

Agency Base Budget Comparison

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

Agency Base Budget Comparison					
Budget Item	Base Budget FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base Amount	Percent
PB	169.34	171.59	171.59	2.25	0.7%
General Fund	24,272,162	28,353,448	25,018,904	4,828,028	9.9%
State/Other Special Rev. Funds	2,419,181	3,160,590	3,152,234	1,474,462	30.5%
Total Funds	26,691,343	31,514,038	28,171,138	6,302,490	11.8%
Personal Services	19,841,829	21,375,721	20,887,002	2,579,065	6.5%
Operating Expenses	6,124,127	7,218,677	5,758,096	728,519	5.9%
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	31,514,038	28,171,138	6,302,490	11.8%
Total Ongoing	26,691,343	31,153,611	27,942,883	5,713,808	10.7%
Total One-Time-Only	1,105,750	360,427	228,255	(1,622,818)	(73.4%)

Page Reference

LFD Budget Analysis, Page A-1

Agency Highlights

Legislative Branch Major Budget Highlights
<ul style="list-style-type: none"> The Legislative Branch's 2027 biennium budget is approximately \$6.3 million or 11.8% 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	21,375,721	20,887,002
Operating Expenses	6,483,294	7,137,725	6,199,127	7,218,677	5,758,096
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	\$31,514,038	\$28,171,138
General Fund	22,527,740	25,140,407	25,377,912	28,353,448	25,018,904
State/Other Special Rev. Funds	2,323,236	2,521,560	2,419,181	3,160,590	3,152,234
Total Funds	\$24,850,976	\$27,661,967	\$27,797,093	\$31,514,038	\$28,171,138
Total Ongoing	\$24,395,795	\$26,375,717	\$26,691,343	\$31,153,611	\$27,942,883
Total OTO	\$455,181	\$1,286,250	\$1,105,750	\$360,427	\$228,255

Page Reference

LFD Budget Analysis, Page A-4

Executive Budget Comparison

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

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2025	Executive Budget Fiscal 2026	Legislative Budget Fiscal 2026	Leg — Exec. Difference Fiscal 2026	Executive Budget Fiscal 2027	Legislative Budget Fiscal 2027	Leg — Exec. Difference Fiscal 2027	Biennium Difference Fiscal 26-27
Personal Services	19,841,829	21,170,933	21,375,721	204,788	20,852,939	20,887,002	34,063	238,851
Operating Expenses	6,174,127	6,715,749	7,218,677	502,928	5,325,654	5,758,096	432,442	935,370
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	\$31,514,038	\$707,716	\$27,704,633	\$28,171,138	\$466,505	\$1,174,221
General Fund	24,322,162	27,645,732	28,353,448	707,716	24,552,399	25,018,904	466,505	1,174,221
State/other Special Rev. Funds	2,419,181	3,160,590	3,160,590	0	3,152,234	3,152,234	0	0
Other	0	0	0	0	0	0	0	0
Total Funds	\$26,741,343	\$30,806,322	\$31,514,038	\$707,716	\$27,704,633	\$28,171,138	\$466,505	\$1,174,221
Total Ongoing	\$26,691,343	\$30,520,895	\$31,153,611	\$632,716	\$27,551,378	\$27,942,883	\$391,505	\$1,024,221
Total OTO	\$50,000	\$285,427	\$360,427	\$75,000	\$153,255	\$228,255	\$75,000	\$150,000

The legislature adopted appropriations that are approximately \$1.2 million greater than the proposed appropriations for the 2027 biennium. The significant biennial differences in the legislative budget compared to the proposed budget include:

- The legislature adopted an increase of \$660,000 for information technology costs to correct an error in the proposed budget in the statewide present law adjustment for fixed costs
- The legislature adopted an additional \$209,000 for additional interim budget committee meetings. Additionally, there was an increase of \$100,000 for analysis of Montana budget implications from federal action, which is contingent of specific Congressional action or executive order
- The legislature adopted increases of approximately \$131,000 for additional personal services funding for the Senate and House of Representatives. This funding was inadvertently left out of HB 1
- The legislature adopted a one-time-only increase of \$50,000 for Legislative Audit Division hotline cases and other contingencies

Funding

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

Total Legislative Branch Funding by Source of Authority 2027 Biennium Budget						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	53,466,667	(94,315)			53,372,352	89.4%
02042 Legislative Audit	5,161,068	682,997			5,844,065	9.8%
02800 Reimbursable Activities	468,759				468,759	0.8%
State Special Revenue Total	5,629,827	682,997	-	-	6,312,824	10.6%
Federal Special Revenue Total	-	-	-	-	-	0.0%
Proprietary Fund Total	-	-	-	-	-	0.0%
Total of All Funds	59,096,494	588,682	-	-	59,685,176	
Percent of All Sources of Authority	99.0%	1.0%	0.0%	0.0%		

HB 2 Appropriations

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

Statutory Appropriations

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

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

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

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

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

Legislative Budget

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

Legislative Branch 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget Request	General Fund	State Special	Federal Special	Total Funds	% of Budget Request
Base Budget	24,272,162	2,419,181	0	26,691,343	84.7%	24,272,162	2,419,181	0	26,691,343	94.7%
Statewide PL										
Personal Services	599,130	130,050	0	729,180	2.3%	568,755	130,985	0	699,740	2.5%
Fixed Costs	(591,805)	(2,525)	0	(594,330)	(1.9%)	(677,669)	(2,525)	0	(680,194)	(2.4%)
Inflation Deflation	(376)	(233)	0	(609)	(0.0%)	(254)	(157)	0	(411)	(0.0%)
Total Statewide PL	6,949	127,292	0	134,241	0.4%	(109,168)	128,303	0	19,135	0.1%
Present Law (PL)	3,699,362	162,109	0	3,861,471	12.3%	920,541	144,390	0	1,064,931	3.8%
New Proposals	374,975	452,008	0	826,983	2.6%	(64,631)	460,360	0	395,729	1.4%
Total HB 2 Adjustments	4,081,286	741,409	0	4,822,695	15.3%	746,742	733,053	0	1,479,795	5.3%
Total Budget	28,353,448	3,160,590	0	31,514,038		25,018,904	3,152,234	0	28,171,138	

Language

All appropriations for the Legislative Branch are biennial.

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

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

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

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

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

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	Budget FY 2026	Budget FY 2027	Biennium Change from Base Amount	Percent
PB	88.17	90.17	90.17	2.00	1.1%
General Fund	16,034,692	18,507,922	16,463,770	2,902,308	9.1%
State/Other Special Rev. Funds	51,028	238,739	230,020	366,703	359.3%
Total Funds	16,085,720	18,746,661	16,693,790	3,269,011	10.2%
Personal Services	10,446,093	10,979,486	11,072,427	1,159,727	5.6%
Operating Expenses	4,914,240	4,847,535	4,095,323	(885,622)	(9.0%)
Equipment & Intangible Assets	530,347	2,769,640	1,376,040	3,084,986	290.8%
Transfers	195,040	150,000	150,000	(90,080)	(23.1%)
Total Expenditures	16,085,720	18,746,661	16,693,790	3,269,011	10.2%
Total Ongoing	16,085,720	18,746,661	16,693,790	3,269,011	10.2%
Total One-Time-Only	1,055,750			(2,111,500)	(100.0%)

Page Reference

LFD Budget Analysis, Page A-6

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	9,027,108	9,506,032	10,446,093	10,979,486	11,072,427
Operating Expenses	5,264,759	5,299,475	4,939,240	4,847,535	4,095,323
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	\$18,746,661	\$16,693,790
General Fund	15,211,032	16,539,748	17,090,442	18,507,922	16,463,770
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	\$18,746,661	\$16,693,790
Total Ongoing	\$15,003,640	\$15,567,990	\$16,085,720	\$18,746,661	\$16,693,790
Total OTO	\$447,597	\$1,221,250	\$1,055,750	\$0	\$0

Page Reference

LFD Budget Analysis, Page A-8

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	85.8%	16,034,692	51,028	0	16,085,720	96.4%
Statewide PL										
Personal Services	365,100	0	0	365,100	1.9%	458,040	0	0	458,040	2.7%
Fixed Costs	(588,718)	0	0	(588,718)	(3.1%)	(674,582)	0	0	(674,582)	(4.0%)
Inflation Deflation	(16)	0	0	(16)	(0.0%)	(11)	0	0	(11)	(0.0%)
Total Statewide PL	(223,634)	0	0	(223,634)	(1.2%)	(216,553)	0	0	(216,553)	(1.3%)
Present Law (PL)	2,815,385	137,352	0	2,952,737	15.8%	764,510	128,633	0	893,143	5.4%
New Proposals	(118,521)	50,359	0	(68,162)	(0.4%)	(118,879)	50,359	0	(68,520)	(0.4%)
Total HB 2 Adjustments	2,473,230	187,711	0	2,660,941	14.2%	429,078	178,992	0	608,070	3.6%
Total Budget	18,507,922	238,739	0	18,746,661		16,463,770	230,020	0	16,693,790	

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

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 4 - Present Law -

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

- Closed-Circuit Cable System Replacement (\$450,000) – this project will replace the closed-circuit cable system in the Capitol that provides room broadcast and television programming to the monitors throughout the building with an internet protocol-based solution. Currently, the existing infrastructure that supports this system is incomplete, and 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 2010 - Information Technology -

The legislature adopted general fund appropriations for information technology costs.

DP 2013 - Rent Correction -

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

New Proposals -

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

New Proposals	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 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 FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base Amount	Percent
PB	1.92	1.92	1.92	0.00	0.0%
General Fund	1,049,002	2,141,424	1,214,790	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%

Page Reference

LFD Budget Analysis, Page A-12

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	191,171	400,328	260,779	641,138	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

LFD Budget Analysis, Page A-14

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

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

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

Page Reference

LFD Budget Analysis, Page A-17

Program Actuals and Budget Comparison

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

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

Page Reference

LFD Budget Analysis, Page A-19

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	89.2%	3,563,708	0	0	3,563,708	94.2%
Statewide PL										
Personal Services	72,286	0	0	72,286	1.8%	53,821	0	0	53,821	1.4%
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	(76)	0	0	(76)	(0.0%)	(51)	0	0	(51)	(0.0%)
Total Statewide PL	72,210	0	0	72,210	1.8%	53,770	0	0	53,770	1.4%
Present Law (PL)	99,087	0	0	99,087	2.5%	11,274	0	0	11,274	0.3%
New Proposals	261,077	0	0	261,077	6.5%	152,491	0	0	152,491	4.0%
Total HB 2 Adjustments	432,374	0	0	432,374	10.8%	217,535	0	0	217,535	5.8%
Total Budget	3,996,082	0	0	3,996,082		3,781,243	0	0	3,781,243	

Present Law Adjustments -

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

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

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

DP 1 - Personal Services -

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

DP 3 - Inflation Deflation -

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

DP 4 - Present Law -

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

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

New Proposals -

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

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

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

DP 2705 - Pension Actuarial (OTO) -

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

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

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

DP 2707 - Additional Interim Budget Committee Meetings -

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

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base Amount	Percent
PB	52.75	53.00	53.00	0.25	0.2%
General Fund	3,624,760	3,576,861	3,559,101	(113,558)	(1.6%)
State/Other Special Rev. Funds	2,368,036	2,921,851	2,922,214	1,107,993	23.4%
Total Funds	5,992,796	6,498,712	6,481,315	994,435	8.3%
Personal Services	5,749,295	6,052,903	6,054,980	609,293	5.3%
Operating Expenses	243,501	445,809	426,335	385,142	79.1%
Total Expenditures	5,992,796	6,498,712	6,481,315	994,435	8.3%
Total Ongoing	5,992,796	6,473,712	6,456,315	944,435	7.9%
Total One-Time-Only		25,000	25,000	50,000	0.0%

Page Reference

LFD Budget Analysis, Page A-23

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	5,148,830	5,492,889	5,749,295	6,052,903	6,054,980
Operating Expenses	243,449	283,534	243,501	445,809	426,335
Total Expenditures	\$5,392,279	\$5,776,423	\$5,992,796	\$6,498,712	\$6,481,315
General Fund	3,309,248	3,504,472	3,624,760	3,576,861	3,559,101
State/Other Special Rev. Funds	2,083,031	2,271,951	2,368,036	2,921,851	2,922,214
Total Funds	\$5,392,279	\$5,776,423	\$5,992,796	\$6,498,712	\$6,481,315
Total Ongoing	\$5,392,279	\$5,776,423	\$5,992,796	\$6,473,712	\$6,456,315
Total OTO	\$0	\$0	\$0	\$25,000	\$25,000

Page Reference

LFD Budget Analysis, Page A-25

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	92.2%	3,624,760	2,368,036	0	5,992,796	92.5%
Statewide PL										
Personal Services	158,951	130,050	0	289,001	4.4%	160,093	130,985	0	291,078	4.5%
Fixed Costs	(3,087)	(2,525)	0	(5,612)	(0.1%)	(3,087)	(2,525)	0	(5,612)	(0.1%)
Inflation Deflation	(284)	(233)	0	(517)	(0.0%)	(192)	(157)	0	(349)	(0.0%)
Total Statewide PL	155,580	127,292	0	282,872	4.4%	156,814	128,303	0	285,117	4.4%
Present Law (PL)	30,401	24,874	0	55,275	0.9%	19,401	15,874	0	35,275	0.5%
New Proposals	(233,880)	401,649	0	167,769	2.6%	(241,874)	410,001	0	168,127	2.6%
Total HB 2 Adjustments	(47,899)	553,815	0	505,916	7.8%	(65,659)	554,178	0	488,519	7.5%
Total Budget	3,576,861	2,921,851	0	6,498,712		3,559,101	2,922,214	0	6,481,315	

Present Law Adjustments -

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

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

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 4 - Present Law -

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

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

In FY 2027, significant increases include:

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

New Proposals -

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

New Proposals										
	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 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 in state special revenue for an anticipated change in audit appropriations for billed work. Higher Legislative Audit Division staffing levels, combined with statutory pay increases, have resulted in higher costs as a component of the division's billing rate. The increase in the billing rate has also combined with an increase in the number of hours associated with federal single audits in the next biennium, resulting in a significant increase in the amount of state special revenue the division anticipates collecting through agency billing.

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

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

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

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

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

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

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

Agency Base Budget Comparison

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

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

Page Reference

LFD Budget Analysis, A-29

Agency Highlights

Consumer Counsel Major Budget Highlights
<ul style="list-style-type: none"> The legislature adopted a 2027 biennium budget for the Consumer Counsel that is approximately 13.3% or \$433,000 greater than the FY 2025 base budget. Changes adopted include: <ul style="list-style-type: none"> An increase of 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	\$1,699,351	\$1,700,909
Total OTO	\$0	\$0	\$0	\$150,000	\$150,000

Page Reference

LFD Budget Analysis, A-32

Executive Budget Comparison

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

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

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

Funding

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

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

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

Legislative Budget

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

Consumer Counsel 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget 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

LFD Budget Analysis, A-34

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	(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 (RST/BIEN/OTO)	0.00	0	150,000	0	150,000	0.00	0	150,000	0	150,000
DP 7 - PB	0.02	0	2,213	0	2,213	0.02	0	2,214	0	2,214
Total	0.02	\$0	\$152,213	\$0	\$152,213	0.02	\$0	\$152,214	\$0	\$152,214

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

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

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

DP 7 - PB -

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

Agency Base Budget Comparison

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

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

Page Reference

LFD Budget Analysis, Page A-36

Agency Highlights

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

Agency Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the expenditures 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	6,601,104	6,613,292
Operating Expenses	1,277,481	1,645,308	1,581,962	1,845,766	1,483,297
Total Expenditures	\$7,105,026	\$7,735,986	\$8,023,728	\$8,446,870	\$8,096,589
General Fund	7,082,813	7,685,986	7,973,728	8,212,935	8,046,589
State/Other Special Rev. Funds	22,213	50,000	50,000	101,760	50,000
Federal Spec. Rev. Funds	0	0	0	79,332	0
Proprietary Funds	0	0	0	52,843	0
Total Funds	\$7,105,026	\$7,735,986	\$8,023,728	\$8,446,870	\$8,096,589
Total Ongoing	\$7,105,026	\$7,735,986	\$8,023,728	\$8,160,066	\$8,096,589
Total OTO	\$0	\$0	\$0	\$286,804	\$0

Page Reference

LFD Budget Analysis, Page A-39

Executive Budget Comparison

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

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

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

Funding

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

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

HB 2 Appropriations

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

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

Legislative Budget

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

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

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

Page Reference

LFD Budget Analysis, Page A-41

Program Actuals and Budget Comparison

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

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

Page Reference

LFD Budget Analysis, Page A-43

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	98.0%	3,655,878	0	0	3,655,878	97.9%
Statewide PL										
Personal Services	80,574	0	0	80,574	2.2%	81,292	0	0	81,292	2.2%
Fixed Costs	(5,102)	0	0	(5,102)	(0.1%)	(3,260)	0	0	(3,260)	(0.1%)
Inflation Deflation	(859)	0	0	(859)	(0.0%)	(580)	0	0	(580)	(0.0%)
Total Statewide PL	74,613	0	0	74,613	2.0%	77,452	0	0	77,452	2.1%
Present Law (PL)	(238)	0	0	(238)	(0.0%)	(238)	0	0	(238)	(0.0%)
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	74,375	0	0	74,375	2.0%	77,214	0	0	77,214	2.1%
Total Budget	3,730,253	0	0	3,730,253		3,733,092	0	0	3,733,092	

Present Law Adjustments -

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

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

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

Program Base Budget Comparison

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

Program Base Budget Comparison						
Budget Item	Base Budget FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base 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%	

Page Reference

LFD Budget Analysis, Page A-45

Program Actuals and Budget Comparison

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

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

Page Reference

LFD Budget Analysis, Page A-47

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

Page Reference

LFD Budget Analysis, Page A-49

Program Actuals and Budget Comparison

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

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

Page Reference

LFD Budget Analysis, Page A-51

Funding

HB 2 Appropriations

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

Legislative Budget

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

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

Present Law Adjustments -

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

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

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

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

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

DP 401 - OBPP Operating Increase -

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

Program Base Budget Comparison

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

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

Page Reference

LFD Budget Analysis, Page A-55

Program Actuals and Budget Comparison

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

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

Page Reference

LFD Budget Analysis, Page A-57

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	96.6%	224,607	50,000	0	274,607	96.4%
Statewide PL										
Personal Services	10,809	0	0	10,809	3.8%	10,808	0	0	10,808	3.8%
Fixed Costs	38	0	0	38	0.0%	101	0	0	101	0.0%
Inflation Deflation	(1,150)	0	0	(1,150)	(0.4%)	(777)	0	0	(777)	(0.3%)
Total Statewide PL	9,697	0	0	9,697	3.4%	10,132	0	0	10,132	3.6%
Present Law (PL)	(17)	0	0	(17)	(0.0%)	(17)	0	0	(17)	(0.0%)
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	9,680	0	0	9,680	3.4%	10,115	0	0	10,115	3.6%
Total Budget	234,287	50,000	0	284,287		234,722	50,000	0	284,722	

Present Law Adjustments -

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

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

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

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

Program Base Budget Comparison

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

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

Page Reference

LFD Budget Analysis, Page A-59

Program Actuals and Budget Comparison

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

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

Page Reference

LFD Budget Analysis, Page A-61

Funding

HB 2 Appropriations

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

31010 - Governor's Office20-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)	4,959	0	0	4,959	1.0%	4,959	0	0	4,959	1.0%
New Proposals	2,500	0	0	2,500	0.5%	2,500	0	0	2,500	0.5%
Total HB 2 Adjustments	(4,044)	0	0	(4,044)	(0.8%)	(1,943)	0	0	(1,943)	(0.4%)
Total Budget	512,267	0	0	512,267		514,368	0	0	514,368	

Present Law Adjustments -

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

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

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

DP 1 - Personal Services -

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

31010 - Governor's Office20-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 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 FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base Amount Percent		
PB	7.00	8.00	8.00	1.00		7.1%
General Fund	930,662	1,069,590	1,064,937	273,203		14.7%
Total Funds	930,662	1,069,590	1,064,937	273,203		14.7%
Personal Services	633,769	781,986	784,152	298,600		23.6%
Operating Expenses	296,893	287,604	280,785	(25,397)		(4.3%)
Total Expenditures	930,662	1,069,590	1,064,937	273,203		14.7%
Total Ongoing	930,662	953,627	951,774	44,077		2.4%
Total One-Time-Only		115,963	113,163	229,126		0.0%

Page Reference

LFD Budget Analysis, Page A-64

Agency Highlights

Commissioner of Political Practices Major Budget Highlights
<ul style="list-style-type: none"> The legislature adopted a 2027 biennium budget for the Commissioner of Political Practices that is approximately 2.4% or \$44,000 greater than the FY 2025 base budget. 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 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	287,604	280,785
Total Expenditures	\$686,728	\$896,988	\$930,662	\$1,069,590	\$1,064,937
General Fund	686,728	896,988	930,662	1,069,590	1,064,937
Total Funds	\$686,728	\$896,988	\$930,662	\$1,069,590	\$1,064,937
Total Ongoing	\$686,728	\$896,988	\$930,662	\$953,627	\$951,774
Total OTO	\$0	\$0	\$0	\$115,963	\$113,163

Page Reference

LFD Budget Analysis, Page A-66

Executive Budget Comparison

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

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

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

Funding

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

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

HB 2 Appropriations

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

Legislative Budget

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

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

Language

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

Page Reference

LFD Budget Analysis, Page A-69

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	41,054	0	0	41,054	0.00	43,220	0	0	43,220
DP 2 - Fixed Costs	0.00	(18,050)	0	0	(18,050)	0.00	(22,082)	0	0	(22,082)
DP 3 - Inflation Deflation	0.00	(39)	0	0	(39)	0.00	(26)	0	0	(26)
Grand Total All Present Law Adjustments	0.00	\$22,965	\$0	\$0	\$22,965	0.00	\$21,112	\$0	\$0	\$21,112

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

New Proposals -

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

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

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

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

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

Agency Base Budget Comparison

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

Agency Base Budget Comparison					
Budget Item	Base Budget FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base 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%)

Page Reference

LFD Budget Analysis, A-70

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

Page Reference

LFD Budget Analysis, A-73

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						
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 FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base 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%

Page Reference

LFD Budget Analysis, A-76

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

Page Reference

LFD Budget Analysis, A-78

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 FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base 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%)

Page Reference

LFD Budget Analysis, A-81

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

Page Reference

LFD Budget Analysis, A-83

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 FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base 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%

Page Reference

LFD Budget Analysis, A-87

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

Page Reference

LFD Budget Analysis, A-89

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 FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base Amount	Percent
PB	668.92	674.56	686.56	17.64	1.3%
General Fund	66,890,920	69,434,118	71,998,322	7,650,600	5.7%
State/Other Special Rev. Funds	98,549,795	99,670,647	99,782,904	2,353,961	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	394,139,306	396,832,238	11,023,176	1.4%
Personal Services	56,603,989	58,571,732	60,288,335	5,652,089	5.0%
Operating Expenses	159,377,905	161,575,284	162,515,117	5,334,591	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	394,139,306	396,832,238	11,023,176	1.4%
Total Ongoing	389,974,184	394,139,306	396,832,238	11,023,176	1.4%
Total One-Time-Only	135,000			(270,000)	(100.0%)

Page Reference

LFD Budget Analysis Addendum, Page A-92

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	161,575,284	162,515,117
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	\$394,139,306	\$396,832,238
General Fund	62,068,379	64,349,841	66,890,920	69,434,118	71,998,322
State/Other Special Rev. Funds	60,558,320	88,824,420	98,549,795	99,670,647	99,782,904
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	\$394,139,306	\$396,832,238
Total Ongoing	\$299,988,675	\$376,718,854	\$389,974,184	\$394,139,306	\$396,832,238
Total OTO	\$806,663	\$927,617	\$135,000	\$0	\$0

Page Reference

LFD Budget Analysis Addendum, Page A-96

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	161,575,284	(85,268)	162,481,972	162,515,117	33,145	(52,123)
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	\$394,139,306	(\$330,152)	\$396,056,671	\$396,832,238	\$775,567	\$445,415
General Fund	66,890,920	69,378,119	69,434,118	55,999	70,845,180	71,998,322	1,153,142	1,209,141
State/other Special Rev. Funds	98,549,795	100,056,798	99,670,647	(386,151)	100,160,479	99,782,904	(377,575)	(763,726)
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	\$394,139,306	(\$330,152)	\$396,056,671	\$396,832,238	\$775,567	\$445,415
Total Ongoing	\$389,974,184	\$394,469,458	\$394,139,306	(\$330,152)	\$396,056,671	\$396,832,238	\$775,567	\$445,415
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						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	141,432,440			352,583,000	494,015,440	38.1%
02442 Cannabis	197,372,143				197,372,143	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	199,453,551	-	-	152,937,952	352,391,503	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	790,971,544	-	700,666	505,520,952	1,297,193,162	
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)	470,978	1,059,085	0	1,581,063	0.4%	878,479	1,160,631	0	2,091,310	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	2,543,198	1,120,852	0	4,165,122	1.1%	5,107,402	1,233,109	0	6,858,054	1.7%
Total Budget	69,434,118	99,670,647	503,023	394,139,306		71,998,322	99,782,904	503,023	396,832,238	

Language

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

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

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

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

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

Page Reference

LFD Budget Analysis Addendum, Page A-100

Program Actuals and Budget Comparison

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

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

Page Reference

LFD Budget Analysis Addendum, Page A-103

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)	(1,235)	0	0	(1,235)	(0.0%)	(1,235)	0	0	(1,235)	(0.0%)
New Proposals	203,428	20,000	0	223,428	2.0%	203,541	20,000	0	223,541	2.0%
Total HB 2 Adjustments	399,519	20,000	0	419,519	3.8%	422,805	20,000	0	442,805	4.0%
Total Budget	10,522,687	368,540	0	11,046,977		10,545,973	368,540	0	11,070,263	

Present Law Adjustments -

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

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

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

New Proposals -

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

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

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

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

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

Page Reference

LFD Budget Analysis, Page A-106

Program Actuals and Budget Comparison

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

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

Page Reference

LFD Budget Analysis, Page A-108

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

Page Reference

LFD Budget Analysis, Page A-111

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

Page Reference

LFD Budget Analysis, Page A-113

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 FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base Amount	Percent
PB	35.00	39.00	39.00	4.00	5.7%
State/Other Special Rev. Funds	96,943,985	97,999,837	98,087,094	2,198,961	1.1%
Total Funds	96,943,985	97,999,837	98,087,094	2,198,961	1.1%
Personal Services	3,203,049	3,616,994	3,622,016	832,912	13.0%
Operating Expenses	2,565,936	3,207,843	3,290,078	1,366,049	26.6%
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	97,999,837	98,087,094	2,198,961	1.1%
Total Ongoing	96,943,985	97,999,837	98,087,094	2,198,961	1.1%
Total One-Time-Only					0.0%

Page Reference

LFD Budget Analysis, Page A-117

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	3,207,843	3,290,078
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	\$97,999,837	\$98,087,094
State/Other Special Rev. Funds	57,788,484	86,023,603	96,943,985	97,999,837	98,087,094
Total Funds	\$57,788,484	\$86,023,603	\$96,943,985	\$97,999,837	\$98,087,094
Total Ongoing	\$57,788,484	\$86,023,603	\$96,943,985	\$97,999,837	\$98,087,094
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

LFD Budget Analysis, Page A-120

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	1,034,085	0	1,034,085	1.1%	0	1,110,631	0	1,110,631	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	1,055,852	0	1,055,852	1.1%	0	1,143,109	0	1,143,109	1.2%
Total Budget	0	97,999,837	0	97,999,837		0	98,087,094	0	98,087,094	

Present Law Adjustments -

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

Present Law Adjustments										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	23,323	0	23,323	0.00	0	28,345	0	28,345
DP 2 - Fixed Costs	0.00	0	(13,577)	0	(13,577)	0.00	0	(10,015)	0	(10,015)
DP 3 - Inflation Deflation	0.00	0	(3,479)	0	(3,479)	0.00	0	(2,352)	0	(2,352)
DP 402 - CCD Contract Increase (RST/BIEN)	0.00	0	519,215	0	519,215	0.00	0	607,197	0	607,197
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	\$1,040,352	\$0	\$1,040,352	4.00	\$0	\$1,126,609	\$0	\$1,126,609

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

Page Reference

LFD Budget Analysis Addendum, Page A-123

Program Actuals and Budget Comparison

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

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

Page Reference

LFD Budget Analysis Addendum, Page A-125

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

Page Reference

LFD Budget Analysis, Page A-128

Program Actuals and Budget Comparison

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

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

Page Reference

LFD Budget Analysis, Page A-130

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

Present Law Adjustments -

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

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

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 701 - BITD Cannabis Local-Option Tax Administration -

The legislature adopted an increase in state special revenue appropriations authority for the 2027 biennium for the administration of the cannabis local-option tax. This increase is all within the cannabis state special revenue fund. In 16-12-310, MCA, the department is required to retain a percentage of the cannabis local-option tax collected. The budget authority will be spent on administering the cannabis local-option tax in 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 FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base Amount	Percent
PB	287.42	287.92	299.92	12.50	2.2%
General Fund	27,035,288	28,369,800	30,311,515	4,610,739	8.5%
State/Other Special Rev. Funds	17,276	17,276	17,276		0.0%
Total Funds	27,052,564	28,387,076	30,328,791	4,610,739	8.5%
Personal Services	22,754,166	23,620,617	25,227,249	3,339,534	7.3%
Operating Expenses	3,445,263	3,913,324	4,211,911	1,234,709	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	28,387,076	30,328,791	4,610,739	8.5%
Total Ongoing	27,052,564	28,387,076	30,328,791	4,610,739	8.5%
Total One-Time-Only					0.0%

Page Reference

LFD Budget Analysis Addendum, Page A-134

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	3,913,324	4,211,911
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	\$28,387,076	\$30,328,791
General Fund	25,793,632	25,816,538	27,035,288	28,369,800	30,311,515
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	\$28,387,076	\$30,328,791
Total Ongoing	\$25,807,915	\$25,833,814	\$27,052,564	\$28,387,076	\$30,328,791
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

LFD Budget Analysis, Page A-136

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)	50,000	0	0	50,000	0.2%	90,000	0	0	90,000	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	1,334,512	0	0	1,334,512	4.7%	3,276,227	0	0	3,276,227	10.8%
Total Budget	28,369,800	17,276	0	28,387,076		30,311,515	17,276	0	30,328,791	

Present Law Adjustments -

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

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

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

New Proposals -

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

New Proposals										
-----Fiscal 2026-----						-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 15 - DO, CCD, BITD, PAD Administrative Resources	0.00	108,500	0	0	108,500	0.00	115,500	0	0	115,500
DP 801 - PAD Property Tax Revision Implementation (BIEN)	0.00	1,031,740	0	0	1,031,740	0.00	1,728,640	0	0	1,728,640
DP 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 FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base Amount	Percent
PB	143.92	144.92	144.92	1.00	0.3%
General Fund	40,438,885	58,203,661	57,485,282	34,811,173	43.0%
State/Other Special Rev. Funds	8,098,255	8,776,021	8,784,415	1,363,926	8.4%
Federal Spec. Rev. Funds	18,535	28,535	28,535	20,000	54.0%
Proprietary Funds	6,729,573	6,924,026	6,780,165	245,045	1.8%
Total Funds	55,285,248	73,932,243	73,078,397	36,440,144	33.0%
Personal Services	14,499,936	14,855,030	14,898,778	753,936	2.6%
Operating Expenses	6,836,169	8,934,999	7,603,977	2,866,638	21.0%
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	73,932,243	73,078,397	36,440,144	33.0%
Total Ongoing	55,285,248	73,932,243	73,078,397	36,440,144	33.0%
Total One-Time-Only					0.0%

Page Reference

LFD Budget Analysis, A-139

Agency Highlights

Department of Administration Major Budget Highlights
<ul style="list-style-type: none"> The Department of Administration's 2027 biennium appropriations are approximately \$36.4 million or 33.0% 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	8,934,999	7,603,977
Equipment & Intangible Assets	77,090	85,000	50,000	50,000	50,000
Local Assistance	30,854	28,979	28,979	38,979	38,979
Transfers	31,632,606	31,632,606	33,441,889	49,744,535	50,177,963
Debt Service	828,907	828,908	428,275	308,700	308,700
Total Expenditures	\$53,189,835	\$53,936,625	\$55,285,248	\$73,932,243	\$73,078,397
General Fund	39,092,268	39,342,813	40,438,885	58,203,661	57,485,282
State/Other Special Rev. Funds	7,688,212	7,863,100	8,098,255	8,776,021	8,784,415
Federal Spec. Rev. Funds	13,650	5,828	18,535	28,535	28,535
Proprietary Funds	6,395,705	6,724,884	6,729,573	6,924,026	6,780,165
Total Funds	\$53,189,835	\$53,936,625	\$55,285,248	\$73,932,243	\$73,078,397
Total Ongoing	\$53,189,835	\$53,936,625	\$55,285,248	\$73,932,243	\$73,078,397
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

LFD Budget Analysis, A-142

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	8,934,999	246,513	7,359,816	7,603,977	244,161	490,674
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	\$73,932,243	\$246,513	\$72,834,236	\$73,078,397	\$244,161	\$490,674
General Fund	40,438,885	57,954,872	58,203,661	248,789	57,237,343	57,485,282	247,939	496,728
State/other Special Rev. Funds	8,098,255	8,777,396	8,776,021	(1,375)	8,786,700	8,784,415	(2,285)	(3,660)
Federal Spec. Rev. Funds	18,535	28,535	28,535	0	28,535	28,535	0	0
Other	6,729,573	6,924,927	6,924,026	(901)	6,781,658	6,780,165	(1,493)	(2,394)
Total Funds	\$55,285,248	\$73,685,730	\$73,932,243	\$246,513	\$72,834,236	\$73,078,397	\$244,161	\$490,674
Total Ongoing	\$55,285,248	\$73,685,730	\$73,932,243	\$246,513	\$72,834,236	\$73,078,397	\$244,161	\$490,674
Total OTO	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

The legislature adopted ongoing appropriations that are \$491,000 greater than the executive proposed appropriations for the 2027 biennium. Significant changes include:

- The legislature adopted adjustments to fixed costs which removed the newly proposed Robert's Rules of Order training from the budget
- The legislature adopted an adjustment to the Department of Administrations human resources rate charged to internal divisions
- The legislature adopted \$250,000 each fiscal year of the 2027 biennium in the State Information Technology Services Division for implementing provisions included in HB 722 related to the storage of employees' data after employees have left state government. This authority is contingent on passage and approval of HB 722

Funding

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

Total Department of Administration Funding by Source of Authority 2027 Biennium Budget						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	115,688,943			182,795,928	298,484,871	20.9%
02858 Mineral Impact				16,908,187	16,908,187	1.2%
02077 Financial Institutions Div	10,240,659				10,240,659	0.7%
02030 Arch & Engin Construction	6,112,000				6,112,000	0.4%
02211 Procurement Special Revenue	1,207,777				1,207,777	0.1%
02098 Insurance Proceeds - State Bld				91,000	91,000	0.0%
State Special Revenue Total	17,560,436	-	-	16,999,187	34,559,623	2.4%
03425 Forest Reserve Shared Revenue				9,760,900	9,760,900	0.7%
03095 Taylor Grazing Act Dist.				250,000	250,000	0.0%
03369 Flood Control Payments	45,414				45,414	0.0%
03320 CMIA Funds	11,656				11,656	0.0%
Federal Special Revenue Total	57,070	-	-	10,010,900	10,067,970	0.7%
06559 Group Benefits Claims A/C			521,459,403		521,459,403	36.5%
06001 State Lottery Fund	13,528,435			207,292,700	220,821,135	15.5%
06522 ISD Proprietary			158,946,255		158,946,255	11.1%
06532 Agency Insurance Int. Svc.			76,433,266		76,433,266	5.3%
06528 Rent And Maintenance			27,384,352		27,384,352	1.9%
Other Proprietary Fund	175,756		80,668,258		80,844,014	5.7%
Proprietary Fund Total	13,704,191	-	864,891,534	207,292,700	1,085,888,425	76.0%
Total of All Funds	147,010,640	-	864,891,534	417,098,715	1,429,000,889	
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	74.8%	40,438,885	8,098,255	18,535	55,285,248	75.7%
Statewide PL										
Personal Services	101,686	144,270	0	269,805	0.4%	116,129	162,642	0	313,552	0.4%
Fixed Costs	1,191,882	62,158	0	1,421,723	1.9%	23,797	47,862	0	84,565	0.1%
Inflation Deflation	(151)	(6,119)	0	(6,276)	(0.0%)	(102)	(4,136)	0	(4,242)	(0.0%)
Total Statewide PL	1,293,417	200,309	0	1,685,252	2.3%	139,824	206,368	0	393,875	0.5%
Present Law (PL)	16,321,280	289,247	10,000	16,623,454	22.5%	16,754,685	293,390	10,000	17,060,984	23.3%
New Proposals	150,079	188,210	0	338,289	0.5%	151,888	186,402	0	338,290	0.5%
Total HB 2 Adjustments	17,764,776	677,766	10,000	18,646,995	25.2%	17,046,397	686,160	10,000	17,793,149	24.3%
Total Budget	58,203,661	8,776,021	28,535	73,932,243		57,485,282	8,784,415	28,535	73,078,397	

Language

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

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

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

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

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

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

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	Budget FY 2026	Budget FY 2027	Biennium Change from Base 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%

Page Reference

LFD Budget Analysis, A-146

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

Page Reference

LFD Budget Analysis, A-149

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	<u>\$ 111,936,815</u>	<u>\$ 101,143,477</u>	<u>\$ 102,692,427</u>	<u>\$ 103,809,831</u>

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

Page Reference

LFD Budget Analysis, A-153

Program Actuals and Budget Comparison

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

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

Page Reference

LFD Budget Analysis, A-155

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

Present Law Adjustments -

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

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

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 4 - Allocate Department Indirect/Administrative Costs -

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

DP 5 - Management Services HR Rate Adjustment -

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

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

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

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

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

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base Amount	Percent
PB	18.00	18.00	18.00	0.00	0.0%
State/Other Special Rev. Funds	2,832,783	3,053,205	3,058,795	446,434	7.9%
Total Funds	2,832,783	3,053,205	3,058,795	446,434	7.9%
Personal Services	2,035,563	2,154,363	2,159,709	242,946	6.0%
Operating Expenses	797,220	898,842	899,086	203,488	12.8%
Total Expenditures	2,832,783	3,053,205	3,058,795	446,434	7.9%
Total Ongoing	2,832,783	3,053,205	3,058,795	446,434	7.9%
Total One-Time-Only					0.0%

Page Reference

LFD Budget Analysis, A-158

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	1,999,129	1,950,281	2,035,563	2,154,363	2,159,709
Operating Expenses	669,738	836,096	797,220	898,842	899,086
Total Expenditures	\$2,668,867	\$2,786,377	\$2,832,783	\$3,053,205	\$3,058,795
State/Other Special Rev. Funds	2,668,867	2,786,377	2,832,783	3,053,205	3,058,795
Total Funds	\$2,668,867	\$2,786,377	\$2,832,783	\$3,053,205	\$3,058,795
Total Ongoing	\$2,668,867	\$2,786,377	\$2,832,783	\$3,053,205	\$3,058,795
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

LFD Budget Analysis, A-159

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	92.6%
Statewide PL										
Personal Services	0	118,800	0	118,800	3.9%	0	124,146	0	124,146	4.1%
Fixed Costs	0	14,812	0	14,812	0.5%	0	10,185	0	10,185	0.3%
Inflation Deflation	0	(2,178)	0	(2,178)	(0.1%)	0	(1,472)	0	(1,472)	(0.0%)
Total Statewide PL	0	131,434	0	131,434	4.3%	0	132,859	0	132,859	4.3%
Present Law (PL)	0	88,988	0	88,988	2.9%	0	93,153	0	93,153	3.0%
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	0	220,422	0	220,422	7.2%	0	226,012	0	226,012	7.4%
Total Budget	0	3,053,205	0	3,053,205		0	3,058,795	0	3,058,795	

Present Law Adjustments -

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

Present Law Adjustments										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	118,800	0	118,800	0.00	0	124,146	0	124,146
DP 2 - Fixed Costs	0.00	0	14,812	0	14,812	0.00	0	10,185	0	10,185
DP 3 - Inflation Deflation	0.00	0	(2,178)	0	(2,178)	0.00	0	(1,472)	0	(1,472)
DP 4 - Allocate Department Indirect/Administrative Costs	0.00	0	1,847	0	1,847	0.00	0	2,126	0	2,126
DP 5 - Management Services HR Rate Adjustment	0.00	0	(256)	0	(256)	0.00	0	(570)	0	(570)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	0	(203)	0	(203)	0.00	0	(203)	0	(203)
DP 401 - Rental Expense Increase	0.00	0	87,600	0	87,600	0.00	0	91,800	0	91,800
Grand Total All Present Law Adjustments	0.00	\$0	\$220,422	\$0	\$220,422	0.00	\$0	\$226,012	\$0	\$226,012

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 4 - Allocate Department Indirect/Administrative Costs -

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

DP 5 - Management Services HR Rate Adjustment -

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

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

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

DP 401 - Rental Expense Increase -

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

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base Amount	Percent
PB	12.25	12.25	12.25	0.00	0.0%
General Fund	1,673,615	1,439,976	1,441,171	(466,083)	(13.9%)
State/Other Special Rev. Funds	213,662	604,999	602,778	780,453	182.6%
Total Funds	1,887,277	2,044,975	2,043,949	314,370	8.3%
Personal Services	1,160,102	1,203,418	1,205,524	88,738	3.8%
Operating Expenses	727,175	841,557	838,425	225,632	15.5%
Total Expenditures	1,887,277	2,044,975	2,043,949	314,370	8.3%
Total Ongoing	1,887,277	2,044,975	2,043,949	314,370	8.3%
Total One-Time-Only					0.0%

Page Reference

LFD Budget Analysis, A-162

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	1,190,980	1,168,122	1,160,102	1,203,418	1,205,524
Operating Expenses	352,052	363,623	727,175	841,557	838,425
Debt Service	381,119	402,733	0	0	0
Total Expenditures	\$1,924,151	\$1,934,478	\$1,887,277	\$2,044,975	\$2,043,949
General Fund	1,599,625	1,608,880	1,673,615	1,439,976	1,441,171
State/Other Special Rev. Funds	324,526	325,598	213,662	604,999	602,778
Total Funds	\$1,924,151	\$1,934,478	\$1,887,277	\$2,044,975	\$2,043,949
Total Ongoing	\$1,924,151	\$1,934,478	\$1,887,277	\$2,044,975	\$2,043,949
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

LFD Budget Analysis, A-164

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	92.3%	1,673,615	213,662	0	1,887,277	92.3%
Statewide PL										
Personal Services	43,309	7	0	43,316	2.1%	45,119	303	0	45,422	2.2%
Fixed Costs	(74,044)	6,943	0	(67,101)	(3.3%)	(76,461)	6,234	0	(70,227)	(3.4%)
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Statewide PL	(30,735)	6,950	0	(23,785)	(1.2%)	(31,342)	6,537	0	(24,805)	(1.2%)
Present Law (PL)	(14,694)	196,177	0	181,483	8.9%	(14,700)	196,177	0	181,477	8.9%
New Proposals	(188,210)	188,210	0	0	0.0%	(186,402)	186,402	0	0	0.0%
Total HB 2 Adjustments	(233,639)	391,337	0	157,698	7.7%	(232,444)	389,116	0	156,672	7.7%
Total Budget	1,439,976	604,999	0	2,044,975		1,441,171	602,778	0	2,043,949	

Present Law Adjustments -

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

Present Law Adjustments										
-----Fiscal 2026-----						-----Fiscal 2027-----				
PB	General Fund	State Special	Federal Special	Total Funds		PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services										
0.00	43,309	7	0	43,316		0.00	45,119	303	0	45,422
DP 2 - Fixed Costs										
0.00	(74,044)	6,943	0	(67,101)		0.00	(76,461)	6,234	0	(70,227)
DP 4 - Allocate Department Indirect/Administrative Costs										
0.00	(68)	3,922	0	3,854		0.00	122	3,938	0	4,060
DP 5 - Management Services HR Rate Adjustment										
0.00	(159)	(13)	0	(172)		0.00	(355)	(29)	0	(384)
DP 22 - Fixed Cost Adjustment for Robert's Rules										
0.00	(113)	(25)	0	(138)		0.00	(113)	(25)	0	(138)
DP 302 - General Fund Transfer to Correct SFSD and 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	(\$45,429)	\$203,127	\$0	\$157,698		0.00	(\$46,042)	\$202,714	\$0	\$156,672

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 4 - Allocate Department Indirect/Administrative Costs -

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

DP 5 - Management Services HR Rate Adjustment -

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

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

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

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

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

DP 502 - Increase in SSR Operations -

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

New Proposals -

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

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

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

DP 503 - General Fund/SSR FTE Funding -

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

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base Amount	Percent
General Fund		250,000	250,000	500,000	0.0%
Total Funds		250,000	250,000	500,000	0.0%
Operating Expenses		250,000	250,000	500,000	0.0%
Total Expenditures		250,000	250,000	500,000	0.0%
Total Ongoing		250,000	250,000	500,000	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
Operating Expenses	0	0	0	250,000	250,000
Total Expenditures	\$0	\$0	\$0	\$250,000	\$250,000
General Fund	0	0	0	250,000	250,000
Total Funds	\$0	\$0	\$0	\$250,000	\$250,000
Total Ongoing	\$0	\$0	\$0	\$250,000	\$250,000
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

N/A

Funding*HB 2 Authority*

The State Information Technology Services Division has general fund appropriations to implement the provisions included in HB 722 related to the storage of employees' data after employees have left state government. This funding is contingent on passage and approval of HB 722.

Non-Budgeted Proprietary Funds

The functions within the State Information Technology Services Division are funded with nonbudgeted proprietary funds. The executive has an internal services fund that receives revenues from information technology costs charged to state agencies. Additionally, SITSD has an enterprise fund for eGovernment services. These proprietary funds are discussed in more detail in the Proprietary Rates section of the 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.

State Information Technology Services Div 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	250,000	0	0	250,000	100.0%	250,000	0	0	250,000	100.0%
Total HB 2 Adjustments	250,000	0	0	250,000	100.0%	250,000	0	0	250,000	100.0%
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 704 - Funding for Implementing HB 722	0.00	250,000	0	0	250,000	0.00	250,000	0	0	250,000
Total	0.00	\$250,000	\$0	\$0	\$250,000	0.00	\$250,000	\$0	\$0	\$250,000

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

DP 704 - Funding for Implementing HB 722 -

The legislature adopted general fund appropriations in each fiscal year of the biennium for implementing the provisions included in HB 722 related to the storage of employees' data after employees have left state government. This funding is contingent on passage and approval of HB 722.

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

Page Reference

LFD Budget Analysis, A-167

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

Page Reference

LFD Budget Analysis, A-169

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 FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base 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%

Page Reference

LFD Budget Analysis, A-172

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.

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

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 4 - Allocate Department Indirect/Administrative Costs -

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

DP 5 - Management Services HR Rate Adjustment -

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

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

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

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base Amount	Percent
PB	16.25	16.25	16.25	0.00	0.0%
General Fund	2,318,359	2,404,105	2,403,753	171,140	3.7%
Total Funds	2,318,359	2,404,105	2,403,753	171,140	3.7%
Personal Services	1,779,689	1,815,294	1,818,724	74,640	2.1%
Operating Expenses	538,670	588,811	585,029	96,500	9.0%
Total Expenditures	2,318,359	2,404,105	2,403,753	171,140	3.7%
Total Ongoing	2,318,359	2,404,105	2,403,753	171,140	3.7%
Total One-Time-Only					0.0%

Page Reference

LFD Budget Analysis, A-177

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	1,365,642	1,704,407	1,779,689	1,815,294	1,818,724
Operating Expenses	834,265	525,940	538,670	588,811	585,029
Total Expenditures	\$2,199,907	\$2,230,347	\$2,318,359	\$2,404,105	\$2,403,753
General Fund	2,199,907	2,230,347	2,318,359	2,404,105	2,403,753
Total Funds	\$2,199,907	\$2,230,347	\$2,318,359	\$2,404,105	\$2,403,753
Total Ongoing	\$2,199,907	\$2,230,347	\$2,318,359	\$2,404,105	\$2,403,753
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

LFD Budget Analysis, A-178

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	96.4%	2,318,359	0	0	2,318,359	96.4%
Statewide PL										
Personal Services	35,605	0	0	35,605	1.5%	39,035	0	0	39,035	1.6%
Fixed Costs	43,935	0	0	43,935	1.8%	40,142	0	0	40,142	1.7%
Inflation Deflation	(59)	0	0	(59)	(0.0%)	(40)	0	0	(40)	(0.0%)
Total Statewide PL	79,481	0	0	79,481	3.3%	79,137	0	0	79,137	3.3%
Present Law (PL)	6,265	0	0	6,265	0.3%	6,257	0	0	6,257	0.3%
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	85,746	0	0	85,746	3.6%	85,394	0	0	85,394	3.6%
Total Budget	2,404,105	0	0	2,404,105		2,403,753	0	0	2,403,753	

Present Law Adjustments -

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

Present Law Adjustments										
	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	35,605	0	0	35,605	0.00	39,035	0	0	39,035
DP 2 - Fixed Costs	0.00	43,935	0	0	43,935	0.00	40,142	0	0	40,142
DP 3 - Inflation Deflation	0.00	(59)	0	0	(59)	0.00	(40)	0	0	(40)
DP 4 - Allocate Department Indirect/Administrative Costs	0.00	6,659	0	0	6,659	0.00	6,911	0	0	6,911
DP 5 - Management Services HR Rate Adjustment	0.00	(211)	0	0	(211)	0.00	(471)	0	0	(471)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	(183)	0	0	(183)	0.00	(183)	0	0	(183)
Grand Total All Present Law Adjustments	0.00	\$85,746	\$0	\$0	\$85,746	0.00	\$85,394	\$0	\$0	\$85,394

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

DP 4 - Allocate Department Indirect/Administrative Costs -

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

DP 5 - Management Services HR Rate Adjustment -

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

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

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

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base 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%

Page Reference

LFD Budget Analysis, A-181

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

Page Reference

LFD Budget Analysis, A-183

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 FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base Amount	Percent
PB	61.30	61.30	61.30	0.00	0.0%
General Fund	6,126,479	6,474,444	6,471,009	692,495	5.7%
State/Other Special Rev. Funds	10,391,489	10,673,717	10,682,075	572,814	2.8%
Federal Spec. Rev. Funds	19,830,377	21,889,314	21,801,888	4,030,448	10.2%
Total Funds	36,348,345	39,037,475	38,954,972	5,295,757	7.3%
Personal Services	5,939,238	5,600,044	5,619,630	(658,802)	(5.5%)
Operating Expenses	13,601,447	9,059,808	8,945,581	(9,197,505)	(33.8%)
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	39,037,475	38,954,972	5,295,757	7.3%
Total Ongoing	36,348,345	39,037,475	38,954,972	5,295,757	7.3%
Total One-Time-Only	53,950			(107,900)	(100.0%)

Page Reference

LFD Budget Analysis, A-186

Agency Highlights

Department of Commerce Major Budget Highlights
<ul style="list-style-type: none"> The Department of Commerce's 2027 biennium appropriations are approximately \$5.3 million or 7.3% 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	9,059,808	8,945,581
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	\$39,037,475	\$38,954,972
General Fund	5,391,107	5,577,740	6,180,429	6,474,444	6,471,009
State/Other Special Rev. Funds	7,767,640	10,282,643	10,391,489	10,673,717	10,682,075
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	\$39,037,475	\$38,954,972
Total Ongoing	\$32,344,621	\$36,094,582	\$36,348,345	\$39,037,475	\$38,954,972
Total OTO	\$20,239	\$56,235	\$53,950	\$0	\$0

Page Reference

LFD Budget Analysis, A-189

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	9,059,808	228,138	8,747,145	8,945,581	198,436	426,574
Equipment & Intangible Assets	150,000	150,000	150,000	0	150,000	150,000	0	0
Capital Outlay	300,000	300,000	300,000	0	300,000	300,000	0	0
Local Assistance	46,000	46,000	46,000	0	46,000	46,000	0	0
Grants	16,017,004	23,569,931	23,569,931	0	23,569,901	23,569,901	0	0
Benefits & Claims	0	0	0	0	0	0	0	0
Transfers	1,124	1,124	1,124	0	1,124	1,124	0	0
Debt Service	293,532	310,568	310,568	0	322,736	322,736	0	0
Total Costs	\$36,402,295	\$38,809,337	\$39,037,475	\$228,138	\$38,756,536	\$38,954,972	\$198,436	\$426,574
General Fund	6,180,429	6,445,549	6,474,444	28,895	6,471,816	6,471,009	(807)	28,088
State/other Special Rev. Funds	10,391,489	10,474,334	10,673,717	199,383	10,482,692	10,682,075	199,383	398,766
Federal Spec. Rev. Funds	19,830,377	21,889,454	21,889,314	(140)	21,802,028	21,801,888	(140)	(280)
Other	0	0	0	0	0	0	0	0
Total Funds	\$36,402,295	\$38,809,337	\$39,037,475	\$228,138	\$38,756,536	\$38,954,972	\$198,436	\$426,574
Total Ongoing	\$36,348,345	\$38,809,337	\$39,037,475	\$228,138	\$38,756,536	\$38,954,972	\$198,436	\$426,574
Total OTO	\$53,950	\$0	\$0	\$0	\$0	\$0	\$0	\$0

The legislature adopted ongoing appropriations that are approximately \$427,000 greater than the proposed appropriations for the 2027 biennium. Significant changes include:

- The legislature adopted a reduction to decision package (DP) 5105 which is the administrative cost adjustment for the Business MT Division. This adjustment reduced the state special revenue appropriations requested by the executive by \$50,000 in each fiscal year of the 2027 biennium
- The legislature adopted a biennial, one-time-only appropriation of \$250,000 state special revenue in each fiscal year of the 2027 biennium for capital improvements at various state-owned historic properties managed by the Montana Heritage Commission
- The legislature adopted adjustments to fixed costs which removed the newly proposed Robert's Rules of Order training from the budget
- The legislature adopted a restricted general fund appropriation in FY 2026 of approximately \$29,000 to reimburse travel expenses that were overpaid by employees in previous biennia

Funding

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

Total Department of Commerce Funding by Source of Authority 2027 Biennium Budget						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	12,945,453			3,600,000	16,545,453	4.4%
02116 Accommodation Tax Account	1,566,238			32,566,553	34,132,791	9.0%
02254 Regional Accommodation Tax				31,079,986	31,079,986	8.2%
02771 Big Sky Economic Dev Program	961,809			17,656,591	18,618,400	4.9%
02279 Accom. Tax - Tourism Grants				17,328,778	17,328,778	4.6%
02277 Accom. Tax - Rural Tourism				16,950,821	16,950,821	4.5%
Other State Special Revenue	18,827,745			10,991,645	29,819,390	7.9%
State Special Revenue Total	21,355,792	-	-	126,574,374	147,930,166	39.0%
03059 Community Development Block	15,065,588				15,065,588	4.0%
03585 HTF	12,576,671				12,576,671	3.3%
03300 Home Grants	11,560,034				11,560,034	3.0%
03092 Distressed Woods Federal				2,001,215	2,001,215	0.5%
03207 Small Business Dev. Centers	1,776,703				1,776,703	0.5%
Other Federal Special Revenue	2,712,206				2,712,206	0.7%
Federal Special Revenue Total	43,691,202	-	-	2,001,215	45,692,417	12.0%
06074 SEC 8 Project Based			57,291,001		57,291,001	15.1%
06054 Section 8 HAP			48,101,012		48,101,012	12.7%
06527 Investment Division			15,394,102		15,394,102	4.1%
06014 BOI Municipal Finance Programs			1,085,144	10,600,000	11,685,144	3.1%
06075 Section 8 Vouchers			8,264,967		8,264,967	2.2%
Other Proprietary Fund			28,552,994		28,552,994	7.5%
Proprietary Fund Total	-	-	158,689,220	10,600,000	169,289,220	44.6%
Total of All Funds	77,992,447	-	158,689,220	142,775,589	379,457,256	
Percent of All Sources of Authority	20.6%	0.0%	41.8%	37.6%		

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

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

Legislative Budget

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

Department of Commerce 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget 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	93.1%	6,126,479	10,391,489	19,830,377	36,348,345	93.3%
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	6.3%	241,763	373,260	1,878,378	2,493,401	6.4%
New Proposals	29,702	250,000	0	279,702	0.7%	0	250,000	0	250,000	0.6%
Total HB 2 Adjustments	347,965	282,228	2,058,937	2,689,130	6.9%	344,530	290,586	1,971,511	2,606,627	6.7%
Total Budget	6,474,444	10,673,717	21,889,314	39,037,475		6,471,009	10,682,075	21,801,888	38,954,972	

Language

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

It is the intent of the Legislature that the capital improvements' authority in the Montana Heritage Commission will be used to replace and restore brickwork and water drainage in Reeder's Alley and stabilize, weatherize, and restore the Grace Methodist Church in Virginia City. The Montana Heritage Commission will report quarterly to the Section A Interim Budget Committee on the progress of these projects.

If [an act] is not passed and approved that authorizes the accommodations tax state special revenue fund to be used for the capital improvements projects, then the capital improvements is void.

The Travel Expense Reimbursement line item is to reimburse travel expenses that were overpaid by employees in previous biennia.

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	Budget FY 2026	Budget FY 2027	Biennium Change from Base 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%

Page Reference

LFD Budget Analysis, A-193

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

Page Reference

LFD Budget Analysis, A-197

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 FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base 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%

Page Reference

LFD Budget Analysis, A-200

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

Page Reference

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)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Budget	0	210,157	0	210,157		0	210,157	0	210,157	

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base 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%)

Page Reference

LFD Budget Analysis, A-203

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

Page Reference

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 FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base Amount	Percent
PB	6.00	6.00	6.00	0.00	0.0%
Federal Spec. Rev. Funds	10,138,997	12,113,871	12,022,834	3,858,711	19.0%
Total Funds	10,138,997	12,113,871	12,022,834	3,858,711	19.0%
Personal Services	500,888	532,678	535,389	66,291	6.6%
Operating Expenses	6,215,446	559,174	464,457	(11,407,261)	(91.8%)
Grants	3,400,000	10,998,000	10,998,000	15,196,000	223.5%
Debt Service	22,663	24,019	24,988	3,681	8.1%
Total Expenditures	10,138,997	12,113,871	12,022,834	3,858,711	19.0%
Total Ongoing	10,138,997	12,113,871	12,022,834	3,858,711	19.0%
Total One-Time-Only					0.0%

Page Reference

LFD Budget Analysis, A-208

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 FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base 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 Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	14,592	23,032	27,761	27,761	27,761
Operating Expenses	419,388	435,642	435,793	463,951	464,117
Total Expenditures	\$433,980	\$458,674	\$463,554	\$491,712	\$491,878
General Fund	250,000	250,000	250,000	250,000	250,000
State/Other Special Rev. Funds	183,980	208,674	213,554	241,712	241,878
Total Funds	\$433,980	\$458,674	\$463,554	\$491,712	\$491,878
Total Ongoing	\$433,980	\$458,674	\$463,554	\$491,712	\$491,878
Total OTO	\$0	\$0	\$0	\$0	\$0

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.

Present Law Adjustments										
Fiscal 2026						Fiscal 2027				
PB	General Fund	State Special	Federal Special	Total Funds		PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services										
0.00	0	75,550	0	75,550		0.00	0	75,552	0	75,552
DP 2 - Fixed Costs										
0.00	0	6,387	0	6,387		0.00	0	6,553	0	6,553
DP 22 - Fixed Cost Adjustment for Robert's Rules										
0.00	0	(30)	0	(30)		0.00	0	(30)	0	(30)
DP 7805 - BOHR ADMINISTRATIVE COSTS ADJUSTMENTS										
0.00	0	(53,749)	0	(53,749)		0.00	0	(53,751)	0	(53,751)
Grand Total All Present Law Adjustments										
0.00	\$0	\$28,158	\$0	\$28,158		0.00	\$0	\$28,324	\$0	\$28,324

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

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

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

DP 7805 - BOHR ADMINISTRATIVE COSTS ADJUSTMENTS -

The legislature adopted a reduction to the Board of Horse Racing's 2027 biennium personal services budget to current estimates for the 2027 biennium. The Board of Horse Racing currently is contracting for its executive secretary, which is funded through an operating expense category. This decision package removes the 2027 biennium personal services funding for the position without removing the board's executive secretary position. This adjustment also includes adjustments for indirect costs paid to the Director's Office for support services provided to supported divisions, bureaus, and programs, as well as an increase based on the rising costs of laboratory testing.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base Amount	Percent
PB	8.00	8.00	8.00	0.00	0.0%
State/Other Special Rev. Funds	2,612,770	2,883,614	2,885,651	543,725	10.4%
Total Funds	2,612,770	2,883,614	2,885,651	543,725	10.4%
Personal Services	688,658	690,686	691,768	5,138	0.4%
Operating Expenses	1,474,112	1,742,928	1,743,883	538,587	18.3%
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	2,883,614	2,885,651	543,725	10.4%
Total Ongoing	2,612,770	2,883,614	2,885,651	543,725	10.4%
Total One-Time-Only					0.0%

Page Reference

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	1,742,928	1,743,883
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	\$2,883,614	\$2,885,651
State/Other Special Rev. Funds	2,214,238	2,500,181	2,612,770	2,883,614	2,885,651
Total Funds	\$2,214,238	\$2,500,181	\$2,612,770	\$2,883,614	\$2,885,651
Total Ongoing	\$2,214,238	\$2,500,181	\$2,612,770	\$2,883,614	\$2,885,651
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	90.6%	0	2,612,770	0	2,612,770	90.5%
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)	(1.0%)	0	(29,161)	0	(29,161)	(1.0%)
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Statewide PL	0	(27,872)	0	(27,872)	(1.0%)	0	(26,051)	0	(26,051)	(0.9%)
Present Law (PL)	0	48,716	0	48,716	1.7%	0	48,932	0	48,932	1.7%
New Proposals	0	250,000	0	250,000	8.7%	0	250,000	0	250,000	8.7%
Total HB 2 Adjustments	0	270,844	0	270,844	9.4%	0	272,881	0	272,881	9.5%
Total Budget	0	2,883,614	0	2,883,614		0	2,885,651	0	2,885,651	

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.

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 8006 - Capital Improvements (Biennial/OTO)	0.00	0	250,000	0	250,000	0.00	0	250,000	0	250,000
Total	0.00	\$0	\$250,000	\$0	\$250,000	0.00	\$0	\$250,000	\$0	\$250,000

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

DP 8006 - Capital Improvements (Biennial/OTO) -

The legislature adopted a one-time-only, biennial appropriation to replace and restore brickwork and water drainage in Reeder's Alley and stabilize, weatherize, and restore the Grace Methodist Church in Virginia City.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base Amount	Percent
PB	6.35	6.35	6.35	0.00	0.0%
General Fund	980,277	1,101,555	1,082,820	223,821	11.4%
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	1,710,530	1,691,795	223,821	7.0%
Personal Services	650,408	631,061	636,105	(33,650)	(2.6%)
Operating Expenses	273,827	410,680	384,207	247,233	45.1%
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	1,710,530	1,691,795	223,821	7.0%
Total Ongoing	1,589,252	1,710,530	1,691,795	223,821	7.0%
Total One-Time-Only					0.0%

Page Reference

LFD Budget Analysis, A-222

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	471,640	475,031	650,408	631,061	636,105
Operating Expenses	301,753	300,348	273,827	410,680	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	\$1,710,530	\$1,691,795
General Fund	815,985	817,421	980,277	1,101,555	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	\$1,710,530	\$1,691,795
Total Ongoing	\$1,338,172	\$1,426,396	\$1,589,252	\$1,710,530	\$1,691,795
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

LFD Budget Analysis, A-224

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	92.9%	980,277	8,975	600,000	1,589,252	93.9%
Statewide PL										
Personal Services	(19,347)	0	0	(19,347)	(1.1%)	(14,303)	0	0	(14,303)	(0.8%)
Fixed Costs	59,940	0	0	59,940	3.5%	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	29,702	0	0	29,702	1.7%	0	0	0	0	0.0%
Total HB 2 Adjustments	121,278	0	0	121,278	7.1%	102,543	0	0	102,543	6.1%
Total Budget	1,101,555	8,975	600,000	1,710,530		1,082,820	8,975	600,000	1,691,795	

Present Law Adjustments -

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

Present Law Adjustments										
-----Fiscal 2026-----						-----Fiscal 2027-----				
PB	General Fund	State Special	Federal Special	Total Funds		PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services										
0.00	(19,347)	0	0	(19,347)		0.00	(14,303)	0	0	(14,303)
DP 2 - Fixed Costs										
0.00	59,940	0	0	59,940		0.00	62,149	0	0	62,149
DP 3 - Inflation Deflation										
0.00	(52)	0	0	(52)		0.00	(35)	0	0	(35)
DP 22 - Fixed Cost Adjustment for Robert's Rules										
0.00	(150)	0	0	(150)		0.00	(150)	0	0	(150)
DP 8105 - DO ADMINISTRATIVE COSTS ADJUSTMENTS										
0.00	51,185	0	0	51,185		0.00	54,882	0	0	54,882
Grand Total All Present Law Adjustments										
0.00	\$91,576	\$0	\$0	\$91,576		0.00	\$102,543	\$0	\$0	\$102,543

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

DP 8105 - DO ADMINISTRATIVE COSTS ADJUSTMENTS -

The legislature adopted adjustments for increased non-state building rent per the terms of the lease agreement, and indirect costs paid to the Director's Office's Centralized Services for support services provided to supported divisions, bureaus, and programs.

New Proposals -

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

New Proposals										
	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 8106 - Travel Expense Reimbursement (Restricted)	0.00	29,702	0	0	29,702	0.00	0	0	0	0
Total	0.00	\$29,702	\$0	\$0	\$29,702	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 8106 - Travel Expense Reimbursement (Restricted) -

The legislature adopted restricted general fund authority in FY 2026 to reimburse travel expenses that were overpaid by employees in previous biennia.

Agency Base Budget Comparison

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

Agency Base Budget Comparison					
Budget Item	Base Budget FY 2025	Budget FY 2026	FY 2027	Biennium Change from Base	
				Amount	Percent
PB	628.48	629.48	629.48	1.00	0.1%
General Fund	2,644,467	1,127,876	1,133,305	(3,027,753)	(57.2%)
State/Other Special Rev. Funds	57,879,887	63,750,757	63,244,945	11,235,928	9.7%
Federal Spec. Rev. Funds	34,700,239	37,308,695	37,381,257	5,289,474	7.6%
Total Funds	95,224,593	102,187,328	101,759,507	13,497,649	7.1%
Personal Services	54,016,386	55,573,252	55,702,816	3,243,296	3.0%
Operating Expenses	29,412,193	32,622,246	32,064,861	5,862,721	10.0%
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	102,187,328	101,759,507	13,497,649	7.1%
Total Ongoing	95,224,593	102,087,328	101,759,507	13,397,649	7.0%
Total One-Time-Only	57,551	100,000		(15,102)	(13.1%)

Page Reference

LFD Budget Analysis Addendum, Page A-227

Agency Highlights

Department of Labor and Industry Major Budget Highlights
<ul style="list-style-type: none">• The legislature adopted a 2027 biennium budget for the Department of Labor and Industry that is approximately \$13.5 million, or 7.1% greater than the FY 2025 base budget. Significant 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 the passage and approval of 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 the passage and approval of HB 656◦ An increase in state special revenue appropriations of \$411,000 to fund 1.00 PB for the workforce component of the career and technical education aspect of HB 252. This is contingent on the passage and approval of HB 252

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	55,573,252	55,702,816
Operating Expenses	28,661,367	31,510,442	29,422,510	32,622,246	32,064,861
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	\$102,187,328	\$101,759,507
General Fund	2,546,999	2,646,116	2,702,018	1,127,876	1,133,305
State/Other Special Rev. Funds	53,449,858	57,963,280	57,879,887	63,750,757	63,244,945
Federal Spec. Rev. Funds	28,727,285	34,163,286	34,700,239	37,308,695	37,381,257
Total Funds	\$84,724,142	\$94,772,682	\$95,282,144	\$102,187,328	\$101,759,507
Total Ongoing	\$84,568,823	\$92,370,034	\$95,224,593	\$102,087,328	\$101,759,507
Total OTO	\$155,319	\$2,402,648	\$57,551	\$100,000	\$0

Page Reference

LFD Budget Analysis Addendum, Page A-232

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	55,573,252	462,746	55,246,976	55,702,816	455,840	918,586
Operating Expenses	29,422,510	32,309,854	32,622,246	312,392	31,770,597	32,064,861	294,264	606,656
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	\$102,187,328	\$2,095,954	\$99,688,587	\$101,759,507	\$2,070,920	\$4,166,874
General Fund	2,702,018	833,044	1,127,876	294,832	838,473	1,133,305	294,832	589,664
State/other Special Rev. Funds	57,879,887	63,545,938	63,750,757	204,819	63,065,160	63,244,945	179,785	384,604
Federal Spec. Rev. Funds	34,700,239	35,712,392	37,308,695	1,596,303	35,784,954	37,381,257	1,596,303	3,192,606
Other	0	0	0	0	0	0	0	0
Total Funds	\$95,282,144	\$100,091,374	\$102,187,328	\$2,095,954	\$99,688,587	\$101,759,507	\$2,070,920	\$4,166,874
Total Ongoing	\$95,224,593	\$99,991,374	\$102,087,328	\$2,095,954	\$99,688,587	\$101,759,507	\$2,070,920	\$4,166,874
Total OTO	\$57,551	\$100,000	\$100,000	\$0	\$0	\$0	\$0	\$0

The legislature adopted ongoing appropriations for the 2027 biennium that are approximately \$4.2 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 the passage and approval of 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 the passage and approval of HB 656. If this legislation passes, the appropriation is reduced from the agency budget and state special revenue will become the state match
- An increase in state special revenue appropriations to fund 1.00 PB and other operating expenses which will fulfill the workforce component in the career and technical education portion of HB 252. This appropriation is contingent on the passage and approval of HB 252

Funding

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

Total Department of Labor and Industry Funding by Source of Authority 2027 Biennium Budget						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	2,261,181				2,261,181	0.4%
02258 Employment Security Account	55,559,589	100,000			55,659,589	10.5%
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	126,895,702	100,000	-	1,407,247	128,402,949	24.2%
03954 UI Administrative Grants	21,889,398				21,889,398	4.1%
03124 Employment Trng Grants	18,851,159				18,851,159	3.6%
03682 Wagner Peyser	12,301,441				12,301,441	2.3%
03322 MT Community Service FSR	8,091,201				8,091,201	1.5%
03982 RESEA	2,133,719				2,133,719	0.4%
Other Federal Special Revenue	11,423,034				11,423,034	2.2%
Federal Special Revenue Total	74,689,952	-	-	-	74,689,952	14.1%
06069 UI Tax Benefit Fund			280,619,927		280,619,927	52.9%
06578 Technical Services Direct			14,633,532		14,633,532	2.8%
06546 Commissioner's Office/CSD			10,338,091		10,338,091	1.9%
06552 Legal Admin Services			7,882,590		7,882,590	1.5%
06568 Technical Services			7,761,942		7,761,942	1.5%
Other Proprietary Fund			3,060,252	614,578	3,674,830	0.7%
Proprietary Fund Total	-	-	324,296,334	614,578	324,910,912	61.3%
Total of All Funds	203,846,835	100,000	324,296,334	2,021,825	530,264,994	
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	93.2%	2,644,467	57,879,887	34,700,239	95,224,593	93.6%
Statewide PL										
Personal Services	18,807	574,082	376,785	969,674	0.9%	24,640	634,636	445,118	1,104,394	1.1%
Fixed Costs	17,585	(12,641)	(297,125)	(292,181)	(0.3%)	17,181	(13,498)	(295,976)	(292,293)	(0.3%)
Inflation Deflation	0	(29,384)	(9,507)	(38,891)	(0.0%)	0	(19,859)	(6,427)	(26,286)	(0.0%)
Total Statewide PL	36,392	532,057	70,153	638,602	0.6%	41,821	601,279	142,715	785,815	0.8%
Present Law (PL)	(168)	970,760	938,000	1,908,592	1.9%	(168)	970,760	938,000	1,908,592	1.9%
New Proposals	(1,552,815)	4,368,053	1,600,303	4,415,541	4.3%	(1,552,815)	3,793,019	1,600,303	3,840,507	3.8%
Total HB 2 Adjustments	(1,516,591)	5,870,870	2,608,456	6,962,735	6.8%	(1,511,162)	5,365,058	2,681,018	6,534,914	6.4%
Total Budget	1,127,876	63,750,757	37,308,695	102,187,328		1,133,305	63,244,945	37,381,257	101,759,507	

Language

If HB 2 and HB 656 are not both passed and approved, then appropriations to the Employment Standards Division of the Department of Labor and Industry in HB 2 are to change as follows: general fund appropriations to increase \$1,859,421 in FY 2026 and increase \$1,859,421 in FY 2027, and state special revenue appropriations to decrease \$1,859,421 in FY 2026 and decrease \$1,859,421 in FY 2027.

If HB 2 and HB 656 are not both passed and approved, then state special revenue appropriations in HB 2 for the Office of Community Services within the Department of Labor and Industry are to decrease \$295,000 in FY 2026 and \$295,000 in FY 2027.

If HB 2 and HB 656 are both passed and approved, then general fund appropriations in HB 2 for the Office of Community Services within the Department of Labor and Industry are to decrease \$295,000 in FY 2026 and \$295,000 in FY 2027.

If HB 2 and HB 656 are not both passed and approved, then appropriations to the Workforce Services Division of the Department of Labor and Industry in HB 2 are to change as follows: state special revenue appropriations to decrease \$525,000 in FY 2026 and decrease \$525,000 in FY 2027, and federal special revenue appropriations to decrease \$1,600,303 in FY 2026 and decrease \$1,600,303 in FY 2027.

If HB 2 and HB 252 are not both passed and approved, then the appropriations for Career and Technical Education –HB 252 within the Workforce Services Division are void.

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	Budget FY 2026	Budget FY 2027	Biennium Change from Base Amount	Percent
PB	222.00	223.00	223.00	1.00	0.2%
General Fund	271,895	277,897	278,175	12,282	2.3%
State/Other Special Rev. Funds	14,292,551	16,048,595	15,591,334	3,054,827	10.7%
Federal Spec. Rev. Funds	17,241,940	19,798,265	19,821,964	5,136,349	14.9%
Total Funds	31,806,386	36,124,757	35,691,473	8,203,458	12.9%
Personal Services	17,742,780	18,798,542	18,827,447	2,140,429	6.0%
Operating Expenses	7,271,814	8,688,607	8,226,418	2,371,397	16.3%
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	36,124,757	35,691,473	8,203,458	12.9%
Total Ongoing	31,806,386	36,124,757	35,691,473	8,203,458	12.9%
Total One-Time-Only					0.0%

Page Reference

LFD Budget Analysis Addendum, Page A-236

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	18,798,542	18,827,447
Operating Expenses	8,310,782	9,003,289	7,271,814	8,688,607	8,226,418
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	\$36,124,757	\$35,691,473
General Fund	172,847	271,895	271,895	277,897	278,175
State/Other Special Rev. Funds	12,918,933	13,775,583	14,292,551	16,048,595	15,591,334
Federal Spec. Rev. Funds	14,986,604	16,737,946	17,241,940	19,798,265	19,821,964
Total Funds	\$28,078,384	\$30,785,424	\$31,806,386	\$36,124,757	\$35,691,473
Total Ongoing	\$28,078,384	\$30,785,424	\$31,806,386	\$36,124,757	\$35,691,473
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

LFD Budget Analysis Addendum, Page A-238

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	88.0%	271,895	14,292,551	17,241,940	31,806,386	89.1%
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)	0	(4,147)	698,000	693,853	1.9%	0	(4,147)	698,000	693,853	1.9%
New Proposals	0	1,436,872	1,600,303	3,037,175	8.4%	0	961,838	1,600,303	2,562,141	7.2%
Total HB 2 Adjustments	6,002	1,756,044	2,556,325	4,318,371	12.0%	6,280	1,298,783	2,580,024	3,885,087	10.9%
Total Budget	277,897	16,048,595	19,798,265	36,124,757		278,175	15,591,334	19,821,964	35,691,473	

Present Law Adjustments -

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

Present Law Adjustments										
	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	5,746	373,016	338,700	717,462	0.00	6,011	388,496	360,516	755,023
DP 2 - Fixed Costs	0.00	256	(40,799)	(72,435)	(112,978)	0.00	269	(41,391)	(73,223)	(114,345)
DP 3 - Inflation Deflation	0.00	0	(8,898)	(8,243)	(17,141)	0.00	0	(6,013)	(5,572)	(11,585)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	0	(4,147)	(2,000)	(6,147)	0.00	0	(4,147)	(2,000)	(6,147)
DP 101 - WSD Increase Federal Long-term Authority	0.00	0	0	700,000	700,000	0.00	0	0	700,000	700,000
Grand Total All Present Law Adjustments	0.00	\$6,002	\$319,172	\$956,022	\$1,281,196	0.00	\$6,280	\$336,945	\$979,721	\$1,322,946

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

DP 101 - WSD Increase Federal Long-term Authority -

The legislature adopted an increase in federal authority for the upcoming biennium. This is due to an increase in annual federal grants that the division has experienced.

New Proposals -

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

New Proposals										
-----Fiscal 2026-----						-----Fiscal 2027-----				
PB	General Fund	State Special	Federal Special	Total Funds		PB	General Fund	State Special	Federal Special	Total Funds
DP 102 - Job Service Kiosks	0.00	0	540,000	0	540,000	0.00	0	90,000	0	90,000
DP 105 - Career and Technical Education - HB 252	1.00	0	218,059	0	218,059	1.00	0	193,025	0	193,025
DP 302 - Legal Adjustment	0.00	0	153,813	0	153,813	0.00	0	153,813	0	153,813
DP 1044 - WIOA Adult Basic Education	0.00	0	525,000	1,600,303	2,125,303	0.00	0	525,000	1,600,303	2,125,303
Total	1.00	\$0	\$1,436,872	\$1,600,303	\$3,037,175	1.00	\$0	\$961,838	\$1,600,303	\$2,562,141

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

DP 102 - Job Service Kiosks -

The legislature adopted an increase in state special revenue funds in the upcoming biennium to place job service kiosks at various locations throughout the state. These kiosks will provide public information on employment and training opportunities. With this request, the agency will partner with the Department of Administration to place these kiosks in Job Service Offices, Office of Public Assistance centers, county courthouses, and tribal headquarters across Montana.

DP 105 - Career and Technical Education - HB 252 -

The legislature adopted an increase in state special revenue authority to support a 1.00 PB increase, along with other operating expenses. This appropriation will implement the workforce component of HB 252, specifically in reference to the career and technical education. This appropriation is contingent on the passage of HB 252.

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 FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base Amount	Percent
PB	137.61	137.61	137.61	0.00	0.0%
State/Other Special Rev. Funds	7,327,377	7,918,103	7,907,740	1,171,089	8.0%
Federal Spec. Rev. Funds	11,493,224	11,372,013	11,416,006	(198,429)	(0.9%)
Total Funds	18,820,601	19,290,116	19,323,746	972,660	2.6%
Personal Services	11,134,224	11,204,070	11,232,901	168,523	0.8%
Operating Expenses	7,649,872	8,049,541	8,054,340	804,137	5.3%
Debt Service	36,505	36,505	36,505		0.0%
Total Expenditures	18,820,601	19,290,116	19,323,746	972,660	2.6%
Total Ongoing	18,820,601	19,290,116	19,323,746	972,660	2.6%
Total One-Time-Only					0.0%

Page Reference

LFD Budget Analysis, Page A-242

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	8,049,541	8,054,340
Debt Service	68,161	78,495	36,505	36,505	36,505
Total Expenditures	\$16,602,223	\$18,902,289	\$18,820,601	\$19,290,116	\$19,323,746
State/Other Special Rev. Funds	7,342,186	7,403,974	7,327,377	7,918,103	7,907,740
Federal Spec. Rev. Funds	9,260,037	11,498,315	11,493,224	11,372,013	11,416,006
Total Funds	\$16,602,223	\$18,902,289	\$18,820,601	\$19,290,116	\$19,323,746
Total Ongoing	\$16,602,223	\$18,902,289	\$18,820,601	\$19,290,116	\$19,323,746
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

LFD Budget Analysis, Page A-244

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	604,985	80,000	684,985	3.6%	0	604,985	80,000	684,985	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	590,726	(121,211)	469,515	2.4%	0	580,363	(77,218)	503,145	2.6%
Total Budget	0	7,918,103	11,372,013	19,290,116		0	7,907,740	11,416,006	19,323,746	

Present Law Adjustments -

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

Present Law Adjustments										
-----Fiscal 2026-----						-----Fiscal 2027-----				
PB	General Fund	State Special	Federal Special	Total Funds		PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services										
0.00	0	42,607	27,239	69,846		0.00	0	30,051	68,626	98,677
DP 2 - Fixed Costs										
0.00	0	(258,928)	(227,382)	(486,310)		0.00	0	(256,735)	(225,122)	(481,857)
DP 3 - Inflation Deflation										
0.00	0	0	(1,068)	(1,068)		0.00	0	0	(722)	(722)
DP 22 - Fixed Cost Adjustment for Robert's Rules										
0.00	0	(2,015)	(2,000)	(4,015)		0.00	0	(2,015)	(2,000)	(4,015)
DP 201 - UID Software Maintenance Contract Operations										
0.00	0	607,000	0	607,000		0.00	0	607,000	0	607,000
DP 303 - Postage & Mailing Inflation										
0.00	0	0	82,000	82,000		0.00	0	0	82,000	82,000
Grand Total All Present Law Adjustments										
0.00	\$0	\$388,664	(\$121,211)	\$267,453		0.00	\$0	\$378,301	(\$77,218)	\$301,083

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

DP 201 - UID Software Maintenance Contract Operations -

The legislature adopted an increase in state special revenue funding in each fiscal year of the 2027 biennium. This funding will be used towards ongoing contracted costs regarding software maintenance of the Montana Unemployment Services Environment system (MUSE).

DP 303 - Postage & Mailing Inflation -

The legislature adopted an increase in federal special revenue authority for the upcoming biennium. This is an inflationary adjustment to be utilized within postage and mailing costs in the division.

New Proposals -

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

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 302 - Legal Adjustment	0.00	0	202,062	0	202,062	0.00	0	202,062	0	202,062
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 FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base Amount	Percent
PB	10.00	10.00	10.00	0.00	0.0%
General Fund	344,698	344,885	346,126	1,615	0.2%
State/Other Special Rev. Funds	705,620	883,287	784,051	256,098	18.1%
Federal Spec. Rev. Funds	609,420	602,216	603,844	(12,780)	(1.0%)
Total Funds	1,659,738	1,830,388	1,734,021	244,933	7.4%
Personal Services	973,452	1,060,722	1,064,541	178,359	9.2%
Operating Expenses	632,927	716,307	616,121	66,574	5.3%
Transfers	50,000	50,000	50,000		0.0%
Debt Service	3,359	3,359	3,359		0.0%
Total Expenditures	1,659,738	1,830,388	1,734,021	244,933	7.4%
Total Ongoing	1,659,738	1,730,388	1,734,021	144,933	4.4%
Total One-Time-Only		100,000		100,000	0.0%

Page Reference

LFD Budget Analysis, Page A-247

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	797,638	898,960	973,452	1,060,722	1,064,541
Operating Expenses	285,924	401,587	632,927	716,307	616,121
Transfers	0	5,000	50,000	50,000	50,000
Debt Service	648	2,698	3,359	3,359	3,359
Total Expenditures	\$1,084,210	\$1,308,245	\$1,659,738	\$1,830,388	\$1,734,021
General Fund	324,768	324,818	344,698	344,885	346,126
State/Other Special Rev. Funds	307,134	408,286	705,620	883,287	784,051
Federal Spec. Rev. Funds	452,308	575,141	609,420	602,216	603,844
Total Funds	\$1,084,210	\$1,308,245	\$1,659,738	\$1,830,388	\$1,734,021
Total Ongoing	\$1,084,210	\$1,308,245	\$1,659,738	\$1,730,388	\$1,734,021
Total OTO	\$0	\$0	\$0	\$100,000	\$0

Page Reference

LFD Budget Analysis, Page A-249

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 FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base Amount	Percent
PB	248.87	248.87	248.87	0.00	0.0%
General Fund	1,860,556	38,317	41,978	(3,640,817)	(97.8%)
State/Other Special Rev. Funds	34,772,745	37,879,351	37,939,642	6,273,503	9.0%
Federal Spec. Rev. Funds	1,318,200	1,490,977	1,493,466	348,043	13.2%
Total Funds	37,951,501	39,408,645	39,475,086	2,980,729	3.9%
Personal Services	23,114,697	23,256,853	23,319,531	346,990	0.8%
Operating Expenses	13,320,905	14,285,893	14,289,656	1,933,739	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	39,408,645	39,475,086	2,980,729	3.9%
Total Ongoing	37,951,501	39,408,645	39,475,086	2,980,729	3.9%
Total One-Time-Only					0.0%

Page Reference

LFD Budget Analysis Addendum, Page A-252

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	14,285,893	14,289,656
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	\$39,408,645	\$39,475,086
General Fund	1,785,595	1,785,607	1,860,556	38,317	41,978
State/Other Special Rev. Funds	32,173,438	35,626,826	34,772,745	37,879,351	37,939,642
Federal Spec. Rev. Funds	1,124,729	1,332,216	1,318,200	1,490,977	1,493,466
Total Funds	\$35,083,762	\$38,744,649	\$37,951,501	\$39,408,645	\$39,475,086
Total Ongoing	\$35,031,087	\$36,444,649	\$37,951,501	\$39,408,645	\$39,475,086
Total OTO	\$52,675	\$2,300,000	\$0	\$0	\$0

Page Reference

LFD Budget Analysis Addendum, Page A-256

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)	0	370,061	160,000	530,061	1.3%	0	370,061	160,000	530,061	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	(1,822,239)	3,106,606	172,777	1,457,144	3.7%	(1,818,578)	3,166,897	175,266	1,523,585	3.9%
Total Budget	38,317	37,879,351	1,490,977	39,408,645		41,978	37,939,642	1,493,466	39,475,086	

Present Law Adjustments -

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

Present Law Adjustments										
-----Fiscal 2026-----						-----Fiscal 2027-----				
PB	General Fund	State Special	Federal Special	Total Funds		PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	9,123	127,052	5,981	142,156	0.00	13,149	183,066	8,619	204,834
DP 2 - Fixed Costs	0.00	18,457	299,893	6,796	325,146	0.00	18,092	297,585	6,647	322,324
DP 3 - Inflation Deflation	0.00	0	(20,316)	0	(20,316)	0.00	0	(13,731)	0	(13,731)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	0	(6,939)	0	(6,939)	0.00	0	(6,939)	0	(6,939)
DP 303 - Postage & Mailing Inflation	0.00	0	27,000	0	27,000	0.00	0	27,000	0	27,000
DP 501 - Equipment for Weights & Measures	0.00	0	350,000	0	350,000	0.00	0	350,000	0	350,000
DP 502 - ESD Increase Federal Long-term Authority	0.00	0	0	160,000	160,000	0.00	0	0	160,000	160,000
Grand Total All Present Law Adjustments	0.00	\$27,580	\$776,690	\$172,777	\$977,047	0.00	\$31,241	\$836,981	\$175,266	\$1,043,488

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

DP 303 - Postage & Mailing Inflation -

The legislature adopted an increase in state special revenue authority for the upcoming biennium. This is an inflationary adjustment to be utilized within postage and mailing costs in the division.

DP 501 - Equipment for Weights & Measures -

The legislature adopted an increase in state special revenue authority to support equipment replacements in the Weights and Measures Program within ESD. This increase will be used towards purchasing equipment on a replacement schedule for weight and measuring calibration, as well as other associated equipment in the program. This will provide consistent maintenance for equipment to reduce the risk of a large maintenance backlog within the Weights and Measures Program of the division.

DP 502 - ESD Increase Federal Long-term Authority -

The legislature adopted an increase in federal special revenue authority in each year of the upcoming biennium. As the ESD has experienced an increase in annual federal grants, this adjusts the level of appropriations to the anticipated awards.

New Proposals -

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

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 302 - Legal Adjustment	0.00	9,602	470,495	0	480,097	0.00	9,602	470,495	0	480,097
DP 503 - Human Rights Bureau Funding Switch	0.00	(1,859,421)	1,859,421	0	0	0.00	(1,859,421)	1,859,421	0	0
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 FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base Amount	Percent
PB	5.00	5.00	5.00	0.00	0.0%
General Fund	167,318	466,777	467,026	599,167	179.1%
State/Other Special Rev. Funds		295,000	295,000	590,000	0.0%
Federal Spec. Rev. Funds	4,037,455	4,045,224	4,045,977	16,291	0.2%
Total Funds	4,204,773	4,807,001	4,808,003	1,205,458	14.3%
Personal Services	456,678	704,787	709,304	500,735	54.8%
Operating Expenses	401,551	755,670	752,155	704,723	87.8%
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	4,807,001	4,808,003	1,205,458	14.3%
Total Ongoing	4,204,773	4,807,001	4,808,003	1,205,458	14.3%
Total One-Time-Only	57,551			(115,102)	(100.0%)

Page Reference

LFD Budget Analysis, Page A-260

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	755,670	752,155
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	\$4,807,001	\$4,808,003
General Fund	263,789	263,796	224,869	466,777	467,026
State/Other Special Rev. Funds	0	0	0	295,000	295,000
Federal Spec. Rev. Funds	2,903,607	4,019,668	4,037,455	4,045,224	4,045,977
Total Funds	\$3,167,396	\$4,283,464	\$4,262,324	\$4,807,001	\$4,808,003
Total Ongoing	\$3,064,752	\$4,180,816	\$4,204,773	\$4,807,001	\$4,808,003
Total OTO	\$102,644	\$102,648	\$57,551	\$0	\$0

Page Reference

LFD Budget Analysis, Page A-262

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)	(168)	0	0	(168)	(0.0%)	(168)	0	0	(168)	(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	299,459	295,000	7,769	602,228	12.5%	299,708	295,000	8,522	603,230	12.5%
Total Budget	466,777	295,000	4,045,224	4,807,001		467,026	295,000	4,045,977	4,808,003	

Present Law Adjustments -

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

Present Law Adjustments										
-----Fiscal 2026-----						-----Fiscal 2027-----				
PB	General Fund	State Special	Federal Special	Total Funds		PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services										
0.00	(188)	0	(595)	(783)		0.00	56	0	178	234
DP 2 - Fixed Costs										
0.00	4,815	0	8,478	13,293		0.00	4,820	0	8,421	13,241
DP 3 - Inflation Deflation										
0.00	0	0	(114)	(114)		0.00	0	0	(77)	(77)
DP 22 - Fixed Cost Adjustment for Robert's Rules										
0.00	(168)	0	0	(168)		0.00	(168)	0	0	(168)
Grand Total All Present Law Adjustments										
0.00	\$4,459	\$0	\$7,769	\$12,228		0.00	\$4,708	\$0	\$8,522	\$13,230

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

New Proposals -

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

New Proposals										
-----Fiscal 2026-----						-----Fiscal 2027-----				
PB	General Fund	State Special	Federal Special	Total Funds		PB	General Fund	State Special	Federal Special	Total Funds
DP 701 - OCS State Special Revenue Fund Match										
0.00	0	295,000	0	295,000		0.00	0	295,000	0	295,000
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 FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base		
				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%	
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%	

Page Reference

LFD Budget Analysis, Page A-265

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

Page Reference

LFD Budget Analysis, Page A-267

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 FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base Amount	Percent
PB	234.66	252.66	252.66	18.00	3.8%
General Fund	9,113,675	11,480,320	11,486,151	4,739,121	26.0%
State/Other Special Rev. Funds	1,175,587	1,550,880	1,504,702	704,408	30.0%
Federal Spec. Rev. Funds	48,822,301	49,994,111	50,128,847	2,478,356	2.5%
Total Funds	59,111,563	63,025,311	63,119,700	7,921,885	6.7%
Personal Services	21,514,133	23,343,187	23,529,363	3,844,284	8.9%
Operating Expenses	22,174,153	23,704,347	23,611,560	2,967,601	6.7%
Equipment & Intangible Assets	150,536	225,536	225,536	150,000	49.8%
Grants	13,240,681	13,446,181	13,446,181	411,000	1.6%
Benefits & Claims	800	800	800		0.0%
Transfers	1,617,260	1,867,260	1,867,260	500,000	15.5%
Debt Service	414,000	438,000	439,000	49,000	5.9%
Total Expenditures	59,111,563	63,025,311	63,119,700	7,921,885	6.7%
Total Ongoing	59,111,563	62,875,311	62,969,700	7,621,885	6.4%
Total One-Time-Only		150,000	150,000	300,000	0.0%

Page Reference

LFD Budget Analysis Addendum, Page A-270

Agency Highlights

Department of Military Affairs Major Budget Highlights
<ul style="list-style-type: none"> The legislature adopted a 2027 biennium budget for the Department of Military Affairs' that is approximately \$7.9 million or 6.7% higher than the FY 2025 base budget. Significant changes adopted by the legislature include: <ul style="list-style-type: none"> An increase in general fund appropriations of \$3.8 million in the Veterans' Affairs Division to support 14.00 PB for Veteran Services Offices 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	23,704,347	23,611,560
Equipment & Intangible Assets	296,563	348,764	150,536	225,536	225,536
Grants	12,746,019	13,192,933	13,240,681	13,446,181	13,446,181
Benefits & Claims	1,501	2,953	800	800	800
Transfers	1,039,252	1,233,176	1,617,260	1,867,260	1,867,260
Debt Service	342,219	414,000	414,000	438,000	439,000
Total Expenditures	\$54,140,201	\$57,212,107	\$59,111,563	\$63,025,311	\$63,119,700
General Fund	8,192,118	8,688,043	9,113,675	11,480,320	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	\$63,025,311	\$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	\$150,000	\$150,000

Page Reference

LFD Budget Analysis Addendum, Page A-274

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	23,704,347	(1,880)	23,613,440	23,611,560	(1,880)	(3,760)
Equipment & Intangible Assets	150,536	225,536	225,536	0	225,536	225,536	0	0
Grants	13,240,681	13,296,181	13,446,181	150,000	13,296,181	13,446,181	150,000	300,000
Benefits & Claims	800	800	800	0	800	800	0	0
Transfers	1,617,260	1,867,260	1,867,260	0	1,867,260	1,867,260	0	0
Debt Service	414,000	438,000	438,000	0	439,000	439,000	0	0
Total Costs	\$59,111,563	\$62,697,905	\$63,025,311	\$327,406	\$62,792,294	\$63,119,700	\$327,406	\$654,812
General Fund	9,113,675	11,151,139	11,480,320	329,181	11,156,970	11,486,151	329,181	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	\$63,025,311	\$327,406	\$62,792,294	\$63,119,700	\$327,406	\$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	\$150,000	\$150,000	\$0	\$150,000	\$150,000	\$300,000

The legislature adopted ongoing appropriations for the 2027 biennium that are approximately \$655,000 higher than the executive proposed budget. Significant changes adopted by the legislature include:

- An increase in appropriations to fund additional PB within the Veterans' Affairs Division for Veteran Service Offices
- Increased appropriations in the Veterans' Affairs Division for education and grants attributed to the safe storage of firearms

Funding

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

Total Department of Military Affairs Funding by Source of Authority 2027 Biennium Budget						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	18,666,471	4,300,000		8,090,000	31,056,471	22.9%
02548 Veterans Affairs SB401	1,406,868				1,406,868	1.0%
02214 Veterans Affairs Cemeteries				1,182,419	1,182,419	0.9%
02457 Veterans Affairs HB701 SSR	1,046,096				1,046,096	0.8%
02170 SAR DES Off Road Vehicle	400,308				400,308	0.3%
02222 Patriotic License Plate Fees	160,266				160,266	0.1%
Other State Special Revenue	42,044			80,000	122,044	0.1%
State Special Revenue Total	3,055,582	-	-	1,262,419	4,318,001	3.2%
03132 National Guard	40,359,728				40,359,728	29.8%
03143 DES Homeland Security 97.067	15,302,576				15,302,576	11.3%
03453 Air National Guard	13,027,789				13,027,789	9.6%
03134 DES Emergency Mgmt Perf 97.042	10,946,741				10,946,741	8.1%
03410 Challenge NG Funding (4001)	9,647,132				9,647,132	7.1%
Other Federal Special Revenue	10,838,992				10,838,992	8.0%
Federal Special Revenue Total	100,122,958	-	-	-	100,122,958	73.9%
Proprietary Fund Total	-	-	-	-	-	0.0%
Total of All Funds	121,845,011	4,300,000	-	9,352,419	135,497,430	
Percent of All Sources of Authority	89.9%	3.2%	0.0%	6.9%		

HB 2 Appropriations

General Fund

General fund supports most programs within the agency, while also funding the National Guard Scholarship Program.

State Special Revenue

State special revenue funding provides a smaller piece of the total appropriation authority for the agency. This funding is mainly within the Disaster and Emergency Services and Veterans' Affairs programs. Further detail on each of these funds is provided at the program level.

Federal Special Revenue

When considering HB 2 appropriations, federal special revenue incorporates the largest amount of funding within the Department of Military Affairs. Funding requirements for federal special revenue are guided by federal government initiatives, programs, and objectives within the agency. Individual details on this can be found at the program level.

*Statutory Appropriations*General Fund

Appropriations 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	93.8%	9,113,675	1,175,587	48,822,301	59,111,563	93.6%
Statewide PL										
Personal Services	113,162	(67,649)	(273,665)	(228,152)	(0.4%)	127,951	(63,613)	(225,344)	(161,006)	(0.3%)
Fixed Costs	45,878	4,809	2,826	53,513	0.1%	10,661	4,408	(52,658)	(37,589)	(0.1%)
Inflation Deflation	(3,428)	(576)	(3,630)	(7,634)	(0.0%)	(2,320)	(389)	(2,451)	(5,160)	(0.0%)
Total Statewide PL	155,612	(63,416)	(274,469)	(182,273)	(0.3%)	136,292	(59,594)	(280,453)	(203,755)	(0.3%)
Present Law (PL)	(105)	438,709	685,607	1,124,211	1.8%	(105)	388,709	701,494	1,090,098	1.7%
New Proposals	2,211,138	0	760,672	2,971,810	4.7%	2,236,289	0	885,505	3,121,794	4.9%
Total HB 2 Adjustments	2,366,645	375,293	1,171,810	3,913,748	6.2%	2,372,476	329,115	1,306,546	4,008,137	6.4%
Total Budget	11,480,320	1,550,880	49,994,111	63,025,311		11,486,151	1,504,702	50,128,847	63,119,700	

Language

If LC 4259 is passed and approved and contains language for an exception in carryforward authority for this purpose, then any amount of the general fund appropriations for Contracted Services within the Army National Guard Program, \$418,337 in FY 2026 and \$439,253 in FY 2027, that is unexpended at the close of each corresponding fiscal year must revert back to the general fund.

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	Budget FY 2026	Budget FY 2027	Biennium Change from Base Amount	Percent
PB	15.21	16.21	16.21	1.00	3.3%
General Fund	1,140,705	1,324,407	1,308,095	351,092	15.4%
Federal Spec. Rev. Funds	670,419	710,730	712,021	81,913	6.1%
Total Funds	1,811,124	2,035,137	2,020,116	433,005	12.0%
Personal Services	1,501,277	1,700,797	1,704,195	402,438	13.4%
Operating Expenses	259,092	283,585	265,166	30,567	5.9%
Benefits & Claims	100	100	100		0.0%
Transfers	50,655	50,655	50,655		0.0%
Total Expenditures	1,811,124	2,035,137	2,020,116	433,005	12.0%
Total Ongoing	1,811,124	2,035,137	2,020,116	433,005	12.0%
Total One-Time-Only					0.0%

Page Reference

LFD Budget Analysis, Page A-277

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	1,343,507	1,452,120	1,501,277	1,700,797	1,704,195
Operating Expenses	239,678	295,627	259,092	283,585	265,166
Benefits & Claims	0	100	100	100	100
Transfers	0	50,655	50,655	50,655	50,655
Total Expenditures	\$1,583,185	\$1,798,502	\$1,811,124	\$2,035,137	\$2,020,116
General Fund	1,040,684	1,147,632	1,140,705	1,324,407	1,308,095
Federal Spec. Rev. Funds	542,501	650,870	670,419	710,730	712,021
Total Funds	\$1,583,185	\$1,798,502	\$1,811,124	\$2,035,137	\$2,020,116
Total Ongoing	\$1,558,314	\$1,773,502	\$1,811,124	\$2,035,137	\$2,020,116
Total OTO	\$24,871	\$25,000	\$0	\$0	\$0

Page Reference

LFD Budget Analysis, Page A-279

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 FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base 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%

Page Reference

LFD Budget Analysis, Page A-282

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

Page Reference

LFD Budget Analysis, Page A-284

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.

Present Law Adjustments										
-----Fiscal 2026-----						-----Fiscal 2027-----				
PB	General Fund	State Special	Federal Special	Total Funds		PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services										
0.00	44,250	0	132,708	176,958		0.00	45,650	0	136,836	182,486
DP 2 - Fixed Costs										
0.00	3,113	0	9,340	12,453		0.00	2,459	0	7,379	9,838
DP 3 - Inflation Deflation										
0.00	(100)	0	(1,975)	(2,075)		0.00	(70)	0	(1,332)	(1,402)
DP 22 - Fixed Cost Adjustment for Robert's Rules										
0.00	0	0	(481)	(481)		0.00	0	0	(481)	(481)
Grand Total All Present Law Adjustments										
0.00	\$47,263	\$0	\$139,592	\$186,855		0.00	\$48,039	\$0	\$142,402	\$190,441

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

New Proposals -

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

New Proposals										
-----Fiscal 2026-----						-----Fiscal 2027-----				
PB	General Fund	State Special	Federal Special	Total Funds		PB	General Fund	State Special	Federal Special	Total Funds
DP 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 FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base 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%

Page Reference

LFD Budget Analysis Addendum, Page A-287

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

Page Reference

LFD Budget Analysis Addendum, Page A-288

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 FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base Amount	Percent	
PB	7.00	7.00	7.00	0.00	0.0%	
Federal Spec. Rev. Funds	1,221,124	1,665,393	1,694,758	917,903	37.6%	
Total Funds	1,221,124	1,665,393	1,694,758	917,903	37.6%	
Personal Services	602,930	597,513	599,031	(9,316)	(0.8%)	
Operating Expenses	618,094	1,067,780	1,095,627	927,219	75.0%	
Benefits & Claims	100	100	100		0.0%	
Total Expenditures	1,221,124	1,665,393	1,694,758	917,903	37.6%	
Total Ongoing	1,221,124	1,665,393	1,694,758	917,903	37.6%	
Total One-Time-Only					0.0%	

Page Reference

LFD Budget Analysis Addendum, Page A-290

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

Page Reference

LFD Budget Analysis Addendum, Page A-292

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 FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base Amount	Percent
PB	55.30	55.30	55.30	0.00	0.0%
General Fund	2,079,242	2,077,036	2,067,221	(14,227)	(0.3%)
State/Other Special Rev. Funds	420	3,920	3,920	7,000	833.3%
Federal Spec. Rev. Funds	20,068,301	19,857,107	19,839,178	(440,317)	(1.1%)
Total Funds	22,147,963	21,938,063	21,910,319	(447,544)	(1.0%)
Personal Services	5,662,340	5,476,195	5,489,015	(359,470)	(3.2%)
Operating Expenses	15,919,887	15,896,132	15,855,568	(88,074)	(0.3%)
Equipment & Intangible Assets	150,536	150,536	150,536		0.0%
Benefits & Claims	200	200	200		0.0%
Transfers	25,000	25,000	25,000		0.0%
Debt Service	390,000	390,000	390,000		0.0%
Total Expenditures	22,147,963	21,938,063	21,910,319	(447,544)	(1.0%)
Total Ongoing	22,147,963	21,938,063	21,910,319	(447,544)	(1.0%)
Total One-Time-Only					0.0%

Page Reference

LFD Budget Analysis, Page A-295

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	5,279,761	5,330,922	5,662,340	5,476,195	5,489,015
Operating Expenses	14,037,766	14,906,463	15,919,887	15,896,132	15,855,568
Equipment & Intangible Assets	280,749	309,836	150,536	150,536	150,536
Benefits & Claims	1,000	2,000	200	200	200
Transfers	17,452	25,000	25,000	25,000	25,000
Debt Service	319,826	390,000	390,000	390,000	390,000
Total Expenditures	\$19,936,554	\$20,964,221	\$22,147,963	\$21,938,063	\$21,910,319
General Fund	1,951,507	2,024,815	2,079,242	2,077,036	2,067,221
State/Other Special Rev. Funds	0	420	420	3,920	3,920
Federal Spec. Rev. Funds	17,985,047	18,938,986	20,068,301	19,857,107	19,839,178
Total Funds	\$19,936,554	\$20,964,221	\$22,147,963	\$21,938,063	\$21,910,319
Total Ongoing	\$19,936,554	\$20,964,221	\$22,147,963	\$21,938,063	\$21,910,319
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

LFD Budget Analysis, Page A-297

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	101.0%	2,079,242	420	20,068,301	22,147,963	101.1%
Statewide PL										
Personal Services	(9,300)	0	(176,845)	(186,145)	(0.8%)	(8,650)	0	(164,675)	(173,325)	(0.8%)
Fixed Costs	7,098	0	(33,870)	(26,772)	(0.1%)	(3,368)	0	(63,995)	(67,363)	(0.3%)
Inflation Deflation	(4)	0	(80)	(84)	(0.0%)	(3)	0	(54)	(57)	(0.0%)
Total Statewide PL	(2,206)	0	(210,795)	(213,001)	(1.0%)	(12,021)	0	(228,724)	(240,745)	(1.1%)
Present Law (PL)	0	3,500	(399)	3,101	0.0%	0	3,500	(399)	3,101	0.0%
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	(2,206)	3,500	(211,194)	(209,900)	(1.0%)	(12,021)	3,500	(229,123)	(237,644)	(1.1%)
Total Budget	2,077,036	3,920	19,857,107	21,938,063		2,067,221	3,920	19,839,178	21,910,319	

Present Law Adjustments -

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

Present Law Adjustments										
	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(9,300)	0	(176,845)	(186,145)	0.00	(8,650)	0	(164,675)	(173,325)
DP 2 - Fixed Costs	0.00	7,098	0	(33,870)	(26,772)	0.00	(3,368)	0	(63,995)	(67,363)
DP 3 - Inflation Deflation	0.00	(4)	0	(80)	(84)	0.00	(3)	0	(54)	(57)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	0	0	(399)	(399)	0.00	0	0	(399)	(399)
DP 1201 - Army National Guard State Special Revenue Increase	0.00	0	3,500	0	3,500	0.00	0	3,500	0	3,500
Grand Total All Present Law Adjustments	0.00	(\$2,206)	\$3,500	(\$211,194)	(\$209,900)	0.00	(\$12,021)	\$3,500	(\$229,123)	(\$237,644)

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

DP 1 - Personal Services -

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

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

DP 1201 - Army National Guard State Special Revenue Increase -

The legislature adopted an increase in state special revenue authority within this program. The primary source of this funding is rental fees paid. The increase in this authority is due to an increase in revenue from grazing leases and armory rentals. This increase in appropriations will be utilized for janitorial and utility expenses when armories are being rented, as well as repair and maintenance of grazing land fences.

Program Base Budget Comparison

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

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base 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%

Page Reference

LFD Budget Analysis, Page A-300

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	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

Page Reference

LFD Budget Analysis, Page A-302

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 FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base 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%

Page Reference

LFD Budget Analysis, Page A-305

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	3,155,309	3,351,066	3,077,190	3,396,760	3,404,264
Operating Expenses	827,302	1,071,103	863,885	898,755	856,219
Equipment & Intangible Assets	15,814	15,814	0	0	0
Grants	12,716,019	13,157,933	13,205,681	13,273,681	13,273,681
Benefits & Claims	250	300	100	100	100
Transfers	771,800	907,521	1,521,605	1,521,605	1,521,605
Total Expenditures	\$17,486,494	\$18,503,737	\$18,668,461	\$19,090,901	\$19,055,869
General Fund	1,636,426	1,928,111	1,991,285	2,146,261	2,128,221
State/Other Special Rev. Funds	149,140	156,756	136,756	204,756	204,756
Federal Spec. Rev. Funds	15,700,928	16,418,870	16,540,420	16,739,884	16,722,892
Total Funds	\$17,486,494	\$18,503,737	\$18,668,461	\$19,090,901	\$19,055,869
Total Ongoing	\$17,486,494	\$18,503,737	\$18,668,461	\$19,090,901	\$19,055,869
Total OTO	\$0	\$0	\$0	\$0	\$0

Page Reference

LFD Budget Analysis, Page A-307

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 FY 2025	Budget FY 2026	Budget FY 2027	Biennium Change from Base Amount	Percent
PB	25.00	39.00	39.00	14.00	28.0%
General Fund	1,793,051	3,744,634	3,795,085	3,953,617	110.2%
State/Other Special Rev. Funds	1,038,411	1,342,204	1,296,026	561,408	27.0%
Total Funds	2,831,462	5,086,838	5,091,111	4,515,025	79.7%
Personal Services	2,458,166	3,201,262	3,211,353	1,496,283	30.4%
Operating Expenses	294,196	1,569,976	1,563,158	2,544,742	432.5%
Equipment & Intangible Assets		75,000	75,000	150,000	0.0%
Grants	35,000	172,500	172,500	275,000	392.9%
Benefits & Claims	100	100	100		0.0%
Transfers	20,000	20,000	20,000		0.0%
Debt Service	24,000	48,000	49,000	49,000	102.1%
Total Expenditures	2,831,462	5,086,838	5,091,111	4,515,025	79.7%
Total Ongoing	2,831,462	4,936,838	4,941,111	4,215,025	74.4%
Total One-Time-Only		150,000	150,000	300,000	0.0%

Page Reference

LFD Budget Analysis Addendum, Page A-310

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	2,112,112	2,116,309	2,458,166	3,201,262	3,211,353
Operating Expenses	241,105	246,226	294,196	1,569,976	1,563,158
Equipment & Intangible Assets	0	0	0	75,000	75,000
Grants	30,000	35,000	35,000	172,500	172,500
Benefits & Claims	0	100	100	100	100
Transfers	0	0	20,000	20,000	20,000
Debt Service	22,393	24,000	24,000	48,000	49,000
Total Expenditures	\$2,405,610	\$2,421,635	\$2,831,462	\$5,086,838	\$5,091,111
General Fund	1,570,156	1,570,593	1,793,051	3,744,634	3,795,085
State/Other Special Rev. Funds	835,454	851,042	1,038,411	1,342,204	1,296,026
Total Funds	\$2,405,610	\$2,421,635	\$2,831,462	\$5,086,838	\$5,091,111
Total Ongoing	\$2,405,610	\$2,421,635	\$2,831,462	\$4,936,838	\$4,941,111
Total OTO	\$0	\$0	\$0	\$150,000	\$150,000

Page Reference

LFD Budget Analysis Addendum, Page A-312

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.