380 | 3,246,188 | 909,110 | 16.3% |
| Local Assistance | 46,000 | 46,000 | 46,000 | | 0.0% |
| Grants | 1,714,825 | 1,669,752 | 1,669,722 | (90,176) | (2.6%) |
| Transfers | 1,124 | 1,124 | 1,124 | | 0.0% |
| Debt Service | 113,489 | 120,211 | 125,015 | 18,248 | 8.0% |
| Total Expenditures | 6,275,233 | 6,367,880 | 6,379,802 | 197,216 | 1.6% |
| Total Ongoing | 6,275,233 | 6,367,880 | 6,379,802 | 197,216 | 1.6% |
| Total One-Time-Only | | | | | 0.0% |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 1,494,999 | 1,690,373 | 1,609,566 | 1,287,413 | 1,291,753 |
| Operating Expenses | 2,266,900 | 2,770,374 | 2,790,229 | 3,243,380 | 3,246,188 |
| Local Assistance | 0 | 46,000 | 46,000 | 46,000 | 46,000 |
| Grants | 1,044,249 | 1,714,825 | 1,714,825 | 1,669,752 | 1,669,722 |
| Transfers | 0 | 1,124 | 1,124 | 1,124 | 1,124 |
| Debt Service | 90,560 | 113,489 | 113,489 | 120,211 | 125,015 |
| Total Expenditures | \$4,896,708 | \$6,336,185 | \$6,275,233 | \$6,367,880 | \$6,379,802 |
| General Fund | 2,930,266 | 3,038,702 | 2,963,478 | 3,050,764 | 3,060,559 |
| State/Other Special Rev. Funds | 1,198,874 | 2,435,334 | 2,441,077 | 2,429,321 | 2,430,335 |
| Federal Spec. Rev. Funds | 767,568 | 862,149 | 870,678 | 887,795 | 888,908 |
| Total Funds | \$4,896,708 | \$6,336,185 | \$6,275,233 | \$6,367,880 | \$6,379,802 |
| Total Ongoing | \$4,896,708 | \$6,336,185 | \$6,275,233 | \$6,367,880 | \$6,379,802 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

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Funding

HB 2 Authority

General Fund

HB 2 general fund authority includes funding for division administration, business assistance, Made-in-Montana Program, Small Business Development Centers (SBDC) and Small Business Innovation Research/Small Business Technology Transfer, State Tribal Economic Development Commission, Indian Country Economic Development, Export Trade Promotion Programs, and the Montana Manufacturing Extension Center.

State Special Revenue

State special revenue appropriations include authority for microbusiness loans, Made-in-Montana trade shows, Business Attraction, Trade & Diplomacy, GAP financing, and Tribal Tourism.

Federal Special Revenue

HB 2 federal special revenue is for small business development centers.

Statutory Appropriations

There are three statutorily appropriated funds in the Business MT Division. The Big Sky Economic Development Trust Fund Program is the largest statutory fund and is funded from interest earned on the coal severance tax trust fund to provide state funds to local communities to promote economic development and sustainability.

General fund statutory authority is from the coal severance tax distributions codified in 15-35-108, MCA. Authority is distributed each fiscal year as follows:

- \$325,000 for the Small Business Development Center
- \$50,000 for the Small Business Innovative Research Program
- \$625,000 for Certified Regional Development Corporations
- \$500,000 for the Montana Manufacturing Extension Center at Montana State University-Bozeman
- \$300,000 for export trade enhancement

The Distressed Wood Products Industry Revolving Loan Program (90-1-504, MCA) was created in 2009 by the Montana Legislature in response to the low demand for wood products. This program is a state and federally funded revolving loan program that provides financial assistance to create or retain jobs for wood products industry businesses.

Legislative Budget

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

| Business M T 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|--|------------------|------------------|-----------------|------------------|---------------------|------------------|------------------|-----------------|------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 2,963,478 | 2,441,077 | 870,678 | 6,275,233 | 98.5% | 2,963,478 | 2,441,077 | 870,678 | 6,275,233 | 98.4% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 14,259 | (348,433) | 12,021 | (322,153) | (5.1%) | 18,375 | (348,433) | 12,245 | (317,813) | (5.0%) |
| Fixed Costs | 16,654 | 14,510 | 1,177 | 32,341 | 0.5% | 17,649 | 14,910 | 1,353 | 33,912 | 0.5% |
| Inflation Deflation | (649) | (144) | (191) | (984) | (0.0%) | (438) | (97) | (129) | (664) | (0.0%) |
| Total Statewide PL | 30,264 | (334,067) | 13,007 | (290,796) | (4.6%) | 35,586 | (333,620) | 13,469 | (284,565) | (4.5%) |
| Present Law (PL) | 57,022 | 322,311 | 4,110 | 383,443 | 6.0% | 61,495 | 322,878 | 4,761 | 389,134 | 6.1% |
| New Proposals | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Total HB 2 Adjustments | 87,286 | (11,756) | 17,117 | 92,647 | 1.5% | 97,081 | (10,742) | 18,230 | 104,569 | 1.6% |
| Total Budget | 3,050,764 | 2,429,321 | 887,795 | 6,367,880 | | 3,060,559 | 2,430,335 | 888,908 | 6,379,802 | |

Present Law Adjustments -

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

| Present Law Adjustments | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|--|-----------------------|-----------------|-------------------|-----------------|-----------------|-----------------------|-----------------|-------------------|-----------------|------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 14,259 | (348,433) | 12,021 | (322,153) | 0.00 | 18,375 | (348,433) | 12,245 | (317,813) |
| DP 2 - Fixed Costs | 0.00 | 16,654 | 14,510 | 1,177 | 32,341 | 0.00 | 17,649 | 14,910 | 1,353 | 33,912 |
| DP 3 - Inflation Deflation | 0.00 | (649) | (144) | (191) | (984) | 0.00 | (438) | (97) | (129) | (664) |
| DP 22 - Fixed Cost Adjustment for Robert's Rules | 0.00 | (265) | (171) | 0 | (436) | 0.00 | (265) | (171) | 0 | (436) |
| DP 5105 - BIZMT ADMINISTRATIVE COSTS ADJUSTMENTS | 0.00 | 57,287 | 322,482 | 4,110 | 383,879 | 0.00 | 61,760 | 323,049 | 4,761 | 389,570 |
| Grand Total All Present Law Adjustments | 0.00 | \$87,286 | (\$11,756) | \$17,117 | \$92,647 | 0.00 | \$97,081 | (\$10,742) | \$18,230 | \$104,569 |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

DP 5105 - BIZMT ADMINISTRATIVE COSTS ADJUSTMENTS -

The legislature adopted adjustments for non-state rent increases per the terms of the negotiated lease and indirect costs paid to the Director's Office for support services provided to supported divisions, bureaus, and programs. Additional adjustments are for grants based on anticipated available funding and restoring base funding for the Business Attraction Program.

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | |
|--------------------------------|----------------|------------------|----------------|---------------------------|-------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| State/Other Special Rev. Funds | 210,157 | 210,157 | 210,157 | | 0.0% |
| Total Funds | 210,157 | 210,157 | 210,157 | | 0.0% |
| Operating Expenses | 210,157 | 210,157 | 210,157 | | 0.0% |
| Total Expenditures | 210,157 | 210,157 | 210,157 | | 0.0% |
| Total Ongoing | 210,157 | 210,157 | 210,157 | | 0.0% |
| Total One-Time-Only | | | | | 0.0% |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Operating Expenses | 162,873 | 268,542 | 210,157 | 210,157 | 210,157 |
| Total Expenditures | \$162,873 | \$268,542 | \$210,157 | \$210,157 | \$210,157 |
| State/Other Special Rev. Funds | 162,873 | 268,542 | 210,157 | 210,157 | 210,157 |
| Total Funds | \$162,873 | \$268,542 | \$210,157 | \$210,157 | \$210,157 |
| Total Ongoing | \$162,873 | \$268,542 | \$210,157 | \$210,157 | \$210,157 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

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LFD Budget Analysis, A-202

Funding

HB 2 Authority

State Special Revenue

Brand MT's HB 2 authority is funded by state special revenue from the accommodations tax account and from proceeds from the Governor's Tourism Conference. This funding accounts for less than 1.0% of the Brand MT's total appropriation authority.

Statutory Appropriations

The majority of Brand MT's funding comes from statutory appropriation authority. Statutory authority in this program includes funding from the lodging and facilities taxes used to support regional and state tourism and film promotion. Brand MT also includes funding for the Montana Economic Development Industry Advancement (MEDIA) Act and the Lewis and Clark bicentennial license plates.

The lodging facility use tax provides funds to the Department of Commerce through a 4.0% tax imposed on guests of hotels, motels, bed and breakfasts, resorts, campgrounds, and any other lodging sites. As outlined in statute, the Department of Commerce receives 60.2% of the net tax proceeds for the following purposes:

- Tourism media, advertising film programs, the Made-In-Montana promotions, main street programs, wayfinding and signage, and support to trade offices
- Rural tourism, including under-visited area attraction projects, tribal tourism, tourism-related emergency services, marketing, and promotional activities
- Tourism grants, including agritourism grants and Montana-based film grants
- Revolving loan programs and regional tourism assistance
- Collaboration with the Office of Economic Development for new tourism attractions, other state business development programs, and support of other activities previously mentioned

The Department of Commerce also receives an additional 22.5% of the net tax proceeds to distribute to regional nonprofit tourism corporations.

The MEDIA Act film fee is a fee paid by production and post-production companies when they apply for certification with the Department of Commerce to claim the MEDIA Act transferable income tax credit. Therefore, expenditures are dependent on the revenue received from the total number of applications submitted. The use of these funds is to help pay for the implementation of the provisions of this act, including the presentation of a report on the economic impact of the tax credits created by an outside research organization called for by HB 293, enacted by the 2019 Legislature.

The Department of Commerce receives fees from Lewis & Clark bicentennial license plates sold through the Motor Vehicles Division at the Department of Justice. Three-fourths of the revenue from this source is placed in a state special revenue fund for the Department of Commerce for projects related to Lewis and Clark. The remaining one-fourth of revenue is placed in a state special revenue account for the Montana Historical Society.

Legislative Budget

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

| Brand M T 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|--------------|----------------|-----------------|----------------|---------------------|--------------|----------------|-----------------|----------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 0 | 210,157 | 0 | 210,157 | 100.0% | 0 | 210,157 | 0 | 210,157 | 100.0% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Fixed Costs | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Inflation Deflation | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Total Statewide PL | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Present Law (PL) | | | | | | | | | | |
| New Proposals | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Total HB 2 Adjustments | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Total Budget | 0 | 210,157 | 0 | 210,157 | | 0 | 210,157 | 0 | 210,157 | |

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | |
|--------------------------------|-------------------|-------------------|-------------------|---------------------------|-----------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| PB | 26.20 | 26.20 | 26.20 | 0.00 | 0.0% |
| General Fund | 1,932,724 | 2,072,125 | 2,077,630 | 284,307 | 7.4% |
| State/Other Special Rev. Funds | 4,904,956 | 4,899,938 | 4,905,079 | (4,895) | (0.0%) |
| Federal Spec. Rev. Funds | 8,220,702 | 8,287,648 | 8,290,146 | 136,390 | 0.8% |
| Total Funds | 15,058,382 | 15,259,711 | 15,272,855 | 415,802 | 1.4% |
| Personal Services | 2,461,957 | 2,430,445 | 2,436,854 | (56,615) | (1.1%) |
| Operating Expenses | 2,201,883 | 2,429,538 | 2,432,572 | 458,344 | 10.4% |
| Grants | 10,302,179 | 10,302,179 | 10,302,179 | | 0.0% |
| Debt Service | 92,363 | 97,549 | 101,250 | 14,073 | 7.6% |
| Total Expenditures | 15,058,382 | 15,259,711 | 15,272,855 | 415,802 | 1.4% |
| Total Ongoing | 15,058,382 | 15,259,711 | 15,272,855 | 415,802 | 1.4% |
| Total One-Time-Only | 53,950 | | | (107,900) | (100.0%) |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 1,644,074 | 1,964,265 | 2,505,687 | 2,430,445 | 2,436,854 |
| Operating Expenses | 895,395 | 2,179,436 | 2,212,103 | 2,429,538 | 2,432,572 |
| Grants | 11,498,861 | 11,570,147 | 10,302,179 | 10,302,179 | 10,302,179 |
| Debt Service | 70,135 | 92,363 | 92,363 | 97,549 | 101,250 |
| Total Expenditures | \$14,108,465 | \$15,806,211 | \$15,112,332 | \$15,259,711 | \$15,272,855 |
| General Fund | 1,394,856 | 1,471,617 | 1,986,674 | 2,072,125 | 2,077,630 |
| State/Other Special Rev. Funds | 4,007,675 | 4,860,937 | 4,904,956 | 4,899,938 | 4,905,079 |
| Federal Spec. Rev. Funds | 8,705,934 | 9,473,657 | 8,220,702 | 8,287,648 | 8,290,146 |
| Total Funds | \$14,108,465 | \$15,806,211 | \$15,112,332 | \$15,259,711 | \$15,272,855 |
| Total Ongoing | \$14,088,226 | \$15,749,976 | \$15,058,382 | \$15,259,711 | \$15,272,855 |
| Total OTO | \$20,239 | \$56,235 | \$53,950 | \$0 | \$0 |

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LFD Budget Analysis, A-205

Funding

*HB 2 Authority*General Fund

General fund is used to provide matching funds for the Community Development Block Grant Program and support the Community Technical Assistance Program.

State Special Revenue

State special revenues are comprised of funding for the Coal Board, Montana Coal Endowment Program (MCEP), Montana Main Street Program, and the Hard Rock Mining Impact Board.

The Coal Board provides grants to governmental units to assist them in providing governmental services or facilities that are needed as a direct consequence of an increase or decrease in coal development or in the consumption of coal by the coal-using energy complex.

MCEP is a local government infrastructure-financing program funded by investment earnings on the coal severance tax funds. Revenue from the coal tax trust is transferred to the state special revenue fund for administrative costs (appropriated in HB 2) and grants (typically appropriated in HB 11).

The Hard Rock Mining Impact Board provides technical assistance to local governments to mitigate local government services, facility, and fiscal impacts related to new large-scale hard rock mining developments. The Board is funded with metal mines license tax distributions for administrative costs (appropriated in HB 2) and community distributions (statutorily appropriated).

Accommodations tax funds are used for the Montana Main Street Program to award competitive grants to communities focusing on planning and/or implementation projects directly related to downtown revitalization, development, and historic preservation. Additionally, these funds provide for the administration of the Montana Heritage Preservation Grant Program.

Federal Special Revenue

Federal special revenue is primarily for Community Development Block grants (CDBG) with the remaining portion being for the U.S. Economic Development Administration (EDA) revolving loan fund and the CDBG revolving loan fund. The CDBG provides funds to cities, towns, and counties with fewer than 50,000 residents. The purpose of these funds is to develop and preserve affordable housing, provide community services, and create and retain jobs.

Statutory Appropriations

Community MT has one statutory appropriation for the Hard Rock Mining Impact Board. As previously mentioned, the Hard Rock Mining Impact Board is administratively funded from HB 2 state special revenue, while community distributions are statutorily appropriated.

Legislative Budget

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

| Community M T 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|------------------|------------------|------------------|-------------------|---------------------|------------------|------------------|------------------|-------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 1,932,724 | 4,904,956 | 8,220,702 | 15,058,382 | 98.7% | 1,932,724 | 4,904,956 | 8,220,702 | 15,058,382 | 98.6% |
| Statewide PL | | | | | | | | | | |
| Personal Services | (2,917) | (65,120) | 36,525 | (31,512) | (0.2%) | (70) | (63,066) | 38,033 | (25,103) | (0.2%) |
| Fixed Costs | 18,913 | 7,532 | 541 | 26,986 | 0.2% | 19,644 | 8,132 | 779 | 28,555 | 0.2% |
| Inflation Deflation | (302) | (257) | (31) | (590) | (0.0%) | (204) | (174) | (21) | (399) | (0.0%) |
| Total Statewide PL | 15,694 | (57,845) | 37,035 | (5,116) | (0.0%) | 19,370 | (55,108) | 38,791 | 3,053 | 0.0% |
| Present Law (PL) | 123,707 | 52,827 | 29,911 | 206,445 | 1.4% | 125,536 | 55,231 | 30,653 | 211,420 | 1.4% |
| New Proposals | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Total HB 2 Adjustments | 139,401 | (5,018) | 66,946 | 201,329 | 1.3% | 144,906 | 123 | 69,444 | 214,473 | 1.4% |
| Total Budget | 2,072,125 | 4,899,938 | 8,287,648 | 15,259,711 | | 2,077,630 | 4,905,079 | 8,290,146 | 15,272,855 | |

Present Law Adjustments -

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

| Present Law Adjustments | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|--|-----------------------|------------------|------------------|-----------------|------------------|-----------------------|------------------|---------------|-----------------|------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | (2,917) | (65,120) | 36,525 | (31,512) | 0.00 | (70) | (63,066) | 38,033 | (25,103) |
| DP 2 - Fixed Costs | 0.00 | 18,913 | 7,532 | 541 | 26,986 | 0.00 | 19,644 | 8,132 | 779 | 28,555 |
| DP 3 - Inflation Deflation | 0.00 | (302) | (257) | (31) | (590) | 0.00 | (204) | (174) | (21) | (399) |
| DP 22 - Fixed Cost Adjustment for Robert's Rules | 0.00 | (392) | (228) | 0 | (620) | 0.00 | (392) | (228) | 0 | (620) |
| DP 6005 - CMT ADMINISTRATIVE COSTS ADJUSTMENTS | 0.00 | 124,099 | 53,055 | 29,911 | 207,065 | 0.00 | 125,928 | 55,459 | 30,653 | 212,040 |
| Grand Total All Present Law Adjustments | 0.00 | \$139,401 | (\$5,018) | \$66,946 | \$201,329 | 0.00 | \$144,906 | \$123 | \$69,444 | \$214,473 |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

DP 6005 - CMT ADMINISTRATIVE COSTS ADJUSTMENTS -

The legislature adopted adjustments for non-state rent increases per the terms of the negotiated lease and indirect costs paid to the Director's Office for support services provided to supported divisions, bureaus, and programs.

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | | |
|--------------------------------|-------------------|-------------------|-------------------|---------------------------|--------------|--|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent | |
| PB | 6.00 | 6.00 | 6.00 | 0.00 | 0.0% | |
| Federal Spec. Rev. Funds | 10,138,997 | 12,113,871 | 12,022,834 | 3,858,711 | 19.0% | |
| Total Funds | 10,138,997 | 12,113,871 | 12,022,834 | 3,858,711 | 19.0% | |
| Personal Services | 500,888 | 532,678 | 535,389 | 66,291 | 6.6% | |
| Operating Expenses | 6,215,446 | 559,174 | 464,457 | (11,407,261) | (91.8%) | |
| Grants | 3,400,000 | 10,998,000 | 10,998,000 | 15,196,000 | 223.5% | |
| Debt Service | 22,663 | 24,019 | 24,988 | 3,681 | 8.1% | |
| Total Expenditures | 10,138,997 | 12,113,871 | 12,022,834 | 3,858,711 | 19.0% | |
| Total Ongoing | 10,138,997 | 12,113,871 | 12,022,834 | 3,858,711 | 19.0% | |
| Total One-Time-Only | | | | | 0.0% | |

Page Reference

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 368,805 | 481,578 | 500,888 | 532,678 | 535,389 |
| Operating Expenses | 156,191 | 6,504,355 | 6,215,446 | 559,174 | 464,457 |
| Grants | 8,667,226 | 2,346,032 | 3,400,000 | 10,998,000 | 10,998,000 |
| Debt Service | 18,202 | 22,663 | 22,663 | 24,019 | 24,988 |
| Total Expenditures | \$9,210,424 | \$9,354,628 | \$10,138,997 | \$12,113,871 | \$12,022,834 |
| Federal Spec. Rev. Funds | 9,210,424 | 9,354,628 | 10,138,997 | 12,113,871 | 12,022,834 |
| Total Funds | \$9,210,424 | \$9,354,628 | \$10,138,997 | \$12,113,871 | \$12,022,834 |
| Total Ongoing | \$9,210,424 | \$9,354,628 | \$10,138,997 | \$12,113,871 | \$12,022,834 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

Page Reference

LFD Budget Analysis, A-210

Funding

HB 2 Authority

Federal Special Revenue

Federal funds are for the HOME Investment Partnerships (HOME) and Housing Trust Fund (HTF) programs. The HOME program is a federal block grant for the construction and creation of affordable housing for low-income households. The HOME Program is administered by the Housing MT Division, who also administers funds to local governments and nonprofits throughout the state. The HTF is an affordable housing production program. The Housing MT Division administers the HTF program and helps qualified recipients direct funds for construction, rehabilitation, and preservation of affordable rental housing.

Non-Budgeted Proprietary

The majority of the Housing MT Division's funding is from non-budgeted proprietary funds. These funds are discussed in the non-budgeted proprietary report.

Legislative Budget

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

| Housing M T 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|--------------|---------------|-------------------|-------------------|---------------------|--------------|---------------|-------------------|-------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 0 | 0 | 10,138,997 | 10,138,997 | 83.7% | 0 | 0 | 10,138,997 | 10,138,997 | 84.3% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 0 | 0 | 31,790 | 31,790 | 0.3% | 0 | 0 | 34,501 | 34,501 | 0.3% |
| Fixed Costs | 0 | 0 | 101,711 | 101,711 | 0.8% | 0 | 0 | 6,428 | 6,428 | 0.1% |
| Inflation Deflation | 0 | 0 | (83) | (83) | (0.0%) | 0 | 0 | (56) | (56) | (0.0%) |
| Total Statewide PL | 0 | 0 | 133,418 | 133,418 | 1.1% | 0 | 0 | 40,873 | 40,873 | 0.3% |
| Present Law (PL) | 0 | 0 | 1,841,456 | 1,841,456 | 15.2% | 0 | 0 | 1,842,964 | 1,842,964 | 15.3% |
| New Proposals | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Total HB 2 Adjustments | 0 | 0 | 1,974,874 | 1,974,874 | 16.3% | 0 | 0 | 1,883,837 | 1,883,837 | 15.7% |
| Total Budget | 0 | 0 | 12,113,871 | 12,113,871 | | 0 | 0 | 12,022,834 | 12,022,834 | |

Present Law Adjustments -

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

| Present Law Adjustments | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|--|-----------------------|--------------|---------------|--------------------|--------------------|-----------------------|--------------|---------------|--------------------|--------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 0 | 0 | 31,790 | 31,790 | 0.00 | 0 | 0 | 34,501 | 34,501 |
| DP 2 - Fixed Costs | 0.00 | 0 | 0 | 101,711 | 101,711 | 0.00 | 0 | 0 | 6,428 | 6,428 |
| DP 3 - Inflation Deflation | 0.00 | 0 | 0 | (83) | (83) | 0.00 | 0 | 0 | (56) | (56) |
| DP 22 - Fixed Cost Adjustment for Robert's Rules | 0.00 | 0 | 0 | (140) | (140) | 0.00 | 0 | 0 | (140) | (140) |
| DP 7405 - HMT ADMINISTRATIVE COSTS ADJUSTMENTS | 0.00 | 0 | 0 | 1,841,596 | 1,841,596 | 0.00 | 0 | 0 | 1,843,104 | 1,843,104 |
| Grand Total All Present Law Adjustments | 0.00 | \$0 | \$0 | \$1,974,874 | \$1,974,874 | 0.00 | \$0 | \$0 | \$1,883,837 | \$1,883,837 |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

DP 7405 - HMT ADMINISTRATIVE COSTS ADJUSTMENTS -

The legislature adopted adjustments for non-state rent increases per the terms of the negotiated lease, and indirect costs paid to the Director's Office for support services provided to supported divisions, bureaus, and programs. The decision package increases appropriations for grants in the HOME and HTF programs for the amount of federal funds projected to be available in the 2027 biennium.

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | | |
|--------------------------------|----------------|------------------|----------------|---------------------------|-------------|--|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent | |
| PB | 1.25 | 1.25 | 1.25 | 0.00 | 0.0% | |
| General Fund | 250,000 | 250,000 | 250,000 | | 0.0% | |
| State/Other Special Rev. Funds | 213,554 | 241,712 | 241,878 | 56,482 | 13.2% | |
| Total Funds | 463,554 | 491,712 | 491,878 | 56,482 | 6.1% | |
| Personal Services | 27,761 | 27,761 | 27,761 | | 0.0% | |
| Operating Expenses | 435,793 | 463,951 | 464,117 | 56,482 | 6.5% | |
| Total Expenditures | 463,554 | 491,712 | 491,878 | 56,482 | 6.1% | |
| Total Ongoing | 463,554 | 491,712 | 491,878 | 56,482 | 6.1% | |
| Total One-Time-Only | | | | | 0.0% | |

Page Reference

LFD Budget Analysis, A-213

Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | | |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|--|
| Budget Item | Actuals | Approp. | Approp. | Legislative | Legislative | |
| | Fiscal 2024 | Fiscal 2024 | Fiscal 2025 | Fiscal 2026 | Fiscal 2027 | |
| Personal Services | 14,592 | 23,032 | 27,761 | 27,761 | 27,761 | |
| Operating Expenses | 419,388 | 435,642 | 435,793 | 463,951 | 464,117 | |
| Total Expenditures | \$433,980 | \$458,674 | \$463,554 | \$491,712 | \$491,878 | |
| General Fund | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | |
| State/Other Special Rev. Funds | 183,980 | 208,674 | 213,554 | 241,712 | 241,878 | |
| Total Funds | \$433,980 | \$458,674 | \$463,554 | \$491,712 | \$491,878 | |
| Total Ongoing | \$433,980 | \$458,674 | \$463,554 | \$491,712 | \$491,878 | |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 | |

Page Reference

LFD Budget Analysis, A-215

Funding

HB 2 Authority

General Fund

The general fund authority is used for the Montana Breeders Incentive Program which provides money to all Montana bred horses that start at a Montana race facility. These funds are also used for capital improvements, equipment maintenance and replacements, and race purses.

State Special Revenue

The Board of Horse Racing is responsible for regulating, ensuring compliance, licensing, and auditing all horse racing in the State of Montana. The board is funded with state special revenue from a 1.0% tax on gross receipts from pari-mutuel betting (for simulcast facilities, the tax is greater than 1.0%).

Statutory Authority

Funds collected for live horse racing purses are deposited in the state special revenue account and are then statutorily appropriated to the board for disbursement of funds as authorized in 23-4-105, MCA.

Legislative Budget

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

| Board of Horse Racing 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|----------------|----------------|-----------------|----------------|---------------------|----------------|----------------|-----------------|----------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 250,000 | 213,554 | 0 | 463,554 | 94.3% | 250,000 | 213,554 | 0 | 463,554 | 94.2% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 0 | 75,550 | 0 | 75,550 | 15.4% | 0 | 75,552 | 0 | 75,552 | 15.4% |
| Fixed Costs | 0 | 6,387 | 0 | 6,387 | 1.3% | 0 | 6,553 | 0 | 6,553 | 1.3% |
| Inflation Deflation | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Total Statewide PL | 0 | 81,937 | 0 | 81,937 | 16.7% | 0 | 82,105 | 0 | 82,105 | 16.7% |
| Present Law (PL) | 0 | (53,779) | 0 | (53,779) | (10.9%) | 0 | (53,781) | 0 | (53,781) | (10.9%) |
| New Proposals | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Total HB 2 Adjustments | 0 | 28,158 | 0 | 28,158 | 5.7% | 0 | 28,324 | 0 | 28,324 | 5.8% |
| Total Budget | 250,000 | 241,712 | 0 | 491,712 | | 250,000 | 241,878 | 0 | 491,878 | |

Present Law Adjustments -

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

| | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|--|-----------------------|--------------|-----------------|-----------------|-----------------|-----------------------|--------------|-----------------|-----------------|-----------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| Present Law Adjustments | | | | | | | | | | |
| DP 1 - Personal Services | 0.00 | 0 | 75,550 | 0 | 75,550 | 0.00 | 0 | 75,552 | 0 | 75,552 |
| DP 2 - Fixed Costs | 0.00 | 0 | 6,387 | 0 | 6,387 | 0.00 | 0 | 6,553 | 0 | 6,553 |
| DP 22 - Fixed Cost Adjustment for Robert's Rules | 0.00 | 0 | (30) | 0 | (30) | 0.00 | 0 | (30) | 0 | (30) |
| DP 7805 - BOHR ADMINISTRATIVE COSTS ADJUSTMENTS | 0.00 | 0 | (53,749) | 0 | (53,749) | 0.00 | 0 | (53,751) | 0 | (53,751) |
| Grand Total All Present Law Adjustments | 0.00 | \$0 | \$28,158 | \$0 | \$28,158 | 0.00 | \$0 | \$28,324 | \$0 | \$28,324 |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

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

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

DP 7805 - BOHR ADMINISTRATIVE COSTS ADJUSTMENTS -

The legislature adopted a reduction to the Board of Horse Racing's 2027 biennium personal services budget to current estimates for the 2027 biennium. The Board of Horse Racing currently is contracting for its executive secretary, which is funded through an operating expense category. This decision package removes the 2027 biennium personal services funding for the position without removing the board's executive secretary position. This adjustment also includes adjustments for indirect costs paid to the Director's Office for support services provided to supported divisions, bureaus, and programs, as well as an increase based on the rising costs of laboratory testing.

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | | |
|--------------------------------|------------------|------------------|------------------|---------------------------|--|-------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | | Percent |
| | FY 2025 | FY 2026 | FY 2027 | Amount | | |
| PB | 8.00 | 8.00 | 8.00 | 0.00 | | 0.0% |
| State/Other Special Rev. Funds | 2,612,770 | 2,633,614 | 2,635,651 | 43,725 | | 0.8% |
| Total Funds | 2,612,770 | 2,633,614 | 2,635,651 | 43,725 | | 0.8% |
| Personal Services | 688,658 | 690,686 | 691,768 | 5,138 | | 0.4% |
| Operating Expenses | 1,474,112 | 1,492,928 | 1,493,883 | 38,587 | | 1.3% |
| Equipment & Intangible Assets | 150,000 | 150,000 | 150,000 | | | 0.0% |
| Capital Outlay | 300,000 | 300,000 | 300,000 | | | 0.0% |
| Total Expenditures | 2,612,770 | 2,633,614 | 2,635,651 | 43,725 | | 0.8% |
| Total Ongoing | 2,612,770 | 2,633,614 | 2,635,651 | 43,725 | | 0.8% |
| Total One-Time-Only | | | | | | 0.0% |

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LFD Budget Analysis, A-218

Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|--|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 | |
| Personal Services | 691,738 | 693,212 | 688,658 | 690,686 | 691,768 | |
| Operating Expenses | 824,665 | 1,056,969 | 1,474,112 | 1,492,928 | 1,493,883 | |
| Equipment & Intangible Assets | 0 | 0 | 150,000 | 150,000 | 150,000 | |
| Capital Outlay | 697,835 | 750,000 | 300,000 | 300,000 | 300,000 | |
| Total Expenditures | \$2,214,238 | \$2,500,181 | \$2,612,770 | \$2,633,614 | \$2,635,651 | |
| State/Other Special Rev. Funds | 2,214,238 | 2,500,181 | 2,612,770 | 2,633,614 | 2,635,651 | |
| Total Funds | \$2,214,238 | \$2,500,181 | \$2,612,770 | \$2,633,614 | \$2,635,651 | |
| Total Ongoing | \$2,214,238 | \$2,500,181 | \$2,612,770 | \$2,633,614 | \$2,635,651 | |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 | |

Page Reference

LFD Budget Analysis, A-220

Funding

HB 2 Authority

State Special Revenue

The Montana Heritage Commission has been entirely funded with HB 2 state special revenue since the 2021 Legislative Session. Funding comes from revenues from Virginia City, Nevada City, and Reeder's Alley, as well as light vehicle registrations. The Commission also receives \$1.0 million each fiscal year from the lodging facility use tax.

Legislative Budget

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

| Montana Heritage Commission 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|--------------|------------------|-----------------|------------------|---------------------|--------------|------------------|-----------------|------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 0 | 2,612,770 | 0 | 2,612,770 | 99.2% | 0 | 2,612,770 | 0 | 2,612,770 | 99.1% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 0 | 2,028 | 0 | 2,028 | 0.1% | 0 | 3,110 | 0 | 3,110 | 0.1% |
| Fixed Costs | 0 | (29,900) | 0 | (29,900) | (1.1%) | 0 | (29,161) | 0 | (29,161) | (1.1%) |
| Inflation Deflation | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Total Statewide PL | 0 | (27,872) | 0 | (27,872) | (1.1%) | 0 | (26,051) | 0 | (26,051) | (1.0%) |
| Present Law (PL) | 0 | 48,716 | 0 | 48,716 | 1.8% | 0 | 48,932 | 0 | 48,932 | 1.9% |
| New Proposals | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Total HB 2 Adjustments | 0 | 20,844 | 0 | 20,844 | 0.8% | 0 | 22,881 | 0 | 22,881 | 0.9% |
| Total Budget | 0 | 2,633,614 | 0 | 2,633,614 | | 0 | 2,635,651 | 0 | 2,635,651 | |

Present Law Adjustments -

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

| Present Law Adjustments | Fiscal 2026 | | | | | Fiscal 2027 | | | | |
|--|-------------|--------------|-----------------|-----------------|-----------------|-------------|--------------|-----------------|-----------------|-----------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 0 | 2,028 | 0 | 2,028 | 0.00 | 0 | 3,110 | 0 | 3,110 |
| DP 2 - Fixed Costs | 0.00 | 0 | (29,900) | 0 | (29,900) | 0.00 | 0 | (29,161) | 0 | (29,161) |
| DP 22 - Fixed Cost Adjustment for Robert's Rules | 0.00 | 0 | (188) | 0 | (188) | 0.00 | 0 | (188) | 0 | (188) |
| DP 8005 - MHC ADMINISTRATIVE COSTS ADJUSTMENTS | 0.00 | 0 | 48,904 | 0 | 48,904 | 0.00 | 0 | 49,120 | 0 | 49,120 |
| Grand Total All Present Law Adjustments | 0.00 | \$0 | \$20,844 | \$0 | \$20,844 | 0.00 | \$0 | \$22,881 | \$0 | \$22,881 |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

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

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

DP 8005 - MHC ADMINISTRATIVE COSTS ADJUSTMENTS -

The legislature adopted adjustments for indirect costs paid to the Director's Office for support services provided to supported divisions, bureaus, and programs.

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | | |
|--------------------------------|------------------|------------------|------------------|---------------------------|-------------|--|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent | |
| PB | 6.35 | 6.35 | 6.35 | 0.00 | 0.0% | |
| General Fund | 980,277 | 1,071,853 | 1,082,820 | 194,119 | 9.9% | |
| State/Other Special Rev. Funds | 8,975 | 8,975 | 8,975 | | 0.0% | |
| Federal Spec. Rev. Funds | 600,000 | 600,000 | 600,000 | | 0.0% | |
| Total Funds | 1,589,252 | 1,680,828 | 1,691,795 | 194,119 | 6.1% | |
| Personal Services | 650,408 | 631,061 | 636,105 | (33,650) | (2.6%) | |
| Operating Expenses | 273,827 | 380,978 | 384,207 | 217,531 | 39.7% | |
| Grants | 600,000 | 600,000 | 600,000 | | 0.0% | |
| Debt Service | 65,017 | 68,789 | 71,483 | 10,238 | 7.9% | |
| Total Expenditures | 1,589,252 | 1,680,828 | 1,691,795 | 194,119 | 6.1% | |
| Total Ongoing | 1,589,252 | 1,680,828 | 1,691,795 | 194,119 | 6.1% | |
| Total One-Time-Only | | | | | 0.0% | |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Budget Item | Actuals | Approp. | Approp. | Legislative | Legislative |
| | Fiscal 2024 | Fiscal 2024 | Fiscal 2025 | Fiscal 2026 | Fiscal 2027 |
| Personal Services | 471,640 | 475,031 | 650,408 | 631,061 | 636,105 |
| Operating Expenses | 301,753 | 300,348 | 273,827 | 380,978 | 384,207 |
| Grants | 513,842 | 600,000 | 600,000 | 600,000 | 600,000 |
| Debt Service | 50,937 | 51,017 | 65,017 | 68,789 | 71,483 |
| Total Expenditures | \$1,338,172 | \$1,426,396 | \$1,589,252 | \$1,680,828 | \$1,691,795 |
| General Fund | 815,985 | 817,421 | 980,277 | 1,071,853 | 1,082,820 |
| State/Other Special Rev. Funds | 0 | 8,975 | 8,975 | 8,975 | 8,975 |
| Federal Spec. Rev. Funds | 522,187 | 600,000 | 600,000 | 600,000 | 600,000 |
| Total Funds | \$1,338,172 | \$1,426,396 | \$1,589,252 | \$1,680,828 | \$1,691,795 |
| Total Ongoing | \$1,338,172 | \$1,426,396 | \$1,589,252 | \$1,680,828 | \$1,691,795 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

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Funding

HB 2 Authority

General Fund

During the 2023 biennium, the Department of Commerce underwent a reorganization which transferred the Bureau of Research and Information to the Director’s Office. This transferred 4.85 PB and associated general fund authority.

State Special Revenue

The reorganization also transferred authority for the census voting district project state special fund to the Director’s Office. This is a small amount of state special revenue authority used as a holdover account for the state library grant called the community reinvestment fund.

Federal Special Revenue

The Montana Council on Developmental Disabilities is funded entirely with federal special revenue that pays for the contract for the nonprofit that carries out the responsibilities of the Developmental Disabilities Planning and Advisory Council.

Non-Budgeted Proprietary Funding

The Director’s Office is also funded by an internal service type proprietary fund from indirect costs charged to programs in the Department of Commerce. This fund will be discussed in further detail in the non-budgeted proprietary report.

Legislative Budget

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

| Director's Office 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|------------------|---------------|-----------------|------------------|---------------------|------------------|---------------|-----------------|------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 980,277 | 8,975 | 600,000 | 1,589,252 | 94.6% | 980,277 | 8,975 | 600,000 | 1,589,252 | 93.9% |
| Statewide PL | | | | | | | | | | |
| Personal Services | (19,347) | 0 | 0 | (19,347) | (1.2%) | (14,303) | 0 | 0 | (14,303) | (0.8%) |
| Fixed Costs | 59,940 | 0 | 0 | 59,940 | 3.6% | 62,149 | 0 | 0 | 62,149 | 3.7% |
| Inflation Deflation | (52) | 0 | 0 | (52) | (0.0%) | (35) | 0 | 0 | (35) | (0.0%) |
| Total Statewide PL | 40,541 | 0 | 0 | 40,541 | 2.4% | 47,811 | 0 | 0 | 47,811 | 2.8% |
| Present Law (PL) | 51,035 | 0 | 0 | 51,035 | 3.0% | 54,732 | 0 | 0 | 54,732 | 3.2% |
| New Proposals | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Total HB 2 Adjustments | 91,576 | 0 | 0 | 91,576 | 5.4% | 102,543 | 0 | 0 | 102,543 | 6.1% |
| Total Budget | 1,071,853 | 8,975 | 600,000 | 1,680,828 | | 1,082,820 | 8,975 | 600,000 | 1,691,795 | |

Present Law Adjustments -

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

| Present Law Adjustments | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|--|-----------------------|-----------------|---------------|-----------------|-----------------|-----------------------|------------------|---------------|-----------------|------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | (19,347) | 0 | 0 | (19,347) | 0.00 | (14,303) | 0 | 0 | (14,303) |
| DP 2 - Fixed Costs | 0.00 | 59,940 | 0 | 0 | 59,940 | 0.00 | 62,149 | 0 | 0 | 62,149 |
| DP 3 - Inflation Deflation | 0.00 | (52) | 0 | 0 | (52) | 0.00 | (35) | 0 | 0 | (35) |
| DP 22 - Fixed Cost Adjustment for Robert's Rules | 0.00 | (150) | 0 | 0 | (150) | 0.00 | (150) | 0 | 0 | (150) |
| DP 8105 - DO ADMINISTRATIVE COSTS ADJUSTMENTS | 0.00 | 51,185 | 0 | 0 | 51,185 | 0.00 | 54,882 | 0 | 0 | 54,882 |
| Grand Total All Present Law Adjustments | 0.00 | \$91,576 | \$0 | \$0 | \$91,576 | 0.00 | \$102,543 | \$0 | \$0 | \$102,543 |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

DP 8105 - DO ADMINISTRATIVE COSTS ADJUSTMENTS -

The legislature adopted adjustments for increased non-state building rent per the terms of the lease agreement, and indirect costs paid to the Director's Office's Centralized Services for support services provided to supported divisions, bureaus, and programs.

Agency Base Budget Comparison

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

| Agency Base Budget Comparison | | | | | |
|--------------------------------|-------------------|--------------------|--------------------|---------------------------|----------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| PB | 628.48 | 628.48 | 628.48 | 0.00 | 0.0% |
| General Fund | 2,644,467 | 1,127,643 | 1,133,077 | (3,028,214) | (57.3%) |
| State/Other Special Rev. Funds | 57,879,887 | 63,525,743 | 63,044,567 | 10,810,536 | 9.3% |
| Federal Spec. Rev. Funds | 34,700,239 | 37,298,688 | 37,370,536 | 5,268,746 | 7.6% |
| Total Funds | 95,224,593 | 101,952,074 | 101,548,180 | 13,051,068 | 6.9% |
| Personal Services | 54,016,386 | 55,514,439 | 55,652,659 | 3,134,326 | 2.9% |
| Operating Expenses | 29,412,193 | 32,445,805 | 31,903,691 | 5,525,110 | 9.4% |
| Equipment & Intangible Assets | 483,849 | 833,849 | 833,849 | 700,000 | 72.3% |
| Grants | 9,415,792 | 11,261,608 | 11,261,608 | 3,691,632 | 19.6% |
| Benefits & Claims | 100,389 | 100,389 | 100,389 | | 0.0% |
| Transfers | 447,333 | 447,333 | 447,333 | | 0.0% |
| Debt Service | 1,348,651 | 1,348,651 | 1,348,651 | | 0.0% |
| Total Expenditures | 95,224,593 | 101,952,074 | 101,548,180 | 13,051,068 | 6.9% |
| Total Ongoing | 95,224,593 | 101,852,074 | 101,548,180 | 12,951,068 | 6.8% |
| Total One-Time-Only | 57,551 | 100,000 | | (15,102) | (13.1%) |

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Agency Highlights

| Department of Labor and Industry Major Budget Highlights | |
|---|--|
| <ul style="list-style-type: none"> • The legislature adopted an increase in the 2027 biennium budget for the Department of Labor and Industry of \$13.1 million, or 6.9%. Significant biennial changes include: <ul style="list-style-type: none"> ◦ A funding switch of \$3.7 million from general fund to state special revenue for the Human Rights Bureau. This is contingent on HB 656 ◦ An increase of personal services authority across all divisions of \$2.1 million for the statewide present law adjustment ◦ An increase of \$1.4 million for anticipated federal funding awards in the Workforce Services Division ◦ An additional \$700,000 in authority in the Employment Standards Division for equipment in the Weights and Measures Program ◦ An increase of \$1.2 million in the Unemployment Insurance Division for software maintenance contracts related to the Montana Unemployment System Environment (MUSE) ◦ An increase of \$1.7 million across various divisions within the agency for legal services provided internally ◦ An increase of \$630,000 in operating expenses for job service kiosks located throughout the state ◦ An increase of \$1.1 million of state special revenue authority and \$3.2 million of federal special revenue authority for adult basic education grants. This is contingent on HB 656 | |

Agency Actuals and Budget Comparison

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

| Agency Actuals and Budget Comparison | | | | | |
|--------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 47,943,995 | 49,869,402 | 54,063,620 | 55,514,439 | 55,652,659 |
| Operating Expenses | 28,661,367 | 31,510,442 | 29,422,510 | 32,445,805 | 31,903,691 |
| Equipment & Intangible Assets | 84,204 | 2,573,919 | 483,849 | 833,849 | 833,849 |
| Grants | 6,147,722 | 8,245,792 | 9,415,792 | 11,261,608 | 11,261,608 |
| Benefits & Claims | 16,800 | 100,389 | 100,389 | 100,389 | 100,389 |
| Transfers | 656,731 | 1,009,586 | 447,333 | 447,333 | 447,333 |
| Debt Service | 1,213,323 | 1,463,152 | 1,348,651 | 1,348,651 | 1,348,651 |
| Total Expenditures | \$84,724,142 | \$94,772,682 | \$95,282,144 | \$101,952,074 | \$101,548,180 |
| General Fund | 2,546,999 | 2,646,116 | 2,702,018 | 1,127,643 | 1,133,077 |
| State/Other Special Rev. Funds | 53,449,858 | 57,963,280 | 57,879,887 | 63,525,743 | 63,044,567 |
| Federal Spec. Rev. Funds | 28,727,285 | 34,163,286 | 34,700,239 | 37,298,688 | 37,370,536 |
| Total Funds | \$84,724,142 | \$94,772,682 | \$95,282,144 | \$101,952,074 | \$101,548,180 |
| Total Ongoing | \$84,568,823 | \$92,370,034 | \$95,224,593 | \$101,852,074 | \$101,548,180 |
| Total OTO | \$155,319 | \$2,402,648 | \$57,551 | \$100,000 | \$0 |

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Executive Budget Comparison

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

| Executive Budget Comparison | | | | | | | | |
|-----------------------------------|------------------------|------------------------------------|--------------------------------------|--|------------------------------------|--------------------------------------|--|--|
| Budget Item | Approp. Fiscal 2025 | Executive Budget Fiscal 2026 | Legislative Budget Fiscal 2026 | Leg — Exec. Difference Fiscal 2026 | Executive Budget Fiscal 2027 | Legislative Budget Fiscal 2027 | Leg — Exec. Difference Fiscal 2027 | Biennium Difference Fiscal 26-27 |
| Personal Services | 54,063,620 | 55,110,506 | 55,514,439 | 403,933 | 55,246,976 | 55,652,659 | 405,683 | 809,616 |
| Operating Expenses | 29,422,510 | 32,309,854 | 32,445,805 | 135,951 | 31,770,597 | 31,903,691 | 133,094 | 269,045 |
| Equipment & Intangible Assets | 483,849 | 833,849 | 833,849 | 0 | 833,849 | 833,849 | 0 | 0 |
| Grants | 9,415,792 | 9,940,792 | 11,261,608 | 1,320,816 | 9,940,792 | 11,261,608 | 1,320,816 | 2,641,632 |
| Benefits & Claims | 100,389 | 100,389 | 100,389 | 0 | 100,389 | 100,389 | 0 | 0 |
| Transfers | 447,333 | 447,333 | 447,333 | 0 | 447,333 | 447,333 | 0 | 0 |
| Debt Service | 1,348,651 | 1,348,651 | 1,348,651 | 0 | 1,348,651 | 1,348,651 | 0 | 0 |
| Total Costs | \$95,282,144 | \$100,091,374 | \$101,952,074 | \$1,860,700 | \$99,688,587 | \$101,548,180 | \$1,859,593 | \$3,720,293 |
| General Fund | 2,702,018 | 833,044 | 1,127,643 | 294,599 | 838,473 | 1,133,077 | 294,604 | 589,203 |
| State/other Special Rev. Funds | 57,879,887 | 63,545,938 | 63,525,743 | (20,195) | 63,065,160 | 63,044,567 | (20,593) | (40,788) |
| Federal Spec. Rev. Funds | 34,700,239 | 35,712,392 | 37,298,688 | 1,586,296 | 35,784,954 | 37,370,536 | 1,585,582 | 3,171,878 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Funds | \$95,282,144 | \$100,091,374 | \$101,952,074 | \$1,860,700 | \$99,688,587 | \$101,548,180 | \$1,859,593 | \$3,720,293 |
| Total Ongoing | \$95,224,593 | \$99,991,374 | \$101,852,074 | \$1,860,700 | \$99,688,587 | \$101,548,180 | \$1,859,593 | \$3,720,293 |
| Total OTO | \$57,551 | \$100,000 | \$100,000 | \$0 | \$0 | \$0 | \$0 | \$0 |

The legislature adopted ongoing appropriations for the 2027 biennium that are \$3.7 million higher than the executive proposed budget. Significant changes include:

- An increase in federal special revenue for the adoption of Workforce Innovation and Opportunity Act (WIOA) adult basic education funding. Appropriations for the WIOA adult basic education funding is contingent on HB 656
- An increase in general fund appropriations over the biennium due to a general fund match in the Office of Community Services. This appropriation is also contingent on HB 656. If this legislation passes, the appropriation is reduced from the agency budget and state special revenue will become the state match

Funding

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

| Total Department of Labor and Industry Funding by Source of Authority 2027 Biennium Budget Request | | | | | | |
|---|--------------------|----------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds | HB2 Ongoing | HB2 OTO | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds |
| 01100 General Fund | 2,260,720 | | | | 2,260,720 | 0.4% |
| 02258 Employment Security Account | 55,134,197 | 100,000 | | | 55,234,197 | 10.4% |
| 02448 Building Codes State Spec Rev | 12,923,124 | | | | 12,923,124 | 2.4% |
| 02455 Workers' Comp Regulation | 12,245,929 | | | | 12,245,929 | 2.3% |
| 02347 Safety Administration Fund | 5,019,319 | | | | 5,019,319 | 0.9% |
| 02805 Weights & Measures Bureau | 4,421,971 | | | | 4,421,971 | 0.8% |
| Other State Special Revenue | 36,725,770 | | | 1,407,247 | 38,133,017 | 7.2% |
| State Special Revenue Total | 126,470,310 | 100,000 | - | 1,407,247 | 127,977,557 | 24.2% |
| 03954 UI Administrative Grants | 21,882,809 | | | | 21,882,809 | 4.1% |
| 03124 Employment Trng Grants | 18,850,285 | | | | 18,850,285 | 3.6% |
| 03682 Wagner Peyser | 12,300,058 | | | | 12,300,058 | 2.3% |
| 03322 MT Community Service FSR | 8,089,885 | | | | 8,089,885 | 1.5% |
| 03982 RESEA | 2,133,596 | | | | 2,133,596 | 0.4% |
| Other Federal Special Revenue | 11,412,591 | | | | 11,412,591 | 2.2% |
| Federal Special Revenue Total | 74,669,224 | - | - | - | 74,669,224 | 14.1% |
| 06069 UI Tax Benefit Fund | | | 280,619,927 | | 280,619,927 | 53.0% |
| 06578 Technical Services Direct | | | 14,633,532 | | 14,633,532 | 2.8% |
| 06546 Commissioner's Office/CSD | | | 10,322,199 | | 10,322,199 | 1.9% |
| 06552 Legal Admin Services | | | 7,880,346 | | 7,880,346 | 1.5% |
| 06568 Technical Services | | | 7,761,942 | | 7,761,942 | 1.5% |
| Other Proprietary Fund | | | 3,060,252 | 614,578 | 3,674,830 | 0.7% |
| Proprietary Fund Total | - | - | 324,278,198 | 614,578 | 324,892,776 | 61.3% |
| Total of All Funds | 203,400,254 | 100,000 | 324,278,198 | 2,021,825 | 529,800,277 | |
| Percent of All Sources of Authority | 38.4% | 0.0% | 61.2% | 0.4% | | |

HB 2 Appropriations

General Fund

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

State Special Revenue

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

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

- Unemployment insurance benefits
- Principal, interest, and redemption premiums from employment security revenue bonds
- Expenses related to:
 - Administration of the Unemployment Insurance Program
 - Collecting money deposited into the account
 - Employment offices, including providing services to business communities
 - Apprenticeship and training programs
 - Displaced homemaker programs

- Department research and analysis for employment, wage, and economic data
- Department functions related to collective bargaining, prevailing wage, and wage and hour laws

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

Federal Special Revenue

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

Non-Budgeted Proprietary Funds

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

Statutory Appropriations

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

Legislative Budget

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

| Department of Labor and Industry 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|--|--------------------|-------------------|-------------------|--------------------|---------------------|--------------------|-------------------|-------------------|--------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 2,644,467 | 57,879,887 | 34,700,239 | 95,224,593 | 93.4% | 2,644,467 | 57,879,887 | 34,700,239 | 95,224,593 | 93.8% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 18,807 | 574,082 | 376,785 | 969,674 | 1.0% | 24,640 | 634,636 | 445,118 | 1,104,394 | 1.1% |
| Fixed Costs | 17,585 | (12,641) | (297,125) | (292,181) | (0.3%) | 17,181 | (13,498) | (295,976) | (292,293) | (0.3%) |
| Inflation Deflation | 0 | (29,384) | (9,507) | (38,891) | (0.0%) | 0 | (19,859) | (6,427) | (26,286) | (0.0%) |
| Total Statewide PL | 36,392 | 532,057 | 70,153 | 638,602 | 0.6% | 41,821 | 601,279 | 142,715 | 785,815 | 0.8% |
| Present Law (PL) | (401) | 963,805 | 927,993 | 1,891,397 | 1.9% | (396) | 963,407 | 927,279 | 1,890,290 | 1.9% |
| New Proposals | (1,552,815) | 4,149,994 | 1,600,303 | 4,197,482 | 4.1% | (1,552,815) | 3,599,994 | 1,600,303 | 3,647,482 | 3.6% |
| Total HB 2 Adjustments | (1,516,824) | 5,645,856 | 2,598,449 | 6,727,481 | 6.6% | (1,511,390) | 5,164,680 | 2,670,297 | 6,323,587 | 6.2% |
| Total Budget | 1,127,643 | 63,525,743 | 37,298,688 | 101,952,074 | | 1,133,077 | 63,044,567 | 37,370,536 | 101,548,180 | |

Missing Mandatory Narrative - Executive Request Table Description - Agency

Language and Statutory Authority

If HB 2 and HB 656 are not both passed and approved, then appropriations to the Employment Standards Division of the Department of Labor and Industry in HB 2 are to change as follows: general fund appropriations to increase \$1,859,421 in FY 2026 and increase \$1,859,421 in FY 2027, state special revenue appropriations to decrease \$1,859,421 in FY 2026 and decrease \$1,859,421 in FY 2027.

If HB 2 and HB 656 are not both passed and approved, then state special revenue appropriations in HB 2 for the Office of Community Services within the Department of Labor and Industry are to decrease \$295,000 in FY 2026 and \$295,000 FY 2027.

If HB 2 and HB 656 are both passed and approved, then general fund appropriations in HB 2 for the Office of Community Services within the Department of Labor and Industry are to decrease \$295,000 in FY 2026 and \$295,000 FY 2027.

If HB 2 and HB 656 are not both passed and approved, then appropriations to the Workforce Services Division of the Department of Labor and Industry in HB 2 are to change as follows: state special revenue appropriations to decrease \$525,000 in FY 2026 and decrease \$525,000 in FY 2027, and federal special revenue appropriations to decrease \$1,600,303 in FY 2026 and decrease \$1,600,303 in FY 2027.

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | |
|--------------------------------|-------------------|-------------------|-------------------|---------------------------|--------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| PB | 222.00 | 222.00 | 222.00 | 0.00 | 0.0% |
| General Fund | 271,895 | 278,059 | 278,366 | 12,635 | 2.3% |
| State/Other Special Rev. Funds | 14,292,551 | 15,828,828 | 15,396,547 | 2,640,273 | 9.2% |
| Federal Spec. Rev. Funds | 17,241,940 | 19,793,087 | 19,816,376 | 5,125,583 | 14.9% |
| Total Funds | 31,806,386 | 35,899,974 | 35,491,289 | 7,778,491 | 12.2% |
| Personal Services | 17,742,780 | 18,739,729 | 18,777,290 | 2,031,459 | 5.7% |
| Operating Expenses | 7,271,814 | 8,522,637 | 8,076,391 | 2,055,400 | 14.1% |
| Equipment & Intangible Assets | 12,908 | 12,908 | 12,908 | | 0.0% |
| Grants | 6,316,070 | 8,161,886 | 8,161,886 | 3,691,632 | 29.2% |
| Transfers | 101,814 | 101,814 | 101,814 | | 0.0% |
| Debt Service | 361,000 | 361,000 | 361,000 | | 0.0% |
| Total Expenditures | 31,806,386 | 35,899,974 | 35,491,289 | 7,778,491 | 12.2% |
| Total Ongoing | 31,806,386 | 35,899,974 | 35,491,289 | 7,778,491 | 12.2% |
| Total One-Time-Only | | | | | 0.0% |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 15,323,090 | 15,568,093 | 17,742,780 | 18,739,729 | 18,777,290 |
| Operating Expenses | 8,310,782 | 9,003,289 | 7,271,814 | 8,522,637 | 8,076,391 |
| Equipment & Intangible Assets | 0 | 8 | 12,908 | 12,908 | 12,908 |
| Grants | 4,238,498 | 5,716,070 | 6,316,070 | 8,161,886 | 8,161,886 |
| Transfers | 0 | 96,914 | 101,814 | 101,814 | 101,814 |
| Debt Service | 206,014 | 401,050 | 361,000 | 361,000 | 361,000 |
| Total Expenditures | \$28,078,384 | \$30,785,424 | \$31,806,386 | \$35,899,974 | \$35,491,289 |
| General Fund | 172,847 | 271,895 | 271,895 | 278,059 | 278,366 |
| State/Other Special Rev. Funds | 12,918,933 | 13,775,583 | 14,292,551 | 15,828,828 | 15,396,547 |
| Federal Spec. Rev. Funds | 14,986,604 | 16,737,946 | 17,241,940 | 19,793,087 | 19,816,376 |
| Total Funds | \$28,078,384 | \$30,785,424 | \$31,806,386 | \$35,899,974 | \$35,491,289 |
| Total Ongoing | \$28,078,384 | \$30,785,424 | \$31,806,386 | \$35,899,974 | \$35,491,289 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

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Funding

HB 2 Appropriations

General Fund

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

State Special Revenue

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

Federal Special Revenue

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

Non-Budgeted Proprietary Funds

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

Legislative Budget

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

| Workforce Services Division 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|----------------|-------------------|-------------------|-------------------|---------------------|----------------|-------------------|-------------------|-------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 271,895 | 14,292,551 | 17,241,940 | 31,806,386 | 88.6% | 271,895 | 14,292,551 | 17,241,940 | 31,806,386 | 89.6% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 5,746 | 373,016 | 338,700 | 717,462 | 2.0% | 6,011 | 388,496 | 360,516 | 755,023 | 2.1% |
| Fixed Costs | 256 | (40,799) | (72,435) | (112,978) | (0.3%) | 269 | (41,391) | (73,223) | (114,345) | (0.3%) |
| Inflation Deflation | 0 | (8,898) | (8,243) | (17,141) | (0.0%) | 0 | (6,013) | (5,572) | (11,585) | (0.0%) |
| Total Statewide PL | 6,002 | 323,319 | 258,022 | 587,343 | 1.6% | 6,280 | 341,092 | 281,721 | 629,093 | 1.8% |
| Present Law (PL) | 162 | (5,855) | 692,822 | 687,129 | 1.9% | 191 | (5,909) | 692,412 | 686,694 | 1.9% |
| New Proposals | 0 | 1,218,813 | 1,600,303 | 2,819,116 | 7.9% | 0 | 768,813 | 1,600,303 | 2,369,116 | 6.7% |
| Total HB 2 Adjustments | 6,164 | 1,536,277 | 2,551,147 | 4,093,588 | 11.4% | 6,471 | 1,103,996 | 2,574,436 | 3,684,903 | 10.4% |
| Total Budget | 278,059 | 15,828,828 | 19,793,087 | 35,899,974 | | 278,366 | 15,396,547 | 19,816,376 | 35,491,289 | |

Present Law Adjustments -

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

| Present Law Adjustments | | | | | | | | | | |
|---|-----------------------|----------------|------------------|------------------|--------------------|-----------------------|----------------|------------------|------------------|--------------------|
| | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 5,746 | 373,016 | 338,700 | 717,462 | 0.00 | 6,011 | 388,496 | 360,516 | 755,023 |
| DP 2 - Fixed Costs | 0.00 | 256 | (40,799) | (72,435) | (112,978) | 0.00 | 269 | (41,391) | (73,223) | (114,345) |
| DP 3 - Inflation Deflation | 0.00 | 0 | (8,898) | (8,243) | (17,141) | 0.00 | 0 | (6,013) | (5,572) | (11,585) |
| DP 22 - Fixed Cost Adjustment for Robert's Rules | 0.00 | 0 | (4,147) | (2,000) | (6,147) | 0.00 | 0 | (4,147) | (2,000) | (6,147) |
| DP 23 - Fixed Cost Adjustment for Facilities Management | 0.00 | 162 | (1,708) | (5,178) | (6,724) | 0.00 | 191 | (1,762) | (5,588) | (7,159) |
| DP 101 - WSD Increase Federal Long-term Authority | 0.00 | 0 | 0 | 700,000 | 700,000 | 0.00 | 0 | 0 | 700,000 | 700,000 |
| Grand Total All Present Law Adjustments | 0.00 | \$6,164 | \$317,464 | \$950,844 | \$1,274,472 | 0.00 | \$6,471 | \$335,183 | \$974,133 | \$1,315,787 |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

DP 23 - Fixed Cost Adjustment for Facilities Management -

The legislature adopted an adjustment to fixed costs that reduced office and non-office rent included in DP 2.

DP 101 - WSD Increase Federal Long-term Authority -

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

New Proposals -

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

| New Proposals | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|--------------------------------------|-----------------------|--------------|--------------------|--------------------|--------------------|-----------------------|--------------|------------------|--------------------|--------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 102 - Job Service Kiosks | 0.00 | 0 | 540,000 | 0 | 540,000 | 0.00 | 0 | 90,000 | 0 | 90,000 |
| DP 302 - Legal Adjustment | 0.00 | 0 | 153,813 | 0 | 153,813 | 0.00 | 0 | 153,813 | 0 | 153,813 |
| DP 1044 - WIOA Adult Basic Education | 0.00 | 0 | 525,000 | 1,600,303 | 2,125,303 | 0.00 | 0 | 525,000 | 1,600,303 | 2,125,303 |
| Total | 0.00 | \$0 | \$1,218,813 | \$1,600,303 | \$2,819,116 | 0.00 | \$0 | \$768,813 | \$1,600,303 | \$2,369,116 |

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

DP 102 - Job Service Kiosks -

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

DP 302 - Legal Adjustment -

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

DP 1044 - WIOA Adult Basic Education -

The legislature adopted an increase in state special revenue and federal special revenue appropriation authority. This

appropriation will be used to provide grants to schools for adult basic education programs. This appropriation is contingent on the passage of HB 656.

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | |
|--------------------------------|-------------------|-------------------|-------------------|---------------------------|-------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| PB | 137.61 | 137.61 | 137.61 | 0.00 | 0.0% |
| State/Other Special Rev. Funds | 7,327,377 | 7,913,345 | 7,902,671 | 1,161,262 | 7.9% |
| Federal Spec. Rev. Funds | 11,493,224 | 11,367,835 | 11,411,561 | (207,052) | (0.9%) |
| Total Funds | 18,820,601 | 19,281,180 | 19,314,232 | 954,210 | 2.5% |
| Personal Services | 11,134,224 | 11,204,070 | 11,232,901 | 168,523 | 0.8% |
| Operating Expenses | 7,649,872 | 8,040,605 | 8,044,826 | 785,687 | 5.1% |
| Debt Service | 36,505 | 36,505 | 36,505 | | 0.0% |
| Total Expenditures | 18,820,601 | 19,281,180 | 19,314,232 | 954,210 | 2.5% |
| Total Ongoing | 18,820,601 | 19,281,180 | 19,314,232 | 954,210 | 2.5% |
| Total One-Time-Only | | | | | 0.0% |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 9,355,748 | 10,492,432 | 11,134,224 | 11,204,070 | 11,232,901 |
| Operating Expenses | 7,178,314 | 8,331,362 | 7,649,872 | 8,040,605 | 8,044,826 |
| Debt Service | 68,161 | 78,495 | 36,505 | 36,505 | 36,505 |
| Total Expenditures | \$16,602,223 | \$18,902,289 | \$18,820,601 | \$19,281,180 | \$19,314,232 |
| State/Other Special Rev. Funds | 7,342,186 | 7,403,974 | 7,327,377 | 7,913,345 | 7,902,671 |
| Federal Spec. Rev. Funds | 9,260,037 | 11,498,315 | 11,493,224 | 11,367,835 | 11,411,561 |
| Total Funds | \$16,602,223 | \$18,902,289 | \$18,820,601 | \$19,281,180 | \$19,314,232 |
| Total Ongoing | \$16,602,223 | \$18,902,289 | \$18,820,601 | \$19,281,180 | \$19,314,232 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

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Funding

HB 2 Appropriations

State Special Revenue

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

Federal Special Revenue

The majority of HB 2 funding comes from federal special revenue. Unemployment insurance administrative grants are federal funds that Montana receives for the administration of the Unemployment Insurance Division.

Non-Budgeted Proprietary Funds

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

Legislative Budget

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

| Unemployment Insurance Division 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|--------------|------------------|-------------------|-------------------|---------------------|--------------|------------------|-------------------|-------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 0 | 7,327,377 | 11,493,224 | 18,820,601 | 97.6% | 0 | 7,327,377 | 11,493,224 | 18,820,601 | 97.4% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 0 | 42,607 | 27,239 | 69,846 | 0.4% | 0 | 30,051 | 68,626 | 98,677 | 0.5% |
| Fixed Costs | 0 | (258,928) | (227,382) | (486,310) | (2.5%) | 0 | (256,735) | (225,122) | (481,857) | (2.5%) |
| Inflation Deflation | 0 | 0 | (1,068) | (1,068) | (0.0%) | 0 | 0 | (722) | (722) | (0.0%) |
| Total Statewide PL | 0 | (216,321) | (201,211) | (417,532) | (2.2%) | 0 | (226,684) | (157,218) | (383,902) | (2.0%) |
| Present Law (PL) | 0 | 600,227 | 75,822 | 676,049 | 3.5% | 0 | 599,916 | 75,555 | 675,471 | 3.5% |
| New Proposals | 0 | 202,062 | 0 | 202,062 | 1.0% | 0 | 202,062 | 0 | 202,062 | 1.0% |
| Total HB 2 Adjustments | 0 | 585,968 | (125,389) | 460,579 | 2.4% | 0 | 575,294 | (81,663) | 493,631 | 2.6% |
| Total Budget | 0 | 7,913,345 | 11,367,835 | 19,281,180 | | 0 | 7,902,671 | 11,411,561 | 19,314,232 | |

Present Law Adjustments -

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

| Present Law Adjustments | | | | | | | | | | |
|---|-----------------------|--------------|------------------|--------------------|------------------|-----------------------|--------------|------------------|-------------------|------------------|
| | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 0 | 42,607 | 27,239 | 69,846 | 0.00 | 0 | 30,051 | 68,626 | 98,677 |
| DP 2 - Fixed Costs | 0.00 | 0 | (258,928) | (227,382) | (486,310) | 0.00 | 0 | (256,735) | (225,122) | (481,857) |
| DP 3 - Inflation Deflation | 0.00 | 0 | 0 | (1,068) | (1,068) | 0.00 | 0 | 0 | (722) | (722) |
| DP 22 - Fixed Cost Adjustment for Robert's Rules | 0.00 | 0 | (2,015) | (2,000) | (4,015) | 0.00 | 0 | (2,015) | (2,000) | (4,015) |
| DP 23 - Fixed Cost Adjustment for Facilities Management | 0.00 | 0 | (4,758) | (4,178) | (8,936) | 0.00 | 0 | (5,069) | (4,445) | (9,514) |
| DP 201 - UID Software Maintenance Contract Operations | 0.00 | 0 | 607,000 | 0 | 607,000 | 0.00 | 0 | 607,000 | 0 | 607,000 |
| DP 303 - Postage & Mailing Inflation | 0.00 | 0 | 0 | 82,000 | 82,000 | 0.00 | 0 | 0 | 82,000 | 82,000 |
| Grand Total All Present Law Adjustments | 0.00 | \$0 | \$383,906 | (\$125,389) | \$258,517 | 0.00 | \$0 | \$373,232 | (\$81,663) | \$291,569 |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

DP 23 - Fixed Cost Adjustment for Facilities Management -

The legislature adopted an adjustment to fixed costs that reduced office and non-office rent included in DP 2.

DP 201 - UID Software Maintenance Contract Operations -

The legislature adopted an increase in state special revenue funding in each fiscal year of the 2027 biennium. This funding will be used towards ongoing contracted costs regarding software maintenance of the Montana Unemployment Services Environment system (MUSE).

DP 303 - Postage & Mailing Inflation -

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

New Proposals -

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

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

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

DP 302 - Legal Adjustment -

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

Program Base Budget Comparison

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

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

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Program Actuals and Budget Comparison

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

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

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Funding

HB 2 Appropriations

General Fund

Appropriation authority from the general fund is utilized towards the Office of Administrative Hearing's Program.

State Special Revenue

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

Federal Special Revenue

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

Non-Budgeted Proprietary Funds

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

Legislative Budget

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

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

Present Law Adjustments -

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

these items were applied globally to all agencies.

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

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

New Proposals -

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

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

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

DP 301 - Operations Resources (BIEN, OTO) -

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

DP 302 - Legal Adjustment -

The legislature adopted an increase in general fund and state special revenue authority to account for the anticipated increase in usage of legal services in the agency.

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | |
|--------------------------------|-------------------|-------------------|-------------------|---------------------------|-------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| PB | 248.87 | 248.87 | 248.87 | 0.00 | 0.0% |
| General Fund | 1,860,556 | 38,287 | 41,946 | (3,640,879) | (97.8%) |
| State/Other Special Rev. Funds | 34,772,745 | 37,878,862 | 37,939,120 | 6,272,492 | 9.0% |
| Federal Spec. Rev. Funds | 1,318,200 | 1,490,966 | 1,493,454 | 348,020 | 13.2% |
| Total Funds | 37,951,501 | 39,408,115 | 39,474,520 | 2,979,633 | 3.9% |
| Personal Services | 23,114,697 | 23,256,853 | 23,319,531 | 346,990 | 0.8% |
| Operating Expenses | 13,320,905 | 14,285,363 | 14,289,090 | 1,932,643 | 7.3% |
| Equipment & Intangible Assets | 470,941 | 820,941 | 820,941 | 700,000 | 74.3% |
| Grants | 5,000 | 5,000 | 5,000 | | 0.0% |
| Benefits & Claims | 100,389 | 100,389 | 100,389 | | 0.0% |
| Transfers | 44,869 | 44,869 | 44,869 | | 0.0% |
| Debt Service | 894,700 | 894,700 | 894,700 | | 0.0% |
| Total Expenditures | 37,951,501 | 39,408,115 | 39,474,520 | 2,979,633 | 3.9% |
| Total Ongoing | 37,951,501 | 39,408,115 | 39,474,520 | 2,979,633 | 3.9% |
| Total One-Time-Only | | | | | 0.0% |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|---------------------|---------------------|---------------------|-------------------------|-------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 21,444,298 | 21,831,733 | 23,114,697 | 23,256,853 | 23,319,531 |
| Operating Expenses | 12,572,481 | 13,217,660 | 13,320,905 | 14,285,363 | 14,289,090 |
| Equipment & Intangible Assets | 84,204 | 2,573,911 | 470,941 | 820,941 | 820,941 |
| Grants | 0 | 5,000 | 5,000 | 5,000 | 5,000 |
| Benefits & Claims | 16,800 | 100,389 | 100,389 | 100,389 | 100,389 |
| Transfers | 79,312 | 87,022 | 44,869 | 44,869 | 44,869 |
| Debt Service | 886,667 | 928,934 | 894,700 | 894,700 | 894,700 |
| Total Expenditures | \$35,083,762 | \$38,744,649 | \$37,951,501 | \$39,408,115 | \$39,474,520 |
| General Fund | 1,785,595 | 1,785,607 | 1,860,556 | 38,287 | 41,946 |
| State/Other Special Rev. Funds | 32,173,438 | 35,626,826 | 34,772,745 | 37,878,862 | 37,939,120 |
| Federal Spec. Rev. Funds | 1,124,729 | 1,332,216 | 1,318,200 | 1,490,966 | 1,493,454 |
| Total Funds | \$35,083,762 | \$38,744,649 | \$37,951,501 | \$39,408,115 | \$39,474,520 |
| Total Ongoing | \$35,031,087 | \$36,444,649 | \$37,951,501 | \$39,408,115 | \$39,474,520 |
| Total OTO | \$52,675 | \$2,300,000 | \$0 | \$0 | \$0 |

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Funding

HB 2 Appropriations

General Fund

Appropriations from the general fund account for a relatively small portion of total HB 2 appropriations for this division. This funding supports a small portion of the administration of the Employment Standards Division (ESD) as a whole.

State Special Revenue

Of the total HB 2 appropriations for this division, state special revenue funds are the largest portion of this for the upcoming biennium. The legislature adopted appropriations for the Human Rights Bureau in state special revenue, which is contingent on HB 656. This has previously been appropriated through the general fund.

Other state special revenue funds within this division include:

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

Federal Special Revenue

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

Non-Budgeted Proprietary

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

Statutory Appropriations

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

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

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

Legislative Budget

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

| Employment Standards Division 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|--------------------|-------------------|------------------|-------------------|---------------------|--------------------|-------------------|------------------|-------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 1,860,556 | 34,772,745 | 1,318,200 | 37,951,501 | 96.3% | 1,860,556 | 34,772,745 | 1,318,200 | 37,951,501 | 96.1% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 9,123 | 127,052 | 5,981 | 142,156 | 0.4% | 13,149 | 183,066 | 8,619 | 204,834 | 0.5% |
| Fixed Costs | 18,457 | 299,893 | 6,796 | 325,146 | 0.8% | 18,092 | 297,585 | 6,647 | 322,324 | 0.8% |
| Inflation Deflation | 0 | (20,316) | 0 | (20,316) | (0.1%) | 0 | (13,731) | 0 | (13,731) | (0.0%) |
| Total Statewide PL | 27,580 | 406,629 | 12,777 | 446,986 | 1.1% | 31,241 | 466,920 | 15,266 | 513,427 | 1.3% |
| Present Law (PL) | (30) | 369,572 | 159,989 | 529,531 | 1.3% | (32) | 369,539 | 159,988 | 529,495 | 1.3% |
| New Proposals | (1,849,819) | 2,329,916 | 0 | 480,097 | 1.2% | (1,849,819) | 2,329,916 | 0 | 480,097 | 1.2% |
| Total HB 2 Adjustments | (1,822,269) | 3,106,117 | 172,766 | 1,456,614 | 3.7% | (1,818,610) | 3,166,375 | 175,254 | 1,523,019 | 3.9% |
| Total Budget | 38,287 | 37,878,862 | 1,490,966 | 39,408,115 | | 41,946 | 37,939,120 | 1,493,454 | 39,474,520 | |

Present Law Adjustments -

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

| Present Law Adjustments | Fiscal 2026 | | | | | Fiscal 2027 | | | | |
|---|-------------|-----------------|------------------|------------------|------------------|-------------|-----------------|------------------|------------------|--------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 9,123 | 127,052 | 5,981 | 142,156 | 0.00 | 13,149 | 183,066 | 8,619 | 204,834 |
| DP 2 - Fixed Costs | 0.00 | 18,457 | 299,893 | 6,796 | 325,146 | 0.00 | 18,092 | 297,585 | 6,647 | 322,324 |
| DP 3 - Inflation Deflation | 0.00 | 0 | (20,316) | 0 | (20,316) | 0.00 | 0 | (13,731) | 0 | (13,731) |
| DP 22 - Fixed Cost Adjustment for Robert's Rules | 0.00 | 0 | (6,939) | 0 | (6,939) | 0.00 | 0 | (6,939) | 0 | (6,939) |
| DP 23 - Fixed Cost Adjustment for Facilities Management | 0.00 | (30) | (489) | (11) | (530) | 0.00 | (32) | (522) | (12) | (566) |
| DP 303 - Postage & Mailing Inflation | 0.00 | 0 | 27,000 | 0 | 27,000 | 0.00 | 0 | 27,000 | 0 | 27,000 |
| DP 501 - Equipment for Weights & Measures | 0.00 | 0 | 350,000 | 0 | 350,000 | 0.00 | 0 | 350,000 | 0 | 350,000 |
| DP 502 - ESD Increase Federal Long-term Authority | 0.00 | 0 | 0 | 160,000 | 160,000 | 0.00 | 0 | 0 | 160,000 | 160,000 |
| Grand Total All Present Law Adjustments | 0.00 | \$27,550 | \$776,201 | \$172,766 | \$976,517 | 0.00 | \$31,209 | \$836,459 | \$175,254 | \$1,042,922 |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

DP 23 - Fixed Cost Adjustment for Facilities Management -

The legislature adopted an adjustment to fixed costs that reduced office and non-office rent included in DP 2.

DP 303 - Postage & Mailing Inflation -

The legislature adopted an increase in state special revenue authority for the upcoming biennium. This is an inflationary adjustment to be utilized within postage and mailing costs in the division.

DP 501 - Equipment for Weights & Measures -

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

DP 502 - ESD Increase Federal Long-term Authority -

The legislature adopted an increase in federal special revenue authority in each year of the upcoming biennium. As the ESD has experienced an increase in annual federal grants, this adjusts the level of appropriations to the anticipated awards.

New Proposals -

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

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

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

DP 302 - Legal Adjustment -

The legislature adopted an increase in general fund and state special revenue authority to account for the anticipated increase in usage of legal services in the agency.

DP 503 - Human Rights Bureau Funding Switch -

The legislature adopted a fund source switch for the Human Rights Bureau from general fund to state special revenue. This switch in the funding source to the employment security account is contingent on HB 656.

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | | |
|--------------------------------|------------------|------------------|------------------|---------------------------|-----------------|--|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent | |
| PB | 5.00 | 5.00 | 5.00 | 0.00 | 0.0% | |
| General Fund | 167,318 | 466,412 | 466,639 | 598,415 | 178.8% | |
| State/Other Special Rev. Funds | | 295,000 | 295,000 | 590,000 | 0.0% | |
| Federal Spec. Rev. Funds | 4,037,455 | 4,044,584 | 4,045,301 | 14,975 | 0.2% | |
| Total Funds | 4,204,773 | 4,805,996 | 4,806,940 | 1,203,390 | 14.3% | |
| Personal Services | 456,678 | 704,787 | 709,304 | 500,735 | 54.8% | |
| Operating Expenses | 401,551 | 754,665 | 751,092 | 702,655 | 87.5% | |
| Grants | 3,094,722 | 3,094,722 | 3,094,722 | | 0.0% | |
| Transfers | 250,650 | 250,650 | 250,650 | | 0.0% | |
| Debt Service | 1,172 | 1,172 | 1,172 | | 0.0% | |
| Total Expenditures | 4,204,773 | 4,805,996 | 4,806,940 | 1,203,390 | 14.3% | |
| Total Ongoing | 4,204,773 | 4,805,996 | 4,806,940 | 1,203,390 | 14.3% | |
| Total One-Time-Only | 57,551 | | | (115,102) | (100.0%) | |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 482,248 | 516,029 | 503,912 | 704,787 | 709,304 |
| Operating Expenses | 197,496 | 421,053 | 411,868 | 754,665 | 751,092 |
| Grants | 1,909,224 | 2,524,722 | 3,094,722 | 3,094,722 | 3,094,722 |
| Transfers | 577,419 | 820,650 | 250,650 | 250,650 | 250,650 |
| Debt Service | 1,009 | 1,010 | 1,172 | 1,172 | 1,172 |
| Total Expenditures | \$3,167,396 | \$4,283,464 | \$4,262,324 | \$4,805,996 | \$4,806,940 |
| General Fund | 263,789 | 263,796 | 224,869 | 466,412 | 466,639 |
| State/Other Special Rev. Funds | 0 | 0 | 0 | 295,000 | 295,000 |
| Federal Spec. Rev. Funds | 2,903,607 | 4,019,668 | 4,037,455 | 4,044,584 | 4,045,301 |
| Total Funds | \$3,167,396 | \$4,283,464 | \$4,262,324 | \$4,805,996 | \$4,806,940 |
| Total Ongoing | \$3,064,752 | \$4,180,816 | \$4,204,773 | \$4,805,996 | \$4,806,940 |
| Total OTO | \$102,644 | \$102,648 | \$57,551 | \$0 | \$0 |

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Funding

HB 2 Appropriations

General Fund

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

State Special Revenue

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

Federal Special Revenue

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

Legislative Budget

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

| Office of Community Services 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|--|----------------|----------------|------------------|------------------|---------------------|----------------|----------------|------------------|------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 167,318 | 0 | 4,037,455 | 4,204,773 | 87.5% | 167,318 | 0 | 4,037,455 | 4,204,773 | 87.5% |
| Statewide PL | | | | | | | | | | |
| Personal Services | (188) | 0 | (595) | (783) | (0.0%) | 56 | 0 | 178 | 234 | 0.0% |
| Fixed Costs | 4,815 | 0 | 8,478 | 13,293 | 0.3% | 4,820 | 0 | 8,421 | 13,241 | 0.3% |
| Inflation Deflation | 0 | 0 | (114) | (114) | (0.0%) | 0 | 0 | (77) | (77) | (0.0%) |
| Total Statewide PL | 4,627 | 0 | 7,769 | 12,396 | 0.3% | 4,876 | 0 | 8,522 | 13,398 | 0.3% |
| Present Law (PL) | (533) | 0 | (640) | (1,173) | (0.0%) | (555) | 0 | (676) | (1,231) | (0.0%) |
| New Proposals | 295,000 | 295,000 | 0 | 590,000 | 12.3% | 295,000 | 295,000 | 0 | 590,000 | 12.3% |
| Total HB 2 Adjustments | 299,094 | 295,000 | 7,129 | 601,223 | 12.5% | 299,321 | 295,000 | 7,846 | 602,167 | 12.5% |
| Total Budget | 466,412 | 295,000 | 4,044,584 | 4,805,996 | | 466,639 | 295,000 | 4,045,301 | 4,806,940 | |

Present Law Adjustments -

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

| Present Law Adjustments | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|---|-----------------------|----------------|---------------|-----------------|-----------------|-----------------------|----------------|---------------|-----------------|-----------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | (188) | 0 | (595) | (783) | 0.00 | 56 | 0 | 178 | 234 |
| DP 2 - Fixed Costs | 0.00 | 4,815 | 0 | 8,478 | 13,293 | 0.00 | 4,820 | 0 | 8,421 | 13,241 |
| DP 3 - Inflation Deflation | 0.00 | 0 | 0 | (114) | (114) | 0.00 | 0 | 0 | (77) | (77) |
| DP 22 - Fixed Cost Adjustment for Robert's Rules | 0.00 | (168) | 0 | 0 | (168) | 0.00 | (168) | 0 | 0 | (168) |
| DP 23 - Fixed Cost Adjustment for Facilities Management | 0.00 | (365) | 0 | (640) | (1,005) | 0.00 | (387) | 0 | (676) | (1,063) |
| Grand Total All Present Law Adjustments | 0.00 | \$4,094 | \$0 | \$7,129 | \$11,223 | 0.00 | \$4,321 | \$0 | \$7,846 | \$12,167 |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

DP 23 - Fixed Cost Adjustment for Facilities Management -

The legislature adopted an adjustment to fixed costs that reduced office and non-office rent included in DP 2.

New Proposals -

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

| New Proposals | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|---|-----------------------|------------------|------------------|-----------------|------------------|-----------------------|------------------|------------------|-----------------|------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 701 - OCS State Special Revenue Fund Match | 0.00 | 0 | 295,000 | 0 | 295,000 | 0.00 | 0 | 295,000 | 0 | 295,000 |
| DP 702 - OCS General Fund Match | 0.00 | 295,000 | 0 | 0 | 295,000 | 0.00 | 295,000 | 0 | 0 | 295,000 |
| Total | 0.00 | \$295,000 | \$295,000 | \$0 | \$590,000 | 0.00 | \$295,000 | \$295,000 | \$0 | \$590,000 |

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

DP 701 - OCS State Special Revenue Fund Match -

The legislature adopted state special revenue appropriations in the 2027 biennium. This will be used as the agency portion of the federal AmeriCorps funding match to support grants administered by the program. This authority will support personal services and operating expenses. This is contingent on HB 656.

DP 702 - OCS General Fund Match -

The legislature adopted an increase in general fund authority in the 2027 biennium. This will be used as the agency's portion of the federal AmeriCorps funding match to support grants administered by the program. This authority would support personal services and operating expenses. If HB 656 is passed and approved, this appropriation will be decreased from the division budget as the state share portion will be utilized through state special revenue appropriated in DP 701.

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | | |
|--------------------------------|----------------|------------------|----------------|---------------------------|---------------|--|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent | |
| PB | 5.00 | 5.00 | 5.00 | 0.00 | 0.0% | |
| State/Other Special Rev. Funds | 781,594 | 726,421 | 727,178 | (109,589) | (7.0%) | |
| Total Funds | 781,594 | 726,421 | 727,178 | (109,589) | (7.0%) | |
| Personal Services | 594,555 | 548,278 | 549,092 | (91,740) | (7.7%) | |
| Operating Expenses | 135,124 | 126,228 | 126,171 | (17,849) | (6.6%) | |
| Debt Service | 51,915 | 51,915 | 51,915 | 0.0% | 0.0% | |
| Total Expenditures | 781,594 | 726,421 | 727,178 | (109,589) | (7.0%) | |
| Total Ongoing | 781,594 | 726,421 | 727,178 | (109,589) | (7.0%) | |
| Total One-Time-Only | | | | | 0.0% | |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 540,973 | 562,155 | 594,555 | 548,278 | 549,092 |
| Operating Expenses | 116,370 | 135,491 | 135,124 | 126,228 | 126,171 |
| Debt Service | 50,824 | 50,965 | 51,915 | 51,915 | 51,915 |
| Total Expenditures | \$708,167 | \$748,611 | \$781,594 | \$726,421 | \$727,178 |
| State/Other Special Rev. Funds | 708,167 | 748,611 | 781,594 | 726,421 | 727,178 |
| Total Funds | \$708,167 | \$748,611 | \$781,594 | \$726,421 | \$727,178 |
| Total Ongoing | \$708,167 | \$748,611 | \$781,594 | \$726,421 | \$727,178 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

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Funding

HB 2 Appropriations

State Special Revenue

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

Legislative Budget

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

| Workers' Compensation Court 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|--------------|---------------|-----------------|-------------|---------------------|--------------|---------------|-----------------|-------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 0 | 781,594 | 0 | 781,594 | 107.6% | 0 | 781,594 | 0 | 781,594 | 107.5% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 0 | (46,277) | 0 | (46,277) | (6.4%) | 0 | (45,463) | 0 | (45,463) | (6.3%) |
| Fixed Costs | 0 | (8,985) | 0 | (8,985) | (1.2%) | 0 | (9,097) | 0 | (9,097) | (1.3%) |
| Inflation Deflation | 0 | (170) | 0 | (170) | (0.0%) | 0 | (115) | 0 | (115) | (0.0%) |
| Total Statewide PL | 0 | (55,432) | 0 | (55,432) | (7.6%) | 0 | (54,675) | 0 | (54,675) | (7.5%) |
| Present Law (PL) | 0 | (139) | 0 | (139) | (0.0%) | 0 | (139) | 0 | (139) | (0.0%) |
| New Proposals | 0 | 398 | 0 | 398 | 0.1% | 0 | 398 | 0 | 398 | 0.1% |
| Total HB 2 Adjustments | 0 | (55,173) | 0 | (55,173) | (7.6%) | 0 | (54,416) | 0 | (54,416) | (7.5%) |
| Total Budget | 0 | 726,421 | 0 | 726,421 | | 0 | 727,178 | 0 | 727,178 | |

Present Law Adjustments -

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

| Present Law Adjustments | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|--|-----------------------|--------------|-------------------|-----------------|-------------------|-----------------------|--------------|-------------------|-----------------|-------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 0 | (46,277) | 0 | (46,277) | 0.00 | 0 | (45,463) | 0 | (45,463) |
| DP 2 - Fixed Costs | 0.00 | 0 | (8,985) | 0 | (8,985) | 0.00 | 0 | (9,097) | 0 | (9,097) |
| DP 3 - Inflation Deflation | 0.00 | 0 | (170) | 0 | (170) | 0.00 | 0 | (115) | 0 | (115) |
| DP 22 - Fixed Cost Adjustment for Robert's Rules | 0.00 | 0 | (139) | 0 | (139) | 0.00 | 0 | (139) | 0 | (139) |
| Grand Total All Present Law Adjustments | 0.00 | \$0 | (\$55,571) | \$0 | (\$55,571) | 0.00 | \$0 | (\$54,814) | \$0 | (\$54,814) |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

New Proposals -

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

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

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

DP 302 - Legal Adjustment -

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

Agency Base Budget Comparison

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

| Agency Base Budget Comparison | | | | | |
|--------------------------------|-------------------|-------------------|-------------------|---------------------------|--------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| PB | 234.66 | 252.66 | 252.66 | 18.00 | 3.8% |
| General Fund | 9,113,675 | 15,480,320 | 11,486,151 | 8,739,121 | 47.9% |
| State/Other Special Rev. Funds | 1,175,587 | 1,550,880 | 1,504,702 | 704,408 | 30.0% |
| Federal Spec. Rev. Funds | 48,822,301 | 49,994,111 | 50,128,847 | 2,478,356 | 2.5% |
| Total Funds | 59,111,563 | 67,025,311 | 63,119,700 | 11,921,885 | 10.1% |
| Personal Services | 21,514,133 | 23,343,187 | 23,529,363 | 3,844,284 | 8.9% |
| Operating Expenses | 22,174,153 | 27,764,347 | 23,671,560 | 7,087,601 | 16.0% |
| Equipment & Intangible Assets | 150,536 | 225,536 | 225,536 | 150,000 | 49.8% |
| Grants | 13,240,681 | 13,386,181 | 13,386,181 | 291,000 | 1.1% |
| Benefits & Claims | 800 | 800 | 800 | | 0.0% |
| Transfers | 1,617,260 | 1,867,260 | 1,867,260 | 500,000 | 15.5% |
| Debt Service | 414,000 | 438,000 | 439,000 | 49,000 | 5.9% |
| Total Expenditures | 59,111,563 | 67,025,311 | 63,119,700 | 11,921,885 | 10.1% |
| Total Ongoing | 59,111,563 | 62,875,311 | 62,969,700 | 7,621,885 | 6.4% |
| Total One-Time-Only | | 4,150,000 | 150,000 | 4,300,000 | 0.0% |

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Agency Highlights

| Department of Military Affairs Major Budget Highlights |
|--|
| <ul style="list-style-type: none"> • The Department of Military Affairs' 2027 biennium appropriations that were adopted by the legislature are approximately \$11.9 million or 10.1% higher than the FY 2025 base budget. Significant changes adopted by the legislature include: <ul style="list-style-type: none"> ◦ An increase in general fund appropriations of \$3.8 million in the Veterans' Affairs Division to support 14.00 PB for Veteran Services Offices ◦ A biennial increase in general fund appropriations of \$4.0 million for advanced technology infrastructure development ◦ Appropriations of \$190,000 to support 1.00 PB within the Director's Office for a human resources position ◦ Federal special revenue appropriations of \$428,000, funding 3.00 PB, for case managers within the Youth ChalleNGe Program ◦ Increase of \$1.4 million to be used towards firefighter overtime pay within the Air National Guard Program ◦ An increase of \$685,000 in state special revenue in the Veterans' Affairs Division for Veteran Service Office and Veterans' Affairs Cemetery operational costs |

Agency Actuals and Budget Comparison

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

| Agency Actuals and Budget Comparison | | | | | |
|--------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 19,923,538 | 20,625,097 | 21,514,133 | 23,343,187 | 23,529,363 |
| Operating Expenses | 19,791,109 | 21,395,184 | 22,174,153 | 27,764,347 | 23,671,560 |
| Equipment & Intangible Assets | 296,563 | 348,764 | 150,536 | 225,536 | 225,536 |
| Grants | 12,746,019 | 13,192,933 | 13,240,681 | 13,386,181 | 13,386,181 |
| Benefits & Claims | 1,501 | 2,953 | 800 | 800 | 800 |
| Transfers | 1,039,252 | 1,233,176 | 1,617,260 | 1,867,260 | 1,867,260 |
| Debt Service | 342,219 | 414,000 | 414,000 | 438,000 | 439,000 |
| Total Expenditures | \$54,140,201 | \$57,212,107 | \$59,111,563 | \$67,025,311 | \$63,119,700 |
| General Fund | 8,192,118 | 8,688,043 | 9,113,675 | 15,480,320 | 11,486,151 |
| State/Other Special Rev. Funds | 984,594 | 1,008,218 | 1,175,587 | 1,550,880 | 1,504,702 |
| Federal Spec. Rev. Funds | 44,963,489 | 47,515,846 | 48,822,301 | 49,994,111 | 50,128,847 |
| Total Funds | \$54,140,201 | \$57,212,107 | \$59,111,563 | \$67,025,311 | \$63,119,700 |
| Total Ongoing | \$54,115,330 | \$57,187,107 | \$59,111,563 | \$62,875,311 | \$62,969,700 |
| Total OTO | \$24,871 | \$25,000 | \$0 | \$4,150,000 | \$150,000 |

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Executive Budget Comparison

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

| Executive Budget Comparison | | | | | | | | |
|--------------------------------|------------------------|------------------------------------|--------------------------------------|--|------------------------------------|--------------------------------------|--|--|
| Budget Item | Approp. Fiscal 2025 | Executive Budget Fiscal 2026 | Legislative Budget Fiscal 2026 | Leg — Exec. Difference Fiscal 2026 | Executive Budget Fiscal 2027 | Legislative Budget Fiscal 2027 | Leg — Exec. Difference Fiscal 2027 | Biennium Difference Fiscal 26-27 |
| Personal Services | 21,514,133 | 23,163,901 | 23,343,187 | 179,286 | 23,350,077 | 23,529,363 | 179,286 | 358,572 |
| Operating Expenses | 22,174,153 | 23,706,227 | 27,764,347 | 4,058,120 | 23,613,440 | 23,671,560 | 58,120 | 4,116,240 |
| Equipment & Intangible Assets | 150,536 | 225,536 | 225,536 | 0 | 225,536 | 225,536 | 0 | 0 |
| Grants | 13,240,681 | 13,296,181 | 13,386,181 | 90,000 | 13,296,181 | 13,386,181 | 90,000 | 180,000 |
| Benefits & Claims | 800 | 800 | 800 | 0 | 800 | 800 | 0 | 0 |
| Transfers | 1,617,260 | 1,867,260 | 1,867,260 | 0 | 1,867,260 | 1,867,260 | 0 | 0 |
| Debt Service | 414,000 | 438,000 | 438,000 | 0 | 439,000 | 439,000 | 0 | 0 |
| Total Costs | \$59,111,563 | \$62,697,905 | \$67,025,311 | \$4,327,406 | \$62,792,294 | \$63,119,700 | \$327,406 | \$4,654,812 |
| General Fund | 9,113,675 | 11,151,139 | 15,480,320 | 4,329,181 | 11,156,970 | 11,486,151 | 329,181 | 4,658,362 |
| State/other Special Rev. Funds | 1,175,587 | 1,551,171 | 1,550,880 | (291) | 1,504,993 | 1,504,702 | (291) | (582) |
| Federal Spec. Rev. Funds | 48,822,301 | 49,995,595 | 49,994,111 | (1,484) | 50,130,331 | 50,128,847 | (1,484) | (2,968) |
| Total Funds | \$59,111,563 | \$62,697,905 | \$67,025,311 | \$4,327,406 | \$62,792,294 | \$63,119,700 | \$327,406 | \$4,654,812 |
| Total Ongoing | \$59,111,563 | \$62,697,905 | \$62,875,311 | \$177,406 | \$62,792,294 | \$62,969,700 | \$177,406 | \$354,812 |
| Total OTO | \$0 | \$0 | \$4,150,000 | \$4,150,000 | \$0 | \$150,000 | \$150,000 | \$4,300,000 |

The legislature adopted ongoing and one-time-only appropriations higher than the executive proposed budget. Significant changes adopted by the legislature include:

- An increase in appropriations to fund additional PB within the Veterans’ Affairs Division for Veteran Service Offices
- Increased appropriations in the Veterans’ Affairs Division for education and grants attributed to the safe storage of firearms
- A one-time-only increase in the Army National Guard Program related to infrastructure for advanced technology improvements

Funding

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

| Total Department of Military Affairs Funding by Source of Authority 2027 Biennium Budget Request | | | | | | |
|---|--------------------|------------------|--------------------------|-------------------------|--------------------|-------------------|
| Funds | HB2 Ongoing | HB2 OTO | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds |
| 01100 General Fund | 22,666,471 | 4,300,000 | | 8,090,000 | 35,056,471 | 25.1% |
| 02548 Veterans Affairs SB401 | 1,406,868 | | | | 1,406,868 | 1.0% |
| 02214 Veterans Affairs Cemeteries | | | | 1,182,419 | 1,182,419 | 0.8% |
| 02457 Veterans Affairs HB701 SSR | 1,046,096 | | | | 1,046,096 | 0.7% |
| 02170 SAR DES Off Road Vehicle | 400,308 | | | | 400,308 | 0.3% |
| 02222 Patriotic License Plate Fees | 160,266 | | | | 160,266 | 0.1% |
| Other State Special Revenue | 42,044 | | | 80,000 | 122,044 | 0.1% |
| State Special Revenue Total | 3,055,582 | - | - | 1,262,419 | 4,318,001 | 3.1% |
| 03132 National Guard | 40,359,728 | | | | 40,359,728 | 28.9% |
| 03143 DES Homeland Security 97.067 | 15,302,576 | | | | 15,302,576 | 11.0% |
| 03453 Air National Guard | 13,027,789 | | | | 13,027,789 | 9.3% |
| 03134 DES Emergency Mgmt Perf 97.042 | 10,946,741 | | | | 10,946,741 | 7.8% |
| 03410 Challenge NG Funding (4001) | 9,647,132 | | | | 9,647,132 | 6.9% |
| Other Federal Special Revenue | 10,838,992 | | | | 10,838,992 | 7.8% |
| Federal Special Revenue Total | 100,122,958 | - | - | - | 100,122,958 | 71.8% |
| Proprietary Fund Total | - | - | - | - | - | 0.0% |
| Total of All Funds | 125,845,011 | 4,300,000 | - | 9,352,419 | 139,497,430 | |
| Percent of All Sources of Authority | 90.2% | 3.1% | 0.0% | 6.7% | | |

HB 2 Appropriations

General Fund

General fund supports most programs within the agency, while also funding the National Guard Scholarship Program.

State Special Revenue

State special revenue funding provides a smaller piece of the total appropriation authority for the agency. This funding is mainly within the Disaster and Emergency Services and Veterans’ Affairs programs. Further detail on each of these funds is provided at the program level.

Federal Special Revenue

When considering HB 2 appropriations, federal special revenue incorporates the largest amount of funding within the Department of Military Affairs. Funding requirements for federal special revenue are guided by federal government initiatives, programs, and objectives within the agency. Individual details on this can be found at the program level.

Statutory Appropriations

General Fund

Appropriations within general fund that are classified as statutory are for the civil air patrol within the Disaster and Emergency Services Program.

State Special Revenue Funds

State special revenues are the majority of statutory appropriations. This funding is primarily within the Veterans' Affairs Program, with the largest portion going towards veterans' affairs cemeteries. More detail on this funding can be found at the program level.

Legislative Budget

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

| Department of Military Affairs 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|--|-------------------|------------------|-------------------|-------------------|---------------------|-------------------|------------------|-------------------|-------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 9,113,675 | 1,175,587 | 48,822,301 | 59,111,563 | 88.2% | 9,113,675 | 1,175,587 | 48,822,301 | 59,111,563 | 93.6% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 113,162 | (67,649) | (273,665) | (228,152) | (0.3%) | 127,951 | (63,613) | (225,344) | (161,006) | (0.3%) |
| Fixed Costs | 45,878 | 4,809 | 2,826 | 53,513 | 0.1% | 10,661 | 4,408 | (52,658) | (37,589) | (0.1%) |
| Inflation Deflation | (3,428) | (576) | (3,630) | (7,634) | (0.0%) | (2,320) | (389) | (2,451) | (5,160) | (0.0%) |
| Total Statewide PL | 155,612 | (63,416) | (274,469) | (182,273) | (0.3%) | 136,292 | (59,594) | (280,453) | (203,755) | (0.3%) |
| Present Law (PL) | (105) | 438,709 | 685,607 | 1,124,211 | 1.7% | (105) | 388,709 | 701,494 | 1,090,098 | 1.7% |
| New Proposals | 6,211,138 | 0 | 760,672 | 6,971,810 | 10.4% | 2,236,289 | 0 | 885,505 | 3,121,794 | 4.9% |
| Total HB 2 Adjustments | 6,366,645 | 375,293 | 1,171,810 | 7,913,748 | 11.8% | 2,372,476 | 329,115 | 1,306,546 | 4,008,137 | 6.4% |
| Total Budget | 15,480,320 | 1,550,880 | 49,994,111 | 67,025,311 | | 11,486,151 | 1,504,702 | 50,128,847 | 63,119,700 | |

Missing Mandatory Narrative - Executive Request Table Description - Agency

Language and Statutory Authority

Prior to the expenditure of appropriations for Multi-Domain Operations Training Infrastructure, the Department of Military Affairs must, either directly or indirectly, identify an equal amount of matching funds from the United States Department of Defense.

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | |
|--------------------------------|------------------|------------------|------------------|---------------------------|--------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| PB | 15.21 | 16.21 | 16.21 | 1.00 | 3.3% |
| General Fund | 1,140,705 | 1,324,407 | 1,308,095 | 351,092 | 15.4% |
| Federal Spec. Rev. Funds | 670,419 | 710,730 | 712,021 | 81,913 | 6.1% |
| Total Funds | 1,811,124 | 2,035,137 | 2,020,116 | 433,005 | 12.0% |
| Personal Services | 1,501,277 | 1,700,797 | 1,704,195 | 402,438 | 13.4% |
| Operating Expenses | 259,092 | 283,585 | 265,166 | 30,567 | 5.9% |
| Benefits & Claims | 100 | 100 | 100 | | 0.0% |
| Transfers | 50,655 | 50,655 | 50,655 | | 0.0% |
| Total Expenditures | 1,811,124 | 2,035,137 | 2,020,116 | 433,005 | 12.0% |
| Total Ongoing | 1,811,124 | 2,035,137 | 2,020,116 | 433,005 | 12.0% |
| Total One-Time-Only | | | | | 0.0% |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Budget Item | Actuals | Approp. | Approp. | Legislative | Legislative |
| | Fiscal 2024 | Fiscal 2024 | Fiscal 2025 | Fiscal 2026 | Fiscal 2027 |
| Personal Services | 1,343,507 | 1,452,120 | 1,501,277 | 1,700,797 | 1,704,195 |
| Operating Expenses | 239,678 | 295,627 | 259,092 | 283,585 | 265,166 |
| Benefits & Claims | 0 | 100 | 100 | 100 | 100 |
| Transfers | 0 | 50,655 | 50,655 | 50,655 | 50,655 |
| Total Expenditures | \$1,583,185 | \$1,798,502 | \$1,811,124 | \$2,035,137 | \$2,020,116 |
| General Fund | 1,040,684 | 1,147,632 | 1,140,705 | 1,324,407 | 1,308,095 |
| Federal Spec. Rev. Funds | 542,501 | 650,870 | 670,419 | 710,730 | 712,021 |
| Total Funds | \$1,583,185 | \$1,798,502 | \$1,811,124 | \$2,035,137 | \$2,020,116 |
| Total Ongoing | \$1,558,314 | \$1,773,502 | \$1,811,124 | \$2,035,137 | \$2,020,116 |
| Total OTO | \$24,871 | \$25,000 | \$0 | \$0 | \$0 |

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Funding

HB 2 Appropriations

General Fund

The majority of appropriations from HB 2 within the Director’s Office come from general fund. General fund provides funding for federal-state matching requirements. General fund also provides funding for the General, Deputy Director, and information technology (IT) staff positions in the Director’s Office and all operating costs.

Federal Special Revenue

Federal funds within this program are utilized through a centralized personnel plan across the other divisions within the agency. Financial and human resource staff are allocated across the different divisions from a funding perspective through financial activity and human resources through the number of PB.

Legislative Budget

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

| Director's Office 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|------------------|---------------|-----------------|------------------|---------------------|------------------|---------------|-----------------|------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 1,140,705 | 0 | 670,419 | 1,811,124 | 89.0% | 1,140,705 | 0 | 670,419 | 1,811,124 | 89.7% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 65,771 | 0 | 40,311 | 106,082 | 5.2% | 67,878 | 0 | 41,602 | 109,480 | 5.4% |
| Fixed Costs | 1,817 | 0 | 0 | 1,817 | 0.1% | 1,192 | 0 | 0 | 1,192 | 0.1% |
| Inflation Deflation | (19) | 0 | 0 | (19) | (0.0%) | (13) | 0 | 0 | (13) | (0.0%) |
| Total Statewide PL | 67,569 | 0 | 40,311 | 107,880 | 5.3% | 69,057 | 0 | 41,602 | 110,659 | 5.5% |
| Present Law (PL) | (105) | 0 | 0 | (105) | (0.0%) | (105) | 0 | 0 | (105) | (0.0%) |
| New Proposals | 116,238 | 0 | 0 | 116,238 | 5.7% | 98,438 | 0 | 0 | 98,438 | 4.9% |
| Total HB 2 Adjustments | 183,702 | 0 | 40,311 | 224,013 | 11.0% | 167,390 | 0 | 41,602 | 208,992 | 10.3% |
| Total Budget | 1,324,407 | 0 | 710,730 | 2,035,137 | | 1,308,095 | 0 | 712,021 | 2,020,116 | |

Present Law Adjustments -

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

| Present Law Adjustments | Fiscal 2026 | | | | | Fiscal 2027 | | | | |
|--|-------------|-----------------|---------------|-----------------|------------------|-------------|-----------------|---------------|-----------------|------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 65,771 | 0 | 40,311 | 106,082 | 0.00 | 67,878 | 0 | 41,602 | 109,480 |
| DP 2 - Fixed Costs | 0.00 | 1,817 | 0 | 0 | 1,817 | 0.00 | 1,192 | 0 | 0 | 1,192 |
| DP 3 - Inflation Deflation | 0.00 | (19) | 0 | 0 | (19) | 0.00 | (13) | 0 | 0 | (13) |
| DP 22 - Fixed Cost Adjustment for Robert's Rules | 0.00 | (105) | 0 | 0 | (105) | 0.00 | (105) | 0 | 0 | (105) |
| Grand Total All Present Law Adjustments | 0.00 | \$67,464 | \$0 | \$40,311 | \$107,775 | 0.00 | \$68,952 | \$0 | \$41,602 | \$110,554 |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

New Proposals -

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

| New Proposals | Fiscal 2026 | | | | | Fiscal 2027 | | | | |
|--|-------------|------------------|---------------|-----------------|------------------|-------------|-----------------|---------------|-----------------|-----------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1001 - DO HR Staffing | 1.00 | 96,238 | 0 | 0 | 96,238 | 1.00 | 93,438 | 0 | 0 | 93,438 |
| DP 1002 - DO IT Project Implementation | 0.00 | 20,000 | 0 | 0 | 20,000 | 0.00 | 5,000 | 0 | 0 | 5,000 |
| Total | 1.00 | \$116,238 | \$0 | \$0 | \$116,238 | 1.00 | \$98,438 | \$0 | \$0 | \$98,438 |

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

DP 1001 - DO HR Staffing -

The legislature adopted an increase in PB with the associated personal services funding for additional human resources (HR) staff. This position will aid in general HR workload, as well as assist in hiring efforts to decrease the time positions are not filled due to staff turnover.

DP 1002 - DO IT Project Implementation -

The legislature adopted an increase in general fund appropriations for the purpose of information technology (IT) project implementation and license costs. Specifically, this would provide for the purchase, implementation, and ongoing licensure costs for Multi-Factor Authentication (MFA). The implementation of MFA is part of the agency's IT strategic plan to enhance security and be in compliance with various standards.

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | |
|--------------------------------|------------------|------------------|------------------|---------------------------|-------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| PB | 54.15 | 57.15 | 57.15 | 3.00 | 2.8% |
| General Fund | 1,415,421 | 1,517,224 | 1,515,910 | 202,292 | 7.1% |
| Federal Spec. Rev. Funds | 4,405,221 | 4,708,416 | 4,704,916 | 602,890 | 6.8% |
| Total Funds | 5,820,642 | 6,225,640 | 6,220,826 | 805,182 | 6.9% |
| Personal Services | 4,010,866 | 4,397,567 | 4,403,095 | 778,930 | 9.7% |
| Operating Expenses | 1,809,676 | 1,827,973 | 1,817,631 | 26,252 | 0.7% |
| Benefits & Claims | 100 | 100 | 100 | | 0.0% |
| Total Expenditures | 5,820,642 | 6,225,640 | 6,220,826 | 805,182 | 6.9% |
| Total Ongoing | 5,820,642 | 6,225,640 | 6,220,826 | 805,182 | 6.9% |
| Total One-Time-Only | | | | | 0.0% |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 4,036,535 | 4,037,515 | 4,010,866 | 4,397,567 | 4,403,095 |
| Operating Expenses | 1,805,041 | 1,887,168 | 1,809,676 | 1,827,973 | 1,817,631 |
| Equipment & Intangible Assets | 0 | 23,114 | 0 | 0 | 0 |
| Benefits & Claims | 251 | 253 | 100 | 100 | 100 |
| Total Expenditures | \$5,841,827 | \$5,948,050 | \$5,820,642 | \$6,225,640 | \$6,220,826 |
| General Fund | 1,344,919 | 1,346,867 | 1,415,421 | 1,517,224 | 1,515,910 |
| Federal Spec. Rev. Funds | 4,496,908 | 4,601,183 | 4,405,221 | 4,708,416 | 4,704,916 |
| Total Funds | \$5,841,827 | \$5,948,050 | \$5,820,642 | \$6,225,640 | \$6,220,826 |
| Total Ongoing | \$5,841,827 | \$5,948,050 | \$5,820,642 | \$6,225,640 | \$6,220,826 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

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Funding

HB 2 Appropriations

General Fund

General fund appropriations account for approximately a quarter of the total appropriations within this program. Funding for the program is because of federal/state cooperative agreements which require a 25.0% state match. General fund is used to meet that state match requirement.

Federal Special Revenue

The remaining appropriations within the Youth ChalleNGe Program are centralized within federal special revenue funds. Most federal special revenues within federal/state cooperative agreements utilize the remaining 75.0% of funding that is not made up within general fund. Certain exceptions to this, such as special projects required by cooperative agreements, are entirely funded through federal funds.

Legislative Budget

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

| Challenge Program 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|------------------|---------------|------------------|------------------|---------------------|------------------|---------------|------------------|------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 1,415,421 | 0 | 4,405,221 | 5,820,642 | 93.5% | 1,415,421 | 0 | 4,405,221 | 5,820,642 | 93.6% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 44,250 | 0 | 132,708 | 176,958 | 2.8% | 45,650 | 0 | 136,836 | 182,486 | 2.9% |
| Fixed Costs | 3,113 | 0 | 9,340 | 12,453 | 0.2% | 2,459 | 0 | 7,379 | 9,838 | 0.2% |
| Inflation Deflation | (100) | 0 | (1,975) | (2,075) | (0.0%) | (70) | 0 | (1,332) | (1,402) | (0.0%) |
| Total Statewide PL | 47,263 | 0 | 140,073 | 187,336 | 3.0% | 48,039 | 0 | 142,883 | 190,922 | 3.1% |
| Present Law (PL) | 0 | 0 | (481) | (481) | (0.0%) | 0 | 0 | (481) | (481) | (0.0%) |
| New Proposals | 54,540 | 0 | 163,603 | 218,143 | 3.5% | 52,450 | 0 | 157,293 | 209,743 | 3.4% |
| Total HB 2 Adjustments | 101,803 | 0 | 303,195 | 404,998 | 6.5% | 100,489 | 0 | 299,695 | 400,184 | 6.4% |
| Total Budget | 1,517,224 | 0 | 4,708,416 | 6,225,640 | | 1,515,910 | 0 | 4,704,916 | 6,220,826 | |

Present Law Adjustments -

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

| | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|--|-----------------------|-----------------|---------------|------------------|------------------|-----------------------|-----------------|---------------|------------------|------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| Present Law Adjustments | | | | | | | | | | |
| DP 1 - Personal Services | 0.00 | 44,250 | 0 | 132,708 | 176,958 | 0.00 | 45,650 | 0 | 136,836 | 182,486 |
| DP 2 - Fixed Costs | 0.00 | 3,113 | 0 | 9,340 | 12,453 | 0.00 | 2,459 | 0 | 7,379 | 9,838 |
| DP 3 - Inflation Deflation | 0.00 | (100) | 0 | (1,975) | (2,075) | 0.00 | (70) | 0 | (1,332) | (1,402) |
| DP 22 - Fixed Cost Adjustment for Robert's Rules | 0.00 | 0 | 0 | (481) | (481) | 0.00 | 0 | 0 | (481) | (481) |
| Grand Total All Present Law Adjustments | 0.00 | \$47,263 | \$0 | \$139,592 | \$186,855 | 0.00 | \$48,039 | \$0 | \$142,402 | \$190,441 |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

New Proposals -

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

| | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|------------------------------|-----------------------|-----------------|---------------|------------------|------------------|-----------------------|-----------------|---------------|------------------|------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| New Proposals | | | | | | | | | | |
| DP 2001 - MYCA Case Managers | 3.00 | 54,540 | 0 | 163,603 | 218,143 | 3.00 | 52,450 | 0 | 157,293 | 209,743 |
| Total | 3.00 | \$54,540 | \$0 | \$163,603 | \$218,143 | 3.00 | \$52,450 | \$0 | \$157,293 | \$209,743 |

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

DP 2001 - MYCA Case Managers -

The legislature adopted an increase in general fund and federal special revenue for 3.00 PB. In March 2023, the federal

National Guard Bureau changed the case manager per graduate ratio. This increase is to comply with the change and has a 75.0% federal funding and 25.0% general fund appropriation split.

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | |
|--------------------------------|----------------|------------------|----------------|---------------------------|-------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| General Fund | 250,000 | 250,000 | 250,000 | | 0.0% |
| Total Funds | 250,000 | 250,000 | 250,000 | | 0.0% |
| Operating Expenses | 250,000 | | | (500,000) | (100.0%) |
| Transfers | | 250,000 | 250,000 | 500,000 | 0.0% |
| Total Expenditures | 250,000 | 250,000 | 250,000 | | 0.0% |
| Total Ongoing | 250,000 | 250,000 | 250,000 | | 0.0% |
| Total One-Time-Only | | | | | 0.0% |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|---------------------|---------------------|---------------------|-------------------------|-------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Operating Expenses | 0 | 0 | 250,000 | 0 | 0 |
| Transfers | 250,000 | 250,000 | 0 | 250,000 | 250,000 |
| Total Expenditures | \$250,000 | \$250,000 | \$250,000 | \$250,000 | \$250,000 |
| General Fund | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 |
| Total Funds | \$250,000 | \$250,000 | \$250,000 | \$250,000 | \$250,000 |
| Total Ongoing | \$250,000 | \$250,000 | \$250,000 | \$250,000 | \$250,000 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

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Funding

HB 2 Appropriations

General Fund

The Scholarship Program is entirely funded through general fund. The legislature adopted this funding within transfers for the upcoming biennium as this funding is transferred to the Office of the Commissioner of Higher Education each fiscal

year.

Legislative Budget

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

| Scholarship Program 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|----------------|---------------|-----------------|----------------|---------------------|----------------|---------------|-----------------|----------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 250,000 | 0 | 0 | 250,000 | 100.0% | 250,000 | 0 | 0 | 250,000 | 100.0% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Fixed Costs | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Inflation Deflation | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Total Statewide PL | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Present Law (PL) | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| New Proposals | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Total HB 2 Adjustments | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Total Budget | 250,000 | 0 | 0 | 250,000 | | 250,000 | 0 | 0 | 250,000 | |

New Proposals -

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

| New Proposals | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|-------------------------------------|-----------------------|--------------|---------------|-----------------|-------------|-----------------------|--------------|---------------|-----------------|-------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 3001 - NG Scholarship Adjustment | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 |
| Total | 0.00 | \$0 | \$0 | \$0 | \$0 | 0.00 | \$0 | \$0 | \$0 | \$0 |

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

DP 3001 - NG Scholarship Adjustment -

The legislature adopted the movement of appropriations from operating expenses into transfers expenditure authority because this funding is transferred to the Office of the Commissioner of Higher Education.

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | | |
|--------------------------------|------------------|------------------|------------------|---------------------------|--------------|--|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent | |
| PB | 7.00 | 7.00 | 7.00 | 0.00 | 0.0% | |
| Federal Spec. Rev. Funds | 1,221,124 | 1,665,393 | 1,694,758 | 917,903 | 37.6% | |
| Total Funds | 1,221,124 | 1,665,393 | 1,694,758 | 917,903 | 37.6% | |
| Personal Services | 602,930 | 597,513 | 599,031 | (9,316) | (0.8%) | |
| Operating Expenses | 618,094 | 1,067,780 | 1,095,627 | 927,219 | 75.0% | |
| Benefits & Claims | 100 | 100 | 100 | 0 | 0.0% | |
| Total Expenditures | 1,221,124 | 1,665,393 | 1,694,758 | 917,903 | 37.6% | |
| Total Ongoing | 1,221,124 | 1,665,393 | 1,694,758 | 917,903 | 37.6% | |
| Total One-Time-Only | | | | | 0.0% | |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 322,949 | 397,507 | 602,930 | 597,513 | 599,031 |
| Operating Expenses | 786,967 | 790,674 | 618,094 | 1,067,780 | 1,095,627 |
| Benefits & Claims | 0 | 100 | 100 | 100 | 100 |
| Total Expenditures | \$1,109,916 | \$1,188,281 | \$1,221,124 | \$1,665,393 | \$1,694,758 |
| Federal Spec. Rev. Funds | 1,109,916 | 1,188,281 | 1,221,124 | 1,665,393 | 1,694,758 |
| Total Funds | \$1,109,916 | \$1,188,281 | \$1,221,124 | \$1,665,393 | \$1,694,758 |
| Total Ongoing | \$1,109,916 | \$1,188,281 | \$1,221,124 | \$1,665,393 | \$1,694,758 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

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Funding

HB 2 Appropriations

Federal Special Revenue

The STARBASE Program is entirely funded through federal special revenue funds. Appropriations are within two different funds. This funding supports all of the STARBASE operations and personnel in this division.

Legislative Budget

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

| Starbase 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|--|--------------|---------------|-----------------|-------------|---------------------|--------------|---------------|-----------------|-------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 0 | 0 | 1,221,124 | 1,221,124 | 73.3% | 0 | 0 | 1,221,124 | 1,221,124 | 72.1% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 0 | 0 | (5,417) | (5,417) | (0.3%) | 0 | 0 | (3,899) | (3,899) | (0.2%) |
| Fixed Costs | 0 | 0 | 7,359 | 7,359 | 0.4% | 0 | 0 | 7,206 | 7,206 | 0.4% |
| Inflation Deflation | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Total Statewide PL | 0 | 0 | 1,942 | 1,942 | 0.1% | 0 | 0 | 3,307 | 3,307 | 0.2% |
| Present Law (PL) | 0 | 0 | (27) | (27) | (0.0%) | 0 | 0 | (27) | (27) | (0.0%) |
| New Proposals | 0 | 0 | 442,354 | 442,354 | 26.6% | 0 | 0 | 470,354 | 470,354 | 27.8% |
| Total HB 2 Adjustments | 0 | 0 | 444,269 | 444,269 | 26.7% | 0 | 0 | 473,634 | 473,634 | 27.9% |
| Total Budget | 0 | 0 | 1,665,393 | 1,665,393 | | 0 | 0 | 1,694,758 | 1,694,758 | |

Present Law Adjustments -

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

| Present Law Adjustments | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|--|-----------------------|--------------|---------------|-----------------|----------------|-----------------------|--------------|---------------|-----------------|----------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 0 | 0 | (5,417) | (5,417) | 0.00 | 0 | 0 | (3,899) | (3,899) |
| DP 2 - Fixed Costs | 0.00 | 0 | 0 | 7,359 | 7,359 | 0.00 | 0 | 0 | 7,206 | 7,206 |
| DP 22 - Fixed Cost Adjustment for Robert's Rules | 0.00 | 0 | 0 | (27) | (27) | 0.00 | 0 | 0 | (27) | (27) |
| Grand Total All Present Law Adjustments | 0.00 | \$0 | \$0 | \$1,915 | \$1,915 | 0.00 | \$0 | \$0 | \$3,280 | \$3,280 |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

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

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

New Proposals -

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

| New Proposals | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|--|-----------------------|--------------|---------------|------------------|------------------|-----------------------|--------------|---------------|------------------|------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 4001 - STARBASE Budget Authority Increase | 0.00 | 0 | 0 | 442,354 | 442,354 | 0.00 | 0 | 0 | 470,354 | 470,354 |
| Total | 0.00 | \$0 | \$0 | \$442,354 | \$442,354 | 0.00 | \$0 | \$0 | \$470,354 | \$470,354 |

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

DP 4001 - STARBASE Budget Authority Increase -

The legislature adopted an increase in federal budget authority within this program. STARBASE has programs in Great Falls and Fort Harrison, with additional outreach provided to HiLine communities, there is also a proposed location in Billings. This increase in federal authority will be utilized towards staff and teacher salary increases, as well as costs associated with the proposed STARBASE location in Billings. As the teachers within this program are contracted, these appropriations are considered operating expenses. Regarding the outreach provided in the HiLine communities, this is through multiple two-day summer camps to provide science, technology, engineering, art/design, and math (STEAM). These have been provided in numerous areas, including Hot Springs and Malta. With the proposed Billings location, the agency expects to provide these opportunities to both the Crow and Northern Cheyenne reservations as well.

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | |
|--------------------------------|-------------------|-------------------|-------------------|---------------------------|---------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| PB | 55.30 | 55.30 | 55.30 | 0.00 | 0.0% |
| General Fund | 2,079,242 | 6,077,036 | 2,067,221 | 3,985,773 | 95.8% |
| State/Other Special Rev. Funds | 420 | 3,920 | 3,920 | 7,000 | 833.3% |
| Federal Spec. Rev. Funds | 20,068,301 | 19,857,107 | 19,839,178 | (440,317) | (1.1%) |
| Total Funds | 22,147,963 | 25,938,063 | 21,910,319 | 3,552,456 | 8.0% |
| Personal Services | 5,662,340 | 5,476,195 | 5,489,015 | (359,470) | (3.2%) |
| Operating Expenses | 15,919,887 | 19,896,132 | 15,855,568 | 3,911,926 | 12.3% |
| Equipment & Intangible Assets | 150,536 | 150,536 | 150,536 | | 0.0% |
| Benefits & Claims | 200 | 200 | 200 | | 0.0% |
| Transfers | 25,000 | 25,000 | 25,000 | | 0.0% |
| Debt Service | 390,000 | 390,000 | 390,000 | | 0.0% |
| Total Expenditures | 22,147,963 | 25,938,063 | 21,910,319 | 3,552,456 | 8.0% |
| Total Ongoing | 22,147,963 | 21,938,063 | 21,910,319 | (447,544) | (1.0%) |
| Total One-Time-Only | | 4,000,000 | | 4,000,000 | 0.0% |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 5,279,761 | 5,330,922 | 5,662,340 | 5,476,195 | 5,489,015 |
| Operating Expenses | 14,037,766 | 14,906,463 | 15,919,887 | 19,896,132 | 15,855,568 |
| Equipment & Intangible Assets | 280,749 | 309,836 | 150,536 | 150,536 | 150,536 |
| Benefits & Claims | 1,000 | 2,000 | 200 | 200 | 200 |
| Transfers | 17,452 | 25,000 | 25,000 | 25,000 | 25,000 |
| Debt Service | 319,826 | 390,000 | 390,000 | 390,000 | 390,000 |
| Total Expenditures | \$19,936,554 | \$20,964,221 | \$22,147,963 | \$25,938,063 | \$21,910,319 |
| General Fund | 1,951,507 | 2,024,815 | 2,079,242 | 6,077,036 | 2,067,221 |
| State/Other Special Rev. Funds | 0 | 420 | 420 | 3,920 | 3,920 |
| Federal Spec. Rev. Funds | 17,985,047 | 18,938,986 | 20,068,301 | 19,857,107 | 19,839,178 |
| Total Funds | \$19,936,554 | \$20,964,221 | \$22,147,963 | \$25,938,063 | \$21,910,319 |
| Total Ongoing | \$19,936,554 | \$20,964,221 | \$22,147,963 | \$21,938,063 | \$21,910,319 |
| Total OTO | \$0 | \$0 | \$0 | \$4,000,000 | \$0 |

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Funding

HB 2 Appropriations

General Fund

A small portion of the appropriations for the Army National Guard Program are from general fund. General fund is used to meet the federal/state match requirement for federal funds which are described in detail in the federal special revenue section of this narrative.

State Special Revenue

State special revenue accounts for a fraction of the Army National Guard Program's total appropriation authority. This funding is for armory rentals. When armories are rented to groups, the state special revenue funds generated from the rental fees are used to pay for costs associated with the use of the facilities.

Federal Special Revenue

Federal special revenue accounts for the majority of the program's total appropriation authority. Funding is for the following functions:

- When a facility is owned by the state and located on state land, it qualifies to have their maintenance and utility costs covered by 50.0% federal special revenue and 50.0% state funds
- Facilities that are state owned, but located on federal lands qualify to have maintenance and utility costs covered 75.0% by federal special revenue and 25.0% by state funds
- Facilities that are classified as a logistic facility receive 100.0% federal special revenue funding
- Facilities that are owned federally, located on federal lands, and serve as a facility for training missions are 100.0% funded with federal special revenue unless the building is used as an armory
- Armories that are constructed with federal funds and located on federal land qualify for their maintenance and utility costs to be covered by 75.0% federal funds and 25.0% state funds

Legislative Budget

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

| Army National Guard Program 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|------------------|---------------|-------------------|-------------------|---------------------|------------------|---------------|-------------------|-------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 2,079,242 | 420 | 20,068,301 | 22,147,963 | 85.4% | 2,079,242 | 420 | 20,068,301 | 22,147,963 | 101.1% |
| Statewide PL | | | | | | | | | | |
| Personal Services | (9,300) | 0 | (176,845) | (186,145) | (0.7%) | (8,650) | 0 | (164,675) | (173,325) | (0.8%) |
| Fixed Costs | 7,098 | 0 | (33,870) | (26,772) | (0.1%) | (3,368) | 0 | (63,995) | (67,363) | (0.3%) |
| Inflation Deflation | (4) | 0 | (80) | (84) | (0.0%) | (3) | 0 | (54) | (57) | (0.0%) |
| Total Statewide PL | (2,206) | 0 | (210,795) | (213,001) | (0.8%) | (12,021) | 0 | (228,724) | (240,745) | (1.1%) |
| Present Law (PL) | 0 | 3,500 | (399) | 3,101 | 0.0% | 0 | 3,500 | (399) | 3,101 | 0.0% |
| New Proposals | 4,000,000 | 0 | 0 | 4,000,000 | 15.4% | 0 | 0 | 0 | 0 | 0.0% |
| Total HB 2 Adjustments | 3,997,794 | 3,500 | (211,194) | 3,790,100 | 14.6% | (12,021) | 3,500 | (229,123) | (237,644) | (1.1%) |
| Total Budget | 6,077,036 | 3,920 | 19,857,107 | 25,938,063 | | 2,067,221 | 3,920 | 19,839,178 | 21,910,319 | |

Present Law Adjustments -

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

| Present Law Adjustments | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|--|-----------------------|------------------|----------------|--------------------|--------------------|-----------------------|-------------------|----------------|--------------------|--------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | (9,300) | 0 | (176,845) | (186,145) | 0.00 | (8,650) | 0 | (164,675) | (173,325) |
| DP 2 - Fixed Costs | 0.00 | 7,098 | 0 | (33,870) | (26,772) | 0.00 | (3,368) | 0 | (63,995) | (67,363) |
| DP 3 - Inflation Deflation | 0.00 | (4) | 0 | (80) | (84) | 0.00 | (3) | 0 | (54) | (57) |
| DP 22 - Fixed Cost Adjustment for Robert's Rules | 0.00 | 0 | 0 | (399) | (399) | 0.00 | 0 | 0 | (399) | (399) |
| DP 1201 - Army National Guard State Special Revenue Increase | 0.00 | 0 | 3,500 | 0 | 3,500 | 0.00 | 0 | 3,500 | 0 | 3,500 |
| Grand Total All Present Law Adjustments | 0.00 | (\$2,206) | \$3,500 | (\$211,194) | (\$209,900) | 0.00 | (\$12,021) | \$3,500 | (\$229,123) | (\$237,644) |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

DP 1201 - Army National Guard State Special Revenue Increase -

The legislature adopted an increase in state special revenue authority within this program. The primary source of this funding is rental fees paid. The increase in this authority is due to an increase in revenue from grazing leases and armory rentals. This increase in appropriations will be utilized for janitorial and utility expenses when armories are being rented, as well as repair and maintenance of grazing land fences.

New Proposals -

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

| New Proposals | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|---|-----------------------|--------------------|---------------|-----------------|--------------------|-----------------------|--------------|---------------|-----------------|-------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1202 - Multi-Domain Operations Training (RST, BIEN, OTO) | 0.00 | 4,000,000 | 0 | 0 | 4,000,000 | 0.00 | 0 | 0 | 0 | 0 |
| Total | 0.00 | \$4,000,000 | \$0 | \$0 | \$4,000,000 | 0.00 | \$0 | \$0 | \$0 | \$0 |

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

DP 1202 - Multi-Domain Operations Training (RST, BIEN, OTO) -

The legislature adopted an increase in general fund appropriations to support infrastructure for advanced technologies and capabilities. This appropriation will be used towards increased readiness and security posture of the Montana Army National Guard. It is the intent of the legislature that this funding is contingent on the Department of Military Affairs receiving matching funds from the federal government for this purpose.

Program Base Budget Comparison

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

| Program Base Budget Comparison | | | | | |
|--------------------------------|------------------|------------------|------------------|---------------------------|-------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| PB | 46.00 | 46.00 | 46.00 | 0.00 | 0.0% |
| General Fund | 443,971 | 420,758 | 421,619 | (45,565) | (5.1%) |
| Federal Spec. Rev. Funds | 5,916,816 | 6,312,581 | 6,455,082 | 934,031 | 7.9% |
| Total Funds | 6,360,787 | 6,733,339 | 6,876,701 | 888,466 | 7.0% |
| Personal Services | 4,201,364 | 4,573,093 | 4,718,410 | 888,775 | 10.6% |
| Operating Expenses | 2,159,323 | 2,160,146 | 2,158,191 | (309) | (0.0%) |
| Benefits & Claims | 100 | 100 | 100 | | 0.0% |
| Total Expenditures | 6,360,787 | 6,733,339 | 6,876,701 | 888,466 | 7.0% |
| Total Ongoing | 6,360,787 | 6,733,339 | 6,876,701 | 888,466 | 7.0% |
| Total One-Time-Only | | | | | 0.0% |

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Program Actuals and Budget Comparison

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

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 3,673,365 | 3,939,658 | 4,201,364 | 4,573,093 | 4,718,410 |
| Operating Expenses | 1,853,250 | 2,197,923 | 2,159,323 | 2,160,146 | 2,158,191 |
| Benefits & Claims | 0 | 100 | 100 | 100 | 100 |
| Total Expenditures | \$5,526,615 | \$6,137,681 | \$6,360,787 | \$6,733,339 | \$6,876,701 |
| General Fund | 398,426 | 420,025 | 443,971 | 420,758 | 421,619 |
| Federal Spec. Rev. Funds | 5,128,189 | 5,717,656 | 5,916,816 | 6,312,581 | 6,455,082 |
| Total Funds | \$5,526,615 | \$6,137,681 | \$6,360,787 | \$6,733,339 | \$6,876,701 |
| Total Ongoing | \$5,526,615 | \$6,137,681 | \$6,360,787 | \$6,733,339 | \$6,876,701 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

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Funding

HB 2 Appropriations

General Fund

A portion of appropriations for the Air National Guard Program is from general fund. This funding supports federal/state match requirements for federal grants and is primarily utilized in relation to building and ground maintenance activities, administrative expenses, and a portion of personal services costs.

Federal Special Revenue

The majority of funding for this program comes from federal special revenue funds. Funding from this source supports the operations, activities, and other expenses within the program.

Legislative Budget

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

| Air National Guard Program 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|--|-----------------|---------------|------------------|------------------|---------------------|-----------------|---------------|------------------|------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 443,971 | 0 | 5,916,816 | 6,360,787 | 94.5% | 443,971 | 0 | 5,916,816 | 6,360,787 | 92.5% |
| Statewide PL | | | | | | | | | | |
| Personal Services | (23,500) | 0 | (446,577) | (470,077) | (7.0%) | (22,150) | 0 | (421,640) | (443,790) | (6.5%) |
| Fixed Costs | 287 | 0 | 860 | 1,147 | 0.0% | (202) | 0 | (606) | (808) | (0.0%) |
| Inflation Deflation | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Total Statewide PL | (23,213) | 0 | (445,717) | (468,930) | (7.0%) | (22,352) | 0 | (422,246) | (444,598) | (6.5%) |
| Present Law (PL) | 0 | 0 | 686,767 | 686,767 | 10.2% | 0 | 0 | 702,654 | 702,654 | 10.2% |
| New Proposals | 0 | 0 | 154,715 | 154,715 | 2.3% | 0 | 0 | 257,858 | 257,858 | 3.7% |
| Total HB 2 Adjustments | (23,213) | 0 | 395,765 | 372,552 | 5.5% | (22,352) | 0 | 538,266 | 515,914 | 7.5% |
| Total Budget | 420,758 | 0 | 6,312,581 | 6,733,339 | | 421,619 | 0 | 6,455,082 | 6,876,701 | |

Present Law Adjustments -

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

| Present Law Adjustments | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|--|-----------------------|-------------------|---------------|------------------|------------------|-----------------------|-------------------|---------------|------------------|------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | (23,500) | 0 | (446,577) | (470,077) | 0.00 | (22,150) | 0 | (421,640) | (443,790) |
| DP 2 - Fixed Costs | 0.00 | 287 | 0 | 860 | 1,147 | 0.00 | (202) | 0 | (606) | (808) |
| DP 22 - Fixed Cost Adjustment for Robert's Rules | 0.00 | 0 | 0 | (324) | (324) | 0.00 | 0 | 0 | (324) | (324) |
| DP 1301 - ANG Re-Establish Firefighter FLSA Overtime | 0.00 | 0 | 0 | 687,091 | 687,091 | 0.00 | 0 | 0 | 702,978 | 702,978 |
| Grand Total All Present Law Adjustments | 0.00 | (\$23,213) | \$0 | \$241,050 | \$217,837 | 0.00 | (\$22,352) | \$0 | \$280,408 | \$258,056 |

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

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

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

DP 1301 - ANG Re-Establish Firefighter FLSA Overtime -

The legislature adopted additional federal spending authority for firefighter salaries and benefits that exceed those of a traditional PB, due to the 24/7 nature of the fire protection services at the Montana Air National Guard. Hours over 2,080 per PB are not captured in the personal services snapshot used for initial budget preparation.

New Proposals -

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

| New Proposals | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|---|-----------------------|--------------|---------------|------------------|------------------|-----------------------|--------------|---------------|------------------|------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1302 - ANG Firefighter Pay Increases | 0.00 | 0 | 0 | 154,715 | 154,715 | 0.00 | 0 | 0 | 257,858 | 257,858 |
| Total | 0.00 | \$0 | \$0 | \$154,715 | \$154,715 | 0.00 | \$0 | \$0 | \$257,858 | \$257,858 |

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

DP 1302 - ANG Firefighter Pay Increases -

The legislature adopted an increase in federal special revenue appropriations in the upcoming biennium for an increase in

firefighter pay in the Air National Guard 120th Airlift Wing in Great Falls. According to the Department of Military Affairs, the current hourly pay ranks in the bottom 25.0% of all fire departments in Montana. This increase has been approved by the federal National Guard Bureau.

Program Base Budget Comparison

The following table compares the base budget with the expenditures adopted for the upcoming biennium by type of expenditure and source of funding.

| Program Base Budget Comparison | | | | | |
|--------------------------------|-------------------|-------------------|-------------------|---------------------------|-------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| PB | 32.00 | 32.00 | 32.00 | 0.00 | 0.0% |
| General Fund | 1,991,285 | 2,146,261 | 2,128,221 | 291,912 | 7.3% |
| State/Other Special Rev. Funds | 136,756 | 204,756 | 204,756 | 136,000 | 49.7% |
| Federal Spec. Rev. Funds | 16,540,420 | 16,739,884 | 16,722,892 | 381,936 | 1.2% |
| Total Funds | 18,668,461 | 19,090,901 | 19,055,869 | 809,848 | 2.2% |
| Personal Services | 3,077,190 | 3,396,760 | 3,404,264 | 646,644 | 10.5% |
| Operating Expenses | 863,885 | 898,755 | 856,219 | 27,204 | 1.6% |
| Grants | 13,205,681 | 13,273,681 | 13,273,681 | 136,000 | 0.5% |
| Benefits & Claims | 100 | 100 | 100 | | 0.0% |
| Transfers | 1,521,605 | 1,521,605 | 1,521,605 | | 0.0% |
| Total Expenditures | 18,668,461 | 19,090,901 | 19,055,869 | 809,848 | 2.2% |
| Total Ongoing | 18,668,461 | 19,090,901 | 19,055,869 | 809,848 | 2.2% |
| Total One-Time-Only | | | | | 0.0% |

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Program Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the adopted budget for FY 2026 and FY 2027 by type of expenditure and source of funding.

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Budget Item | Actuals | Approp. | Approp. | Legislative | Legislative |
| | Fiscal 2024 | Fiscal 2024 | Fiscal 2025 | Fiscal 2026 | Fiscal 2027 |
| Personal Services | 3,155,309 | 3,351,066 | 3,077,190 | 3,396,760 | 3,404,264 |
| Operating Expenses | 827,302 | 1,071,103 | 863,885 | 898,755 | 856,219 |
| Equipment & Intangible Assets | 15,814 | 15,814 | 0 | 0 | 0 |
| Grants | 12,716,019 | 13,157,933 | 13,205,681 | 13,273,681 | 13,273,681 |
| Benefits & Claims | 250 | 300 | 100 | 100 | 100 |
| Transfers | 771,800 | 907,521 | 1,521,605 | 1,521,605 | 1,521,605 |
| Total Expenditures | \$17,486,494 | \$18,503,737 | \$18,668,461 | \$19,090,901 | \$19,055,869 |
| General Fund | 1,636,426 | 1,928,111 | 1,991,285 | 2,146,261 | 2,128,221 |
| State/Other Special Rev. Funds | 149,140 | 156,756 | 136,756 | 204,756 | 204,756 |
| Federal Spec. Rev. Funds | 15,700,928 | 16,418,870 | 16,540,420 | 16,739,884 | 16,722,892 |
| Total Funds | \$17,486,494 | \$18,503,737 | \$18,668,461 | \$19,090,901 | \$19,055,869 |
| Total Ongoing | \$17,486,494 | \$18,503,737 | \$18,668,461 | \$19,090,901 | \$19,055,869 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

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Funding

HB 2 Appropriations

General Fund

General fund supports administrative and coordination functions, with these primarily being funded by 50.0% general fund within the program.

State Special Revenue

Over 95.0% of state special revenue authority is within search and rescue activities as funded through surcharges in conservation licenses and off-road vehicle licenses.

Federal Special Revenue

The primary funding for this program is within federal special revenue funds. As a part of this funding, 50.0% of administrative and coordination functions generally come from federal funds. When it comes to disaster coordination functions, federal special revenue funds are generally used to fund 100.0% of these expenditures.

Statutory Appropriations

General Fund

The relatively small statutory appropriation from the general fund is to be utilized towards the civil air patrol. This appropriation was statutorily appropriated through HB 676 of the 2019 Legislative Session with the sunset of this being extended through FY 2031 by HB 274 of the 2023 Legislative Session.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

| Disaster and Emergency Services 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|------------------|----------------|-------------------|-------------------|---------------------|------------------|----------------|-------------------|-------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 1,991,285 | 136,756 | 16,540,420 | 18,668,461 | 97.8% | 1,991,285 | 136,756 | 16,540,420 | 18,668,461 | 98.0% |
| Statewide PL | | | | | | | | | | |
| Personal Services | 137,415 | 0 | 182,155 | 319,570 | 1.7% | 140,642 | 0 | 186,432 | 327,074 | 1.7% |
| Fixed Costs | 19,136 | 0 | 19,137 | 38,273 | 0.2% | (2,642) | 0 | (2,642) | (5,284) | (0.0%) |
| Inflation Deflation | (1,575) | 0 | (1,575) | (3,150) | (0.0%) | (1,064) | 0 | (1,065) | (2,129) | (0.0%) |
| Total Statewide PL | 154,976 | 0 | 199,717 | 354,693 | 1.9% | 136,936 | 0 | 182,725 | 319,661 | 1.7% |
| Present Law (PL) | 0 | 68,000 | (253) | 67,747 | 0.4% | 0 | 68,000 | (253) | 67,747 | 0.4% |
| New Proposals | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| Total HB 2 Adjustments | 154,976 | 68,000 | 199,464 | 422,440 | 2.2% | 136,936 | 68,000 | 182,472 | 387,408 | 2.0% |
| Total Budget | 2,146,261 | 204,756 | 16,739,884 | 19,090,901 | | 2,128,221 | 204,756 | 16,722,892 | 19,055,869 | |

Present Law Adjustments -

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

| Present Law Adjustments | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|---|-----------------------|------------------|-----------------|------------------|------------------|-----------------------|------------------|-----------------|------------------|------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | 137,415 | 0 | 182,155 | 319,570 | 0.00 | 140,642 | 0 | 186,432 | 327,074 |
| DP 2 - Fixed Costs | 0.00 | 19,136 | 0 | 19,137 | 38,273 | 0.00 | (2,642) | 0 | (2,642) | (5,284) |
| DP 3 - Inflation Deflation | 0.00 | (1,575) | 0 | (1,575) | (3,150) | 0.00 | (1,064) | 0 | (1,065) | (2,129) |
| DP 22 - Fixed Cost Adjustment for Robert's Rules | 0.00 | 0 | 0 | (253) | (253) | 0.00 | 0 | 0 | (253) | (253) |
| DP 2101 - DES Search and Rescue State Special Revenue | 0.00 | 0 | 68,000 | 0 | 68,000 | 0.00 | 0 | 68,000 | 0 | 68,000 |
| Grand Total All Present Law Adjustments | 0.00 | \$154,976 | \$68,000 | \$199,464 | \$422,440 | 0.00 | \$136,936 | \$68,000 | \$182,472 | \$387,408 |

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: audit fees, Capitol complex rent, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include in-state state motor pool and motor pool leased vehicles.

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

DP 2101 - DES Search and Rescue State Special Revenue -

The legislature adopted an increase in state special revenue authority from the search and rescue (SAR) state special revenue fund. This increase in authority will be used towards county SAR programs to aid in missions, training, and equipment needs.

Program Base Budget Comparison

The following table compares the base budget with the expenditures adopted for the upcoming biennium by type of expenditure and source of funding.

| Program Base Budget Comparison | | | | | |
|--------------------------------|------------------|------------------|------------------|---------------------------|--------------|
| Budget Item | Base Budget | Requested Budget | | Biennium Change from Base | |
| | FY 2025 | FY 2026 | FY 2027 | Amount | Percent |
| PB | 25.00 | 39.00 | 39.00 | 14.00 | 28.0% |
| General Fund | 1,793,051 | 3,744,634 | 3,795,085 | 3,953,617 | 110.2% |
| State/Other Special Rev. Funds | 1,038,411 | 1,342,204 | 1,296,026 | 561,408 | 27.0% |
| Total Funds | 2,831,462 | 5,086,838 | 5,091,111 | 4,515,025 | 79.7% |
| Personal Services | 2,458,166 | 3,201,262 | 3,211,353 | 1,496,283 | 30.4% |
| Operating Expenses | 294,196 | 1,629,976 | 1,623,158 | 2,664,742 | 452.9% |
| Equipment & Intangible Assets | | 75,000 | 75,000 | 150,000 | 0.0% |
| Grants | 35,000 | 112,500 | 112,500 | 155,000 | 221.4% |
| Benefits & Claims | 100 | 100 | 100 | | 0.0% |
| Transfers | 20,000 | 20,000 | 20,000 | | 0.0% |
| Debt Service | 24,000 | 48,000 | 49,000 | 49,000 | 102.1% |
| Total Expenditures | 2,831,462 | 5,086,838 | 5,091,111 | 4,515,025 | 79.7% |
| Total Ongoing | 2,831,462 | 4,936,838 | 4,941,111 | 4,215,025 | 74.4% |
| Total One-Time-Only | | 150,000 | 150,000 | 300,000 | 0.0% |

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Program Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the adopted budget for FY 2026 and FY 2027 by type of expenditure and source of funding.

| Program Actuals and Budget Comparison | | | | | |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------------|----------------------------|
| Budget Item | Actuals Fiscal 2024 | Approp. Fiscal 2024 | Approp. Fiscal 2025 | Legislative Fiscal 2026 | Legislative Fiscal 2027 |
| Personal Services | 2,112,112 | 2,116,309 | 2,458,166 | 3,201,262 | 3,211,353 |
| Operating Expenses | 241,105 | 246,226 | 294,196 | 1,629,976 | 1,623,158 |
| Equipment & Intangible Assets | 0 | 0 | 0 | 75,000 | 75,000 |
| Grants | 30,000 | 35,000 | 35,000 | 112,500 | 112,500 |
| Benefits & Claims | 0 | 100 | 100 | 100 | 100 |
| Transfers | 0 | 0 | 20,000 | 20,000 | 20,000 |
| Debt Service | 22,393 | 24,000 | 24,000 | 48,000 | 49,000 |
| Total Expenditures | \$2,405,610 | \$2,421,635 | \$2,831,462 | \$5,086,838 | \$5,091,111 |
| General Fund | 1,570,156 | 1,570,593 | 1,793,051 | 3,744,634 | 3,795,085 |
| State/Other Special Rev. Funds | 835,454 | 851,042 | 1,038,411 | 1,342,204 | 1,296,026 |
| Total Funds | \$2,405,610 | \$2,421,635 | \$2,831,462 | \$5,086,838 | \$5,091,111 |
| Total Ongoing | \$2,405,610 | \$2,421,635 | \$2,831,462 | \$4,936,838 | \$4,941,111 |
| Total OTO | \$0 | \$0 | \$0 | \$150,000 | \$150,000 |

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Funding

HB 2 Appropriations

General Fund

General fund appropriations support general functions of the program, with the largest portion of appropriations going towards personal services.

State Special Revenue

State special revenue funds account for a portion of the total appropriations authority in the Veterans' Affairs Program. The state special revenue accounts provide various support, to include:

- Veteran's services account, enacted by the 2003 Legislature, allocated proceeds from the sale of veterans' specialty license plates and a portion of all motor vehicle registration revenues that are deposited into the general fund each year. The 2013 Legislature increased the percentage of motor vehicle fees deposited into this fund from 0.64% to 0.81%
- Patriotic license plate fees account receives revenue from a \$15 surcharge on original licensing and renewal of patriotic license plates issued in Montana
- Purple heart and higher medal scholarship account was revised by the 2019 Legislature. The legislature transferred \$50,000 of general fund into the account and required that the state special revenue appropriation be included in the base budget for future biennia
- Veteran's affairs HB 701 is the state special revenue fund that was established to receive marijuana taxes in the 2021 Session. In this bill, the program is to receive 3.0%, or \$200,000, whichever is less. In the 2023 Session the appropriation for this fund was removed, but the funding source remained. With this, the program did not have the appropriation authority to spend the state special revenue funds

Statutory Appropriations

State Special Revenue

The Veterans' Affairs Division has a statutory appropriation for the operation of the Montana Veteran's Cemetery Program. The state special revenue account is funded through a portion of motor vehicle registration fees, cemetery plot allowances, and donations.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

| Veterans' Affairs Program 2027 Biennium HB 2 Base Budget and Adjustments | | | | | | | | | | |
|---|------------------|------------------|-----------------|------------------|---------------------|------------------|------------------|-----------------|------------------|---------------------|
| | FY 2026 | | | | | FY 2027 | | | | |
| | General Fund | State Special | Federal Special | Total Funds | % of Budget Request | General Fund | State Special | Federal Special | Total Funds | % of Budget Request |
| Base Budget | 1,793,051 | 1,038,411 | 0 | 2,831,462 | 55.7% | 1,793,051 | 1,038,411 | 0 | 2,831,462 | 55.6% |
| Statewide PL | | | | | | | | | | |
| Personal Services | (101,474) | (67,649) | 0 | (169,123) | (3.3%) | (95,419) | (63,613) | 0 | (159,032) | (3.1%) |
| Fixed Costs | 14,427 | 4,809 | 0 | 19,236 | 0.4% | 13,222 | 4,408 | 0 | 17,630 | 0.3% |
| Inflation Deflation | (1,730) | (576) | 0 | (2,306) | (0.0%) | (1,170) | (389) | 0 | (1,559) | (0.0%) |
| Total Statewide PL | (88,777) | (63,416) | 0 | (152,193) | (3.0%) | (83,367) | (59,594) | 0 | (142,961) | (2.8%) |
| Present Law (PL) | 0 | 367,209 | 0 | 367,209 | 7.2% | 0 | 317,209 | 0 | 317,209 | 6.2% |
| New Proposals | 2,040,360 | 0 | 0 | 2,040,360 | 40.1% | 2,085,401 | 0 | 0 | 2,085,401 | 41.0% |
| Total HB 2 Adjustments | 1,951,583 | 303,793 | 0 | 2,255,376 | 44.3% | 2,002,034 | 257,615 | 0 | 2,259,649 | 44.4% |
| Total Budget | 3,744,634 | 1,342,204 | 0 | 5,086,838 | | 3,795,085 | 1,296,026 | 0 | 5,091,111 | |

Present Law Adjustments -

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

| Present Law Adjustments | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|--|-----------------------|-------------------|------------------|-----------------|------------------|-----------------------|-------------------|------------------|-----------------|------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | (101,474) | (67,649) | 0 | (169,123) | 0.00 | (95,419) | (63,613) | 0 | (159,032) |
| DP 2 - Fixed Costs | 0.00 | 14,427 | 4,809 | 0 | 19,236 | 0.00 | 13,222 | 4,408 | 0 | 17,630 |
| DP 3 - Inflation Deflation | 0.00 | (1,730) | (576) | 0 | (2,306) | 0.00 | (1,170) | (389) | 0 | (1,559) |
| DP 22 - Fixed Cost Adjustment for Robert's Rules | 0.00 | 0 | (291) | 0 | (291) | 0.00 | 0 | (291) | 0 | (291) |
| DP 3103 - Veteran Affairs State Special Revenue | 0.00 | 0 | 367,500 | 0 | 367,500 | 0.00 | 0 | 317,500 | 0 | 317,500 |
| Grand Total All Present Law Adjustments | 0.00 | (\$88,777) | \$303,793 | \$0 | \$215,016 | 0.00 | (\$83,367) | \$257,615 | \$0 | \$174,248 |

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: audit fees, Capitol complex rent, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include in-state state motor pool and motor pool leased vehicles.

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed costs that removed new appropriations for Robert's Rules of Order training included in DP 2.

DP 3103 - Veteran Affairs State Special Revenue -

The legislature adopted an increase in state special revenue authority from the Veterans' Affairs state special revenue fund in the upcoming biennium. This increase in funding is for operating expenses for the Veteran Service Office Program and equipment replacement in the Veterans' Affairs Cemetery Program.

New Proposals -

The "New Proposals" table shows new changes to spending.

| New Proposals | -----Fiscal 2026----- | | | | | -----Fiscal 2027----- | | | | |
|---|-----------------------|--------------------|---------------|-----------------|--------------------|-----------------------|--------------------|---------------|-----------------|--------------------|
| | PB | General Fund | State Special | Federal Special | Total Funds | PB | General Fund | State Special | Federal Special | Total Funds |
| DP 3101 - Veteran Affairs Division Program Operations | 11.00 | 1,711,074 | 0 | 0 | 1,711,074 | 11.00 | 1,756,115 | 0 | 0 | 1,756,115 |
| DP 3102 - Veteran Affairs Division Additional PB | 3.00 | 179,286 | 0 | 0 | 179,286 | 3.00 | 179,286 | 0 | 0 | 179,286 |
| DP 3105 - Firearm Safe Storage (RST, BIEN, OTO) | 0.00 | 150,000 | 0 | 0 | 150,000 | 0.00 | 150,000 | 0 | 0 | 150,000 |
| Total | 14.00 | \$2,040,360 | \$0 | \$0 | \$2,040,360 | 14.00 | \$2,085,401 | \$0 | \$0 | \$2,085,401 |

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 3101 - Veteran Affairs Division Program Operations -

The legislature adopted an increase in general fund for personal services, operating expenses, and debt service. The increase in personal services is for 11.00 PB, which is a conversion of modified positions to permanent. The increase in operating expenses is supporting the nine Veteran Service Offices. Other operating expenses include office supplies and equipment, outreach costs such as motor pool and advertising, and cemetery landscaping. The portion of debt service expenditures will be used towards rent.

DP 3102 - Veteran Affairs Division Additional PB -

The legislature adopted an increase in general fund appropriations to support 3.00 PB. These appropriations are for administrative assistants located at Veteran Service Offices throughout the state.

DP 3105 - Firearm Safe Storage (RST, BIEN, OTO) -

The legislature adopted an increase in general fund appropriations for the upcoming biennium. These appropriations are designated as restricted, biennial, and one-time-only and to be used in statewide education and a grant program to promote the safe storage of firearms.