

Agency Base Budget Comparison

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

Agency Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
PB	153.27	160.27	160.27	7.00	2.3%
General Fund	600,133,936	599,225,730	669,885,228	68,843,086	5.7%
State/Other Special Rev. Funds	454,279,835	535,379,218	539,116,166	165,935,714	18.3%
Federal Spec. Rev. Funds	173,965,649	182,733,946	182,744,699	17,547,347	5.0%
<b>Total Funds</b>	<b>1,228,379,420</b>	<b>1,317,338,894</b>	<b>1,391,746,093</b>	<b>252,326,147</b>	<b>10.3%</b>
Personal Services	14,402,364	15,729,503	15,749,011	2,673,786	9.3%
Operating Expenses	20,821,785	26,624,566	29,381,887	14,362,883	34.5%
Local Assistance	1,024,600,340	1,095,791,545	1,167,306,796	213,897,661	10.4%
Grants	165,696,503	174,382,841	174,457,196	17,447,031	5.3%
Transfers	2,818,239	4,770,250	4,811,014	3,944,786	70.0%
Debt Service	40,189	40,189	40,189		0.0%
<b>Total Expenditures</b>	<b>1,228,379,420</b>	<b>1,317,338,894</b>	<b>1,391,746,093</b>	<b>252,326,147</b>	<b>10.3%</b>
<b>Total Ongoing</b>	<b>1,228,379,420</b>	<b>1,311,701,044</b>	<b>1,386,077,593</b>	<b>241,019,797</b>	<b>9.8%</b>
<b>Total One-Time-Only</b>		<b>5,637,850</b>	<b>5,668,500</b>	<b>11,306,350</b>	<b>0.0%</b>

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**Agency Highlights****Office of Public Instruction  
Major Budget Highlights**

The Office of Public Instruction's (OPI) 2027 biennium adopted HB 2 budget is approximately \$252.3 million or 10.3% above the FY 2025 base budget. Significant changes are listed below by program:

- An increase above the FY 2025 base budget in the State Level Activities Program, totaling approximately \$20.9 million. Major highlights include:
  - Increases for PowerSchool subscription costs, the database modernization project, implementation of revised math content standards, IT subscription costs, high school assessment funding, 7.00 new positions budgeted (PB), and several other smaller programs
  - Increases for the Montana Digital Academy (MTDA), including inflationary adjustments for personal services, additional funding for the MTDA Clearinghouse, and a new MTDA Frontier Learning Lab
  - A fund switch from general fund to state special revenue for the teacher licensure system
- An increase above the FY 2025 base budget in the Local Education Activities Program, totaling approximately \$226.5 million. Major highlights include:
  - Increases for the K-12 BASE aid inflationary adjustment, countywide school retirement, teacher pay incentives, major maintenance aid, debt service assistance, and school lunch funding
  - A reduction in the amount of funding appropriated for unanticipated significant enrollment increases
  - Decreases in general fund and increases in state special revenue for K-12 BASE aid for increased revenue from the 95 mills due to the property reappraisal cycle and for the proposed transfer of non-levy revenue associated with the 95 mills from the general fund to the school equalization and property tax reduction (SEPTR) state special revenue account, contingent on legislation
  - Increases in general fund and decreases in state special revenue for K-12 BASE aid to backfill lost property tax revenue from the 95 mills due to the proposed implementation of homestead and comstead property tax exemptions, contingent on legislation and a proposed increased business equipment tax exemption, also contingent on legislation

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	12,798,606	13,877,493	14,402,364	15,729,503	15,749,011
Operating Expenses	14,171,180	17,234,795	20,821,785	26,624,566	29,381,887
Local Assistance	902,127,261	932,253,505	1,024,600,340	1,095,791,545	1,167,306,796
Grants	162,378,868	165,247,825	165,696,503	174,382,841	174,457,196
Transfers	2,973,276	3,020,365	2,818,239	4,770,250	4,811,014
Debt Service	39,594	39,594	40,189	40,189	40,189
<b>Total Expenditures</b>	<b>\$1,094,488,785</b>	<b>\$1,131,673,577</b>	<b>\$1,228,379,420</b>	<b>\$1,317,338,894</b>	<b>\$1,391,746,093</b>
General Fund	497,363,554	513,216,754	600,133,936	599,225,730	669,885,228
State/Other Special Rev. Funds	428,766,432	444,874,668	454,279,835	535,379,218	539,116,166
Federal Spec. Rev. Funds	168,358,799	173,582,155	173,965,649	182,733,946	182,744,699
<b>Total Funds</b>	<b>\$1,094,488,785</b>	<b>\$1,131,673,577</b>	<b>\$1,228,379,420</b>	<b>\$1,317,338,894</b>	<b>\$1,391,746,093</b>
<b>Total Ongoing</b>	<b>\$1,094,260,320</b>	<b>\$1,131,339,885</b>	<b>\$1,228,379,420</b>	<b>\$1,311,701,044</b>	<b>\$1,386,077,593</b>
<b>Total OTO</b>	<b>\$228,465</b>	<b>\$333,692</b>	<b>\$0</b>	<b>\$5,637,850</b>	<b>\$5,668,500</b>

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Executive Budget Comparison

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

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2025	Executive Budget Fiscal 2026	Legislative Budget Fiscal 2026	Leg — Exec. Difference Fiscal 2026	Executive Budget Fiscal 2027	Legislative Budget Fiscal 2027	Leg — Exec. Difference Fiscal 2027	Biennium Difference Fiscal 26-27
Personal Services	14,402,364	15,216,679	15,729,503	512,824	15,236,187	15,749,011	512,824	1,025,648
Operating Expenses	20,821,785	22,439,477	26,624,566	4,185,089	25,857,556	29,381,887	3,524,331	7,709,420
Equipment & Intangible Assets	0	0	0	0	0	0	0	0
Local Assistance	1,024,600,340	1,100,236,059	1,095,791,545	(4,444,514)	1,174,054,143	1,167,306,796	(6,747,347)	(11,191,861)
Grants	165,696,503	175,703,657	174,382,841	(1,320,816)	175,778,012	174,457,196	(1,320,816)	(2,641,632)
Transfers	2,818,239	3,737,706	4,770,250	1,032,544	3,772,706	4,811,014	1,038,308	2,070,852
Debt Service	40,189	40,189	40,189	0	40,189	40,189	0	0
<b>Total Costs</b>	<b>\$1,228,379,420</b>	<b>\$1,317,373,767</b>	<b>\$1,317,338,894</b>	<b>(\$34,873)</b>	<b>\$1,394,738,793</b>	<b>\$1,391,746,093</b>	<b>(\$2,992,700)</b>	<b>(\$3,027,573)</b>
General Fund	600,133,936	577,611,925	599,225,730	21,613,805	651,840,095	669,885,228	18,045,133	39,658,938
State/other Special Rev. Funds	454,279,835	555,423,075	535,379,218	(20,043,857)	558,548,886	539,116,166	(19,432,720)	(39,476,577)
Federal Spec. Rev. Funds	173,965,649	184,338,767	182,733,946	(1,604,821)	184,349,812	182,744,699	(1,605,113)	(3,209,934)
<b>Total Funds</b>	<b>\$1,228,379,420</b>	<b>\$1,317,373,767</b>	<b>\$1,317,338,894</b>	<b>(\$34,873)</b>	<b>\$1,394,738,793</b>	<b>\$1,391,746,093</b>	<b>(\$2,992,700)</b>	<b>(\$3,027,573)</b>
<b>Total Ongoing</b>	<b>\$1,228,379,420</b>	<b>\$1,316,873,767</b>	<b>\$1,311,701,044</b>	<b>(\$5,172,723)</b>	<b>\$1,393,538,793</b>	<b>\$1,386,077,593</b>	<b>(\$7,461,200)</b>	<b>(\$12,633,923)</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$500,000</b>	<b>\$5,637,850</b>	<b>\$5,137,850</b>	<b>\$1,200,000</b>	<b>\$5,668,500</b>	<b>\$4,468,500</b>	<b>\$9,606,350</b>

The legislature adopted a HB 2 budget that is approximately \$3.0 million lower than the proposed executive HB 2 budget for the 2027 biennium. However, the legislatively adopted general fund budget is approximately \$39.7 million higher over the biennium than the executive proposal.

#### *State Level Activities*

The adopted budget for the State Level Activities Program is approximately \$10.8 million higher than the executive proposal, of which \$9.3 million is general fund. There are several notable differences in the legislative budget as compared to the executive budget:

- A \$5.0 million one-time-only general fund appropriation over the biennium for the implementation of revised math content standards
- A \$2.0 million one-time-only general fund appropriation over the biennium for database modernization
- An approximately \$1.6 million ongoing general fund appropriation for 7.00 new PB and associated costs
- An additional \$640,000 of one-time-only general fund for high school assessment in FY 2026
- Increases for the Montana Digital Academy:
  - Approximately \$105,000 of general fund over the biennium for inflationary increases for personal services
  - An approximately \$2.0 million state special revenue appropriation over the biennium for the new MTDA Frontier Learning Lab, contingent on legislation
- An additional \$98,000 state special revenue authority over the biennium for the teacher licensure system
- A reduction of approximately \$559,000 of federal special revenue authority over the biennium in order to move federal funding for adult basic education to the Department of Labor and Industry

#### *Local Education Activities*

The adopted budget for the Local Education Activities Program is approximately \$13.8 million lower than the executive proposal. However, the legislative proposal is about \$30.3 million higher in general fund and about \$41.5 million lower in state special revenue. Federal funds were also reduced by approximately \$2.6 million compared to the executive proposal. Notable changes include:

- An adjustment to the teacher pay incentive increase, which is contingent on legislation (HB 252). The adjustment increased general fund by approximately \$1.5 million over the biennium based on the most recent fiscal note for the bill
- A general fund increase for school lunch funding, totaling \$600,000 over the biennium
- A reduction in the amount of funding appropriated for unanticipated significant enrollment increases. The appropriation was reduced by \$3.0 million over the biennium from \$7.0 million to \$4.0 million
- An adjustment to the school equalization and property tax reduction (SEPTR) account overflow mechanisms, which are general fund appropriations triggered by increased revenue from the 95 mills. The executive budget only included a county retirement increase, but based on updated calculations, the overflow would also affect major maintenance aid and debt service assistance. The adjustments decreased general fund by a net total of approximately \$2.5 million over the biennium; county retirement was reduced by about \$7.9 million, major maintenance aid increased by about \$4.2 million, and debt service assistance increased by about \$1.1 million
- A reduction of approximately \$2.6 million of federal special revenue authority over the biennium in order to move federal funding for adult basic education to the Department of Labor and Industry

There were also some adjustments to property tax related fund shifts in this program:

- An adjusted fund switch from general fund to state special revenue from the SEPTR account to align the amounts with the HJ 2 revenue estimate for increased revenue from the 95 mills.
  - This adjustment reduced the state special revenue appropriation for the biennium by \$21.1 million as compared to the executive budget and increased general fund by an equal amount; however, the net effect of the adjusted fund switch is an approximately \$156.9 million reduction of general fund over the biennium
- An adjusted fund switch from the SEPTR state special revenue account to the general fund, contingent on legislation for homestead and comstead property tax adjustments (HB 231).
  - This adjustment is based on the most recent fiscal note for the bill. The net impact to the general fund was an increase of \$14.6 million over the biennium as compared to the executive budget, and the SEPTR was reduced by an equal amount; the net effect of the adjusted fund switch is an approximately \$41.4 million increase of general fund over the biennium
- An adjusted fund switch from general fund to state special revenue from the SEPTR account, contingent on legislation to move non-levy revenue associated with the 95 mills from the general fund to the SEPTR account (HB 18).
  - This adjustment brought the amounts into line with the HJ 2 revenue estimate for these non-levy revenues and reduced the amount moving from the general fund to the SEPTR by \$5.9 million over the biennium as compared to the executive budget; however, the net effect of the adjusted fund switch is an approximately \$21.5 million reduction of general fund over the biennium
- An adjusted fund switch between general fund and state special revenue from the guarantee account to align the amounts with the HJ 2 revenue estimate.
  - This adjustment reduced the general fund appropriation by about \$7.7 million over the biennium as compared to the executive budget. The guarantee account is statutorily appropriated and will have a corresponding increase

The legislature also adopted restricted, biennial, and/or one-time-only (OTO) designations for certain programs in the State Level Activities Program and nearly all of the state funding in the Local Education Activities Program, including the base budget portions:

State Level Activities

- MT Indian Language Preservation (Restricted/Biennial)
- Teacher Licensure System (Restricted/Biennial)
- Database Modernization (Restricted/Biennial/OTO)
- MTDA Frontier Learning Lab (Restricted/Biennial/OTO)
- Revised Math Content Standards (Restricted/Biennial/OTO)
- High School Assessment (Restricted/OTO)
- Montana Digital Academy (Restricted)

Local Education Activities

- K-12 BASE Aid (Restricted/Biennial)
- Advanced Opportunities (Restricted/Biennial)
- Advancing Agricultural Education (Restricted/Biennial)
- At-Risk Student Payment (Restricted/Biennial)
- Coal Mitigation (Restricted/Biennial)
- CTE Career and Technical Student Organizations (Restricted/Biennial)
- CTE State Match (Restricted/Biennial)
- Early Literacy (Restricted/Biennial)
- Gifted and Talented (Restricted/Biennial)
- In-State Treatment (Restricted/Biennial)
- Indian Language Immersion (Restricted/Biennial)
- National Board Certification (Restricted/Biennial)
- Recruitment and Retention (Restricted/Biennial)
- School Food (Restricted/Biennial)
- School Lunch Funding (Restricted/Biennial)
- School Safety (Restricted/Biennial)
- State Tuition Payments (Restricted/Biennial)
- Transformational Learning (Restricted/Biennial)
- Transportation Aid (Restricted/Biennial)
- Cell Phone Free Schools (Restricted/Biennial/OTO)
- Debt Service Assistance (Restricted)
- School Major Maintenance (Restricted)

**Funding**

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

Total Office of Public Instruction Funding by Source of Authority 2027 Biennium Budget Request						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
<b>01100 General Fund</b>	<b>1,259,770,958</b>	<b>9,340,000</b>			<b>1,269,110,958</b>	<b>44.7%</b>
02302 STATE EQUALIZATION AID ACCT	1,005,509,334				1,005,509,334	35.4%
02018 Guarantee Fund				118,610,870	118,610,870	4.2%
02218 School Facility & Tech Account	32,000,000	1,966,350		2,000,000	35,966,350	1.3%
02487 School Fac State Spcl Revenue	30,462,000				30,462,000	1.1%
02402 Traffic & Safety Education	3,624,549				3,624,549	0.1%
Other State Special Revenue	933,151			68,166	1,001,317	0.0%
<b>State Special Revenue Total</b>	<b>1,072,529,034</b>	<b>1,966,350</b>	-	<b>120,679,036</b>	<b>1,195,174,420</b>	<b>42.1%</b>
03170 Grant Clearance Discretionary	331,470,782				331,470,782	11.7%
03002 Public Instruction	34,007,863				34,007,863	1.2%
<b>Federal Special Revenue Total</b>	<b>365,478,645</b>	-	-	-	<b>365,478,645</b>	<b>12.9%</b>
06512 Indirect Cost Pool			7,219,283		7,219,283	0.3%
06067 Advanced Drivers Education			255,788		255,788	0.0%
<b>Proprietary Fund Total</b>	-	-	<b>7,475,071</b>	-	<b>7,475,071</b>	<b>0.3%</b>
<b>Total of All Funds</b>	<b>2,697,778,637</b>	<b>11,306,350</b>	<b>7,475,071</b>	<b>120,679,036</b>	<b>2,837,239,094</b>	
<b>Percent of All Sources of Authority</b>	<b>95.1%</b>	<b>0.4%</b>	<b>0.3%</b>	<b>4.3%</b>		

*HB 2 Appropriations*

General Fund - General fund accounts for almost half of all HB 2 spending for OPI, and a majority of general fund dollars are passed through to local school districts, primarily as K-12 BASE aid.

State Special Revenue - State special revenues from the 95 school equalization mills, which are the second largest funding source for OPI, are used to fund a large portion of the K-12 BASE aid appropriation. State special revenue also funds certain costs for traffic and safety education, teacher licensure, and school lunches. For additional detail, please see the funding description at the program level.

Federal Special Revenue - OPI receives federal grants that support public education, school nutrition, education for the disadvantaged, special education, professional development for educators, and various other functions. For additional detail, please see the funding description at the program level.

*Non-Budgeted Proprietary Funds*

Proprietary funds are used for the indirect cost pool and the advanced drivers' education program. For additional detail, please see the funding description at the program level.

*Statutory Appropriations*

State Special Revenue - A statutory appropriation of state special revenue collected from revenue and interest on common school trust lands is used to fund a large portion of the K-12 BASE aid appropriation. Statutory appropriations of state special revenue also fund certain costs for school facilities, innovative educational programs, and special needs education savings accounts. For additional detail, please see the funding description 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.

Office of Public Instruction 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
<b>Base Budget</b>	<b>600,133,936</b>	<b>454,279,835</b>	<b>173,965,649</b>	<b>1,228,379,420</b>	<b>93.2%</b>	<b>600,133,936</b>	<b>454,279,835</b>	<b>173,965,649</b>	<b>1,228,379,420</b>	<b>88.3%</b>
Statewide PL										
Personal Services	1,042,723	22,805	(753,384)	312,144	0.0%	1,054,883	22,807	(743,867)	333,823	0.0%
Fixed Costs	894,715	(711)	(169,246)	724,758	0.1%	772,352	(700)	(169,096)	602,556	0.0%
Inflation Deflation	(1,425)	(684)	(4,252)	(6,361)	(0.0%)	(963)	(462)	(2,874)	(4,299)	(0.0%)
Total Statewide PL	1,936,013	21,410	(926,882)	1,030,541	0.1%	1,826,272	21,645	(915,837)	932,080	0.1%
Present Law (PL)	(68,201,552)	87,535,713	10,795,482	30,129,643	2.3%	(3,123,743)	92,374,776	10,795,190	100,046,223	7.2%
New Proposals	65,357,333	(6,457,740)	(1,100,303)	57,799,290	4.4%	71,048,763	(7,560,090)	(1,100,303)	62,388,370	4.5%
<b>Total HB 2 Adjustments</b>	<b>(908,206)</b>	<b>81,099,383</b>	<b>8,768,297</b>	<b>88,959,474</b>	<b>6.8%</b>	<b>69,751,292</b>	<b>84,836,331</b>	<b>8,779,050</b>	<b>163,366,673</b>	<b>11.7%</b>
<b>Total Budget</b>	<b>599,225,730</b>	<b>535,379,218</b>	<b>182,733,946</b>	<b>1,317,338,894</b>		<b>669,885,228</b>	<b>539,116,166</b>	<b>182,744,699</b>	<b>1,391,746,093</b>	

**Language and Statutory Authority**

All revenue up to \$1.5 million in the state traffic education account for distribution to schools under the provisions of 20-7-506 and 61-5-121 is appropriated for the 2027 biennium as provided in Title 20, chapter 7, part 5.

All appropriations for federal special revenue appropriations in State Level Activities and in Local Education Activities are biennial. All general fund appropriations in Local Education Activities are biennial except for Major Maintenance Aid and Debt Service Assistance.

If HB 18 is not passed and approved, K-12 BASE Aid is increased by \$15,019,000 general fund in FY 2026 and \$14,410,000 general fund in FY 2027 and decreased by \$15,019,000 state special revenue in FY 2026 and \$14,410,000 state special revenue in FY 2027.

If HB 231 is not passed and approved, K-12 BASE Aid is decreased by \$20,696,590 general fund in FY 2026 and \$20,696,590 general fund in FY 2027 and increased by \$20,696,590 state special revenue in FY 2026 and \$20,696,590 state special revenue in FY 2027.

If HB 252 is not passed and approved, K-12 BASE Aid is decreased by \$53,182,948 general fund in FY 2026 and \$54,853,831 general fund in FY 2027.

If HB 462 is passed and approved and contains an appropriation for Revised Mathematics Content Standards, the Revised Mathematics Content Standards appropriation is void.

If HB 515 is not passed and approved, Major Maintenance Aid is increased by \$3,175,000 general fund in FY 2026 and \$3,287,000 general fund in FY 2027 and decreased by \$3,175,000 state special revenue in FY 2026 and \$3,287,000 state special revenue in FY 2027.

If HB 551 is passed and approved and contains an appropriation for School Lunch Funding, the School Lunch Funding appropriation is void.

If SB 322 is not passed and approved, K-12 BASE Aid is decreased by \$1,050,000 general fund in FY 2026 and \$1,512,000 general fund in FY 2027 and increased by \$1,050,000 state special revenue in FY 2026 and \$1,512,000 state special revenue in FY 2027. MTDA Frontier Learning Lab is contingent on the passage and approval of LC 0958.



**Program Base Budget Comparison**

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

Program Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
PB	153.27	160.27	160.27	7.00	2.3%
General Fund	15,526,319	23,375,828	26,211,390	18,534,580	59.7%
State/Other Special Rev. Funds	680,659	1,776,386	1,747,664	2,162,732	158.9%
Federal Spec. Rev. Funds	18,230,258	18,319,371	18,330,124	188,979	0.5%
<b>Total Funds</b>	<b>34,437,236</b>	<b>43,471,585</b>	<b>46,289,178</b>	<b>20,886,291</b>	<b>30.3%</b>
Personal Services	14,402,364	15,729,503	15,749,011	2,673,786	9.3%
Operating Expenses	17,118,946	22,918,612	25,675,933	14,356,653	41.9%
Grants	750,000	750,000	750,000		0.0%
Transfers	2,125,737	4,033,281	4,074,045	3,855,852	90.7%
Debt Service	40,189	40,189	40,189		0.0%
<b>Total Expenditures</b>	<b>34,437,236</b>	<b>43,471,585</b>	<b>46,289,178</b>	<b>20,886,291</b>	<b>30.3%</b>
<b>Total Ongoing</b>	<b>34,437,236</b>	<b>38,333,735</b>	<b>41,120,678</b>	<b>10,579,941</b>	<b>15.4%</b>
<b>Total One-Time-Only</b>		<b>5,137,850</b>	<b>5,168,500</b>	<b>10,306,350</b>	<b>0.0%</b>

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**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison					
Budget Item	Actuals	Approp.	Approp.	Legislative	Legislative
	Fiscal 2024	Fiscal 2024	Fiscal 2025	Fiscal 2026	Fiscal 2027
Personal Services	12,798,606	13,877,493	14,402,364	15,729,503	15,749,011
Operating Expenses	10,868,701	13,549,299	17,118,946	22,918,612	25,675,933
Grants	1,677,918	2,177,919	750,000	750,000	750,000
Transfers	2,077,863	2,077,863	2,125,737	4,033,281	4,074,045
Debt Service	39,594	39,594	40,189	40,189	40,189
<b>Total Expenditures</b>	<b>\$27,462,682</b>	<b>\$31,722,168</b>	<b>\$34,437,236</b>	<b>\$43,471,585</b>	<b>\$46,289,178</b>
General Fund	13,264,078	13,383,200	15,526,319	23,375,828	26,211,390
State/Other Special Rev. Funds	379,609	492,204	680,659	1,776,386	1,747,664
Federal Spec. Rev. Funds	13,818,995	17,846,764	18,230,258	18,319,371	18,330,124
<b>Total Funds</b>	<b>\$27,462,682</b>	<b>\$31,722,168</b>	<b>\$34,437,236</b>	<b>\$43,471,585</b>	<b>\$46,289,178</b>
<b>Total Ongoing</b>	<b>\$27,234,217</b>	<b>\$31,388,476</b>	<b>\$34,437,236</b>	<b>\$38,333,735</b>	<b>\$41,120,678</b>
<b>Total OTO</b>	<b>\$228,465</b>	<b>\$333,692</b>	<b>\$0</b>	<b>\$5,137,850</b>	<b>\$5,168,500</b>

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## Funding

### *HB 2 Appropriations*

General Fund - General fund supports about half of the State Level Activities Program budget, with the remainder supported by state special revenue, federal special revenue, and proprietary funds.

### State Special Revenue

#### **School Lunch Program Account**

Revenues for the School Lunch Program are generated through reimbursements for the costs of shipping, handling, and other related costs of school food commodities used in the program.

#### **Traffic and Safety Education Account**

The traffic & safety education account funds traffic education programs in Montana schools. Traffic and safety education revenues are generated from a percentage of drivers' license and commercial drivers' license fees.

#### **Licensure Fee Account**

The licensure fee account collects fees from teacher licensure applications in order to fully fund the operations of the teacher licensure system (HB 403, 2023 Legislative Session).

Federal Special Revenue - Federal funds support just under half of the State Level Activities Program total budget authority. The program receives federal funding for:

- Administrative Review and Training (ART) grants
- Adult basic education
- Assessment
- Career and technical education (via the Carl Perkins Grant)
- Education of homeless children
- Individuals with Disabilities Education Act (IDEA)
- National Assessment of Educational Progress (NAEP)
- National Center for Education Statistics (NCES)
- National Education Association (NEA)
- School nutrition
- Substance Abuse and Mental Health Services (SAMHSA)
- Low income students (Title I)
- Student achievement (Title II)
- English learners and immigrant students (Title III)
- Student support and academic enrichment (Title IV)
- Rural Education Achievement Program (Title V)
- Youth Risk Behavior Survey (YRBS) and school health priorities
- Various other purposes

### *Non-Budgeted Proprietary Funds*

#### **Indirect Cost Pool Account**

The OPI indirect cost pool is an internal service fund used to allocate various centralized costs such as payroll, accounting, and budgeting to all of OPI's state and federally funded programs, using a pre-approved indirect cost rate. Because the proprietary funds do not require an appropriation, they are not typically included in appropriation tables. Instead, the legislature approves the fees and charges that support the revenues for the program. For a more detailed discussion of rates, revenues, and expenditures for the account, please see the non-budgeted proprietary funds analysis, which is included in a separate report.

**Advanced Drivers' Education Program Account**

The advanced drivers' education program is a seasonal, hands-on, behind-the-wheel crash avoidance program operated by the health enhancement and safety division of OPI at a training facility in Lewistown. The one-day and half-day course provides training to school bus drivers, driver education teachers, state employees, ambulance drivers, firefighters, road crews, and others who drive as a part of their employment. Revenues are generated from workshop fees collected from program users. For a more detailed discussion of rates, revenues, and expenditures for the account, please see the non-budgeted proprietary funds analysis, which is included in a separate report.

*Statutory Appropriations*

State Special Revenue

**ESA Administrative Account**

HB 393 (2023 Legislative Session) established a program for special needs education savings accounts (ESAs), which are statutorily appropriated. ESAs are used to reimburse parents for certain educational costs of children with disabilities under the Individuals with Disabilities Education Act.

**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 Level 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
<b>Base Budget</b>	<b>15,526,319</b>	<b>680,659</b>	<b>18,230,258</b>	<b>34,437,236</b>	<b>79.2%</b>	<b>15,526,319</b>	<b>680,659</b>	<b>18,230,258</b>	<b>34,437,236</b>	<b>74.4%</b>
Statewide PL										
Personal Services	1,042,723	22,805	(753,384)	312,144	0.7%	1,054,883	22,807	(743,867)	333,823	0.7%
Fixed Costs	894,715	(711)	(169,246)	724,758	1.7%	772,352	(700)	(169,096)	602,556	1.3%
Inflation Deflation	(1,425)	(684)	(4,252)	(6,361)	(0.0%)	(963)	(462)	(2,874)	(4,299)	(0.0%)
Total Statewide PL	1,936,013	21,410	(926,882)	1,030,541	2.4%	1,826,272	21,645	(915,837)	932,080	2.0%
Present Law (PL)	(30,299)	76,467	795,482	841,650	1.9%	(32,543)	76,860	795,190	839,507	1.8%
New Proposals	5,943,795	997,850	220,513	7,162,158	16.5%	8,891,342	968,500	220,513	10,080,355	21.8%
<b>Total HB 2 Adjustments</b>	<b>7,849,509</b>	<b>1,095,727</b>	<b>89,113</b>	<b>9,034,349</b>	<b>20.8%</b>	<b>10,685,071</b>	<b>1,067,005</b>	<b>99,866</b>	<b>11,851,942</b>	<b>25.6%</b>
<b>Total Budget</b>	<b>23,375,828</b>	<b>1,776,386</b>	<b>18,319,371</b>	<b>43,471,585</b>		<b>26,211,390</b>	<b>1,747,664</b>	<b>18,330,124</b>	<b>46,289,178</b>	

The following programs are existing programs that are included as line items in HB 2:

- The Montana Indian Language Preservation Program (ILP) - the ILP program was established to support efforts of Montana tribes to preserve native languages and to meet the state's educational goal of preserving the cultural integrity of American Indians under the Montana constitution. During the 2025 biennium, eight tribal nations received an award of \$187,500 for language preservation activities, including the creation of digitized language products, recordings of stories and book publishing, online classes, development of interactive language dictionaries, and curriculum development for summer language immersion classes

- The Montana Digital Academy (MTDA) - MTDA was established by the legislature in 2009 as a supplemental online program for students attending K-12 schools in Montana. The MTDA offers online courses and instruction to supplement local school coursework, primarily for high school and middle school students. Since the MTDA is not a traditional school and is not designed as a primary avenue for providing a student's education, it does not take enrollments directly from students or their parents. Typically, all funds for the MTDA are expended by OPI in a one-time payment to the MTDA at the beginning of each fiscal year. The MTDA can then expend the funds as needed throughout the school year, but those expenditures are not shown as part of the OPI budget
- Teacher Licensure - the new TeachMT teacher licensure system was created with federal COVID-19 funding from the Elementary and Secondary School Emergency Relief Fund (ESSER). However, the system has ongoing costs for upkeep and maintenance that are not funded with federal dollars and are instead supported by a state special revenue account which collects teacher licensure fees

**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	1,042,723	22,805	(753,384)	312,144	0.00	1,054,883	22,807	(743,867)	333,823
DP 2 - Fixed Costs	0.00	894,715	(711)	(169,246)	724,758	0.00	772,352	(700)	(169,096)	602,556
DP 3 - Inflation Deflation	0.00	(1,425)	(684)	(4,252)	(6,361)	0.00	(963)	(462)	(2,874)	(4,299)
DP 23 - Fixed Costs Adjustment for Office/Non-Office Rent	0.00	(13,188)	(172)	(4,518)	(17,878)	0.00	(14,042)	(184)	(4,810)	(19,036)
DP 604 - Increase Federal Grant Authority - Program 06	0.00	0	0	800,000	800,000	0.00	0	0	800,000	800,000
DP 612 - Subscriptions Cost Increase	0.00	136,811	0	0	136,811	0.00	137,997	0	0	137,997
DP 615 - Hearing Conservation Program (HCP) Infl Inc	0.00	67,696	0	0	67,696	0.00	67,696	0	0	67,696
DP 617 - Teacher Licensure Adjustment	0.00	(221,618)	76,639	0	(144,979)	0.00	(224,194)	77,044	0	(147,150)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$1,905,714</b>	<b>\$97,877</b>	<b>(\$131,400)</b>	<b>\$1,872,191</b>	<b>0.00</b>	<b>\$1,793,729</b>	<b>\$98,505</b>	<b>(\$120,647)</b>	<b>\$1,771,587</b>

\*\*\*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.

The decreases in federal special revenue back out federal personal services funding for modified positions. The state personal services budgeting process does not reinstate funding for personal services expenditures for modified PB. The funding for these modified PB is often reinstated as part of a separate decision package (see DP 605).

DP 2 - Fixed Costs -

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

DP 3 - Inflation Deflation -

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

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

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

DP 604 - Increase Federal Grant Authority - Program 06 -

The legislature approved federal special revenue authority for the administrative costs of federal grants awarded to OPI.

DP 612 - Subscriptions Cost Increase -

The legislature adopted a general fund appropriation beginning in FY 2027 to cover the cost of new software subscriptions and increases to existing software subscriptions for OPI's Information Technology unit's operations.

DP 615 - Hearing Conservation Program (HCP) Infl Inc -

The legislature adopted a general fund appropriation to fund a 4.0% contractual increase for the statewide Hearing Conservation Program (HCP).

The Individuals with Disabilities Education Act (IDEA) requires schools to have a system in place for children suspected of having disabilities, including hearing loss, through the age of 21. The OPI Hearing Conservation Program is the primary method for schools to ensure proper identification of students with hearing impairments. OPI's Division of Special Education and the Department of Public Health and Human Services (DPHHS) administer the program, which mandates hearing screenings for children in kindergarten, 1st grade, and either 9th or 10th grade. The public school takes on the primary responsibility for conducting screenings, but OPI contracts with audiologists to provide hearing screenings and provides the hearing screening equipment.

DP 617 - Teacher Licensure Adjustment -

The legislature approved an adjustment to the budget to reflect the operating costs of the teacher licensure system and the transfer from general fund authority to state special revenue.

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 - Move Workforce Innovation Grants to DLI	0.00	0	0	(279,487)	(279,487)	0.00	0	0	(279,487)	(279,487)
DP 605 - Federal Personal Services Authority	0.00	0	0	500,000	500,000	0.00	0	0	500,000	500,000
DP 606 - Montana Digital Academy	0.00	875,000	0	0	875,000	0.00	910,000	0	0	910,000
DP 607 - Indian Ed for All - MACIE Meeting Costs	0.00	15,000	0	0	15,000	0.00	15,000	0	0	15,000
DP 608 - PowerSchool Subscription	0.00	0	0	0	0	0.00	2,837,033	0	0	2,837,033
DP 609 - School Foods Match for New EBT Program	0.00	72,823	0	0	72,823	0.00	72,823	0	0	72,823
DP 611 - High School Assessment Funding (RST/OTO)	0.00	640,000	0	0	640,000	0.00	700,000	0	0	700,000
DP 618 - Revised Math Content Standards (RST/BIEN/OTO)	0.00	2,500,000	0	0	2,500,000	0.00	2,500,000	0	0	2,500,000
DP 621 - MTDA Frontier Learning Lab (RST/BIEN/OTO)	0.00	0	997,850	0	997,850	0.00	0	968,500	0	968,500
DP 622 - MTDA Inflationary Increase	0.00	34,694	0	0	34,694	0.00	69,808	0	0	69,808
DP 623 - Database Modernization (RST/BIEN/OTO)	0.00	1,000,000	0	0	1,000,000	0.00	1,000,000	0	0	1,000,000
DP 624 - Additional 5.00 PB	5.00	572,639	0	0	572,639	5.00	558,639	0	0	558,639
DP 625 - Additional 2.00 PB	2.00	233,639	0	0	233,639	2.00	228,039	0	0	228,039
<b>Total</b>	<b>7.00</b>	<b>\$5,943,795</b>	<b>\$997,850</b>	<b>\$220,513</b>	<b>\$7,162,158</b>	<b>7.00</b>	<b>\$8,891,342</b>	<b>\$968,500</b>	<b>\$220,513</b>	<b>\$10,080,355</b>

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

DP 4 - Move Workforce Innovation Grants to DLI -

The legislature approved a reduction in federal special revenue authority to move the adult basic education workforce innovation and opportunities grants to the Department of Labor and Industry (DLI).

DP 605 - Federal Personal Services Authority -

The legislature adopted a federal special revenue appropriation for personal services to support part-time modified PB. Changes in state and federal laws do not allow the agency to contract for these services, and the state personal services funding process does not reinstate personal services expenditures for these workers. This funding is typically requested every biennium.

DP 606 - Montana Digital Academy -

The legislature adopted an ongoing general fund appropriation for the Montana Digital Academy (MTDA) clearinghouse in order to maintain its operations and enhance schools' opportunities to offer flexible learning environments and options to students. The clearinghouse was created by the Legislature (HB 749, 2023 Session) to provide schools with access to digital content, online courses, proficiency assessment, and other educational services from MTDA and third-party providers. It was previously funded with a one-time-only appropriation through the Office of the Commissioner of Higher Education budget.

DP 607 - Indian Ed for All - MACIE Meeting Costs -

The legislature adopted a general fund appropriation for meeting and travel costs associated with the Montana Advisory Council on Indian Education (MACIE). Currently, the board meets eight times a year with two in-person meetings and 21-25 people serving on the council.

The MACIE was created by the Montana Board of Public Education in 1984 to advise the Board and the Superintendent of Public Instruction on matters related to Indian education, including culture, language, and Indian Education for All. The council is composed of representatives of the twelve tribal nations in Montana and other groups involved in Indian education programs.

#### DP 608 - PowerSchool Subscription -

The legislature adopted an ongoing general fund appropriation beginning in FY 2027 for the database modernization project's PowerSchool subscription costs. Database modernization requirements from HB 367 (2023 Session) required commercial off-the-shelf (COTS) products to be purchased with federal funding, and OPI secured a contract to meet the requirements to repair, improve, or replace existing data systems.

#### DP 609 - School Foods Match for New EBT Program -

The legislature adopted a general fund appropriation for the state match portion of the school foods summer Electronic Benefit Transfer (EBT) program. The summer EBT program provides grocery-buying benefits to low-income families with school-aged children during the summer months of June, July, and August, when schools are closed for the summer break.

Congress authorized the summer EBT as a permanent program on December 23, 2022, and it is a newly provided program in the state of Montana. The first round of benefits was issued in the fall of 2024, with federal approval since the payments were not made during the summer months. The Department of Public Health and Human Services (DPHHS) and OPI will share the responsibilities of implementing the summer EBT, with DPHHS serving as the lead agency for federal purposes. OPI will manage the application process, validate eligibility, and handle client communications. The program benefits are 100.0% federally funded; however, federal funding may only be used to fund up to 50.0% of the administrative costs of operating the program, so the general fund appropriation will be used to cover the remaining administrative expenses of the program.

#### **LFD ISSUE**

The requested portions of funding for the summer EBT program in DPHHS were not adopted by the Section B Joint Appropriations Subcommittee. The executive budget for DPHHS included summer EBT funding requests in two decision packages (see the LFD Budget Analysis for DPHHS-- DP 2001 and DP 2003). The first request included approximately \$10.2 million in FY 2026 and \$9.9 million in FY 2027 for the summer EBT program, of which \$9.4 million per year was 100.0% federally-funded benefits to be paid out through the program. Approximately \$353,000 general fund and \$353,000 federal special revenue in FY 2026 and approximately \$231,000 general fund and \$231,000 federal special revenue in FY 2027 were for the administrative operating expenses of the program. The second request included 0.50 PB and associated personal services costs for the administration of the program, totaling approximately \$26,000 general fund and \$26,000 federal special revenue in each year of the biennium. These two requests brought the total requested administrative costs for DPHHS to approximately \$379,000 general fund and \$379,000 federal special revenue in FY 2026 and approximately \$258,000 general fund and \$258,000 federal special revenue in FY 2027. The legislature may wish to adjust the DPHHS and/or OPI budgets to align their funding for the summer EBT program.

#### Legislative options:

- Adjust the DPHHS budget to align the appropriation with the OPI budget by adding funding for the summer EBT program to the DPHHS budget
- Adjust the OPI budget to align the appropriation with the DPHHS budget by removing the funding for the summer EBT program from the OPI budget
- Make no changes to the OPI and DPHHS budgets, in which case the funding provided to OPI for summer EBT may be used for a different purpose at the agency's discretion
- Add a restricted appropriation to the OPI summer EBT appropriation so that it is only allowed to be used for that specific purpose, regardless of whether or not the appropriation is included in the DPHHS budget
- Add coordination language in HB 2 for OPI to restrict or remove the appropriation from the OPI budget, conditional on whether or not the appropriation is included in the DPHHS budget

DP 611 - High School Assessment Funding (RST/OTO) -

The legislature adopted a restricted, one-time-only general fund appropriation to provide ACT testing with writing to 11th grade students in public high schools as the high school assessment requirement. These exams have previously been provided with now expired federal funding from the Gaining Early Awareness and Readiness for Undergraduate Program (GEAR UP) and then Elementary and Secondary School Emergency Relief (ESSER).

DP 618 - Revised Math Content Standards (RST/BIEN/OTO) -

The legislature adopted a restricted, biennial, and one-time-only general fund appropriation for the implementation of revised math content standards to be used for:

- Content creation or high-quality instructional materials (HQIM) procurement
- Professional development for middle school and high school teachers
- Learning materials for data science or trades-based math programs

DP 621 - MTDA Frontier Learning Lab (RST/BIEN/OTO) -

The legislature adopted a restricted, biennial, and one-time-only state special revenue appropriation for the Montana Digital Academy Frontier Learning Lab. The Frontier Learning Lab is a new initiative that will create the capacity of Montana schools and partner organizations to implement cutting-edge technologies such as Artificial Intelligence (AI), Virtual Reality (VR), and Augmented Reality (AR).

DP 622 - MTDA Inflationary Increase -

The legislature adopted an inflationary increase of general fund transfers for the Montana Digital Academy (MTDA). This inflationary increase provides a pay increase equal to that provided in HB 13 (the pay plan) for each of the MTDA's 8.38 PB.

DP 623 - Database Modernization (RST/BIEN/OTO) -

The legislature adopted a restricted, biennial, and one-time-only general fund appropriation for the completion of the database modernization project.

DP 624 - Additional 5.00 PB -

The legislature adopted a general fund personal services appropriation and an associated 5.00 PB for:

- A budget analyst
- A grant accountant
- A paralegal
- An executive staffer
- A program administrative staffer

DP 625 - Additional 2.00 PB -

The legislature adopted a general fund personal services appropriation and an associated 2.00 PB for:

- A software developer
- IT system support position



**Program Base Budget Comparison**

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

Program Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
General Fund	584,607,617	575,849,902	643,673,838	50,308,506	4.3%
State/Other Special Rev. Funds	453,599,176	533,602,832	537,368,502	163,772,982	18.1%
Federal Spec. Rev. Funds	155,735,391	164,414,575	164,414,575	17,358,368	5.6%
<b>Total Funds</b>	<b>1,193,942,184</b>	<b>1,273,867,309</b>	<b>1,345,456,915</b>	<b>231,439,856</b>	<b>9.7%</b>
Operating Expenses	3,702,839	3,705,954	3,705,954	6,230	0.1%
Local Assistance	1,024,600,340	1,095,791,545	1,167,306,796	213,897,661	10.4%
Grants	164,946,503	173,632,841	173,707,196	17,447,031	5.3%
Transfers	692,502	736,969	736,969	88,934	6.4%
<b>Total Expenditures</b>	<b>1,193,942,184</b>	<b>1,273,867,309</b>	<b>1,345,456,915</b>	<b>231,439,856</b>	<b>9.7%</b>
<b>Total Ongoing</b>	<b>1,193,942,184</b>	<b>1,273,367,309</b>	<b>1,344,956,915</b>	<b>230,439,856</b>	<b>9.7%</b>
<b>Total One-Time-Only</b>		<b>500,000</b>	<b>500,000</b>	<b>1,000,000</b>	<b>0.0%</b>

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**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Operating Expenses	3,302,479	3,685,496	3,702,839	3,705,954	3,705,954
Local Assistance	902,127,261	932,253,505	1,024,600,340	1,095,791,545	1,167,306,796
Grants	160,700,950	163,069,906	164,946,503	173,632,841	173,707,196
Transfers	895,413	942,502	692,502	736,969	736,969
<b>Total Expenditures</b>	<b>\$1,067,026,103</b>	<b>\$1,099,951,409</b>	<b>\$1,193,942,184</b>	<b>\$1,273,867,309</b>	<b>\$1,345,456,915</b>
General Fund	484,099,476	499,833,554	584,607,617	575,849,902	643,673,838
State/Other Special Rev. Funds	428,386,823	444,382,464	453,599,176	533,602,832	537,368,502
Federal Spec. Rev. Funds	154,539,804	155,735,391	155,735,391	164,414,575	164,414,575
<b>Total Funds</b>	<b>\$1,067,026,103</b>	<b>\$1,099,951,409</b>	<b>\$1,193,942,184</b>	<b>\$1,273,867,309</b>	<b>\$1,345,456,915</b>
<b>Total Ongoing</b>	<b>\$1,067,026,103</b>	<b>\$1,099,951,409</b>	<b>\$1,193,942,184</b>	<b>\$1,273,367,309</b>	<b>\$1,344,956,915</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$500,000</b>	<b>\$500,000</b>

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**Funding**

The Local Education Activities Program is funded by a combination of general fund, state, and federal special revenue. The majority of funds are appropriated in HB 2 and the remainder are statutory appropriations.

*HB 2 Appropriations*

General Fund - General fund supports a large portion of the distribution to school districts, primarily as K-12 BASE aid, with the addition of some state and federal funds.

State Special Revenue**School Equalization and Property Tax Reduction (SEPTR) Account**

The school equalization and property tax reduction account receives property tax revenue from the state 95 mills, which are levied for school equalization. This money is then distributed to school districts as K-12 BASE aid.

**School Facility and Technology Account**

The school facility and technology account supports state subsidies for school debt service from facilities bonds, technological improvements, and other infrastructure and facility needs. The account is funded from public land trust power site rent under the provisions of 77-4-208(2), MCA and timber harvest income from school trust lands under the provisions of 20-9-516(2)(a), MCA.

**School Facility (Major Maintenance Aid) Account**

The school facility state special revenue account established in 20-9-525, MCA receives interest earnings from the school facility subtrust within the state coal trust. This money is then distributed to school districts to help support major maintenance.

**Traffic & Safety Education Account**

The traffic & safety education account funds traffic education programs in Montana schools. Traffic and safety education revenues are generated from a percentage of drivers' license and commercial drivers' license fees.

Federal Special Revenue - Federal funds support approximately \$165.7 million of the Local Education Activities Program total budget authority. The program receives federal funding for:

- Adult basic education
- Career and technical education (via the Carl Perkins Grant)
- Education of homeless children
- Individuals with Disabilities Education Act (IDEA)
- School nutrition
- Low income students (Title I)
- Student achievement (Title II)
- English learners and immigrant students (Title III)
- Student support and academic enrichment (Title IV)
- Rural Education Achievement Program (Title V)

*Statutory Appropriations*State Special Revenue**Guarantee Account**

The guarantee account is a state special revenue account dedicated to school funding, which receives revenue generated from common school trust lands and the subsequent interest on the common school trust account. Revenues are primarily generated from interest off the trust in addition to agriculture and extraction industry leases. Revenue is statutorily appropriated for school funding per 20-9-622, MCA and offsets general fund received by OPI.

**School Facility and Technology Account**

The school facility and technology account also supports a statutory appropriation from the state to school districts for technology.

**Innovative Educational Program Account**

School districts can receive tax credit donations and may retain these donations up to a cap. If tax credit donations exceed the limit set in statute, excess revenues are transferred to the innovative educational program account at OPI. OPI then distributes the funds to school districts for advanced opportunity aid.

**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.

	Local Education 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
<b>Base Budget</b>	<b>584,607,617</b>	<b>453,599,176</b>	<b>155,735,391</b>	<b>1,193,942,184</b>	<b>93.7%</b>	<b>584,607,617</b>	<b>453,599,176</b>	<b>155,735,391</b>	<b>1,193,942,184</b>	<b>88.7%</b>
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)	(68,171,253)	87,459,246	10,000,000	29,287,993	2.3%	(3,091,200)	92,297,916	10,000,000	99,206,716	7.4%
New Proposals	59,413,538	(7,455,590)	(1,320,816)	50,637,132	4.0%	62,157,421	(8,528,590)	(1,320,816)	52,308,015	3.9%
<b>Total HB 2 Adjustments</b>	<b>(8,757,715)</b>	<b>80,003,656</b>	<b>8,679,184</b>	<b>79,925,125</b>	<b>6.3%</b>	<b>59,066,221</b>	<b>83,769,326</b>	<b>8,679,184</b>	<b>151,514,731</b>	<b>11.3%</b>
<b>Total Budget</b>	<b>575,849,902</b>	<b>533,602,832</b>	<b>164,414,575</b>	<b>1,273,867,309</b>		<b>643,673,838</b>	<b>537,368,502</b>	<b>164,414,575</b>	<b>1,345,456,915</b>	

K-12 BASE aid is the largest appropriation for OPI, accounting for approximately \$1.0 billion in FY 2026 and \$1.1 billion in FY 2027. There is an additional statutory appropriation for K-12 BASE aid from the guarantee account, which is described in greater detail in the Funding section of this report. The first source of funding for the K-12 BASE aid appropriation in HB 2 is the SEPTR account, which receives the revenue from the 95 school equalization mills. The 95 mills are projected to bring in approximately \$500.0 million each year of the 2027 biennium, so general fund is used to fund the remainder of the K-12 BASE aid appropriation. This K-12 BASE aid appropriation was adopted by the legislature as restricted and biennial, meaning that the funding cannot be used for another purpose and that the funding can be spent at any point over the biennium.

K-12 BASE aid is made up of the state funding components that support school district general funds and some funding for countywide school retirement costs:

- The five fully state-funded components:
  1. Quality Educator Payment - A per-PB payment for teachers and other licensed professionals
  2. At Risk Payment - A payment to schools to address at-risk students or students who are affected by an environment that negatively impacts performance and threatens the likelihood of promotion or graduation. The funding is distributed in the same manner as federal Title I funds. The at-risk payment is considered part of BASE aid, but receives a separate line item appropriation in HB 2

3. Indian Education For All Payment - A payment made per Average Number Belonging (ANB) to fund the state's constitutional commitment to the preservation of American Indian cultural integrity
  4. American Indian Achievement Gap Payment - A per American Indian student payment for the purpose of closing the performance gap that exists between American Indian students and non-Indian students
  5. Data for Achievement - A per-ANB payment used by school districts to pay for costs associated with student data systems
- Special Education Payment - An amount per ANB regardless of the count of special education students. Portions of the special education appropriation go to cooperatives and to reimbursements for high-cost students. This payment is 100.0% state-funded, but a local match is required
  - Direct State Aid - This payment is made up of the Per-ANB and Basic entitlements, and it is 44.7% state-funded; the remainder is funded by state guaranteed tax base (GTB) aid and local revenue sources, which include local property taxes, local non-levy revenue, tuition payments, and/or fund balance reappropriated from the prior year. The amount of GTB and the various local revenue sources depends on the tax base of the school district and the number of students being educated in the district
    - Basic Entitlement - A set amount per district based on whether it is an elementary school district, middle school district, or high school district. Districts with higher enrollment are eligible for additional basic entitlement "increments"
    - Per Average Number Belonging (ANB) Entitlement - A per-ANB dollar amount driven by the greater of the prior year's enrollment or a three-year average. ANB is a proxy for school district enrollment
  - District General Fund Guaranteed Tax Base (GTB) Aid - A state subsidy for school district BASE budget mill levies used to equalize property wealth across the state. GTB aid provides a subsidy per mill to eligible districts
  - Retirement (GTB) Aid - A state subsidy for countywide retirement mill levies used to equalize property wealth across the state. GTB aid provides a subsidy per mill to eligible counties
  - Significant Enrollment Increase Payment - A payment to districts with significant enrollment increases compared to the anticipated enrollment during the school district budgeting process

### *Summary of Other State K-12 Funding*

The state also funds a number of other K-12 programs that are not included in K-12 BASE aid, but are included as line items in HB 2:

- Advanced Opportunities - a program that provides personalized career and technical education opportunities for middle and high school students
- Advancing Agricultural Education - a sequential set of course offerings for students in middle school and high school. The program is designed to develop knowledge, skills, attitudes, and experiences in and about agriculture
- Coal Mitigation - a school block grant to mitigate for coal-fired generating unit closure in eligible districts
- Career and Technical Student Organizations (CTSOs) - Montana currently has seven CTOSs, which provide career and technical education (CTE) opportunities for students. The CTOSs are Montana Future Farmers of America (FAA), Business Professionals of America (BPA), Distributive Education Clubs of America (DECA), Family Career & Community Leaders of America (FCCLA), Future Health Professionals (HOSA), SkillsUSA, and the Technology Student Association (TSA)
- CTE State Match - formulaically distributed state CTE funding for local school districts
- Debt Service Assistance - state equalization aid that is used to pay a portion of a school district's bond debt, including principal and interest payments and agent fees, and/or special improvement district payments (SIDs). The funding is available to school districts contingent upon whether or not the district has a mill value per ANB that is less than the corresponding statewide mill value per ANB
- Early Literacy - funding for targeted intervention programs for children older than 4, in order to improve early literacy outcomes
- Gifted and Talented - a program of services to consistently identify and meet the needs of high ability/high potential students
- Indian Language Immersion - a program to support efforts of Montana tribes to preserve and perpetuate Indian languages in the form of spoken, written, sung, or signed language

- In-State Treatment - payments for the educational costs of Montana K-12 students at children's psychiatric hospitals and residential treatment facilities
- National Board Certification - funding for stipends to qualified teachers who hold a current certification with the National Board for Professional Teaching Standards
- Recruitment and Retention - funding to help teachers pay back educational loans
- School Nutrition - state matching funds for federal school nutrition funding
- School Major Maintenance - state equalization aid that is used to pay a portion of a school district's major maintenance project costs. The funding is dependent on the district type and the number of ANB and local property wealth
- School Safety - includes existing school safety grants and a new proposal for cell phone-free schools
- State Tuition Payments - the state's portion of tuition payments for Montana K-12 students at children's psychiatric hospitals and residential treatment facilities
- Teacher Pay Incentive - a new proposal to increase teacher pay
- Transformational Learning - a program that provides a flexible system of pupil-centered learning
- Transportation Aid - state aid to help districts pay for the costs of getting students from home to school and back

**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 904 - K-12 BASE Aid Inflationary Increase	0.00	9,096,050	0	0	9,096,050	0.00	42,985,166	0	0	42,985,166
DP 905 - At Risk Payment Inflationary Increase	0.00	186,400	0	0	186,400	0.00	378,392	0	0	378,392
DP 906 - NRD K12 Facilities Major Maintenance Aid	0.00	317,343	10,429,824	0	10,747,167	0.00	644,206	10,429,824	0	11,074,030
DP 907 - State Transformational Learning Pmt Adjustment	0.00	76,621	0	0	76,621	0.00	150,976	0	0	150,976
DP 909 - State Tuition Increase	0.00	189,000	0	0	189,000	0.00	189,000	0	0	189,000
DP 910 - In State Treatment Adjustment	0.00	3,115	0	0	3,115	0.00	3,115	0	0	3,115
DP 911 - Increase Federal Grant Authority - Program 09	0.00	0	0	10,000,000	10,000,000	0.00	0	0	10,000,000	10,000,000
DP 920 - Debt Service Adjustment	0.00	0	1,000,000	0	1,000,000	0.00	0	1,000,000	0	1,000,000
DP 923 - Indian Language Immersion Adjustment	0.00	168,000	0	0	168,000	0.00	173,000	0	0	173,000
DP 936 - Equalization Aid Account Adjustment	0.00	(76,029,422)	76,029,422	0	0	0.00	(80,868,092)	80,868,092	0	0
DP 937 - Guarantee Account Adjustment	0.00	(2,178,360)	0	0	(2,178,360)	0.00	(2,746,964)	0	0	(2,746,964)
DP 938 - SEPTR County Retirement Adjustment	0.00	0	0	0	0	0.00	30,651,425	0	0	30,651,425
DP 939 - SEPTR Major Maintenance Aid Adjustment	0.00	0	0	0	0	0.00	4,255,075	0	0	4,255,075
DP 940 - SEPTR Debt Service Adjustment	0.00	0	0	0	0	0.00	1,093,501	0	0	1,093,501
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$68,171,253)</b>	<b>\$87,459,246</b>	<b>\$10,000,000</b>	<b>\$29,287,993</b>	<b>0.00</b>	<b>(\$3,091,200)</b>	<b>\$92,297,916</b>	<b>\$10,000,000</b>	<b>\$99,206,716</b>

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

DP 904 - K-12 BASE Aid Inflationary Increase -

The legislature approved an increase in general fund local assistance for K-12 BASE aid inflationary increases, which includes funding for the growth from statutory inflationary increases (20-9-326, MCA) at 3.0% in FY 2026 and 3.0% in FY 2027 and the growth in enrollment. The statutory inflationary increases apply to the basic entitlement, per-ANB entitlement, quality educator payment, Indian education for all payment, data for achievement payment, special education allowable cost payment, and American Indian achievement gap payment. This request is contingent on passage and approval of HB 15.

DP 905 - At Risk Payment Inflationary Increase -

The legislature approved general fund local assistance authority to support inflationary increases for the at-risk student payment. These increases represent a 3.0% increase for both FY 2026 and FY 2027, which are the same inflationary rates associated with the present law adjustment for K-12 BASE aid.

DP 906 - NRD K12 Facilities Major Maintenance Aid -

The natural resource development (NRD) K-12 facilities payment (20-9-635, MCA) is used to support major maintenance projects in public schools. The legislature approved an increase of general fund and state special revenue local assistance in order to meet the statutorily required growth in each year of the biennium, per 20-9-635, MCA.

DP 907 - State Transformational Learning Pmt Adjustment -

The legislature approved general fund grant authority to adjust the state transformational learning payment for 3.0% inflationary increases related to the per educator component of the calculation, per 20-7-1602(9), MCA.

DP 909 - State Tuition Increase -

The legislature approved general fund local assistance authority to increase the state tuition payment, as required per 20-5-323 and 20-5-324, MCA.

DP 910 - In State Treatment Adjustment -

The legislature adopted a general fund appropriation to meet the in-state inpatient treatment payment needs, as required in 20-7-435, MCA.

DP 911 - Increase Federal Grant Authority - Program 09 -

The legislature approved federal special revenue local assistance authority in each year of the biennium to adjust for increases in federal grant awards that OPI distributes to school districts and other local education agencies administered by the OPI.

DP 920 - Debt Service Adjustment -

The legislature approved state special revenue local assistance authority to increase debt service assistance to the projected need.

DP 923 - Indian Language Immersion Adjustment -

The legislature approved general fund local assistance authority to increase participation in the Indian Language Immersion program (20-7-1404, MCA).

DP 936 - Equalization Aid Account Adjustment -

The legislature adopted an increase to state special revenue authority for the state equalization and property tax reduction (SEPTR) account, which receives revenue from the 95 state equalization mills. This change is requested to account for projected revenue with an offsetting reduction of general fund, per the HJ 2 revenue estimate. The SEPTR account (per 20-9-336, MCA) is the second source of funding for state equalization aid.

DP 937 - Guarantee Account Adjustment -

The legislature approved a decrease in general fund to offset increased revenue in the guarantee account, per the HJ 2 revenue estimate. The guarantee account (per 20-9-622, MCA) is the first source of funding for state equalization aid and is statutorily appropriated.

DP 938 - SEPTR County Retirement Adjustment -

The legislature adopted general fund local assistance funding for K-12 BASE aid for county retirement for FY 2027 only. This is a general fund appropriation triggered by increased revenue from the 95 mills in the SEPTR account, per 20-9-336, MCA.

DP 939 - SEPTR Major Maintenance Aid Adjustment -

The legislature adopted general fund local assistance funding for major maintenance aid for FY 2027 only. This is a general fund appropriation triggered by increased revenue from the 95 mills in the SEPTR account, per 20-9-336, MCA.

DP 940 - SEPTR Debt Service Adjustment -

The legislature adopted general fund local assistance funding for debt service assistance for FY 2027 only. This is a general fund appropriation triggered by increased revenue from the 95 mills in the SEPTR account, per 20-9-336, 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 4 - Move Workforce Innovation Grants to DLI	0.00	(525,000)	0	(1,320,816)	(1,845,816)	0.00	(525,000)	0	(1,320,816)	(1,845,816)
DP 916 - Cell Phone Free Schools (RST/BIEN/OTO)	0.00	500,000	0	0	500,000	0.00	500,000	0	0	500,000
DP 924 - SMMA Adjustment	0.00	(3,175,000)	3,175,000	0	0	0.00	(3,287,000)	3,287,000	0	0
DP 925 - Business Equipment Tax Adjustment	0.00	1,050,000	(1,050,000)	0	0	0.00	1,512,000	(1,512,000)	0	0
DP 930 - School Lunch Funding (RST/BIEN)	0.00	300,000	0	0	300,000	0.00	300,000	0	0	300,000
DP 933 - Teacher Pay Incentive	0.00	53,182,948	0	0	53,182,948	0.00	54,853,831	0	0	54,853,831
DP 941 - Reduction in Funding for Significant Enrollment Increases	0.00	(1,500,000)	0	0	(1,500,000)	0.00	(1,500,000)	0	0	(1,500,000)
DP 942 - Homestead Property Tax Adjustment	0.00	20,696,590	(20,696,590)	0	0	0.00	20,696,590	(20,696,590)	0	0
DP 943 - 95 Mill Non Levy Revenue	0.00	(11,116,000)	11,116,000	0	0	0.00	(10,393,000)	10,393,000	0	0
<b>Total</b>	<b>0.00</b>	<b>\$59,413,538</b>	<b>(\$7,455,590)</b>	<b>(\$1,320,816)</b>	<b>\$50,637,132</b>	<b>0.00</b>	<b>\$62,157,421</b>	<b>(\$8,528,590)</b>	<b>(\$1,320,816)</b>	<b>\$52,308,015</b>

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

DP 4 - Move Workforce Innovation Grants to DLI -

The legislature approved a reduction in general fund and federal special revenue authority to move the adult basic education workforce innovation and opportunities grants to the Department of Labor and Industry (DLI).

DP 916 - Cell Phone Free Schools (RST/BIEN/OTO) -

The legislature adopted restricted, biennial, and one-time-only general fund grant authority for small grants to K-12 public schools to purchase secure systems so that cell phones are inaccessible to students during school hours.

DP 924 - SMMA Adjustment -

Contingent on related legislation (HB 515), the legislature adopted a fund switch for state major maintenance aid from the general fund to state special revenue.

DP 925 - Business Equipment Tax Adjustment -

Contingent on related legislation (SB 322), the legislature approved a fund switch for K-12 BASE aid from the state equalization and property tax reduction (SEPTR) state special revenue account to the state general fund in order to make adjustments to business equipment tax exemptions.

DP 930 - School Lunch Funding (RST/BIEN) -

The legislature adopted a restricted, biennial general fund appropriation to provide free school lunches to children who already receive reduced-price school lunches.

DP 933 - Teacher Pay Incentive -

Contingent on related legislation (HB 252), the legislature adopted general fund local assistance authority for increased teacher pay, which will be directed to the bottom one-third of the teacher pay scale in each school district through state grants.

DP 941 - Reduction in Funding for Significant Enrollment Increases -

The legislature approved a general fund reduction to K-12 BASE aid for unanticipated significant enrollment increases.

DP 942 - Homestead Property Tax Adjustment -

Contingent on related legislation (HB 231), the legislature adopted a fund switch for K-12 BASE aid from the state equalization and property tax reduction (SEPTR) state special revenue account to the state general fund in order to make adjustments for homestead and comstead property tax exemptions.

DP 943 - 95 Mill Non Levy Revenue -

Contingent on related legislation (HB 18), the legislature approved a fund switch to redirect non-levy revenue associated with the 95 mills from the state general fund to the state equalization and property tax reduction (SEPTR) state special revenue account.

Non-levy revenue is revenue from a source other than property tax levies that generally has a connection to property taxation. Certain non-levy revenue associated with the 95 school equalization mills, primarily made up of coal gross proceeds and federal forest reserve funds, must be transferred to the state for K-12 BASE aid funding. HB 587 (2023 Session) redirected property tax revenue from the 95 mills from the general fund to the newly created SEPTR account. The legislation did not revise the deposit of non-levy revenue listed in equalization statutes, so it is still deposited into the general fund under current law.



**Agency Base Budget Comparison**

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

Agency Base Budget Comparison						
Budget Item	Base Budget	Requested Budget		Biennium Change from Base		
	FY 2025	FY 2026	FY 2027	Amount	Percent	
PB	3.00	3.00	3.00	0.00	0.0%	
General Fund	580,585	568,181	568,126	(24,863)	(2.1%)	
State/Other Special Rev. Funds	11,563			(23,126)	(100.0%)	
<b>Total Funds</b>	<b>592,148</b>	<b>568,181</b>	<b>568,126</b>	<b>(47,989)</b>	<b>(4.1%)</b>	
Personal Services	278,418	278,038	278,039	(759)	(0.1%)	
Operating Expenses	313,730	290,143	290,087	(47,230)	(7.5%)	
<b>Total Expenditures</b>	<b>592,148</b>	<b>568,181</b>	<b>568,126</b>	<b>(47,989)</b>	<b>(4.1%)</b>	
<b>Total Ongoing</b>	<b>592,148</b>	<b>568,181</b>	<b>568,126</b>	<b>(47,989)</b>	<b>(4.1%)</b>	
<b>Total One-Time-Only</b>					<b>0.0%</b>	

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**Agency Highlights**

<b>Board of Public Education Major Budget Highlights</b>
<p>The Board of Public Education’s (BPE) 2027 biennium adopted HB 2 budget is approximately \$48,000 or 4.1% less than the FY 2025 base budget. Significant changes include:</p> <ul style="list-style-type: none"> <li>• An increase in general fund for the statewide present law adjustment for personal services</li> <li>• A decrease in general fund for the statewide present law adjustment for fixed costs</li> <li>• The reduction of state special revenue authority, which the Board no longer has the funds to spend</li> </ul>

**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	258,488	264,988	278,418	278,038	278,039
Operating Expenses	138,462	317,200	313,730	290,143	290,087
<b>Total Expenditures</b>	<b>\$396,950</b>	<b>\$582,188</b>	<b>\$592,148</b>	<b>\$568,181</b>	<b>\$568,126</b>
General Fund	395,807	576,445	580,585	568,181	568,126
State/Other Special Rev. Funds	1,143	5,743	11,563	0	0
<b>Total Funds</b>	<b>\$396,950</b>	<b>\$582,188</b>	<b>\$592,148</b>	<b>\$568,181</b>	<b>\$568,126</b>
<b>Total Ongoing</b>	<b>\$396,950</b>	<b>\$582,188</b>	<b>\$592,148</b>	<b>\$568,181</b>	<b>\$568,126</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Page Reference**

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**Executive Budget Comparison**

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

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2025	Executive Budget Fiscal 2026	Legislative Budget Fiscal 2026	Leg — Exec. Difference Fiscal 2026	Executive Budget Fiscal 2027	Legislative Budget Fiscal 2027	Leg — Exec. Difference Fiscal 2027	Biennium Difference Fiscal 26-27
Personal Services	278,418	278,038	278,038	0	278,039	278,039	0	0
Operating Expenses	313,730	290,608	290,143	(465)	290,552	290,087	(465)	(930)
<b>Total Costs</b>	<b>\$592,148</b>	<b>\$568,646</b>	<b>\$568,181</b>	<b>(\$465)</b>	<b>\$568,591</b>	<b>\$568,126</b>	<b>(\$465)</b>	<b>(\$930)</b>
General Fund	580,585	568,646	568,181	(465)	568,591	568,126	(465)	(930)
State/other Special Rev. Funds	11,563	0	0	0	0	0	0	0
<b>Total Funds</b>	<b>\$592,148</b>	<b>\$568,646</b>	<b>\$568,181</b>	<b>(\$465)</b>	<b>\$568,591</b>	<b>\$568,126</b>	<b>(\$465)</b>	<b>(\$930)</b>
<b>Total Ongoing</b>	<b>\$592,148</b>	<b>\$568,646</b>	<b>\$568,181</b>	<b>(\$465)</b>	<b>\$568,591</b>	<b>\$568,126</b>	<b>(\$465)</b>	<b>(\$930)</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

The legislature adopted a HB 2 budget that is \$930 lower than the proposed executive HB 2 budget for the 2027 biennium. This difference is due entirely to adjustments to fixed costs.

Funding

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

Total Board of Public Education Funding by Source of Authority 2027 Biennium Budget Request						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
<b>01100 General Fund</b>	<b>1,136,307</b>				<b>1,136,307</b>	<b>100.0%</b>
<b>State Special Revenue Total</b>	-	-	-	-	-	<b>0.0%</b>
<b>Federal Special Revenue Total</b>	-	-	-	-	-	<b>0.0%</b>
<b>Proprietary Fund Total</b>	-	-	-	-	-	<b>0.0%</b>
<b>Total of All Funds</b>	<b>1,136,307</b>	-	-	-	<b>1,136,307</b>	
<b>Percent of All Sources of Authority</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>		

The Board of Public Education’s approximately \$1.1 million budget 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.

Board of Public Education 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
<b>Base Budget</b>	<b>580,585</b>	<b>11,563</b>	<b>0</b>	<b>592,148</b>	<b>104.2%</b>	<b>580,585</b>	<b>11,563</b>	<b>0</b>	<b>592,148</b>	<b>104.2%</b>
Statewide PL										
Personal Services	11,130	0	0	11,130	2.0%	11,131	0	0	11,131	2.0%
Fixed Costs	(23,062)	0	0	(23,062)	(4.1%)	(23,121)	0	0	(23,121)	(4.1%)
Inflation Deflation	(7)	0	0	(7)	(0.0%)	(4)	0	0	(4)	(0.0%)
Total Statewide PL	(11,939)	0	0	(11,939)	(2.1%)	(11,994)	0	0	(11,994)	(2.1%)
Present Law (PL)	(465)	(11,563)	0	(12,028)	(2.1%)	(465)	(11,563)	0	(12,028)	(2.1%)
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
<b>Total HB 2 Adjustments</b>	<b>(12,404)</b>	<b>(11,563)</b>	<b>0</b>	<b>(23,967)</b>	<b>(4.2%)</b>	<b>(12,459)</b>	<b>(11,563)</b>	<b>0</b>	<b>(24,022)</b>	<b>(4.2%)</b>
<b>Total Budget</b>	<b>568,181</b>	<b>0</b>	<b>0</b>	<b>568,181</b>		<b>568,126</b>	<b>0</b>	<b>0</b>	<b>568,126</b>	

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N/A

**Present Law Adjustments -**

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

	-----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	11,130	0	0	11,130	0.00	11,131	0	0	11,131
DP 2 - Fixed Costs	0.00	(23,062)	0	0	(23,062)	0.00	(23,121)	0	0	(23,121)
DP 3 - Inflation Deflation	0.00	(7)	0	0	(7)	0.00	(4)	0	0	(4)
DP 9 - Remove State Special Revenue Authority	0.00	0	(11,563)	0	(11,563)	0.00	0	(11,563)	0	(11,563)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	(465)	0	0	(465)	0.00	(465)	0	0	(465)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$12,404)</b>	<b>(\$11,563)</b>	<b>\$0</b>	<b>(\$23,967)</b>	<b>0.00</b>	<b>(\$12,459)</b>	<b>(\$11,563)</b>	<b>\$0</b>	<b>(\$24,022)</b>

\*"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 9 - Remove State Special Revenue Authority -

The legislature adopted a reduction of state special revenue authority. Prior to FY 2024, BPE was funded with both general fund and state special revenue; HB 403 (2023 Session) changed the funding sources for the Board of Public Education such that it is now fully funded entirely with general fund. HB 13 (2023 Session) provided the Board of Public Education with state special revenue for the pay plan, but the agency did not have the spending authority for this state special revenue. This reduction removes state special revenue authority from the agency's base budget.

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

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

## Agency Base Budget Comparison

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

Agency Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
PB	50.22	51.22	51.22	1.00	1.0%
General Fund	294,618,262	318,435,453	318,415,802	47,614,731	8.1%
State/Other Special Rev. Funds	34,517,406	38,171,423	38,630,074	7,766,685	11.3%
Federal Spec. Rev. Funds	18,423,077	18,841,378	19,056,826	1,052,050	2.9%
Proprietary Funds	723,465	723,465	723,465		0.0%
<b>Total Funds</b>	<b>348,282,210</b>	<b>376,171,719</b>	<b>376,826,167</b>	<b>56,433,466</b>	<b>8.1%</b>
Personal Services	6,423,672	6,198,356	6,234,631	(414,357)	(3.2%)
Operating Expenses	8,285,485	8,375,323	8,387,593	191,946	1.2%
Equipment & Intangible Assets	11,063	11,063	11,063		0.0%
Local Assistance	17,804,881	18,757,156	19,551,922	2,699,316	7.6%
Grants	19,747,079	20,890,505	21,967,258	3,363,605	8.5%
Transfers	295,358,604	320,936,858	319,670,822	49,890,472	8.4%
Debt Service	651,426	1,002,458	1,002,878	702,484	53.9%
<b>Total Expenditures</b>	<b>348,282,210</b>	<b>376,171,719</b>	<b>376,826,167</b>	<b>56,433,466</b>	<b>8.1%</b>
<b>Total Ongoing</b>	<b>348,282,210</b>	<b>375,804,054</b>	<b>376,458,502</b>	<b>55,698,136</b>	<b>8.0%</b>
<b>Total One-Time-Only</b>	<b>4,000,000</b>	<b>367,665</b>	<b>367,665</b>	<b>(7,264,670)</b>	<b>(90.8%)</b>

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## Agency Highlights

**Office of the Commissioner of Higher Education  
Major Budget Highlights**

The Office of the Commissioner of Higher Education's 2027 biennium adopted budget is approximately \$56.4 million or 8.1% above the FY 2025 base budget. Significant biennial changes include:

- Increases in general fund appropriations of \$16.5 million in FY 2026 and \$15.4 million in FY 2027 for present law adjustments related to personal services, higher education fixed costs, and inflation in the Appropriation Distribution Program
- Increases of general fund appropriations by \$2.3 million in FY 2026 and \$2.7 million in FY 2027 for present law adjustments related to personal services, fixed costs, and inflation in the Agency Funds Program
- Decreases of general fund appropriations and increasing six-mill state special revenue appropriations by \$3.3 million in FY 2026 and \$3.8 million in FY 2027. The revenues in the state special revenue fund are expected to grow due to reappraisal
- A \$3.5 million per fiscal year ongoing general fund appropriation for the Montana 10 initiative in the Student Assistance Program
- Approximately \$2.2 million of increased general fund appropriations per fiscal year to provide support for the 1-2 Free dual enrollment programs in the MUS, community colleges, and tribal colleges
- Increases of general fund appropriations and state special revenue appropriations by approximately \$1.0 million in FY 2026 and \$2.0 million in FY 2027 in the Student Assistance Program. Increases are driven by cost changes in the professional student exchange programs, such as increased support fee costs and additional students in these programs
- Increases of general fund appropriations by \$345,000 in FY 2026 and \$1.1 million in FY 2027 pursuant to the statutory calculation of the community college funding formula

**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	5,044,628	5,894,814	6,423,672	6,198,356	6,234,631
Operating Expenses	4,557,928	9,622,306	9,635,485	8,375,323	8,387,593
Equipment & Intangible Assets	10,311	11,063	11,063	11,063	11,063
Local Assistance	16,315,492	16,315,927	17,804,881	18,757,156	19,551,922
Grants	16,103,231	18,558,987	19,847,079	20,890,505	21,967,258
Transfers	271,194,718	276,213,828	297,908,604	320,936,858	319,670,822
Debt Service	244,521	651,439	651,426	1,002,458	1,002,878
<b>Total Expenditures</b>	<b>\$313,470,829</b>	<b>\$327,268,364</b>	<b>\$352,282,210</b>	<b>\$376,171,719</b>	<b>\$376,826,167</b>
General Fund	266,687,624	273,133,217	298,618,262	318,435,453	318,415,802
State/Other Special Rev. Funds	35,011,519	35,110,764	34,517,406	38,171,423	38,630,074
Federal Spec. Rev. Funds	11,144,469	18,300,918	18,423,077	18,841,378	19,056,826
Proprietary Funds	627,217	723,465	723,465	723,465	723,465
<b>Total Funds</b>	<b>\$313,470,829</b>	<b>\$327,268,364</b>	<b>\$352,282,210</b>	<b>\$376,171,719</b>	<b>\$376,826,167</b>
<b>Total Ongoing</b>	<b>\$311,917,848</b>	<b>\$324,548,364</b>	<b>\$348,282,210</b>	<b>\$375,804,054</b>	<b>\$376,458,502</b>
<b>Total OTO</b>	<b>\$1,552,981</b>	<b>\$2,720,000</b>	<b>\$4,000,000</b>	<b>\$367,665</b>	<b>\$367,665</b>

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**Executive Budget Comparison**

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

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2025	Executive Budget Fiscal 2026	Legislative Budget Fiscal 2026	Leg — Exec. Difference Fiscal 2026	Executive Budget Fiscal 2027	Legislative Budget Fiscal 2027	Leg — Exec. Difference Fiscal 2027	Biennium Difference Fiscal 26-27
Personal Services	6,423,672	6,012,156	6,198,356	186,200	6,048,431	6,234,631	186,200	372,400
Operating Expenses	9,635,485	8,375,323	8,375,323	0	8,387,593	8,387,593	0	0
Equipment & Intangible Assets	11,063	11,063	11,063	0	11,063	11,063	0	0
Local Assistance	17,804,881	18,204,022	18,757,156	553,134	18,927,866	19,551,922	624,056	1,177,190
Grants	19,847,079	20,515,265	20,890,505	375,240	21,592,018	21,967,258	375,240	750,480
Transfers	297,908,604	315,092,960	320,936,858	5,843,898	314,316,772	319,670,822	5,354,050	11,197,948
Debt Service	651,426	1,002,458	1,002,458	0	1,002,878	1,002,878	0	0
<b>Total Costs</b>	<b>\$352,282,210</b>	<b>\$369,213,247</b>	<b>\$376,171,719</b>	<b>\$6,958,472</b>	<b>\$370,286,621</b>	<b>\$376,826,167</b>	<b>\$6,539,546</b>	<b>\$13,498,018</b>
General Fund	298,618,262	311,476,981	318,435,453	6,958,472	311,876,256	318,415,802	6,539,546	13,498,018
State/other Special Rev. Funds	34,517,406	38,171,423	38,171,423	0	38,630,074	38,630,074	0	0
Federal Spec. Rev. Funds	18,423,077	18,841,378	18,841,378	0	19,056,826	19,056,826	0	0
Other	723,465	723,465	723,465	0	723,465	723,465	0	0
<b>Total Funds</b>	<b>\$352,282,210</b>	<b>\$369,213,247</b>	<b>\$376,171,719</b>	<b>\$6,958,472</b>	<b>\$370,286,621</b>	<b>\$376,826,167</b>	<b>\$6,539,546</b>	<b>\$13,498,018</b>
<b>Total Ongoing</b>	<b>\$348,282,210</b>	<b>\$368,638,247</b>	<b>\$375,804,054</b>	<b>\$7,165,807</b>	<b>\$369,861,621</b>	<b>\$376,458,502</b>	<b>\$6,596,881</b>	<b>\$13,762,688</b>
<b>Total OTO</b>	<b>\$4,000,000</b>	<b>\$575,000</b>	<b>\$367,665</b>	<b>(\$207,335)</b>	<b>\$425,000</b>	<b>\$367,665</b>	<b>(\$57,335)</b>	<b>(\$264,670)</b>



The legislature adopted a HB 2 budget that is approximately \$13.5 million higher than the proposed executive HB 2 budget for the 2027 biennium. There are several notable differences in the legislative budget as compared to the executive budget:

- Increased general fund appropriations of \$3.5 million per fiscal year for support for the Montana 10 program. This program is an initiative to intervene and provide support for students who may be at risk of falling behind in courses and credits so that they graduate on-time
- Increases general fund appropriations of approximately \$2.2 million per fiscal year to support the 1-2 Free dual enrollment program among Montana University System (MUS), community college, and tribal college campuses. These funds are restricted and broken down as follows:
  - \$1,475,000 for MUS units
  - \$600,000 for community colleges
  - \$100,000 for tribal colleges
- The legislature did not adopt a proposed \$1.0 million one-time-only proposal to study the feasibility of, and implement, an online J.D program at the UM law school
- One-time-only support for the UM Native American Grave Protection and Repatriation Act (NAGPRA) support team amounting to approximately \$368,000 per fiscal year of general fund appropriations
- A restricted general fund appropriation of \$810,000 for the single audit cost for the MSU and UM legislative audit. This is a technical correction, as the appropriation had mistakenly been left out of the executive budget proposal
- An increase to support the Graduate Medical Education residency program of approximately \$703,000 of general fund appropriations over the biennium
- Increased restricted general fund appropriations of \$275,000 per fiscal year to increase the per-student non-beneficiary support the legislature provides to tribal college units
- Increased general fund appropriations of \$186,000 per fiscal year to support a 1.00 PB MUS facilities inventory position
- The adoption of different parameters for the Community College Funding Formula than were proposed by the executive, amounting to an approximately \$22,000 decrease in general fund appropriations

**Funding**

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

Total Commissioner of Higher Education Funding by Source of Authority 2027 Biennium Budget Request						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
<b>01100 General Fund</b>	<b>636,115,925</b>	<b>735,330</b>		<b>4,139,367</b>	<b>640,990,622</b>	<b>58.1%</b>
02443 University Millage	71,986,532				71,986,532	6.5%
02943 Rural Physicians Account				3,335,360	3,335,360	0.3%
02111 Accommodation Tax Account				2,932,888	2,932,888	0.3%
02027 STEM Scholarships				2,111,054	2,111,054	0.2%
02944 Motorcycle Safety Training	1,160,318				1,160,318	0.1%
Other State Special Revenue	3,654,647				3,654,647	0.3%
<b>State Special Revenue Total</b>	<b>76,801,497</b>			<b>8,379,302</b>	<b>85,180,799</b>	<b>7.7%</b>
03215 Carl Perkins Federal Funds	13,951,935				13,951,935	1.3%
03042 2nd GEAR UP Grant	13,768,862				13,768,862	1.2%
03400 Guaranteed Std. Loan-Admin.	4,649,842				4,649,842	0.4%
03412 GEAR UP Federal Schol 2005	3,290,686				3,290,686	0.3%
03806 Talent Search	2,122,811				2,122,811	0.2%
Other Federal Special Revenue	114,068				114,068	0.0%
<b>Federal Special Revenue Total</b>	<b>37,898,204</b>				<b>37,898,204</b>	<b>3.4%</b>
06008 MUS Group Insurance Program			301,147,260		301,147,260	27.3%
06009 MUS Flexible Spending Account			26,793,976		26,793,976	2.4%
06082 MUS Self-Funded Workers Comp			9,501,853		9,501,853	0.9%
06539 Indirect Costs OCHE	1,446,930				1,446,930	0.1%
<b>Proprietary Fund Total</b>	<b>1,446,930</b>		<b>337,443,089</b>		<b>338,890,019</b>	<b>30.7%</b>
<b>Total of All Funds</b>	<b>752,262,556</b>	<b>735,330</b>	<b>337,443,089</b>	<b>12,518,669</b>	<b>1,102,959,644</b>	
<b>Percent of All Sources of Authority</b>	<b>68.2%</b>	<b>0.1%</b>	<b>30.6%</b>	<b>1.1%</b>		

HB 2 Appropriations

Approximately two-thirds of the funding proposed by the executive for the Office of the Commissioner of Higher Education is appropriated in HB 2. Approximately one-third of the proposed funding does not require an appropriation as the authority comes from enterprise-type non-budgeted proprietary funds. The remaining one percent is statutory appropriation authority.

Non-Budgeted Proprietary Funds

The agency administers two programs funded by enterprise funds:

- MUS Self-Funded Workers' Compensation
- MUS Group Health Insurance

These funds are discussed in the Legislative Fiscal Division Section E Non-Budgeted Proprietary Narrative.

The legislature does not appropriate enterprise funds or approve rates for the programs. Instead, the legislature reviews the funds and identifies any concerns with the financial position of the funds. Revenues, expenditures, and fund balances for the enterprise funds for the current and projected biennia are detailed in the respective program.

Statutory Appropriations

The agency receives several statutory appropriations that are not included in HB 2. The MUS retirement program is a general fund statutory appropriation. The majority of the agency's statutory appropriations are from state special revenue, including:

- Montana Rural Physicians Incentive Program
- STEM Scholarships
- UM Accommodations Tax Revenue

More detail about statutory appropriations is provided in the program analyses below.

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 Higher Education 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
<b>Base Budget</b>	<b>294,618,262</b>	<b>34,517,406</b>	<b>18,423,077</b>	<b>348,282,210</b>	<b>92.6%</b>	<b>294,618,262</b>	<b>34,517,406</b>	<b>18,423,077</b>	<b>348,282,210</b>	<b>92.4%</b>
Statewide PL										
Personal Services	(340,577)	(12,983)	(97,264)	(450,824)	(0.1%)	(324,001)	(12,332)	(91,814)	(428,147)	(0.1%)
Fixed Costs	18,360	0	0	18,360	0.0%	27,440	0	0	27,440	0.0%
Inflation Deflation	(826)	0	(425)	(1,251)	(0.0%)	(558)	0	(287)	(845)	(0.0%)
<b>Total Statewide PL</b>	<b>(323,043)</b>	<b>(12,983)</b>	<b>(97,689)</b>	<b>(433,715)</b>	<b>(0.1%)</b>	<b>(297,119)</b>	<b>(12,332)</b>	<b>(92,101)</b>	<b>(401,552)</b>	<b>(0.1%)</b>
Present Law (PL)	20,686,968	0	515,990	21,202,958	5.6%	20,929,169	0	725,850	21,655,019	5.7%
New Proposals	3,453,266	3,667,000	0	7,120,266	1.9%	3,165,490	4,125,000	0	7,290,490	1.9%
<b>Total HB 2 Adjustments</b>	<b>23,817,191</b>	<b>3,654,017</b>	<b>418,301</b>	<b>27,889,509</b>	<b>7.4%</b>	<b>23,797,540</b>	<b>4,112,668</b>	<b>633,749</b>	<b>28,543,957</b>	<b>7.6%</b>
<b>Total Budget</b>	<b>318,435,453</b>	<b>38,171,423</b>	<b>18,841,378</b>	<b>376,171,719</b>		<b>318,415,802</b>	<b>38,630,074</b>	<b>19,056,826</b>	<b>376,826,167</b>	

**Language and Statutory Authority**

Items designated as OCHE Administration Program, Student Assistance Program, Educational Outreach and Diversity, Workforce Development Program, Appropriation Distribution, Guaranteed Student Loan, and Board of Regents Administration are designated as biennial appropriations.

General fund money, state and federal special revenue, and proprietary fund revenue appropriated to the board of regents are included in all Montana university system programs. All other public funds received by units of the Montana university system (other than plant funds appropriated in House Bill 5 relating to long-range building) are appropriated to the board of regents and may be expended under the provisions of 17-7-138(2). The board of regents shall allocate the appropriations to individual university system units, as defined in 17-7-102(15), according to board policy.

The Montana university system, except for the office of the commissioner of higher education and the community colleges, shall provide the office of budget and program planning and the legislative fiscal division Banner access to the entire university system's information system, except for information pertaining to individual students and individual employees that is protected by Article II, sections 9 and 10, of the Montana constitution, 20-25-515, or the Family Educational Rights and Privacy Act of 1974, 20 U.S. C. 1232g.

The Montana university system shall provide the electronic data required for entering human resource data for the current unrestricted operating funds into the internet budgeting and reporting system. The salary and benefit data provided must reflect approved board of regents operating budgets.

The commissioner may adjust the funding distribution between community colleges based on actual weighted FTE enrollment.

The community college FTE decrease funding factor is \$6,000 for fiscal year 2026 and \$6,000 for fiscal year 2027. The community college FTE increase funding factor is \$8,000 for fiscal year 2026 and \$8,000 for fiscal year 2027. The community college weighting factors for the 2027 biennium are 1.50 for CTE FTE, 1.00 for general education FTE, 0.50 for early college FTE, and 0.25 for concurrent enrollment FTE.

The general fund appropriation for Community College Assistance is calculated to fund education in the community colleges for an estimated 1,911 resident FTE in fiscal year 2026 and 1,996 in fiscal year 2027. If actual weighted resident FTE student enrollment in the community colleges is greater than the estimated number for the biennium, the community colleges must receive a reimbursement for the underpayment from the community college FTE adjustment account. If actual weighted resident FTE student enrollment is less than the estimated numbers for the biennium, the community colleges shall pay a fee equal to the overpayment amount to be deposited in the FTE adjustment account in accordance with 20-15-328.

Total audit costs are estimated to be \$358,500 for the community colleges for the biennium. Audit costs charged to the community colleges for the biennium may not exceed \$60,500 for Flathead Valley Community College, \$188,000 for Miles Community College, and \$110,000 for Dawson Community College. Total audit costs for UM - Missoula is \$549,653 and MSU - Bozeman is \$542,668.

If LC 0958 is not passed and approved, the appropriation for Non-Beneficiary Increase is void.

**Program Base Budget Comparison**

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

Program Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
PB	23.28	24.28	24.28	1.00	2.1%
General Fund	4,428,701	4,604,571	4,628,959	376,128	4.2%
Proprietary Funds	723,465	723,465	723,465		0.0%
<b>Total Funds</b>	<b>5,152,166</b>	<b>5,328,036</b>	<b>5,352,424</b>	<b>376,128</b>	<b>3.7%</b>
Personal Services	3,930,263	3,720,909	3,735,957	(403,660)	(5.1%)
Operating Expenses	1,012,874	1,030,433	1,039,773	44,458	2.2%
Equipment & Intangible Assets	11,063	11,063	11,063		0.0%
Transfers	22,773	390,438	390,438	735,330	1,614.5%
Debt Service	175,193	175,193	175,193		0.0%
<b>Total Expenditures</b>	<b>5,152,166</b>	<b>5,328,036</b>	<b>5,352,424</b>	<b>376,128</b>	<b>3.7%</b>
<b>Total Ongoing</b>	<b>5,152,166</b>	<b>4,960,371</b>	<b>4,984,759</b>	<b>(359,202)</b>	<b>(3.5%)</b>
<b>Total One-Time-Only</b>	<b>3,900,000</b>	<b>367,665</b>	<b>367,665</b>	<b>(7,064,670)</b>	<b>(90.6%)</b>

**Page Reference**

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**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison					
Budget Item	Actuals	Approp.	Approp.	Legislative	Legislative
	Fiscal 2024	Fiscal 2024	Fiscal 2025	Fiscal 2026	Fiscal 2027
Personal Services	3,429,718	3,583,342	3,930,263	3,720,909	3,735,957
Operating Expenses	1,251,318	2,369,114	2,362,874	1,030,433	1,039,773
Equipment & Intangible Assets	10,311	11,063	11,063	11,063	11,063
Transfers	626,488	1,055,598	2,572,773	390,438	390,438
Debt Service	155,311	175,193	175,193	175,193	175,193
<b>Total Expenditures</b>	<b>\$5,473,146</b>	<b>\$7,194,310</b>	<b>\$9,052,166</b>	<b>\$5,328,036</b>	<b>\$5,352,424</b>
General Fund	4,845,929	6,470,845	8,328,701	4,604,571	4,628,959
Proprietary Funds	627,217	723,465	723,465	723,465	723,465
<b>Total Funds</b>	<b>\$5,473,146</b>	<b>\$7,194,310</b>	<b>\$9,052,166</b>	<b>\$5,328,036</b>	<b>\$5,352,424</b>
<b>Total Ongoing</b>	<b>\$4,140,160</b>	<b>\$4,694,310</b>	<b>\$5,152,166</b>	<b>\$4,960,371</b>	<b>\$4,984,759</b>
<b>Total OTO</b>	<b>\$1,332,986</b>	<b>\$2,500,000</b>	<b>\$3,900,000</b>	<b>\$367,665</b>	<b>\$367,665</b>

**Page Reference**

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Funding

HB 2 Appropriations

The Administration Program is primarily funded with general fund. The remaining funding in the 2027 biennium is from a budgeted proprietary fund. The proprietary fund receives revenues from an indirect costs rate charged to other programs and supports the administrative overhead activities for those programs (e.g., Talent Search, GEAR-UP, Perkins, MUS Group Insurance, and MUS Workers' Compensation).

Legislative Budget

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

Administration 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
<b>Base Budget</b>	<b>4,428,701</b>	<b>0</b>	<b>0</b>	<b>5,152,166</b>	<b>96.7%</b>	<b>4,428,701</b>	<b>0</b>	<b>0</b>	<b>5,152,166</b>	<b>96.3%</b>
Statewide PL										
Personal Services	(395,554)	0	0	(395,554)	(7.4%)	(380,506)	0	0	(380,506)	(7.1%)
Fixed Costs	18,360	0	0	18,360	0.3%	27,440	0	0	27,440	0.5%
Inflation Deflation	(801)	0	0	(801)	(0.0%)	(541)	0	0	(541)	(0.0%)
<b>Total Statewide PL</b>	<b>(377,995)</b>	<b>0</b>	<b>0</b>	<b>(377,995)</b>	<b>(7.1%)</b>	<b>(353,607)</b>	<b>0</b>	<b>0</b>	<b>(353,607)</b>	<b>(6.6%)</b>
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	553,865	0	0	553,865	10.4%	553,865	0	0	553,865	10.3%
<b>Total HB 2 Adjustments</b>	<b>175,870</b>	<b>0</b>	<b>0</b>	<b>175,870</b>	<b>3.3%</b>	<b>200,258</b>	<b>0</b>	<b>0</b>	<b>200,258</b>	<b>3.7%</b>
<b>Total Budget</b>	<b>4,604,571</b>	<b>0</b>	<b>0</b>	<b>5,328,036</b>		<b>4,628,959</b>	<b>0</b>	<b>0</b>	<b>5,352,424</b>	

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	(395,554)	0	0	(395,554)	0.00	(380,506)	0	0	(380,506)
DP 2 - Fixed Costs	0.00	18,360	0	0	18,360	0.00	27,440	0	0	27,440
DP 3 - Inflation Deflation	0.00	(801)	0	0	(801)	0.00	(541)	0	0	(541)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$377,995)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$377,995)</b>	<b>0.00</b>	<b>(\$353,607)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$353,607)</b>

\*\*"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 107 - MUS Facilities Position	1.00	186,200	0	0	186,200	1.00	186,200	0	0	186,200
DP 108 - UM NAGPRA-Repatriation Support Team (OTO)	0.00	367,665	0	0	367,665	0.00	367,665	0	0	367,665
<b>Total</b>	<b>1.00</b>	<b>\$553,865</b>	<b>\$0</b>	<b>\$0</b>	<b>\$553,865</b>	<b>1.00</b>	<b>\$553,865</b>	<b>\$0</b>	<b>\$0</b>	<b>\$553,865</b>

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

DP 107 - MUS Facilities Position -

The legislature adopted increased general fund personal services appropriations to fund 1.00 PB for an MUS Director of Facilities Planning position which had previously been funded as a modified position.

DP 108 - UM NAGPRA-Repatriation Support Team (OTO) -

The legislature adopted one-time-only appropriations to support a team working to assist with the University of Montana’s Native American Graves Protection and Repatriation Act (NAGPRA) and repatriation work. This funding is intended to replace external funding which ended at the end of June 2024.

**Program Base Budget Comparison**

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

Program Base Budget Comparison						
Budget Item	Base Budget	Requested Budget		Biennium Change from Base		
	FY 2025	FY 2026	FY 2027	Amount	Percent	
PB	3.00	3.00	3.00	0.00	0.0%	
General Fund	13,781,373	20,142,317	21,148,745	13,728,316	49.8%	
State/Other Special Rev. Funds	370,013	707,030	707,681	674,685	91.2%	
<b>Total Funds</b>	<b>14,151,386</b>	<b>20,849,347</b>	<b>21,856,426</b>	<b>14,403,001</b>	<b>50.9%</b>	
Personal Services	406,060	433,193	435,372	56,445	7.0%	
Operating Expenses	440,885	507,767	508,200	134,197	15.2%	
Local Assistance	169,000	776,352	784,023	1,222,375	361.6%	
Grants	13,019,810	13,691,404	14,688,200	2,339,984	9.0%	
Transfers	115,631	5,090,631	5,090,631	9,950,000	4,302.5%	
Debt Service		350,000	350,000	700,000	0.0%	
<b>Total Expenditures</b>	<b>14,151,386</b>	<b>20,849,347</b>	<b>21,856,426</b>	<b>14,403,001</b>	<b>50.9%</b>	
<b>Total Ongoing</b>	<b>14,151,386</b>	<b>20,849,347</b>	<b>21,856,426</b>	<b>14,403,001</b>	<b>50.9%</b>	
<b>Total One-Time-Only</b>					<b>0.0%</b>	

**Page Reference**

LFD Budget Analysis Addendum: Student Assistance Program, Page -1

**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	305,332	356,233	406,060	433,193	435,372
Operating Expenses	380,408	435,017	440,885	507,767	508,200
Local Assistance	164,000	164,435	169,000	776,352	784,023
Grants	11,858,418	12,047,718	13,019,810	13,691,404	14,688,200
Transfers	37,283	55,697	115,631	5,090,631	5,090,631
Debt Service	0	0	0	350,000	350,000
<b>Total Expenditures</b>	<b>\$12,745,441</b>	<b>\$13,059,100</b>	<b>\$14,151,386</b>	<b>\$20,849,347</b>	<b>\$21,856,426</b>
General Fund	12,481,315	12,695,729	13,781,373	20,142,317	21,148,745
State/Other Special Rev. Funds	264,126	363,371	370,013	707,030	707,681
<b>Total Funds</b>	<b>\$12,745,441</b>	<b>\$13,059,100</b>	<b>\$14,151,386</b>	<b>\$20,849,347</b>	<b>\$21,856,426</b>
<b>Total Ongoing</b>	<b>\$12,745,441</b>	<b>\$13,059,100</b>	<b>\$14,151,386</b>	<b>\$20,849,347</b>	<b>\$21,856,426</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Page Reference**

LFD Budget Analysis Addendum: Student Assistance Program, Page -5

**Funding**

*HB 2 Appropriations*

The Student Assistance Program is funded primarily with general fund in HB 2. State special revenue supports the administration of the Family Education Savings Program. The state special revenue fund receives revenue from annual account maintenance fees paid by non-resident participants and Board of Investments earnings.

*Statutory Appropriations*

The Student Assistance Program has statutory appropriations from two state special revenue funds, which include:

- The Montana Rural Physicians Incentive Program (MRPIP)
- Science, technology, engineering, math, and healthcare (STEM) scholarships

MRPIP provides a financial incentive for physicians to practice in rural areas or medically underserved areas by paying up to \$150,000 of student loan debt. Funding for the program comes from fees paid by medical students in the professional student exchange programs and state general fund. Statutes governing MRPIP also allow administrative costs to be paid up to 10.0% of the annual fees assessed.

The STEM scholarship is a statutory appropriation funded through lottery proceeds. The STEM scholarship program is designed to provide an incentive for Montana high school students to prepare for, enter into, and complete degrees in postsecondary fields related to science, technology, engineering, mathematics, and healthcare. The goal of this program is to increase the number of STEM degree recipients participating in Montana’s workforce.

**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.

Student Assistance 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
<b>Base Budget</b>	<b>13,781,373</b>	<b>370,013</b>	<b>0</b>	<b>14,151,386</b>	<b>67.9%</b>	<b>13,781,373</b>	<b>370,013</b>	<b>0</b>	<b>14,151,386</b>	<b>64.7%</b>
Statewide PL										
Personal Services	40,116	(12,983)	0	27,133	0.1%	41,644	(12,332)	0	29,312	0.1%
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%
<b>Total Statewide PL</b>	<b>40,116</b>	<b>(12,983)</b>	<b>0</b>	<b>27,133</b>	<b>0.1%</b>	<b>41,644</b>	<b>(12,332)</b>	<b>0</b>	<b>29,312</b>	<b>0.1%</b>
Present Law (PL)	645,828	0	0	645,828	3.1%	1,650,728	0	0	1,650,728	7.6%
New Proposals	5,675,000	350,000	0	6,025,000	28.9%	5,675,000	350,000	0	6,025,000	27.6%
<b>Total HB 2 Adjustments</b>	<b>6,360,944</b>	<b>337,017</b>	<b>0</b>	<b>6,697,961</b>	<b>32.1%</b>	<b>7,367,372</b>	<b>337,668</b>	<b>0</b>	<b>7,705,040</b>	<b>35.3%</b>
<b>Total Budget</b>	<b>20,142,317</b>	<b>707,030</b>	<b>0</b>	<b>20,849,347</b>		<b>21,148,745</b>	<b>707,681</b>	<b>0</b>	<b>21,856,426</b>	



**Present Law Adjustments -**

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

	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	40,116	(12,983)	0	27,133	0.00	41,644	(12,332)	0	29,312
DP 201 - Professional Student Exchange Programs	0.00	645,828	0	0	645,828	0.00	1,650,728	0	0	1,650,728
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$685,944</b>	<b>(\$12,983)</b>	<b>\$0</b>	<b>\$672,961</b>	<b>0.00</b>	<b>\$1,692,372</b>	<b>(\$12,332)</b>	<b>\$0</b>	<b>\$1,680,040</b>

\*\*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 201 - Professional Student Exchange Programs -

The legislature adopted continued state support to fund first year and continuing student slots at anticipated increased student support fees for the WICHE, WWAMI, MN Dental, WIMU, and ICOM professional student exchange programs.

**New Proposals -**

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

	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 202 - 1-2 Free (RST)	0.00	1,475,000	0	0	1,475,000	0.00	1,475,000	0	0	1,475,000
DP 203 - 1-2 Free CC's (RST)	0.00	600,000	0	0	600,000	0.00	600,000	0	0	600,000
DP 204 - Central Application System	0.00	0	350,000	0	350,000	0.00	0	350,000	0	350,000
DP 205 - 1-2 Free TCU's (RST)	0.00	100,000	0	0	100,000	0.00	100,000	0	0	100,000
DP 206 - Montana 10 (RST)	0.00	3,500,000	0	0	3,500,000	0.00	3,500,000	0	0	3,500,000
<b>Total</b>	<b>0.00</b>	<b>\$5,675,000</b>	<b>\$350,000</b>	<b>\$0</b>	<b>\$6,025,000</b>	<b>0.00</b>	<b>\$5,675,000</b>	<b>\$350,000</b>	<b>\$0</b>	<b>\$6,025,000</b>

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

DP 202 - 1-2 Free (RST) -

The legislature adopted restricted general fund appropriations to support the 1-2 Free dual enrollment programs at MUS units. 1-2 Free has previously been supported by GEER and GEAR UP grants and performance funding residuals when available, as well as a one-time-only appropriation by the 2023 legislature. This funding will continue state support for these programs.

DP 203 - 1-2 Free CC's (RST) -

The legislature adopted restricted general fund appropriations to support the 1-2 Free dual enrollment programs at Dawson Community College, Flathead Valley Community College, and Miles City Community College. 1-2 Free has previously been supported by GEER and GEAR UP grants and performance funding residuals when available, as well as a one-time-only appropriation by the 2023 legislature.

DP 204 - Central Application System -

The legislature adopted funding to support the central application system for the Montana University System. This proposal will provide authority to utilize the application fees collected from non-resident students applying to the Montana University System via the single application portal. Non-resident students are required to pay the application fee to apply, while it remains free for all resident students. The fees collected in the state special revenue account will be used to offset a portion of the annual operating costs of the central application system and for the OCHE to administer and manage the program.

DP 205 - 1-2 Free TCU's (RST) -

The legislature adopted restricted general fund appropriations to support the 1-2 Free dual enrollment programs at the Montana tribal colleges. Tribal colleges have not previously received 1-2 Free funding.

DP 206 - Montana 10 (RST) -

The legislature adopted restricted general fund appropriations to support the Montana 10 program in the MUS. Funding will support ongoing Montana 10 students through the conclusion of an external evaluation of the program, with the aim of sustained cohorts statewide supported through institutional and philanthropic funds. Investments will also be made in campus IT, data, and advising infrastructure designed to make Montana 10 program components part of broader institutional practice by informing advisors of students who may be falling behind for just-in-time support.

**Program Base Budget Comparison**

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

Program Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
General Fund	17,635,881	17,980,804	18,767,899	1,476,941	4.2%
<b>Total Funds</b>	<b>17,635,881</b>	<b>17,980,804</b>	<b>18,767,899</b>	<b>1,476,941</b>	<b>4.2%</b>
Local Assistance	17,635,881	17,980,804	18,767,899	1,476,941	4.2%
<b>Total Expenditures</b>	<b>17,635,881</b>	<b>17,980,804</b>	<b>18,767,899</b>	<b>1,476,941</b>	<b>4.2%</b>
<b>Total Ongoing</b>	<b>17,635,881</b>	<b>17,980,804</b>	<b>18,767,899</b>	<b>1,476,941</b>	<b>4.2%</b>
<b>Total One-Time-Only</b>					<b>0.0%</b>

**Page Reference**

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**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Local Assistance	16,151,492	16,151,492	17,635,881	17,980,804	18,767,899
<b>Total Expenditures</b>	<b>\$16,151,492</b>	<b>\$16,151,492</b>	<b>\$17,635,881</b>	<b>\$17,980,804</b>	<b>\$18,767,899</b>
General Fund	16,151,492	16,151,492	17,635,881	17,980,804	18,767,899
<b>Total Funds</b>	<b>\$16,151,492</b>	<b>\$16,151,492</b>	<b>\$17,635,881</b>	<b>\$17,980,804</b>	<b>\$18,767,899</b>
<b>Total Ongoing</b>	<b>\$16,151,492</b>	<b>\$16,151,492</b>	<b>\$17,635,881</b>	<b>\$17,980,804</b>	<b>\$18,767,899</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Page Reference**

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**Funding**

*HB 2 Appropriations*

The Community College Assistance Program is entirely funded in HB 2 with general fund. The state general fund appropriations for each community college are primarily provided using a funding formula that is defined in Montana statute (20-15-310, MCA). The legislature reviewed and revised the FTE funding factors for this formula.

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 College Assistance 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
<b>Base Budget</b>	<b>17,635,881</b>	<b>0</b>	<b>0</b>	<b>17,635,881</b>	<b>98.1%</b>	<b>17,635,881</b>	<b>0</b>	<b>0</b>	<b>17,635,881</b>	<b>94.0%</b>
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)	344,923	0	0	344,923	1.9%	1,132,018	0	0	1,132,018	6.0%
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
<b>Total HB 2 Adjustments</b>	<b>344,923</b>	<b>0</b>	<b>0</b>	<b>344,923</b>	<b>1.9%</b>	<b>1,132,018</b>	<b>0</b>	<b>0</b>	<b>1,132,018</b>	<b>6.0%</b>
<b>Total Budget</b>	<b>17,980,804</b>	<b>0</b>	<b>0</b>	<b>17,980,804</b>		<b>18,767,899</b>	<b>0</b>	<b>0</b>	<b>18,767,899</b>	

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 402 - Community College Audit Costs	0.00	358,500	0	0	358,500	0.00	0	0	0	0
DP 405 - Community College Base Correction	0.00	(1,798,442)	0	0	(1,798,442)	0.00	(1,798,442)	0	0	(1,798,442)
DP 408 - Community College Funding Adjustment	0.00	1,784,865	0	0	1,784,865	0.00	2,930,460	0	0	2,930,460
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$344,923</b>	<b>\$0</b>	<b>\$0</b>	<b>\$344,923</b>	<b>0.00</b>	<b>\$1,132,018</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,132,018</b>

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

DP 402 - Community College Audit Costs -

The legislature adopted appropriations for audit costs for the Community Colleges. The estimated costs are provided by the community colleges per 5-13-402, MCA.

DP 405 - Community College Base Correction -

The legislature adopted decreased appropriations that adjusted the base budget for the Community College Assistance Program to an amount that is reflective of what was budgeted for FY 2024, less reversions and with the FY 2024 HB 13 pay plan appropriations included. This is the starting point for the 2027 biennium community college funding formula.

DP 408 - Community College Funding Adjustment -

The legislature adopted increased funding based on the statutory funding formula for Community Colleges.

**Program Base Budget Comparison**

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

Program Base Budget Comparison						
Budget Item	Base Budget	Requested Budget		Biennium Change from Base		
	FY 2025	FY 2026	FY 2027	Amount	Percent	
PB	18.24	18.24	18.24	0.00	0.0%	
General Fund	155,871	176,307	176,315	40,880	13.1%	
Federal Spec. Rev. Funds	9,638,988	9,646,568	9,649,859	18,451	0.1%	
<b>Total Funds</b>	<b>9,794,859</b>	<b>9,822,875</b>	<b>9,826,174</b>	<b>59,331</b>	<b>0.3%</b>	
Personal Services	1,450,055	1,478,235	1,481,481	59,606	2.1%	
Operating Expenses	4,910,476	4,910,312	4,910,365	(275)	(0.0%)	
Grants	3,377,000	3,377,000	3,377,000		0.0%	
Debt Service	57,328	57,328	57,328		0.0%	
<b>Total Expenditures</b>	<b>9,794,859</b>	<b>9,822,875</b>	<b>9,826,174</b>	<b>59,331</b>	<b>0.3%</b>	
<b>Total Ongoing</b>	<b>9,794,859</b>	<b>9,822,875</b>	<b>9,826,174</b>	<b>59,331</b>	<b>0.3%</b>	
<b>Total One-Time-Only</b>					<b>0.0%</b>	

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**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	855,324	1,373,545	1,450,055	1,478,235	1,481,481
Operating Expenses	2,066,383	4,891,389	4,910,476	4,910,312	4,910,365
Grants	1,134,490	3,377,000	3,377,000	3,377,000	3,377,000
Debt Service	57,332	57,333	57,328	57,328	57,328
<b>Total Expenditures</b>	<b>\$4,113,529</b>	<b>\$9,699,267</b>	<b>\$9,794,859</b>	<b>\$9,822,875</b>	<b>\$9,826,174</b>
General Fund	147,256	148,155	155,871	176,307	176,315
Federal Spec. Rev. Funds	3,966,273	9,551,112	9,638,988	9,646,568	9,649,859
<b>Total Funds</b>	<b>\$4,113,529</b>	<b>\$9,699,267</b>	<b>\$9,794,859</b>	<b>\$9,822,875</b>	<b>\$9,826,174</b>
<b>Total Ongoing</b>	<b>\$4,113,529</b>	<b>\$9,699,267</b>	<b>\$9,794,859</b>	<b>\$9,822,875</b>	<b>\$9,826,174</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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Funding

HB 2 Appropriations

The Education Outreach & Diversity Program authority in HB 2 is mainly comprised of federal special revenue and general fund authority. The general fund supports the American Indian / Minority Achievement component. The federal special revenue supports Educational Talent Search and GEAR UP from three sources:

- The GEAR UP grant comprises 88.4% of the biennial budget and requires a 50.0% non-federal match. The non-federal match is provided through allowable in-kind services
- The Talent Search grant comprises 10.8% of the biennial program funding and does not have non-federal matching requirements
- The Educational Opportunity Centers (EOC) grant comprises 0.5% of the biennial budget and does not have cost sharing or matching requirements

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.

Education Outreach and Diversity 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
<b>Base Budget</b>	<b>155,871</b>	<b>0</b>	<b>9,638,988</b>	<b>9,794,859</b>	<b>99.7%</b>	<b>155,871</b>	<b>0</b>	<b>9,638,988</b>	<b>9,794,859</b>	<b>99.7%</b>
Statewide PL										
Personal Services	20,461	0	7,719	28,180	0.3%	20,461	0	10,965	31,426	0.3%
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	(25)	0	(139)	(164)	(0.0%)	(17)	0	(94)	(111)	(0.0%)
Total Statewide PL	20,436	0	7,580	28,016	0.3%	20,444	0	10,871	31,315	0.3%
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%
<b>Total HB 2 Adjustments</b>	<b>20,436</b>	<b>0</b>	<b>7,580</b>	<b>28,016</b>	<b>0.3%</b>	<b>20,444</b>	<b>0</b>	<b>10,871</b>	<b>31,315</b>	<b>0.3%</b>
<b>Total Budget</b>	<b>176,307</b>	<b>0</b>	<b>9,646,568</b>	<b>9,822,875</b>		<b>176,315</b>	<b>0</b>	<b>9,649,859</b>	<b>9,826,174</b>	

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	20,461	0	7,719	28,180	0.00	20,461	0	10,965	31,426
DP 3 - Inflation Deflation	0.00	(25)	0	(139)	(164)	0.00	(17)	0	(94)	(111)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$20,436</b>	<b>\$0</b>	<b>\$7,580</b>	<b>\$28,016</b>	<b>0.00</b>	<b>\$20,444</b>	<b>\$0</b>	<b>\$10,871</b>	<b>\$31,315</b>

\*\*"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.



**Program Base Budget Comparison**

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

Program Base Budget Comparison						
Budget Item	Base Budget	Requested Budget		Biennium Change from Base		
	FY 2025	FY 2026	FY 2027	Amount	Percent	
PB	4.20	4.20	4.20	0.00	0.0%	
General Fund	103,331	111,926	115,284	20,548	9.9%	
Federal Spec. Rev. Funds	6,376,019	6,869,908	7,082,027	1,199,897	9.4%	
<b>Total Funds</b>	<b>6,479,350</b>	<b>6,981,834</b>	<b>7,197,311</b>	<b>1,220,445</b>	<b>9.4%</b>	
Personal Services	394,371	406,149	421,950	39,357	5.0%	
Operating Expenses	76,942	82,618	85,025	13,759	8.9%	
Grants	2,431,869	2,628,461	2,708,418	473,141	9.7%	
Transfers	3,552,678	3,840,084	3,956,976	691,704	9.7%	
Debt Service	23,490	24,522	24,942	2,484	5.3%	
<b>Total Expenditures</b>	<b>6,479,350</b>	<b>6,981,834</b>	<b>7,197,311</b>	<b>1,220,445</b>	<b>9.4%</b>	
<b>Total Ongoing</b>	<b>6,479,350</b>	<b>6,981,834</b>	<b>7,197,311</b>	<b>1,220,445</b>	<b>9.4%</b>	
<b>Total One-Time-Only</b>					<b>0.0%</b>	

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**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison						
Budget Item	Actuals	Approp.	Approp.	Legislative	Legislative	
	Fiscal 2024	Fiscal 2024	Fiscal 2025	Fiscal 2026	Fiscal 2027	
Personal Services	344,334	348,554	394,371	406,149	421,950	
Operating Expenses	89,197	91,650	76,942	82,618	85,025	
Grants	2,115,872	2,115,869	2,431,869	2,628,461	2,708,418	
Transfers	3,879,987	3,888,674	3,552,678	3,840,084	3,956,976	
Debt Service	23,498	23,498	23,490	24,522	24,942	
<b>Total Expenditures</b>	<b>\$6,452,888</b>	<b>\$6,468,245</b>	<b>\$6,479,350</b>	<b>\$6,981,834</b>	<b>\$7,197,311</b>	
General Fund	107,879	107,878	103,331	111,926	115,284	
Federal Spec. Rev. Funds	6,345,009	6,360,367	6,376,019	6,869,908	7,082,027	
<b>Total Funds</b>	<b>\$6,452,888</b>	<b>\$6,468,245</b>	<b>\$6,479,350</b>	<b>\$6,981,834</b>	<b>\$7,197,311</b>	
<b>Total Ongoing</b>	<b>\$6,452,888</b>	<b>\$6,468,245</b>	<b>\$6,479,350</b>	<b>\$6,981,834</b>	<b>\$7,197,311</b>	
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	

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**Funding**

*HB 2 Appropriations*

The HB 2 appropriations for the Work Force Development program are primarily comprised of federal special revenue. These federal funds are authorized by the federal Carl D. Perkins Career and Technical Education Improvement Act of 2006. They are administered by the Office of the Commissioner of Higher Education, granted to postsecondary programs, and transferred to the Office of Public Instruction for secondary programs. These funds require a maintenance of effort on funds used for administration.

The state general fund in this program is the minimum non-federal match for the postsecondary administration costs. The state match for administration related to secondary programs is accounted for in the Office of Public Instruction.

**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.

Work Force Development 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
<b>Base Budget</b>	<b>103,331</b>	<b>0</b>	<b>6,376,019</b>	<b>6,479,350</b>	<b>92.8%</b>	<b>103,331</b>	<b>0</b>	<b>6,376,019</b>	<b>6,479,350</b>	<b>90.0%</b>
Statewide PL										
Personal Services	0	0	(21,930)	(21,930)	(0.3%)	0	0	(19,727)	(19,727)	(0.3%)
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	0	0	(171)	(171)	(0.0%)	0	0	(115)	(115)	(0.0%)
<b>Total Statewide PL</b>	<b>0</b>	<b>0</b>	<b>(22,101)</b>	<b>(22,101)</b>	<b>(0.3%)</b>	<b>0</b>	<b>0</b>	<b>(19,842)</b>	<b>(19,842)</b>	<b>(0.3%)</b>
Present Law (PL)	8,595	0	515,990	524,585	7.5%	11,953	0	725,850	737,803	10.3%
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
<b>Total HB 2 Adjustments</b>	<b>8,595</b>	<b>0</b>	<b>493,889</b>	<b>502,484</b>	<b>7.2%</b>	<b>11,953</b>	<b>0</b>	<b>706,008</b>	<b>717,961</b>	<b>10.0%</b>
<b>Total Budget</b>	<b>111,926</b>	<b>0</b>	<b>6,869,908</b>	<b>6,981,834</b>		<b>115,284</b>	<b>0</b>	<b>7,082,027</b>	<b>7,197,311</b>	

**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	(21,930)	(21,930)	0.00	0	0	(19,727)	(19,727)
DP 3 - Inflation Deflation	0.00	0	0	(171)	(171)	0.00	0	0	(115)	(115)
DP 801 - Perkins Federal Award Increase	0.00	0	0	515,990	515,990	0.00	0	0	725,850	725,850
DP 802 - Perkins MOE Increase	0.00	8,595	0	0	8,595	0.00	11,953	0	0	11,953
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$8,595</b>	<b>\$0</b>	<b>\$493,889</b>	<b>\$502,484</b>	<b>0.00</b>	<b>\$11,953</b>	<b>\$0</b>	<b>\$706,008</b>	<b>\$717,961</b>

\*"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 801 - Perkins Federal Award Increase -

The legislature adopted additional federal authority for the Perkins program in FY 2026 and in FY 2027 to meet the requirements of the federal grant award.

DP 802 - Perkins MOE Increase -

The legislature adopted funding to increase the minimum maintenance of effort requirement for the Perkins grant for FY 2026 and for FY 2027. The Perkins state allocation has increased, thus increasing the minimum required maintenance of effort.

**Program Base Budget Comparison**

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

Program Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
General Fund	221,383,111	235,670,646	233,481,468	26,385,892	6.0%
State/Other Special Rev. Funds	33,027,425	36,344,425	36,802,425	7,092,000	10.7%
<b>Total Funds</b>	<b>254,410,536</b>	<b>272,015,071</b>	<b>270,283,893</b>	<b>33,477,892</b>	<b>6.6%</b>
Transfers	254,410,536	272,015,071	270,283,893	33,477,892	6.6%
<b>Total Expenditures</b>	<b>254,410,536</b>	<b>272,015,071</b>	<b>270,283,893</b>	<b>33,477,892</b>	<b>6.6%</b>
<b>Total Ongoing</b>	<b>254,410,536</b>	<b>272,015,071</b>	<b>270,283,893</b>	<b>33,477,892</b>	<b>6.6%</b>
<b>Total One-Time-Only</b>					<b>0.0%</b>

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**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Transfers	230,826,203	235,304,998	254,410,536	272,015,071	270,283,893
<b>Total Expenditures</b>	<b>\$230,826,203</b>	<b>\$235,304,998</b>	<b>\$254,410,536</b>	<b>\$272,015,071</b>	<b>\$270,283,893</b>
General Fund	197,198,778	201,677,573	221,383,111	235,670,646	233,481,468
State/Other Special Rev. Funds	33,627,425	33,627,425	33,027,425	36,344,425	36,802,425
<b>Total Funds</b>	<b>\$230,826,203</b>	<b>\$235,304,998</b>	<b>\$254,410,536</b>	<b>\$272,015,071</b>	<b>\$270,283,893</b>
<b>Total Ongoing</b>	<b>\$230,826,203</b>	<b>\$235,304,998</b>	<b>\$254,410,536</b>	<b>\$272,015,071</b>	<b>\$270,283,893</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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**Funding**

*HB 2 Appropriations*

The Appropriation Distribution Program predominately receives HB 2 general fund appropriations. The majority of these appropriations are transferred through OCHE to MUS campuses as determined by the Board of Regents. The legislature can determine the amount of funds to be appropriated overall and has the authority to place specific restrictions on funds, but the Board of Regents has the sole authority to determine how appropriations are distributed to campuses.

The Appropriation Distribution Program also receives some funding from state special revenues:

- University 6-Mill Levy
- Motorcycle Safety Training

*Statutory Appropriations*

Statutory appropriations do not require reauthorization each biennium and do not appear in HB 2. There are two statutory appropriations in this program:

- An allocation of the 4.0% lodging facility use tax is transferred to the University of Montana for travel research
- General fund is statutorily appropriated for a 1.0% employer contribution reimbursement to the MUS defined contribution retirement plan authorized in HB 95 (2007 Legislature)

*Tuition*

The Board of Regents is the sole authority in setting tuition rates for the MUS. Tuition is not controlled or appropriated by the legislature. However, the Regents, legislature, and executive have previously worked together to create affordable postsecondary education opportunities for the residents of 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.

Appropriation Distribution 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
<b>Base Budget</b>	<b>221,383,111</b>	<b>33,027,425</b>	<b>0</b>	<b>254,410,536</b>	<b>93.5%</b>	<b>221,383,111</b>	<b>33,027,425</b>	<b>0</b>	<b>254,410,536</b>	<b>94.1%</b>
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)	17,338,374	0	0	17,338,374	6.4%	15,436,972	0	0	15,436,972	5.7%
New Proposals	(3,050,839)	3,317,000	0	266,161	0.1%	(3,338,615)	3,775,000	0	436,385	0.2%
<b>Total HB 2 Adjustments</b>	<b>14,287,535</b>	<b>3,317,000</b>	<b>0</b>	<b>17,604,535</b>	<b>6.5%</b>	<b>12,098,357</b>	<b>3,775,000</b>	<b>0</b>	<b>15,873,357</b>	<b>5.9%</b>
<b>Total Budget</b>	<b>235,670,646</b>	<b>36,344,425</b>	<b>0</b>	<b>272,015,071</b>		<b>233,481,468</b>	<b>36,802,425</b>	<b>0</b>	<b>270,283,893</b>	

**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 901 - Montana University System PLA	0.00	11,384,407	0	0	11,384,407	0.00	10,526,476	0	0	10,526,476
DP 902 - MUS LAD Audit Costs	0.00	282,249	0	0	282,249	0.00	0	0	0	0
DP 903 - MUS Fixed Cost Increases from State	0.00	4,861,646	0	0	4,861,646	0.00	4,910,496	0	0	4,910,496
DP 905 - Single Audit Cost (RST)	0.00	810,072	0	0	810,072	0.00	0	0	0	0
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$17,338,374</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,338,374</b>	<b>0.00</b>	<b>\$15,436,972</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,436,972</b>

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

DP 901 - Montana University System PLA -

The legislature adopted funding to annualize various personal services costs, fixed costs, and inflationary costs for all Montana University System (MUS) units at the current unrestricted rate. This simulates change packages SWPL 1 & 3 for all other agencies.

DP 902 - MUS LAD Audit Costs -

The legislature adopted general fund appropriations for Legislative Audit Costs for the Montana University System in FY 2026.

DP 903 - MUS Fixed Cost Increases from State -

The legislature adopted funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include audit fees, information technology services, etc. The rates charged for these services are approved in a separate portion of the budget.

DP 905 - Single Audit Cost (RST) -

The legislature adopted general fund appropriations for the Single Audit Cost portion of Legislative Audit Costs for the Montana University System in FY 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 904 - University Millage Fund Switch	0.00	(3,317,000)	3,317,000	0	0	0.00	(3,775,000)	3,775,000	0	0
DP 906 - Graduate Medical Education Increase	0.00	266,161	0	0	266,161	0.00	436,385	0	0	436,385
<b>Total</b>	<b>0.00</b>	<b>(\$3,050,839)</b>	<b>\$3,317,000</b>	<b>\$0</b>	<b>\$266,161</b>	<b>0.00</b>	<b>(\$3,338,615)</b>	<b>\$3,775,000</b>	<b>\$0</b>	<b>\$436,385</b>

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

DP 904 - University Millage Fund Switch -

The legislature adopted a funding adjustment for the MUS based on revenue in the 6-mill, state special revenue account. The request decreases general fund in FY 2026 and in FY 2027 and increases University Millage state special revenue by equivalent amounts in each fiscal year.

DP 906 - Graduate Medical Education Increase -

The legislature adopted increased appropriations for Graduate Medical Education residency programs which train physicians in Montana.

**Program Base Budget Comparison**

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

Program Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
General Fund	36,137,018	38,480,666	38,828,916	5,035,546	7.0%
State/Other Special Rev. Funds	1,119,968	1,119,968	1,119,968		0.0%
<b>Total Funds</b>	<b>37,256,986</b>	<b>39,600,634</b>	<b>39,948,884</b>	<b>5,035,546</b>	<b>6.8%</b>
Transfers	37,256,986	39,600,634	39,948,884	5,035,546	6.8%
<b>Total Expenditures</b>	<b>37,256,986</b>	<b>39,600,634</b>	<b>39,948,884</b>	<b>5,035,546</b>	<b>6.8%</b>
<b>Total Ongoing</b>	<b>37,256,986</b>	<b>39,600,634</b>	<b>39,948,884</b>	<b>5,035,546</b>	<b>6.8%</b>
<b>Total One-Time-Only</b>					<b>0.0%</b>

**Page Reference**

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**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Transfers	35,824,757	35,908,861	37,256,986	39,600,634	39,948,884
<b>Total Expenditures</b>	<b>\$35,824,757</b>	<b>\$35,908,861</b>	<b>\$37,256,986</b>	<b>\$39,600,634</b>	<b>\$39,948,884</b>
General Fund	34,704,789	34,788,893	36,137,018	38,480,666	38,828,916
State/Other Special Rev. Funds	1,119,968	1,119,968	1,119,968	1,119,968	1,119,968
<b>Total Funds</b>	<b>\$35,824,757</b>	<b>\$35,908,861</b>	<b>\$37,256,986</b>	<b>\$39,600,634</b>	<b>\$39,948,884</b>
<b>Total Ongoing</b>	<b>\$35,704,757</b>	<b>\$35,788,861</b>	<b>\$37,256,986</b>	<b>\$39,600,634</b>	<b>\$39,948,884</b>
<b>Total OTO</b>	<b>\$120,000</b>	<b>\$120,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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**Funding**

*HB 2 Appropriations*

The general operating budgets for the Research and Development Agencies are funded with general fund appropriations. The remaining funding comes from state special revenue. State special revenues for the program are comprised of revenues from the resource indemnity trust (RIT) interest, oil and gas, and metal mines tax. The agencies also use non-state revenues to support their general operating budgets; these revenues are not appropriated in HB 2.



**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.

	Agency Funds 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
<b>Base Budget</b>	<b>36,137,018</b>	<b>1,119,968</b>	<b>0</b>	<b>37,256,986</b>	<b>94.1%</b>	<b>36,137,018</b>	<b>1,119,968</b>	<b>0</b>	<b>37,256,986</b>	<b>93.3%</b>
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)	2,343,648	0	0	2,343,648	5.9%	2,691,898	0	0	2,691,898	6.7%
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
<b>Total HB 2 Adjustments</b>	<b>2,343,648</b>	<b>0</b>	<b>0</b>	<b>2,343,648</b>	<b>5.9%</b>	<b>2,691,898</b>	<b>0</b>	<b>0</b>	<b>2,691,898</b>	<b>6.7%</b>
<b>Total Budget</b>	<b>38,480,666</b>	<b>1,119,968</b>	<b>0</b>	<b>39,600,634</b>		<b>38,828,916</b>	<b>1,119,968</b>	<b>0</b>	<b>39,948,884</b>	

**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 1001 - Research & Development Agencies PLA	0.00	2,185,377	0	0	2,185,377	0.00	2,535,546	0	0	2,535,546
DP 1002 - SWPL Research & Development Agencies	0.00	158,271	0	0	158,271	0.00	156,352	0	0	156,352
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$2,343,648</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,343,648</b>	<b>0.00</b>	<b>\$2,691,898</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,691,898</b>

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

DP 1001 - Research & Development Agencies PLA -

The legislature adopted funding to annualize various MUS personal services costs, MUS fixed cost, and inflationary costs. This simulates the statewide present law adjustments for personal services and inflation changes packages for all other agencies.

DP 1002 - SWPL Research & Development Agencies -

The legislature approved funding to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include audit fees, information technology services, etc. The rates charged for these services are approved in a separate portion of the 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	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
General Fund	918,400	1,193,640	1,193,640	550,480	30.0%
<b>Total Funds</b>	<b>918,400</b>	<b>1,193,640</b>	<b>1,193,640</b>	<b>550,480</b>	<b>30.0%</b>
Grants	918,400	1,193,640	1,193,640	550,480	30.0%
<b>Total Expenditures</b>	<b>918,400</b>	<b>1,193,640</b>	<b>1,193,640</b>	<b>550,480</b>	<b>30.0%</b>
<b>Total Ongoing</b>	<b>918,400</b>	<b>1,193,640</b>	<b>1,193,640</b>	<b>550,480</b>	<b>30.0%</b>
<b>Total One-Time-Only</b>	<b>100,000</b>			<b>(200,000)</b>	<b>(100.0%)</b>

**Page Reference**

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**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Grants	994,451	1,018,400	1,018,400	1,193,640	1,193,640
<b>Total Expenditures</b>	<b>\$994,451</b>	<b>\$1,018,400</b>	<b>\$1,018,400</b>	<b>\$1,193,640</b>	<b>\$1,193,640</b>
General Fund	994,451	1,018,400	1,018,400	1,193,640	1,193,640
<b>Total Funds</b>	<b>\$994,451</b>	<b>\$1,018,400</b>	<b>\$1,018,400</b>	<b>\$1,193,640</b>	<b>\$1,193,640</b>
<b>Total Ongoing</b>	<b>\$894,456</b>	<b>\$918,400</b>	<b>\$918,400</b>	<b>\$1,193,640</b>	<b>\$1,193,640</b>
<b>Total OTO</b>	<b>\$99,995</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$0</b>

**Page Reference**

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**Funding**

*HB 2 Appropriations*

The Tribal College Assistance 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.

Tribal College Assistance 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
<b>Base Budget</b>	<b>918,400</b>	<b>0</b>	<b>0</b>	<b>918,400</b>	<b>76.9%</b>	<b>918,400</b>	<b>0</b>	<b>0</b>	<b>918,400</b>	<b>76.9%</b>
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	275,240	0	0	275,240	23.1%	275,240	0	0	275,240	23.1%
<b>Total HB 2 Adjustments</b>	<b>275,240</b>	<b>0</b>	<b>0</b>	<b>275,240</b>	<b>23.1%</b>	<b>275,240</b>	<b>0</b>	<b>0</b>	<b>275,240</b>	<b>23.1%</b>
<b>Total Budget</b>	<b>1,193,640</b>	<b>0</b>	<b>0</b>	<b>1,193,640</b>		<b>1,193,640</b>	<b>0</b>	<b>0</b>	<b>1,193,640</b>	

**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 1101 - Non-Beneficiary Increase (RST)	0.00	275,240	0	0	275,240	0.00	275,240	0	0	275,240
<b>Total</b>	<b>0.00</b>	<b>\$275,240</b>	<b>\$0</b>	<b>\$0</b>	<b>\$275,240</b>	<b>0.00</b>	<b>\$275,240</b>	<b>\$0</b>	<b>\$0</b>	<b>\$275,240</b>

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

DP 1101 - Non-Beneficiary Increase (RST) -

The legislature approved an increase of the per-FTE state fund support for non-beneficiary students enrolled in tribal colleges. This appropriation is contingent upon a change to the statutory maximum per-FTE rate for non-beneficiary students.

If LC 0958 is not passed and approved, the appropriation for Non-Beneficiary Increase is void.

**Program Base Budget Comparison**

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

Program Base Budget Comparison						
Budget Item	Base Budget	Requested Budget		Biennium Change from Base		
	FY 2025	FY 2026	FY 2027	Amount	Percent	
PB	1.50	1.50	1.50	0.00	0.0%	
Federal Spec. Rev. Funds	2,408,070	2,324,902	2,324,940	(166,298)	(3.5%)	
<b>Total Funds</b>	<b>2,408,070</b>	<b>2,324,902</b>	<b>2,324,940</b>	<b>(166,298)</b>	<b>(3.5%)</b>	
Personal Services	231,023	147,970	147,971	(166,105)	(35.9%)	
Operating Expenses	1,781,632	1,781,517	1,781,554	(193)	(0.0%)	
Debt Service	395,415	395,415	395,415		0.0%	
<b>Total Expenditures</b>	<b>2,408,070</b>	<b>2,324,902</b>	<b>2,324,940</b>	<b>(166,298)</b>	<b>(3.5%)</b>	
<b>Total Ongoing</b>	<b>2,408,070</b>	<b>2,324,902</b>	<b>2,324,940</b>	<b>(166,298)</b>	<b>(3.5%)</b>	
<b>Total One-Time-Only</b>					<b>0.0%</b>	

**Page Reference**

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**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	107,320	221,240	231,023	147,970	147,971
Operating Expenses	717,487	1,772,784	1,781,632	1,781,517	1,781,554
Debt Service	8,380	395,415	395,415	395,415	395,415
<b>Total Expenditures</b>	<b>\$833,187</b>	<b>\$2,389,439</b>	<b>\$2,408,070</b>	<b>\$2,324,902</b>	<b>\$2,324,940</b>
Federal Spec. Rev. Funds	833,187	2,389,439	2,408,070	2,324,902	2,324,940
<b>Total Funds</b>	<b>\$833,187</b>	<b>\$2,389,439</b>	<b>\$2,408,070</b>	<b>\$2,324,902</b>	<b>\$2,324,940</b>
<b>Total Ongoing</b>	<b>\$833,187</b>	<b>\$2,389,439</b>	<b>\$2,408,070</b>	<b>\$2,324,902</b>	<b>\$2,324,940</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Page Reference**

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**Funding**

*HB 2 Appropriations*

The Guaranteed Student Loan Program is funded entirely with federal funds from the U.S. Department of Education.

**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.

Guaranteed Student Loan 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
<b>Base Budget</b>	0	0	2,408,070	2,408,070	103.6%	0	0	2,408,070	2,408,070	103.6%
Statewide PL										
Personal Services	0	0	(83,053)	(83,053)	(3.6%)	0	0	(83,052)	(83,052)	(3.6%)
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	0	0	(115)	(115)	(0.0%)	0	0	(78)	(78)	(0.0%)
<b>Total Statewide PL</b>	0	0	(83,168)	(83,168)	(3.6%)	0	0	(83,130)	(83,130)	(3.6%)
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%
<b>Total HB 2 Adjustments</b>	0	0	(83,168)	(83,168)	(3.6%)	0	0	(83,130)	(83,130)	(3.6%)
<b>Total Budget</b>	0	0	2,324,902	2,324,902		0	0	2,324,940	2,324,940	

**Present Law Adjustments -**

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

Present Law Adjustments	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	(83,053)	(83,053)	0.00	0	0	(83,052)	(83,052)
DP 3 - Inflation Deflation	0.00	0	0	(115)	(115)	0.00	0	0	(78)	(78)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$83,168)</b>	<b>(\$83,168)</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$83,130)</b>	<b>(\$83,130)</b>

\*\*"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.

**Program Base Budget Comparison**

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

Program Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
General Fund	74,576	74,576	74,576		0.0%
<b>Total Funds</b>	<b>74,576</b>	<b>74,576</b>	<b>74,576</b>		<b>0.0%</b>
Personal Services	11,900	11,900	11,900		0.0%
Operating Expenses	62,676	62,676	62,676		0.0%
<b>Total Expenditures</b>	<b>74,576</b>	<b>74,576</b>	<b>74,576</b>		<b>0.0%</b>
<b>Total Ongoing</b>	<b>74,576</b>	<b>74,576</b>	<b>74,576</b>		<b>0.0%</b>
<b>Total One-Time-Only</b>					<b>0.0%</b>

**Page Reference**

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**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison						
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027	
Personal Services	2,600	11,900	11,900	11,900	11,900	
Operating Expenses	53,135	62,352	62,676	62,676	62,676	
<b>Total Expenditures</b>	<b>\$55,735</b>	<b>\$74,252</b>	<b>\$74,576</b>	<b>\$74,576</b>	<b>\$74,576</b>	
General Fund	55,735	74,252	74,576	74,576	74,576	
<b>Total Funds</b>	<b>\$55,735</b>	<b>\$74,252</b>	<b>\$74,576</b>	<b>\$74,576</b>	<b>\$74,576</b>	
<b>Total Ongoing</b>	<b>\$55,735</b>	<b>\$74,252</b>	<b>\$74,576</b>	<b>\$74,576</b>	<b>\$74,576</b>	
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	

**Page Reference**

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**Funding**

*HB 2 Appropriations*

The Board of Regents 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.

Board of Regents-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
<b>Base Budget</b>	<b>74,576</b>	<b>0</b>	<b>0</b>	<b>74,576</b>	<b>100.0%</b>	<b>74,576</b>	<b>0</b>	<b>0</b>	<b>74,576</b>	<b>100.0%</b>
Statewide PL										
Personal Services	(5,600)	0	0	(5,600)	(7.5%)	(5,600)	0	0	(5,600)	(7.5%)
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%
<b>Total Statewide PL</b>	<b>(5,600)</b>	<b>0</b>	<b>0</b>	<b>(5,600)</b>	<b>(7.5%)</b>	<b>(5,600)</b>	<b>0</b>	<b>0</b>	<b>(5,600)</b>	<b>(7.5%)</b>
Present Law (PL)	5,600	0	0	5,600	7.5%	5,600	0	0	5,600	7.5%
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
<b>Total HB 2 Adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
<b>Total Budget</b>	<b>74,576</b>	<b>0</b>	<b>0</b>	<b>74,576</b>		<b>74,576</b>	<b>0</b>	<b>0</b>	<b>74,576</b>	

**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	(5,600)	0	0	(5,600)	0.00	(5,600)	0	0	(5,600)
DP 1301 - Fixed Cost Per Diem Account Adjustment	0.00	5,600	0	0	5,600	0.00	5,600	0	0	5,600
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*\*"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 1301 - Fixed Cost Per Diem Account Adjustment -

The legislature approved appropriations to correct a technical issue for the allocation of per diem authority related to HB 314 from the 2023 Session. During the turnaround process the incorrect personal services account was used, resulting in a shortfall in the account used for DP 1.

**Agency Base Budget Comparison**

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

Agency Base Budget Comparison						
Budget Item	Base Budget	Requested Budget		Biennium Change from Base		
	FY 2025	FY 2026	FY 2027	Amount	Percent	
PB	88.28	89.28	89.28	1.00	0.6%	
General Fund	9,526,225	9,893,547	9,928,019	769,116	4.0%	
State/Other Special Rev. Funds	317,269	305,735	305,735	(23,068)	(3.6%)	
Federal Spec. Rev. Funds	206,809	206,809	206,809		0.0%	
<b>Total Funds</b>	<b>10,050,303</b>	<b>10,406,091</b>	<b>10,440,563</b>	<b>746,048</b>	<b>3.7%</b>	
Personal Services	8,953,793	9,155,325	9,189,407	437,146	2.4%	
Operating Expenses	1,067,059	1,188,151	1,188,541	242,574	11.4%	
Transfers	1,000	1,000	1,000		0.0%	
Debt Service	28,451	61,615	61,615	66,328	116.6%	
<b>Total Expenditures</b>	<b>10,050,303</b>	<b>10,406,091</b>	<b>10,440,563</b>	<b>746,048</b>	<b>3.7%</b>	
<b>Total Ongoing</b>	<b>10,050,303</b>	<b>10,345,091</b>	<b>10,379,563</b>	<b>624,048</b>	<b>3.1%</b>	
<b>Total One-Time-Only</b>		<b>61,000</b>	<b>61,000</b>	<b>122,000</b>	<b>0.0%</b>	

**Page Reference**

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**Agency Highlights**

<b>Montana School for Deaf and Blind Major Budget Highlights</b>
<p>The Montana School for Deaf and Blind's 2027 biennium adopted HB 2 budget is approximately \$746,000 or 3.7% higher than the FY 2025 base budget. This increase includes:</p> <ul style="list-style-type: none"> <li>• Increases in general fund for the statewide present law adjustments for personal services and fixed costs</li> <li>• An increase in general fund for 1.00 new position budgeted (PB) and associated personal services costs for an administrative assistant</li> <li>• Increases in general fund personal services for longevity pay and stipends for staff advisors for extracurricular activities</li> <li>• An increase in general fund operating expenses for additional use of motor pool vehicles for outreach staff</li> <li>• A one-time-only increase in general fund operating expenses for professional development for educational interpreters</li> <li>• Decreases in general fund operating expenses to make a correction to the statewide present law adjustment for fixed costs and to reduce unfunded state special revenue authority</li> </ul>



**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	8,376,346	8,418,812	8,953,793	9,155,325	9,189,407
Operating Expenses	1,084,027	1,164,285	1,067,059	1,188,151	1,188,541
Transfers	0	1,000	1,000	1,000	1,000
Debt Service	28,450	28,451	28,451	61,615	61,615
<b>Total Expenditures</b>	<b>\$9,488,823</b>	<b>\$9,612,548</b>	<b>\$10,050,303</b>	<b>\$10,406,091</b>	<b>\$10,440,563</b>
General Fund	9,000,736	9,107,127	9,526,225	9,893,547	9,928,019
State/Other Special Rev. Funds	293,441	304,975	317,269	305,735	305,735
Federal Spec. Rev. Funds	194,646	200,446	206,809	206,809	206,809
<b>Total Funds</b>	<b>\$9,488,823</b>	<b>\$9,612,548</b>	<b>\$10,050,303</b>	<b>\$10,406,091</b>	<b>\$10,440,563</b>
<b>Total Ongoing</b>	<b>\$9,488,823</b>	<b>\$9,612,548</b>	<b>\$10,050,303</b>	<b>\$10,345,091</b>	<b>\$10,379,563</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$61,000</b>	<b>\$61,000</b>

**Page Reference**

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**Executive Budget Comparison**

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

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2025	Executive Budget Fiscal 2026	Legislative Budget Fiscal 2026	Leg — Exec. Difference Fiscal 2026	Executive Budget Fiscal 2027	Legislative Budget Fiscal 2027	Leg — Exec. Difference Fiscal 2027	Biennium Difference Fiscal 26-27
Personal Services	8,953,793	9,155,325	9,155,325	0	9,189,407	9,189,407	0	0
Operating Expenses	1,067,059	1,160,315	1,188,151	27,836	1,160,705	1,188,541	27,836	55,672
Equipment & Intangible Assets	0	0	0	0	0	0	0	0
Transfers	1,000	1,000	1,000	0	1,000	1,000	0	0
Debt Service	28,451	61,615	61,615	0	61,615	61,615	0	0
<b>Total Costs</b>	<b>\$10,050,303</b>	<b>\$10,378,255</b>	<b>\$10,406,091</b>	<b>\$27,836</b>	<b>\$10,412,727</b>	<b>\$10,440,563</b>	<b>\$27,836</b>	<b>\$55,672</b>
General Fund	9,526,225	9,865,711	9,893,547	27,836	9,900,183	9,928,019	27,836	55,672
State/other Special Rev. Funds	317,269	305,735	305,735	0	305,735	305,735	0	0
Federal Spec. Rev. Funds	206,809	206,809	206,809	0	206,809	206,809	0	0
<b>Total Funds</b>	<b>\$10,050,303</b>	<b>\$10,378,255</b>	<b>\$10,406,091</b>	<b>\$27,836</b>	<b>\$10,412,727</b>	<b>\$10,440,563</b>	<b>\$27,836</b>	<b>\$55,672</b>
<b>Total Ongoing</b>	<b>\$10,050,303</b>	<b>\$10,378,255</b>	<b>\$10,345,091</b>	<b>(\$33,164)</b>	<b>\$10,412,727</b>	<b>\$10,379,563</b>	<b>(\$33,164)</b>	<b>(\$66,328)</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$61,000</b>	<b>\$61,000</b>	<b>\$0</b>	<b>\$61,000</b>	<b>\$61,000</b>	<b>\$122,000</b>

The legislature adopted a HB 2 budget that is approximately \$56,000 higher than the proposed executive HB 2 budget for the 2027 biennium. There were two changes to the executive budget:

- A one-time-only increase in general fund operating expenses for professional development for educational interpreters, totaling approximately \$122,000 over the biennium
- A decrease in general fund operating expenses to make a correction to the statewide present law adjustment for fixed costs for the State Buildings Energy Conservation Program (SBECF), totaling approximately \$66,000 over the biennium

**Funding**

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

Total School For the Deaf & Blind Funding by Source of Authority 2027 Biennium Budget Request						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
<b>01100 General Fund</b>	<b>19,699,566</b>	<b>122,000</b>			<b>19,821,566</b>	<b>95.1%</b>
02050 School Trust Interest/Income	611,470				611,470	2.9%
<b>State Special Revenue Total</b>	<b>611,470</b>		-	-	<b>611,470</b>	<b>2.9%</b>
03064 EHA, Part B	238,438				238,438	1.1%
03012 E.C.I.A. Chapter I	105,722				105,722	0.5%
03167 National School Lunch	69,458				69,458	0.3%
<b>Federal Special Revenue Total</b>	<b>413,618</b>		-	-	<b>413,618</b>	<b>2.0%</b>
<b>Proprietary Fund Total</b>			-	-		<b>0.0%</b>
<b>Total of All Funds</b>	<b>20,724,654</b>	<b>122,000</b>			<b>20,846,654</b>	
<b>Percent of All Sources of Authority</b>	<b>99.4%</b>	<b>0.6%</b>	<b>0.0%</b>	<b>0.0%</b>		

*HB 2 Funding*

General Fund - The Montana School for the Deaf and Blind is funded primarily with general fund, at approximately 95.1%.

State Special Revenue - State special revenue for the MSDB is primarily from school trust interest and income. Revenues from school trusts fluctuate based on the activities occurring on school lands.

Federal Special Revenue - Students under the care of the MSDB may be Medicaid eligible and the school is reimbursed for those services covered by Medicaid. Other sources of federal funds include the National School Lunch Program, which provides subsidized meals for low-income students, and the Education Consolidation and Improvement Act Chapter I, which provides federal funds to assist state and local educational agencies to meet the needs of educationally deprived students.

Unlike other K-12 public schools in Montana, MSDB does not have the ability to levy property taxes to support school programs

**Legislative Budget**

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

School For the Deaf & Blind 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
<b>Base Budget</b>	<b>9,526,225</b>	<b>317,269</b>	<b>206,809</b>	<b>10,050,303</b>	<b>96.6%</b>	<b>9,526,225</b>	<b>317,269</b>	<b>206,809</b>	<b>10,050,303</b>	<b>96.3%</b>
Statewide PL										
Personal Services	12,807	0	0	12,807	0.1%	21,152	0	0	21,152	0.2%
Fixed Costs	97,209	0	0	97,209	0.9%	98,355	0	0	98,355	0.9%
Inflation Deflation	(6,305)	0	0	(6,305)	(0.1%)	(4,261)	0	0	(4,261)	(0.0%)
<b>Total Statewide PL</b>	<b>103,711</b>	<b>0</b>	<b>0</b>	<b>103,711</b>	<b>1.0%</b>	<b>115,246</b>	<b>0</b>	<b>0</b>	<b>115,246</b>	<b>1.1%</b>
Present Law (PL)	(33,164)	(11,534)	0	(44,698)	(0.4%)	(33,164)	(11,534)	0	(44,698)	(0.4%)
New Proposals	296,775	0	0	296,775	2.9%	319,712	0	0	319,712	3.1%
<b>Total HB 2 Adjustments</b>	<b>367,322</b>	<b>(11,534)</b>	<b>0</b>	<b>355,788</b>	<b>3.4%</b>	<b>401,794</b>	<b>(11,534)</b>	<b>0</b>	<b>390,260</b>	<b>3.7%</b>
<b>Total Budget</b>	<b>9,893,547</b>	<b>305,735</b>	<b>206,809</b>	<b>10,406,091</b>		<b>9,928,019</b>	<b>305,735</b>	<b>206,809</b>	<b>10,440,563</b>	

**Program Base Budget Comparison**

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

Program Base Budget Comparison						
Budget Item	Base Budget	Requested Budget		Biennium Change from Base		
	FY 2025	FY 2026	FY 2027	Amount	Percent	
PB	5.00	6.00	6.00	1.00	10.0%	
General Fund	718,318	856,918	855,955	276,237	19.2%	
State/Other Special Rev. Funds	3,394	3,394	3,394		0.0%	
<b>Total Funds</b>	<b>721,712</b>	<b>860,312</b>	<b>859,349</b>	<b>276,237</b>	<b>19.1%</b>	
Personal Services	503,100	575,785	576,476	146,061	14.5%	
Operating Expenses	218,612	284,527	282,873	130,176	29.8%	
<b>Total Expenditures</b>	<b>721,712</b>	<b>860,312</b>	<b>859,349</b>	<b>276,237</b>	<b>19.1%</b>	
<b>Total Ongoing</b>	<b>721,712</b>	<b>860,312</b>	<b>859,349</b>	<b>276,237</b>	<b>19.1%</b>	
<b>Total One-Time-Only</b>					<b>0.0%</b>	

**Page Reference**

LFD Budget Analysis Addendum, Page E-112

**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison						
Budget Item	Actuals	Approp.	Approp.	Legislative	Legislative	
	Fiscal 2024	Fiscal 2024	Fiscal 2025	Fiscal 2026	Fiscal 2027	
Personal Services	505,889	506,713	503,100	575,785	576,476	
Operating Expenses	222,713	223,668	218,612	284,527	282,873	
<b>Total Expenditures</b>	<b>\$728,602</b>	<b>\$730,381</b>	<b>\$721,712</b>	<b>\$860,312</b>	<b>\$859,349</b>	
General Fund	725,208	726,987	718,318	856,918	855,955	
State/Other Special Rev. Funds	3,394	3,394	3,394	3,394	3,394	
<b>Total Funds</b>	<b>\$728,602</b>	<b>\$730,381</b>	<b>\$721,712</b>	<b>\$860,312</b>	<b>\$859,349</b>	
<b>Total Ongoing</b>	<b>\$728,602</b>	<b>\$730,381</b>	<b>\$721,712</b>	<b>\$860,312</b>	<b>\$859,349</b>	
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	

**Page Reference**

LFD Budget Analysis Addendum, Page E-114

**Funding**

The Administration Program is funded almost entirely with general fund. MSDB also receives interest and income from school trust lands, which funds less than 1.0% of the program’s budget.

**Legislative Budget**

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

Administration 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
<b>Base Budget</b>	<b>718,318</b>	<b>3,394</b>	<b>0</b>	<b>721,712</b>	<b>83.9%</b>	<b>718,318</b>	<b>3,394</b>	<b>0</b>	<b>721,712</b>	<b>84.0%</b>
Statewide PL										
Personal Services	21,018	0	0	21,018	2.4%	21,709	0	0	21,709	2.5%
Fixed Costs	63,115	0	0	63,115	7.3%	64,261	0	0	64,261	7.5%
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
<b>Total Statewide PL</b>	<b>84,133</b>	<b>0</b>	<b>0</b>	<b>84,133</b>	<b>9.8%</b>	<b>85,970</b>	<b>0</b>	<b>0</b>	<b>85,970</b>	<b>10.0%</b>
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	54,467	0	0	54,467	6.3%	51,667	0	0	51,667	6.0%
<b>Total HB 2 Adjustments</b>	<b>138,600</b>	<b>0</b>	<b>0</b>	<b>138,600</b>	<b>16.1%</b>	<b>137,637</b>	<b>0</b>	<b>0</b>	<b>137,637</b>	<b>16.0%</b>
<b>Total Budget</b>	<b>856,918</b>	<b>3,394</b>	<b>0</b>	<b>860,312</b>		<b>855,955</b>	<b>3,394</b>	<b>0</b>	<b>859,349</b>	

**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	21,018	0	0	21,018	0.00	21,709	0	0	21,709
DP 2 - Fixed Costs	0.00	63,115	0	0	63,115	0.00	64,261	0	0	64,261
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$84,133</b>	<b>\$0</b>	<b>\$0</b>	<b>\$84,133</b>	<b>0.00</b>	<b>\$85,970</b>	<b>\$0</b>	<b>\$0</b>	<b>\$85,970</b>

\*\*"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.

**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 9 - Business Office Administrative Assistant	1.00	54,467	0	0	54,467	1.00	51,667	0	0	51,667
<b>Total</b>	<b>1.00</b>	<b>\$54,467</b>	<b>\$0</b>	<b>\$0</b>	<b>\$54,467</b>	<b>1.00</b>	<b>\$51,667</b>	<b>\$0</b>	<b>\$0</b>	<b>\$51,667</b>

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

DP 9 - Business Office Administrative Assistant -

The legislature approved general fund for 1.00 PB for an administrative assistant to assist half-time in the business office and half-time with outreach staff record keeping.

**Program Base Budget Comparison**

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

Program Base Budget Comparison						
Budget Item	Base Budget	Requested Budget		Biennium Change from Base		
	FY 2025	FY 2026	FY 2027	Amount	Percent	
PB	4.57	4.57	4.57	0.00	0.0%	
General Fund	682,484	713,927	714,765	63,724	4.7%	
<b>Total Funds</b>	<b>682,484</b>	<b>713,927</b>	<b>714,765</b>	<b>63,724</b>	<b>4.7%</b>	
Personal Services	349,222	379,735	380,573	61,864	8.9%	
Operating Expenses	303,811	271,577	271,577	(64,468)	(10.6%)	
Transfers	1,000	1,000	1,000		0.0%	
Debt Service	28,451	61,615	61,615	66,328	116.6%	
<b>Total Expenditures</b>	<b>682,484</b>	<b>713,927</b>	<b>714,765</b>	<b>63,724</b>	<b>4.7%</b>	
<b>Total Ongoing</b>	<b>682,484</b>	<b>713,927</b>	<b>714,765</b>	<b>63,724</b>	<b>4.7%</b>	
<b>Total One-Time-Only</b>					<b>0.0%</b>	

**Page Reference**

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**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	330,370	331,465	349,222	379,735	380,573
Operating Expenses	287,024	288,159	303,811	271,577	271,577
Transfers	0	1,000	1,000	1,000	1,000
Debt Service	28,450	28,451	28,451	61,615	61,615
<b>Total Expenditures</b>	<b>\$645,844</b>	<b>\$649,075</b>	<b>\$682,484</b>	<b>\$713,927</b>	<b>\$714,765</b>
General Fund	645,844	649,075	682,484	713,927	714,765
<b>Total Funds</b>	<b>\$645,844</b>	<b>\$649,075</b>	<b>\$682,484</b>	<b>\$713,927</b>	<b>\$714,765</b>
<b>Total Ongoing</b>	<b>\$645,844</b>	<b>\$649,075</b>	<b>\$682,484</b>	<b>\$713,927</b>	<b>\$714,765</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Page Reference**

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**Funding**

The General Services Program 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.

General 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
<b>Base Budget</b>	<b>682,484</b>	<b>0</b>	<b>0</b>	<b>682,484</b>	<b>95.6%</b>	<b>682,484</b>	<b>0</b>	<b>0</b>	<b>682,484</b>	<b>95.5%</b>
Statewide PL										
Personal Services	30,513	0	0	30,513	4.3%	31,351	0	0	31,351	4.4%
Fixed Costs	34,094	0	0	34,094	4.8%	34,094	0	0	34,094	4.8%
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
<b>Total Statewide PL</b>	<b>64,607</b>	<b>0</b>	<b>0</b>	<b>64,607</b>	<b>9.0%</b>	<b>65,445</b>	<b>0</b>	<b>0</b>	<b>65,445</b>	<b>9.2%</b>
Present Law (PL)	(33,164)	0	0	(33,164)	(4.6%)	(33,164)	0	0	(33,164)	(4.6%)
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
<b>Total HB 2 Adjustments</b>	<b>31,443</b>	<b>0</b>	<b>0</b>	<b>31,443</b>	<b>4.4%</b>	<b>32,281</b>	<b>0</b>	<b>0</b>	<b>32,281</b>	<b>4.5%</b>
<b>Total Budget</b>	<b>713,927</b>	<b>0</b>	<b>0</b>	<b>713,927</b>		<b>714,765</b>	<b>0</b>	<b>0</b>	<b>714,765</b>	

**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	30,513	0	0	30,513	0.00	31,351	0	0	31,351
DP 2 - Fixed Costs	0.00	34,094	0	0	34,094	0.00	34,094	0	0	34,094
DP 201 - SPECB Adjustment	0.00	(33,164)	0	0	(33,164)	0.00	(33,164)	0	0	(33,164)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$31,443</b>	<b>\$0</b>	<b>\$0</b>	<b>\$31,443</b>	<b>0.00</b>	<b>\$32,281</b>	<b>\$0</b>	<b>\$0</b>	<b>\$32,281</b>

\*"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 201 - SPECB Adjustment -

This legislature approved a decrease in general fund operating expenses to make a correction to the statewide present law adjustment for fixed costs (DP 2) for an LED lighting upgrade project through the State Buildings Energy Conservation Program (SBECP).

The SBECP is administered by the Department of Environmental Quality and was initiated in 1989 to reduce energy costs in state government and finance energy improvement projects on state owned buildings. The energy savings over the term of the project is used to pay for the project investment, and once the project is paid off, the funding is removed from the agency budget, resulting in ongoing savings to the state through reduced agency operational costs. Due to a technical error, DP 2 only included the increase for principal and interest payments and should have included a corresponding decrease in operating expenses.

**Program Base Budget Comparison**

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

Program Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
PB	25.21	25.21	25.21	0.00	0.0%
General Fund	2,091,843	2,185,688	2,190,419	192,421	4.6%
Federal Spec. Rev. Funds	34,729	34,729	34,729		0.0%
<b>Total Funds</b>	<b>2,126,572</b>	<b>2,220,417</b>	<b>2,225,148</b>	<b>192,421</b>	<b>4.5%</b>
Personal Services	1,888,603	1,983,635	1,987,981	194,410	5.1%
Operating Expenses	237,969	236,782	237,167	(1,989)	(0.4%)
<b>Total Expenditures</b>	<b>2,126,572</b>	<b>2,220,417</b>	<b>2,225,148</b>	<b>192,421</b>	<b>4.5%</b>
<b>Total Ongoing</b>	<b>2,126,572</b>	<b>2,220,417</b>	<b>2,225,148</b>	<b>192,421</b>	<b>4.5%</b>
<b>Total One-Time-Only</b>					<b>0.0%</b>

**Page Reference**

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**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	1,898,744	1,902,994	1,888,603	1,983,635	1,987,981
Operating Expenses	186,872	237,336	237,969	236,782	237,167
<b>Total Expenditures</b>	<b>\$2,085,616</b>	<b>\$2,140,330</b>	<b>\$2,126,572</b>	<b>\$2,220,417</b>	<b>\$2,225,148</b>
General Fund	2,050,887	2,105,601	2,091,843	2,185,688	2,190,419
Federal Spec. Rev. Funds	34,729	34,729	34,729	34,729	34,729
<b>Total Funds</b>	<b>\$2,085,616</b>	<b>\$2,140,330</b>	<b>\$2,126,572</b>	<b>\$2,220,417</b>	<b>\$2,225,148</b>
<b>Total Ongoing</b>	<b>\$2,085,616</b>	<b>\$2,140,330</b>	<b>\$2,126,572</b>	<b>\$2,220,417</b>	<b>\$2,225,148</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Page Reference**

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**Funding**

The Student Services Program is funded almost entirely with general fund appropriations. There is also a small portion of federal funding, which is made up of subsidies provided by the National School Lunch 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.

Student 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
<b>Base Budget</b>	<b>2,091,843</b>	<b>0</b>	<b>34,729</b>	<b>2,126,572</b>	<b>95.8%</b>	<b>2,091,843</b>	<b>0</b>	<b>34,729</b>	<b>2,126,572</b>	<b>95.6%</b>
Statewide PL										
Personal Services	95,032	0	0	95,032	4.3%	99,378	0	0	99,378	4.5%
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	(1,187)	0	0	(1,187)	(0.1%)	(802)	0	0	(802)	(0.0%)
<b>Total Statewide PL</b>	<b>93,845</b>	<b>0</b>	<b>0</b>	<b>93,845</b>	<b>4.2%</b>	<b>98,576</b>	<b>0</b>	<b>0</b>	<b>98,576</b>	<b>4.4%</b>
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%
<b>Total HB 2 Adjustments</b>	<b>93,845</b>	<b>0</b>	<b>0</b>	<b>93,845</b>	<b>4.2%</b>	<b>98,576</b>	<b>0</b>	<b>0</b>	<b>98,576</b>	<b>4.4%</b>
<b>Total Budget</b>	<b>2,185,688</b>	<b>0</b>	<b>34,729</b>	<b>2,220,417</b>		<b>2,190,419</b>	<b>0</b>	<b>34,729</b>	<b>2,225,148</b>	

**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	95,032	0	0	95,032	0.00	99,378	0	0	99,378
DP 3 - Inflation Deflation	0.00	(1,187)	0	0	(1,187)	0.00	(802)	0	0	(802)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$93,845</b>	<b>\$0</b>	<b>\$0</b>	<b>\$93,845</b>	<b>0.00</b>	<b>\$98,576</b>	<b>\$0</b>	<b>\$0</b>	<b>\$98,576</b>

\*\*"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 approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include in-state state motor pool and motor pool leased vehicles.

**Program Base Budget Comparison**

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

Program Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
PB	53.50	53.50	53.50	0.00	0.0%
General Fund	6,033,580	6,137,014	6,166,880	236,734	2.0%
State/Other Special Rev. Funds	313,875	302,341	302,341	(23,068)	(3.7%)
Federal Spec. Rev. Funds	172,080	172,080	172,080		0.0%
<b>Total Funds</b>	<b>6,519,535</b>	<b>6,611,435</b>	<b>6,641,301</b>	<b>213,666</b>	<b>1.6%</b>
Personal Services	6,212,868	6,216,170	6,244,377	34,811	0.3%
Operating Expenses	306,667	395,265	396,924	178,855	29.2%
<b>Total Expenditures</b>	<b>6,519,535</b>	<b>6,611,435</b>	<b>6,641,301</b>	<b>213,666</b>	<b>1.6%</b>
<b>Total Ongoing</b>	<b>6,519,535</b>	<b>6,550,435</b>	<b>6,580,301</b>	<b>91,666</b>	<b>0.7%</b>
<b>Total One-Time-Only</b>		<b>61,000</b>	<b>61,000</b>	<b>122,000</b>	<b>0.0%</b>

**Page Reference**

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**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison					
Budget Item	Actuals	Approp.	Approp.	Legislative	Legislative
	Fiscal 2024	Fiscal 2024	Fiscal 2025	Fiscal 2026	Fiscal 2027
Personal Services	5,641,343	5,677,640	6,212,868	6,216,170	6,244,377
Operating Expenses	387,418	415,122	306,667	395,265	396,924
<b>Total Expenditures</b>	<b>\$6,028,761</b>	<b>\$6,092,762</b>	<b>\$6,519,535</b>	<b>\$6,611,435</b>	<b>\$6,641,301</b>
General Fund	5,578,797	5,625,464	6,033,580	6,137,014	6,166,880
State/Other Special Rev. Funds	290,047	301,581	313,875	302,341	302,341
Federal Spec. Rev. Funds	159,917	165,717	172,080	172,080	172,080
<b>Total Funds</b>	<b>\$6,028,761</b>	<b>\$6,092,762</b>	<b>\$6,519,535</b>	<b>\$6,611,435</b>	<b>\$6,641,301</b>
<b>Total Ongoing</b>	<b>\$6,028,761</b>	<b>\$6,092,762</b>	<b>\$6,519,535</b>	<b>\$6,550,435</b>	<b>\$6,580,301</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$61,000</b>	<b>\$61,000</b>

**Page Reference**

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**Funding**

The Education Program is funded primarily with general fund, with some additional state and federal special revenues. The state special revenue for the program is generated from state trust lands income and interest. Federal special revenues are for Medicaid reimbursement for services provided to qualified students and for the Education Consolidation and Improvement Act Chapter I, which provides federal funds to assist state and local educational agencies to meet the needs of educationally deprived students.

**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.

Education 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
<b>Base Budget</b>	<b>6,033,580</b>	<b>313,875</b>	<b>172,080</b>	<b>6,519,535</b>	<b>98.6%</b>	<b>6,033,580</b>	<b>313,875</b>	<b>172,080</b>	<b>6,519,535</b>	<b>98.2%</b>
Statewide PL										
Personal Services	(133,756)	0	0	(133,756)	(2.0%)	(131,286)	0	0	(131,286)	(2.0%)
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	(5,118)	0	0	(5,118)	(0.1%)	(3,459)	0	0	(3,459)	(0.1%)
Total Statewide PL	(138,874)	0	0	(138,874)	(2.1%)	(134,745)	0	0	(134,745)	(2.0%)
Present Law (PL)	0	(11,534)	0	(11,534)	(0.2%)	0	(11,534)	0	(11,534)	(0.2%)
New Proposals	242,308	0	0	242,308	3.7%	268,045	0	0	268,045	4.0%
<b>Total HB 2 Adjustments</b>	<b>103,434</b>	<b>(11,534)</b>	<b>0</b>	<b>91,900</b>	<b>1.4%</b>	<b>133,300</b>	<b>(11,534)</b>	<b>0</b>	<b>121,766</b>	<b>1.8%</b>
<b>Total Budget</b>	<b>6,137,014</b>	<b>302,341</b>	<b>172,080</b>	<b>6,611,435</b>		<b>6,166,880</b>	<b>302,341</b>	<b>172,080</b>	<b>6,641,301</b>	

**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	(133,756)	0	0	(133,756)	0.00	(131,286)	0	0	(131,286)
DP 3 - Inflation Deflation	0.00	(5,118)	0	0	(5,118)	0.00	(3,459)	0	0	(3,459)
DP 400 - Reduce Unfunded State Special Authority	0.00	0	(11,534)	0	(11,534)	0.00	0	(11,534)	0	(11,534)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$138,874)</b>	<b>(\$11,534)</b>	<b>\$0</b>	<b>(\$150,408)</b>	<b>0.00</b>	<b>(\$134,745)</b>	<b>(\$11,534)</b>	<b>\$0</b>	<b>(\$146,279)</b>

\*\*\*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.

This adjustment is negative primarily due to a transfer of personal services funding from the Education Program to other programs within the agency in order to pay for overtime due to staffing shortages.

DP 3 - Inflation Deflation -

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

DP 400 - Reduce Unfunded State Special Authority -

This legislature approved a reduction of state special revenue authority, as the MSDB has not had the funds to spend the appropriation in several years.

**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 - Additional Outreach Motor Pool Vehicles	0.00	44,250	0	0	44,250	0.00	44,250	0	0	44,250
DP 15 - Longevity Adjustment	0.00	106,683	0	0	106,683	0.00	132,420	0	0	132,420
DP 100 - Extracurricular Compensation	0.00	30,375	0	0	30,375	0.00	30,375	0	0	30,375
DP 403 - Education Interpreters Professional Development (OTO)	0.00	61,000	0	0	61,000	0.00	61,000	0	0	61,000
<b>Total</b>	<b>0.00</b>	<b>\$242,308</b>	<b>\$0</b>	<b>\$0</b>	<b>\$242,308</b>	<b>0.00</b>	<b>\$268,045</b>	<b>\$0</b>	<b>\$0</b>	<b>\$268,045</b>

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

DP 5 - Additional Outreach Motor Pool Vehicles -

The legislature approved a general fund operating expenses increase for the lease of six motor pool vehicles for staff.

DP 15 - Longevity Adjustment -

The legislature approved a general fund personal services adjustment for longevity pay increases. Prior to FY 2024, MSDB employees did not receive longevity as part of the pay plan.

DP 100 - Extracurricular Compensation -

The legislature approved a general fund personal services appropriation for stipends for staff who advise student extracurricular activities.

DP 403 - Education Interpreters Professional Development (OTO) -

The legislature approved a one-time-only general fund operating expenses appropriation for professional development for educational interpreters.

**Agency Base Budget Comparison**

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

Agency Base Budget Comparison						
Budget Item	Base Budget	Requested Budget		Biennium Change from Base		
	FY 2025	FY 2026	FY 2027	Amount	Percent	
PB	7.00	7.00	7.00	0.00	0.0%	
General Fund	627,688	673,329	673,969	91,922	7.3%	
State/Other Special Rev. Funds	228,012	222,835	223,292	(9,897)	(2.2%)	
Federal Spec. Rev. Funds	808,086	801,910	802,521	(11,741)	(0.7%)	
<b>Total Funds</b>	<b>1,663,786</b>	<b>1,698,074</b>	<b>1,699,782</b>	<b>70,284</b>	<b>2.1%</b>	
Personal Services	761,676	774,224	775,854	26,726	1.8%	
Operating Expenses	344,381	311,121	311,199	(66,442)	(9.6%)	
Grants	512,238	567,238	567,238	110,000	10.7%	
Debt Service	45,491	45,491	45,491		0.0%	
<b>Total Expenditures</b>	<b>1,663,786</b>	<b>1,698,074</b>	<b>1,699,782</b>	<b>70,284</b>	<b>2.1%</b>	
<b>Total Ongoing</b>	<b>1,663,786</b>	<b>1,698,074</b>	<b>1,699,782</b>	<b>70,284</b>	<b>2.1%</b>	
<b>Total One-Time-Only</b>					<b>0.0%</b>	

**Page Reference**

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**Agency Highlights**

<b>Montana Arts Council Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The Montana Arts Council's 2027 biennium adopted HB 2 budget is approximately \$70,000 or 2.1% greater than the FY 2025 base budget. Changes include:                             <ul style="list-style-type: none"> <li>◦ An increase in general fund for the statewide present law adjustment for personal services</li> <li>◦ An increase in general fund for state match to federal funds for strategic investment grants</li> <li>◦ Decreases in general fund for the statewide present law adjustments for fixed costs and inflation/deflation</li> </ul> </li> </ul>

**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	706,597	706,584	761,676	774,224	775,854
Operating Expenses	363,513	367,837	344,381	311,121	311,199
Grants	512,238	512,238	512,238	567,238	567,238
Debt Service	45,491	45,491	45,491	45,491	45,491
<b>Total Expenditures</b>	<b>\$1,627,839</b>	<b>\$1,632,150</b>	<b>\$1,663,786</b>	<b>\$1,698,074</b>	<b>\$1,699,782</b>
General Fund	611,241	615,567	627,688	673,329	673,969
State/Other Special Rev. Funds	221,393	221,387	228,012	222,835	223,292
Federal Spec. Rev. Funds	795,205	795,196	808,086	801,910	802,521
<b>Total Funds</b>	<b>\$1,627,839</b>	<b>\$1,632,150</b>	<b>\$1,663,786</b>	<b>\$1,698,074</b>	<b>\$1,699,782</b>
<b>Total Ongoing</b>	<b>\$1,627,839</b>	<b>\$1,632,150</b>	<b>\$1,663,786</b>	<b>\$1,698,074</b>	<b>\$1,699,782</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Page Reference**

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**Executive Budget Comparison**

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

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2025	Executive Budget Fiscal 2026	Legislative Budget Fiscal 2026	Leg — Exec. Difference Fiscal 2026	Executive Budget Fiscal 2027	Legislative Budget Fiscal 2027	Leg — Exec. Difference Fiscal 2027	Biennium Difference Fiscal 26-27
Personal Services	761,676	774,224	774,224	0	775,854	775,854	0	0
Operating Expenses	344,381	311,723	311,121	(602)	311,801	311,199	(602)	(1,204)
Grants	512,238	567,238	567,238	0	567,238	567,238	0	0
Transfers	0	0	0	0	0	0	0	0
Debt Service	45,491	45,491	45,491	0	45,491	45,491	0	0
<b>Total Costs</b>	<b>\$1,663,786</b>	<b>\$1,698,676</b>	<b>\$1,698,074</b>	<b>(\$602)</b>	<b>\$1,700,384</b>	<b>\$1,699,782</b>	<b>(\$602)</b>	<b>(\$1,204)</b>
General Fund	627,688	673,602	673,329	(273)	674,242	673,969	(273)	(546)
State/other Special Rev. Funds	228,012	222,947	222,835	(112)	223,404	223,292	(112)	(224)
Federal Spec. Rev. Funds	808,086	802,127	801,910	(217)	802,738	802,521	(217)	(434)
<b>Total Funds</b>	<b>\$1,663,786</b>	<b>\$1,698,676</b>	<b>\$1,698,074</b>	<b>(\$602)</b>	<b>\$1,700,384</b>	<b>\$1,699,782</b>	<b>(\$602)</b>	<b>(\$1,204)</b>
<b>Total Ongoing</b>	<b>\$1,663,786</b>	<b>\$1,698,676</b>	<b>\$1,698,074</b>	<b>(\$602)</b>	<b>\$1,700,384</b>	<b>\$1,699,782</b>	<b>(\$602)</b>	<b>(\$1,204)</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

The legislature adopted a HB 2 budget that is approximately \$1,200 lower than the proposed executive HB 2 budget for the 2027 biennium. This difference is due entirely to adjustments to fixed costs.



**Funding**

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

Total Montana Arts Council Funding by Source of Authority 2027 Biennium Budget Request						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
<b>01100 General Fund</b>	<b>1,347,298</b>				<b>1,347,298</b>	<b>39.7%</b>
02009 Cultural and Aesthetic Project	446,127				446,127	13.1%
<b>State Special Revenue Total</b>	<b>446,127</b>	-	-	-	<b>446,127</b>	<b>13.1%</b>
03016 NEA Funds-Basic State Grant	1,604,431				1,604,431	47.2%
<b>Federal Special Revenue Total</b>	<b>1,604,431</b>	-	-	-	<b>1,604,431</b>	<b>47.2%</b>
<b>Proprietary Fund Total</b>	-	-	-	-	-	<b>0.0%</b>
<b>Total of All Funds</b>	<b>3,397,856</b>	-	-	-	<b>3,397,856</b>	
<b>Percent of All Sources of Authority</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>		

*HB 2 Authority*

The Montana Arts Council is funded through a combination of general fund, state special revenue, and federal special revenue.

General Fund

General fund supports a portion of the agency operations, services to the state’s art community, arts grants, and several other grant programs available to non-profit arts organizations, schools, and other eligible entities.

State Special Revenue

The cultural and aesthetic trust is a statutory trust account that is funded with a 0.63% distribution from the coal severance tax. The interest earnings from the trust are deposited into a state special revenue account to be used for protection of works of art in the State Capitol and for other cultural and aesthetic projects (per 15-35-108, MCA). The cultural and aesthetic project state special revenue fund supports:

- Overall agency operations
- Administration of cultural and aesthetic trust activities and the preservation of the state’s cultural heritage
- Grant awards in HB 9 for cultural and aesthetic projects

Federal Special Revenue

Federal special revenue from the National Endowment of the Arts (NEA) supports:

- Formula-based grants, which require a state match. The agency utilizes general fund and state special revenue as a source of matching funds
- The agency’s administration of services to the state’s art community

**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 Arts Council 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
<b>Base Budget</b>	<b>627,688</b>	<b>228,012</b>	<b>808,086</b>	<b>1,663,786</b>	<b>98.0%</b>	<b>627,688</b>	<b>228,012</b>	<b>808,086</b>	<b>1,663,786</b>	<b>97.9%</b>
Statewide PL										
Personal Services	5,742	993	5,813	12,548	0.7%	6,312	1,450	6,416	14,178	0.8%
Fixed Costs	(14,765)	(6,039)	(11,682)	(32,486)	(1.9%)	(14,715)	(6,045)	(11,704)	(32,464)	(1.9%)
Inflation Deflation	(63)	(19)	(90)	(172)	(0.0%)	(43)	(13)	(60)	(116)	(0.0%)
<b>Total Statewide PL</b>	<b>(9,086)</b>	<b>(5,065)</b>	<b>(5,959)</b>	<b>(20,110)</b>	<b>(1.2%)</b>	<b>(8,446)</b>	<b>(4,608)</b>	<b>(5,348)</b>	<b>(18,402)</b>	<b>(1.1%)</b>
Present Law (PL)	(273)	(112)	(217)	(602)	(0.0%)	(273)	(112)	(217)	(602)	(0.0%)
New Proposals	55,000	0	0	55,000	3.2%	55,000	0	0	55,000	3.2%
<b>Total HB 2 Adjustments</b>	<b>45,641</b>	<b>(5,177)</b>	<b>(6,176)</b>	<b>34,288</b>	<b>2.0%</b>	<b>46,281</b>	<b>(4,720)</b>	<b>(5,565)</b>	<b>35,996</b>	<b>2.1%</b>
<b>Total Budget</b>	<b>673,329</b>	<b>222,835</b>	<b>801,910</b>	<b>1,698,074</b>		<b>673,969</b>	<b>223,292</b>	<b>802,521</b>	<b>1,699,782</b>	

**Language and Statutory Authority**

All HB 2 federal funding appropriations for the Montana Arts Council are biennial appropriations.

**Page Reference**

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**Page Reference**

N/A

**Present Law Adjustments -**

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

Present Law Adjustments	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	5,742	993	5,813	12,548	0.00	6,312	1,450	6,416	14,178
DP 2 - Fixed Costs	0.00	(14,765)	(6,039)	(11,682)	(32,486)	0.00	(14,715)	(6,045)	(11,704)	(32,464)
DP 3 - Inflation Deflation	0.00	(63)	(19)	(90)	(172)	0.00	(43)	(13)	(60)	(116)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	(273)	(112)	(217)	(602)	0.00	(273)	(112)	(217)	(602)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$9,359)</b>	<b>(\$5,177)</b>	<b>(\$6,176)</b>	<b>(\$20,712)</b>	<b>0.00</b>	<b>(\$8,719)</b>	<b>(\$4,720)</b>	<b>(\$5,565)</b>	<b>(\$19,004)</b>

\*"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 cost 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 5 - Federal Match Increase	0.00	55,000	0	0	55,000	0.00	55,000	0	0	55,000
<b>Total</b>	<b>0.00</b>	<b>\$55,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$55,000</b>	<b>0.00</b>	<b>\$55,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$55,000</b>

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

DP 5 - Federal Match Increase -

The legislature adopted a general fund increase to fulfill a federal match requirement for the strategic investment grants (SIG) program, which provides microgrants to awardees across the state.

**Agency Base Budget Comparison**

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

Agency Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
PB	30.46	30.46	30.46	0.00	0.0%
General Fund	3,347,459	3,602,069	3,612,892	520,043	7.8%
State/Other Special Rev. Funds	3,047,959	3,168,075	3,178,577	250,734	4.1%
Federal Spec. Rev. Funds	1,512,387	1,554,978	1,554,978	85,182	2.8%
<b>Total Funds</b>	<b>7,907,805</b>	<b>8,325,122</b>	<b>8,346,447</b>	<b>855,959</b>	<b>5.4%</b>
Personal Services	3,112,404	3,309,051	3,329,548	413,791	6.6%
Operating Expenses	4,155,161	4,625,831	4,626,659	942,168	11.3%
Grants	475,000	225,000	225,000	(500,000)	(52.6%)
Debt Service	165,240	165,240	165,240		0.0%
<b>Total Expenditures</b>	<b>7,907,805</b>	<b>8,325,122</b>	<b>8,346,447</b>	<b>855,959</b>	<b>5.4%</b>
<b>Total Ongoing</b>	<b>7,907,805</b>	<b>8,325,122</b>	<b>8,346,447</b>	<b>855,959</b>	<b>5.4%</b>
<b>Total One-Time-Only</b>	<b>900,000</b>			<b>(1,800,000)</b>	<b>(100.0%)</b>

**Page Reference**

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**Agency Highlights**

<p><b>Montana State Library Major Budget Highlights</b></p>
<p>The Montana State Library's (MSL) 2027 biennium adopted HB 2 budget is approximately \$856,000 or 5.4% above the FY 2025 base budget. Major highlights include:</p> <ul style="list-style-type: none"> <li>• An increase for the statewide present law adjustment for personal services, made up of general fund, state special revenue, and federal special revenue</li> <li>• An increase in general fund for the statewide present law adjustment for fixed costs</li> </ul>

**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	4,182,159	4,653,163	3,112,404	3,309,051	3,329,548
Operating Expenses	2,141,991	3,195,626	5,055,161	4,625,831	4,626,659
Equipment & Intangible Assets	0	7,155	0	0	0
Grants	444,275	495,742	475,000	225,000	225,000
Debt Service	265,240	265,240	165,240	165,240	165,240
<b>Total Expenditures</b>	<b>\$7,033,665</b>	<b>\$8,616,926</b>	<b>\$8,807,805</b>	<b>\$8,325,122</b>	<b>\$8,346,447</b>
General Fund	3,163,191	3,205,885	3,347,459	3,602,069	3,612,892
State/Other Special Rev. Funds	2,441,653	3,907,328	3,947,959	3,168,075	3,178,577
Federal Spec. Rev. Funds	1,428,821	1,503,713	1,512,387	1,554,978	1,554,978
<b>Total Funds</b>	<b>\$7,033,665</b>	<b>\$8,616,926</b>	<b>\$8,807,805</b>	<b>\$8,325,122</b>	<b>\$8,346,447</b>
<b>Total Ongoing</b>	<b>\$6,455,994</b>	<b>\$7,716,926</b>	<b>\$7,907,805</b>	<b>\$8,325,122</b>	<b>\$8,346,447</b>
<b>Total OTO</b>	<b>\$577,671</b>	<b>\$900,000</b>	<b>\$900,000</b>	<b>\$0</b>	<b>\$0</b>

Page Reference

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Executive Budget Comparison

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

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2025	Executive Budget Fiscal 2026	Legislative Budget Fiscal 2026	Leg — Exec. Difference Fiscal 2026	Executive Budget Fiscal 2027	Legislative Budget Fiscal 2027	Leg — Exec. Difference Fiscal 2027	Biennium Difference Fiscal 26-27
Personal Services	3,112,404	3,309,051	3,309,051	0	3,329,548	3,329,548	0	0
Operating Expenses	5,055,161	4,336,617	4,625,831	289,214	4,337,445	4,626,659	289,214	578,428
Grants	475,000	475,000	225,000	(250,000)	475,000	225,000	(250,000)	(500,000)
Debt Service	165,240	165,240	165,240	0	165,240	165,240	0	0
<b>Total Costs</b>	<b>\$8,807,805</b>	<b>\$8,285,908</b>	<b>\$8,325,122</b>	<b>\$39,214</b>	<b>\$8,307,233</b>	<b>\$8,346,447</b>	<b>\$39,214</b>	<b>\$78,428</b>
General Fund	3,347,459	3,603,213	3,602,069	(1,144)	3,614,036	3,612,892	(1,144)	(2,288)
State/Other Special Rev. Funds	3,947,959	3,127,717	3,168,075	40,358	3,138,219	3,178,577	40,358	80,716
Federal Spec. Rev. Funds	1,512,387	1,554,978	1,554,978	0	1,554,978	1,554,978	0	0
<b>Total Funds</b>	<b>\$8,807,805</b>	<b>\$8,285,908</b>	<b>\$8,325,122</b>	<b>\$39,214</b>	<b>\$8,307,233</b>	<b>\$8,346,447</b>	<b>\$39,214</b>	<b>\$78,428</b>
<b>Total Ongoing</b>	<b>\$7,907,805</b>	<b>\$8,285,908</b>	<b>\$8,325,122</b>	<b>\$39,214</b>	<b>\$8,307,233</b>	<b>\$8,346,447</b>	<b>\$39,214</b>	<b>\$78,428</b>
<b>Total OTO</b>	<b>\$900,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

The legislature adopted a HB 2 budget that is approximately \$78,000 higher than the proposed executive HB 2 budget for the 2027 biennium. Changes include:

- An increase in state special revenue authority to allow the agency to spend additional revenue in the digital library services account due to an increase in fixed costs for Natural Resource Information (NRIS) and Geographic Information Systems (GIS), totaling approximately \$81,000 over the biennium
- A decrease to fixed costs reductions, totaling approximately \$2,000 over the biennium
- A decrease in grants and a corresponding increase in operating expenses related to the establishment of three budgetary programs for the Montana State Library. The legislature adopted two net-zero adjustments to move funding and positions budgeted between the newly established programs to correctly align the budget with the program functions

Funding

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

Total Montana State Library Funding by Source of Authority 2027 Biennium Budget Request							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
<b>01100 General Fund</b>	<b>7,214,961</b>			<b>1,084,226</b>	<b>8,299,187</b>	<b>41.2%</b>	
02779 Montana Land Information	4,434,004				4,434,004	22.0%	
02021 911 Funding				1,023,937	1,023,937	5.1%	
02046 Coal Sev. Tax Library	1,020,606				1,020,606	5.1%	
02094 Digital Library Services	892,042				892,042	4.4%	
<b>State Special Revenue Total</b>	<b>6,346,652</b>	-	-	<b>1,023,937</b>	<b>7,370,589</b>	<b>36.6%</b>	
03018 IMLS	3,109,956				3,109,956	15.4%	
<b>Federal Special Revenue Total</b>	<b>3,109,956</b>	-	-	-	<b>3,109,956</b>	<b>15.4%</b>	
06021 MT Shared Catalog			955,342		955,342	4.7%	
06025 MT State Reference Network-RTN			407,546		407,546	2.0%	
<b>Proprietary Fund Total</b>	-	-	<b>1,362,888</b>	-	<b>1,362,888</b>	<b>6.8%</b>	
<b>Total of All Funds</b>	<b>16,671,569</b>	-	<b>1,362,888</b>	<b>2,108,163</b>	<b>20,142,620</b>		
<b>Percent of All Sources of Authority</b>	<b>82.8%</b>	<b>0.0%</b>	<b>6.8%</b>	<b>10.5%</b>			

The Montana State Library is funded through a combination of general fund, state special revenue, federal special revenue, and proprietary funds.

*HB 2 Authority*

General Fund - General fund supports less than half of the Montana State Library's operations.

State Special Revenue - State special revenues fund certain costs for GIS and land information services, library federation grants to assist local libraries, and the NRIS. For additional detail, please see the funding descriptions at the program level.

Federal Special Revenue - Federal special revenue is comprised of Library Services and Technology Act (LSTA) grants administered by the Institute of Museum and Library Services (IMLS). These funds are a formula grant to the Montana State Library from the IMLS rather than a competitive grant, and require a two to one federal/state match and a five-year plan. The funds are used for collection content and access, training and outreach to local libraries, and services to patrons with disabilities.

*Non-Budgeted Proprietary Funds*

Proprietary funds are used for the Montana shared catalog and the real time network. For additional detail, please see the funding description at the program level.

*Statutory Appropriations*

General Fund - General fund statutory authority for the agency provides state aid to public libraries, as authorized under 22-1-327, MCA. This appropriation sunsets July 1, 2029.

State Special Revenue - Statutory appropriations of state special revenue are used to fund next generation 9-1-1 mapping services through FY 2030.

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 Library 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
<b>Base Budget</b>	<b>3,347,459</b>	<b>3,047,959</b>	<b>1,512,387</b>	<b>7,907,805</b>	<b>95.0%</b>	<b>3,347,459</b>	<b>3,047,959</b>	<b>1,512,387</b>	<b>7,907,805</b>	<b>94.7%</b>
Statewide PL										
Personal Services	74,298	79,758	42,591	196,647	2.4%	84,293	90,260	42,591	217,144	2.6%
Fixed Costs	182,204	0	0	182,204	2.2%	182,790	0	0	182,790	2.2%
Inflation Deflation	(748)	0	0	(748)	(0.0%)	(506)	0	0	(506)	(0.0%)
<b>Total Statewide PL</b>	<b>255,754</b>	<b>79,758</b>	<b>42,591</b>	<b>378,103</b>	<b>4.5%</b>	<b>266,577</b>	<b>90,260</b>	<b>42,591</b>	<b>399,428</b>	<b>4.8%</b>
Present Law (PL)	(1,144)	0	0	(1,144)	(0.0%)	(1,144)	0	0	(1,144)	(0.0%)
New Proposals	0	40,358	0	40,358	0.5%	0	40,358	0	40,358	0.5%
<b>Total HB 2 Adjustments</b>	<b>254,610</b>	<b>120,116</b>	<b>42,591</b>	<b>417,317</b>	<b>5.0%</b>	<b>265,433</b>	<b>130,618</b>	<b>42,591</b>	<b>438,642</b>	<b>5.3%</b>
<b>Total Budget</b>	<b>3,602,069</b>	<b>3,168,075</b>	<b>1,554,978</b>	<b>8,325,122</b>		<b>3,612,892</b>	<b>3,178,577</b>	<b>1,554,978</b>	<b>8,346,447</b>	



**Program Base Budget Comparison**

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

Program Base Budget Comparison						
Budget Item	Base Budget	Requested Budget		Biennium Change from Base		
	FY 2025	FY 2026	FY 2027	Amount	Percent	
PB	8.80	11.80	11.80	3.00	17.0%	
General Fund	2,195,567	2,688,019	2,692,723	989,608	22.5%	
State/Other Special Rev. Funds	788,523			(1,577,046)	(100.0%)	
Federal Spec. Rev. Funds	601,989			(1,203,978)	(100.0%)	
<b>Total Funds</b>	<b>3,586,079</b>	<b>2,688,019</b>	<b>2,692,723</b>	<b>(1,791,416)</b>	<b>(25.0%)</b>	
Personal Services	978,998	1,341,138	1,345,014	728,156	37.2%	
Operating Expenses	2,441,841	1,181,641	1,182,469	(2,519,572)	(51.6%)	
Debt Service	165,240	165,240	165,240		0.0%	
<b>Total Expenditures</b>	<b>3,586,079</b>	<b>2,688,019</b>	<b>2,692,723</b>	<b>(1,791,416)</b>	<b>(25.0%)</b>	
<b>Total Ongoing</b>	<b>3,586,079</b>	<b>2,688,019</b>	<b>2,692,723</b>	<b>(1,791,416)</b>	<b>(25.0%)</b>	
<b>Total One-Time-Only</b>					<b>0.0%</b>	

**Page Reference**

LFD Budget Analysis Addendum, Page E-3

**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	967,445	1,126,895	978,998	1,341,138	1,345,014
Operating Expenses	875,138	1,130,093	2,441,841	1,181,641	1,182,469
Equipment & Intangible Assets	0	7,155	0	0	0
Grants	947	947	0	0	0
Debt Service	165,240	165,240	165,240	165,240	165,240
<b>Total Expenditures</b>	<b>\$2,008,770</b>	<b>\$2,430,330</b>	<b>\$3,586,079</b>	<b>\$2,688,019</b>	<b>\$2,692,723</b>
General Fund	1,815,812	1,941,793	2,195,567	2,688,019	2,692,723
State/Other Special Rev. Funds	135,805	312,751	788,523	0	0
Federal Spec. Rev. Funds	57,153	175,786	601,989	0	0
<b>Total Funds</b>	<b>\$2,008,770</b>	<b>\$2,430,330</b>	<b>\$3,586,079</b>	<b>\$2,688,019</b>	<b>\$2,692,723</b>
<b>Total Ongoing</b>	<b>\$2,008,770</b>	<b>\$2,430,330</b>	<b>\$3,586,079</b>	<b>\$2,688,019</b>	<b>\$2,692,723</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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**Funding**

The Central Services 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.

Central 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
<b>Base Budget</b>	<b>2,195,567</b>	<b>788,523</b>	<b>601,989</b>	<b>3,586,079</b>	<b>133.4%</b>	<b>2,195,567</b>	<b>788,523</b>	<b>601,989</b>	<b>3,586,079</b>	<b>133.2%</b>
Statewide PL										
Personal Services	2,039	0	0	2,039	0.1%	5,368	0	0	5,368	0.2%
Fixed Costs	182,204	0	0	182,204	6.8%	182,790	0	0	182,790	6.8%
Inflation Deflation	(748)	0	0	(748)	(0.0%)	(506)	0	0	(506)	(0.0%)
Total Statewide PL	183,495	0	0	183,495	6.8%	187,652	0	0	187,652	7.0%
Present Law (PL)	(1,144)	0	0	(1,144)	(0.0%)	(1,144)	0	0	(1,144)	(0.0%)
New Proposals	310,101	(788,523)	(601,989)	(1,080,411)	(40.2%)	310,648	(788,523)	(601,989)	(1,079,864)	(40.1%)
<b>Total HB 2 Adjustments</b>	<b>492,452</b>	<b>(788,523)</b>	<b>(601,989)</b>	<b>(898,060)</b>	<b>(33.4%)</b>	<b>497,156</b>	<b>(788,523)</b>	<b>(601,989)</b>	<b>(893,356)</b>	<b>(33.2%)</b>
<b>Total Budget</b>	<b>2,688,019</b>	<b>0</b>	<b>0</b>	<b>2,688,019</b>		<b>2,692,723</b>	<b>0</b>	<b>0</b>	<b>2,692,723</b>	

**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	2,039	0	0	2,039	0.00	5,368	0	0	5,368
DP 2 - Fixed Costs	0.00	182,204	0	0	182,204	0.00	182,790	0	0	182,790
DP 3 - Inflation Deflation	0.00	(748)	0	0	(748)	0.00	(506)	0	0	(506)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	(1,144)	0	0	(1,144)	0.00	(1,144)	0	0	(1,144)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$182,351</b>	<b>\$0</b>	<b>\$0</b>	<b>\$182,351</b>	<b>0.00</b>	<b>\$186,508</b>	<b>\$0</b>	<b>\$0</b>	<b>\$186,508</b>

\*\*"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 5 - Move PB into Correct New Programs	3.00	360,101	0	0	360,101	3.00	360,648	0	0	360,648
DP 6 - Move Other Funding into Correct New Programs	0.00	(50,000)	(788,523)	(601,989)	(1,440,512)	0.00	(50,000)	(788,523)	(601,989)	(1,440,512)
<b>Total</b>	<b>3.00</b>	<b>\$310,101</b>	<b>(\$788,523)</b>	<b>(\$601,989)</b>	<b>(\$1,080,411)</b>	<b>3.00</b>	<b>\$310,648</b>	<b>(\$788,523)</b>	<b>(\$601,989)</b>	<b>(\$1,079,864)</b>

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

DP 5 - Move PB into Correct New Programs -

The legislature established three budgetary programs for the Montana State Library and adopted an adjustment to move several PB and associated personal services funding between the newly established programs to correctly align the budget with the program functions. The decision package has a net-zero change for the agency as a whole.

DP 6 - Move Other Funding into Correct New Programs -

The legislature established three budgetary programs for the Montana State Library and adopted an adjustment to move funding, other than that associated with PB, between the newly established programs to correctly align the budget with the program functions. The decision package has a net-zero change for the agency as a whole.

**Program Base Budget Comparison**

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

Program Base Budget Comparison						
Budget Item	Base Budget	Requested Budget		Biennium Change from Base		
	FY 2025	FY 2026	FY 2027	Amount	Percent	
PB	9.75	8.50	8.50	(1.25)	(6.4%)	
General Fund	425,644	214,786	220,455	(416,047)	(48.9%)	
State/Other Special Rev. Funds	510,303	510,303	510,303		0.0%	
Federal Spec. Rev. Funds	910,398	1,554,978	1,554,978	1,289,160	70.8%	
<b>Total Funds</b>	<b>1,846,345</b>	<b>2,280,067</b>	<b>2,285,736</b>	<b>873,113</b>	<b>23.6%</b>	
Personal Services	578,642	560,375	566,044	(30,865)	(2.7%)	
Operating Expenses	1,042,703	1,494,692	1,494,692	903,978	43.3%	
Grants	225,000	225,000	225,000		0.0%	
<b>Total Expenditures</b>	<b>1,846,345</b>	<b>2,280,067</b>	<b>2,285,736</b>	<b>873,113</b>	<b>23.6%</b>	
<b>Total Ongoing</b>	<b>1,846,345</b>	<b>2,280,067</b>	<b>2,285,736</b>	<b>873,113</b>	<b>23.6%</b>	
<b>Total One-Time-Only</b>	<b>400,000</b>			<b>(800,000)</b>	<b>(100.0%)</b>	

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**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	1,122,019	1,253,763	578,642	560,375	566,044
Operating Expenses	1,108,484	1,198,818	1,442,703	1,494,692	1,494,692
Grants	244,620	244,795	225,000	225,000	225,000
Debt Service	100,000	100,000	0	0	0
<b>Total Expenditures</b>	<b>\$2,575,123</b>	<b>\$2,797,376</b>	<b>\$2,246,345</b>	<b>\$2,280,067</b>	<b>\$2,285,736</b>
General Fund	389,309	534,764	425,644	214,786	220,455
State/Other Special Rev. Funds	851,245	982,185	910,303	510,303	510,303
Federal Spec. Rev. Funds	1,334,569	1,280,427	910,398	1,554,978	1,554,978
<b>Total Funds</b>	<b>\$2,575,123</b>	<b>\$2,797,376</b>	<b>\$2,246,345</b>	<b>\$2,280,067</b>	<b>\$2,285,736</b>
<b>Total Ongoing</b>	<b>\$2,175,123</b>	<b>\$2,397,376</b>	<b>\$1,846,345</b>	<b>\$2,280,067</b>	<b>\$2,285,736</b>
<b>Total OTO</b>	<b>\$400,000</b>	<b>\$400,000</b>	<b>\$400,000</b>	<b>\$0</b>	<b>\$0</b>

**Page Reference**

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## Funding

The Patron and Local Library Development Program is funded through a combination of general fund, state special revenue, federal special revenue, and proprietary funds.

### *HB 2 Authority*

General Fund - General fund supports approximately one-quarter of the Patron and Local Library Development Program's operations.

### State Special Revenue

#### **Coal Severance Tax Library Account**

The coal severance tax library account is used for general operations, statewide technology contracts, and the library federation grants to assist local libraries in providing basic services.

### Federal Special Revenue

Federal special revenue is comprised of Library Services and Technology Act (LSTA) grants administered by the Institute of Museum and Library Services (IMLS). These funds are a formula grant to the Montana State Library from the IMLS rather than a competitive grant, and require a two to one federal/state match and a five-year plan. The funds are used for collection content and access, training and outreach to local libraries, and services to patrons with disabilities.

### *Non-Budgeted Proprietary Funds*

#### **Montana Shared Catalog**

The Montana Shared Catalog (MSC) is a cooperative project involving approximately 180 libraries across Montana. Public libraries, school libraries, academic libraries, medical libraries, and other special libraries have pooled resources to purchase a robust library automation system. Members enjoy the benefits of shared expertise and the ability to provide improved service to library customers. The Montana State Library became the fiscal agent for the MSC in FY 2008. The source of the funding is from member fees paid by the libraries to belong to the MSC. For a more detailed discussion of rates, revenues, and expenditures for the account, please see the non-budgeted proprietary funds analysis, which is included in a separate report.

### *Statutory Appropriations*

General Fund - Statutory authority for the agency includes general fund for state aid to public libraries, as authorized under 22-1-327, MCA. This appropriation sunsets July 1, 2029.

**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.

Patron and Local Library Development 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
<b>Base Budget</b>	<b>425,644</b>	<b>510,303</b>	<b>910,398</b>	<b>1,846,345</b>	<b>81.0%</b>	<b>425,644</b>	<b>510,303</b>	<b>910,398</b>	<b>1,846,345</b>	<b>80.8%</b>
Statewide PL										
Personal Services	72,259	185,000	73,000	330,259	14.5%	78,925	185,000	73,000	336,925	14.7%
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%
<b>Total Statewide PL</b>	<b>72,259</b>	<b>185,000</b>	<b>73,000</b>	<b>330,259</b>	<b>14.5%</b>	<b>78,925</b>	<b>185,000</b>	<b>73,000</b>	<b>336,925</b>	<b>14.7%</b>
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	(283,117)	(185,000)	571,580	103,463	4.5%	(284,114)	(185,000)	571,580	102,466	4.5%
<b>Total HB 2 Adjustments</b>	<b>(210,858)</b>	<b>0</b>	<b>644,580</b>	<b>433,722</b>	<b>19.0%</b>	<b>(205,189)</b>	<b>0</b>	<b>644,580</b>	<b>439,391</b>	<b>19.2%</b>
<b>Total Budget</b>	<b>214,786</b>	<b>510,303</b>	<b>1,554,978</b>	<b>2,280,067</b>		<b>220,455</b>	<b>510,303</b>	<b>1,554,978</b>	<b>2,285,736</b>	

**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	72,259	185,000	73,000	330,259	0.00	78,925	185,000	73,000	336,925
DP 2 - Fixed Costs	0.00	0	0	0	0	0.00	0	0	0	0
DP 3 - Inflation Deflation	0.00	0	0	0	0	0.00	0	0	0	0
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$72,259</b>	<b>\$185,000</b>	<b>\$73,000</b>	<b>\$330,259</b>	<b>0.00</b>	<b>\$78,925</b>	<b>\$185,000</b>	<b>\$73,000</b>	<b>\$336,925</b>

\*"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 5 - Move PB into Correct New Programs	(1.25)	(133,117)	0	0	(133,117)	(1.25)	(134,114)	0	0	(134,114)
DP 6 - Move Other Funding into Correct New Programs	0.00	(150,000)	(185,000)	571,580	236,580	0.00	(150,000)	(185,000)	571,580	236,580
<b>Total</b>	<b>(1.25)</b>	<b>(\$283,117)</b>	<b>(\$185,000)</b>	<b>\$571,580</b>	<b>\$103,463</b>	<b>(1.25)</b>	<b>(\$284,114)</b>	<b>(\$185,000)</b>	<b>\$571,580</b>	<b>\$102,466</b>

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

DP 5 - Move PB into Correct New Programs -

The legislature established three budgetary programs for the Montana State Library and adopted an adjustment to move several PB and associated personal services funding between the newly established programs to correctly align the budget with the program functions. The decision package has a net-zero change for the agency as a whole.

DP 6 - Move Other Funding into Correct New Programs -

The legislature established three budgetary programs for the Montana State Library and adopted an adjustment to move funding, other than that associated with PB, between the newly established programs to correctly align the budget with the program functions. The decision package has a net-zero change for the agency as a whole.

**Program Base Budget Comparison**

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

Program Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
PB	11.91	10.16	10.16	(1.75)	(7.3%)
General Fund	726,248	699,264	699,714	(53,518)	(3.7%)
State/Other Special Rev. Funds	1,749,133	2,657,772	2,668,274	1,827,780	52.2%
<b>Total Funds</b>	<b>2,475,381</b>	<b>3,357,036</b>	<b>3,367,988</b>	<b>1,774,262</b>	<b>35.8%</b>
Personal Services	1,554,764	1,407,538	1,418,490	(283,500)	(9.1%)
Operating Expenses	670,617	1,949,498	1,949,498	2,557,762	190.7%
Grants	250,000			(500,000)	(100.0%)
<b>Total Expenditures</b>	<b>2,475,381</b>	<b>3,357,036</b>	<b>3,367,988</b>	<b>1,774,262</b>	<b>35.8%</b>
<b>Total Ongoing</b>	<b>2,475,381</b>	<b>3,357,036</b>	<b>3,367,988</b>	<b>1,774,262</b>	<b>35.8%</b>
<b>Total One-Time-Only</b>	<b>500,000</b>			<b>(1,000,000)</b>	<b>(100.0%)</b>

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**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	2,092,695	2,272,505	1,554,764	1,407,538	1,418,490
Operating Expenses	158,369	866,715	1,170,617	1,949,498	1,949,498
Grants	198,708	250,000	250,000	0	0
<b>Total Expenditures</b>	<b>\$2,449,772</b>	<b>\$3,389,220</b>	<b>\$2,975,381</b>	<b>\$3,357,036</b>	<b>\$3,367,988</b>
General Fund	958,070	729,328	726,248	699,264	699,714
State/Other Special Rev. Funds	1,454,603	2,612,392	2,249,133	2,657,772	2,668,274
Federal Spec. Rev. Funds	37,099	47,500	0	0	0
<b>Total Funds</b>	<b>\$2,449,772</b>	<b>\$3,389,220</b>	<b>\$2,975,381</b>	<b>\$3,357,036</b>	<b>\$3,367,988</b>
<b>Total Ongoing</b>	<b>\$2,272,101</b>	<b>\$2,889,220</b>	<b>\$2,475,381</b>	<b>\$3,357,036</b>	<b>\$3,367,988</b>
<b>Total OTO</b>	<b>\$177,671</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$0</b>	<b>\$0</b>

**Page Reference**

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**Funding**

The GIS, Data, and Information Program is funded through a combination of general fund, state special revenue, and proprietary funds.



*HB 2 Authority*

General Fund - General fund supports one-sixth of the GIS, Data, and Information Program's operations.

State Special Revenue**Montana Land Information Account**

The Montana land information account receives a portion of the document recording fees assessed at the local level. It is used to fund GIS and land information services and grants including Montana geospatial information grants, GIS architecture, and the Montana Cadastral. Increased home sales during the COVID-19 pandemic lead to a significant increase in fee collections for the account. This additional revenue was used to provide one-time-only funding in the 2021 Legislative Session and the 2023 Legislative Session to launch the Montana Real Time Network, now the MTSRN, which is discussed in greater detail in the non-budgeted proprietary funds analysis (included in a separate report).

**Digital Library Services Account**

The digital library services account receives assessments paid by certain state agencies that use the NRIS/Geographic Information Systems (GIS). The fund has a fixed cost component that is charged to 17 agencies, the Governor's Office, and the Legislative Branch. Funding from this fixed cost totaled approximately \$399,000 for each year of the 2025 biennium, and the legislature approved fixed cost assessments of \$446,021 for each year of the 2027 biennium.

*Non-Budgeted Proprietary Funds***Montana State Reference Network**

The Montana State Reference Network (MTSRN) is the state-owned real time positioning network, operated with the cooperation of partners that include tribal nations, the Montana Department of Transportation, Montana State Library, counties, educational institutions, and private entities who maintain, operate, or otherwise contribute to the operation of this statewide array global navigation satellite systems (GNSS) reference stations. This growing statewide GNSS network consists of permanently located global positioning system (GPS) receivers that generate real-time, high-accuracy GPS positioning. Montana State Library analyzes rates charged to subscribers on a biannual basis. Rates are reflective of projected program costs and number of program subscribers. For a more detailed discussion of rates, revenues, and expenditures for the account, please see the non-budgeted proprietary funds analysis, which is included in a separate report.

For the 2025 biennium, the legislature also appropriated \$500,000 per fiscal year of state special revenue authority for additional start-up and ongoing costs related to the Montana real-time network in HB 2.

*Statutory Appropriations*State Special Revenue**9-1-1 GIS Mapping Account**

Statutory appropriations for the Montana State Library are made up of state special revenue from fees imposed for 9-1-1 mapping services; in accordance with 10-4-304(5), MCA, the Montana State Library's 9-1-1 GIS mapping account receives a transfer of \$450,000 of state special revenue each fiscal year through FY 2030. Next generation 9-1-1 will migrate from analog technology intended for traditional wireline phones to an all IP-based architecture capable of communicating with any network connected device. This modernized 9-1-1 system will rely on GIS data to route emergency calls to the correct 9-1-1 call center.

**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.

Gis, Data, and Information 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
<b>Base Budget</b>	<b>726,248</b>	<b>1,749,133</b>	<b>0</b>	<b>2,475,381</b>	<b>73.7%</b>	<b>726,248</b>	<b>1,749,133</b>	<b>0</b>	<b>2,475,381</b>	<b>73.5%</b>
Statewide PL										
Personal Services	0	(105,242)	(30,409)	(135,651)	(4.0%)	0	(94,740)	(30,409)	(125,149)	(3.7%)
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%
<b>Total Statewide PL</b>	<b>0</b>	<b>(105,242)</b>	<b>(30,409)</b>	<b>(135,651)</b>	<b>(4.0%)</b>	<b>0</b>	<b>(94,740)</b>	<b>(30,409)</b>	<b>(125,149)</b>	<b>(3.7%)</b>
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	(26,984)	1,013,881	30,409	1,017,306	30.3%	(26,534)	1,013,881	30,409	1,017,756	30.2%
<b>Total HB 2 Adjustments</b>	<b>(26,984)</b>	<b>908,639</b>	<b>0</b>	<b>881,655</b>	<b>26.3%</b>	<b>(26,534)</b>	<b>919,141</b>	<b>0</b>	<b>892,607</b>	<b>26.5%</b>
<b>Total Budget</b>	<b>699,264</b>	<b>2,657,772</b>	<b>0</b>	<b>3,357,036</b>		<b>699,714</b>	<b>2,668,274</b>	<b>0</b>	<b>3,367,988</b>	

**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	(105,242)	(30,409)	(135,651)	0.00	0	(94,740)	(30,409)	(125,149)
DP 2 - Fixed Costs	0.00	0	0	0	0	0.00	0	0	0	0
DP 3 - Inflation Deflation	0.00	0	0	0	0	0.00	0	0	0	0
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>(\$105,242)</b>	<b>(\$30,409)</b>	<b>(\$135,651)</b>	<b>0.00</b>	<b>\$0</b>	<b>(\$94,740)</b>	<b>(\$30,409)</b>	<b>(\$125,149)</b>

\*\*\*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 5 - Move PB into Correct New Programs	(1.75)	(226,984)	0	0	(226,984)	(1.75)	(226,534)	0	0	(226,534)
DP 6 - Move Other Funding into Correct New Programs	0.00	200,000	973,523	30,409	1,203,932	0.00	200,000	973,523	30,409	1,203,932
DP 7 - Increased Authority for NRIS Fixed Cost Adjustment	0.00	0	40,358	0	40,358	0.00	0	40,358	0	40,358
<b>Total</b>	<b>(1.75)</b>	<b>(\$26,984)</b>	<b>\$1,013,881</b>	<b>\$30,409</b>	<b>\$1,017,306</b>	<b>(1.75)</b>	<b>(\$26,534)</b>	<b>\$1,013,881</b>	<b>\$30,409</b>	<b>\$1,017,756</b>

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

DP 5 - Move PB into Correct New Programs -

The legislature established three budgetary programs for the Montana State Library and adopted an adjustment to move several PB and associated personal services funding between the newly established programs to correctly align the budget with the program functions. The decision package has a net-zero change for the agency as a whole.

DP 6 - Move Other Funding into Correct New Programs -

The legislature established three budgetary programs for the Montana State Library and adopted an adjustment to move funding, other than that associated with PB, between the newly established programs to correctly align the budget with the program functions. The decision package has a net-zero change for the agency as a whole.

DP 7 - Increased Authority for NRIS Fixed Cost Adjustment -

The legislature approved an increase of state special revenue authority to allow the Montana State Library to spend additional revenue as the result of a legislatively approved adjustment to the Natural Resource Information (NRIS) and Geographic Information Systems (GIS) fixed costs rate.

## Agency Base Budget Comparison

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

Agency Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
PB	78.84	79.84	79.84	1.00	0.6%
General Fund	3,859,910	3,913,440	1,938,142	(1,868,238)	(24.2%)
State/Other Special Rev. Funds	3,420,963	6,249,778	6,300,830	5,708,682	83.4%
Federal Spec. Rev. Funds	1,024,101	1,010,584	1,012,518	(25,100)	(1.2%)
Proprietary Funds	1,046,527	1,041,651	1,041,901	(9,502)	(0.5%)
<b>Total Funds</b>	<b>9,351,501</b>	<b>12,215,453</b>	<b>10,293,391</b>	<b>3,805,842</b>	<b>20.3%</b>
Personal Services	6,018,272	6,409,572	6,419,919	792,947	6.6%
Operating Expenses	2,963,309	4,425,961	3,503,552	2,002,895	33.8%
Equipment & Intangible Assets	94,886	94,886	94,886		0.0%
Grants	87,120	1,047,120	87,120	960,000	551.0%
Debt Service	187,914	237,914	187,914	50,000	13.3%
<b>Total Expenditures</b>	<b>9,351,501</b>	<b>12,215,453</b>	<b>10,293,391</b>	<b>3,805,842</b>	<b>20.3%</b>
<b>Total Ongoing</b>	<b>9,351,501</b>	<b>9,915,453</b>	<b>9,943,391</b>	<b>1,155,842</b>	<b>6.2%</b>
<b>Total One-Time-Only</b>	<b>107,535</b>	<b>2,300,000</b>	<b>350,000</b>	<b>2,434,930</b>	<b>1,132.2%</b>

## Page Reference

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Agency Highlights

<b>Montana Historical Society Major Budget Highlights</b>
<p>The Montana Historical Society’s HB 2 adopted budget is approximately \$2.9 million in FY 2026 and \$942,000 in FY 2027 over the FY 2025 base budget. Notable highlights include:</p> <ul style="list-style-type: none"> <li>• Fund switches of approximately \$1.9 million in both FY 2026 and FY 2027 from general fund appropriations to state special revenue fund appropriations. These fund switches change fund sources to the new Montana Heritage Center state special revenue account, which receives a share of the distribution of accommodation taxes and is intended to be used for the operations and maintenance of the Montana Heritage Center</li> <li>• A restricted, biennial, one-time-only general fund appropriation of \$2.0 million in FY 2026 to support the Montana 250th Commission in distributing grants and supporting activities across the state for the US 250th anniversary</li> <li>• An increase of state special revenue appropriations of \$500,000 per fiscal year from the Montana Heritage Center Operations &amp; Maintenance account</li> <li>• Statewide present law adjustment increases of personal services appropriations by approximately \$298,000 in FY 2026 and \$308,000 in FY 2027</li> <li>• Statewide present law adjustment decreases of operation expenses appropriations by approximately \$264,000 in FY2026 and \$240,000 in FY 2027</li> <li>• Budget adjustments to switch state special revenue sources from the accommodations tax account to the newly created Montana heritage center state special revenue account.</li> </ul>

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	4,253,142	5,100,622	6,018,272	6,409,572	6,419,919
Operating Expenses	2,172,815	2,585,568	3,070,844	4,425,961	3,503,552
Equipment & Intangible Assets	115,348	144,886	94,886	94,886	94,886
Grants	86,978	87,120	87,120	1,047,120	87,120
Transfers	10,000	10,000	0	0	0
Debt Service	312,608	326,022	187,914	237,914	187,914
<b>Total Expenditures</b>	<b>\$6,950,891</b>	<b>\$8,254,218</b>	<b>\$9,459,036</b>	<b>\$12,215,453</b>	<b>\$10,293,391</b>
General Fund	4,014,120	4,440,172	3,967,445	3,913,440	1,938,142
State/Other Special Rev. Funds	1,299,373	1,914,642	3,420,963	6,249,778	6,300,830
Federal Spec. Rev. Funds	879,414	982,345	1,024,101	1,010,584	1,012,518
Proprietary Funds	757,984	917,059	1,046,527	1,041,651	1,041,901
<b>Total Funds</b>	<b>\$6,950,891</b>	<b>\$8,254,218</b>	<b>\$9,459,036</b>	<b>\$12,215,453</b>	<b>\$10,293,391</b>
<b>Total Ongoing</b>	<b>\$6,758,076</b>	<b>\$8,046,395</b>	<b>\$9,351,501</b>	<b>\$9,915,453</b>	<b>\$9,943,391</b>
<b>Total OTO</b>	<b>\$192,815</b>	<b>\$207,823</b>	<b>\$107,535</b>	<b>\$2,300,000</b>	<b>\$350,000</b>

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Executive Budget Comparison

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

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2025	Executive Budget Fiscal 2026	Legislative Budget Fiscal 2026	Leg — Exec. Difference Fiscal 2026	Executive Budget Fiscal 2027	Legislative Budget Fiscal 2027	Leg — Exec. Difference Fiscal 2027	Biennium Difference Fiscal 26-27
Personal Services	6,018,272	6,139,413	6,409,572	270,159	6,149,760	6,419,919	270,159	540,318
Operating Expenses	3,070,844	2,971,503	4,425,961	1,454,458	2,993,220	3,503,552	510,332	1,964,790
Equipment & Intangible Assets	94,886	94,886	94,886	0	94,886	94,886	0	0
Grants	87,120	87,120	1,047,120	960,000	87,120	87,120	0	960,000
Transfers	0	0	0	0	0	0	0	0
Debt Service	187,914	237,914	237,914	0	187,914	187,914	0	0
<b>Total Costs</b>	<b>\$9,459,036</b>	<b>\$9,530,836</b>	<b>\$12,215,453</b>	<b>\$2,684,617</b>	<b>\$9,512,900</b>	<b>\$10,293,391</b>	<b>\$780,491</b>	<b>\$3,465,108</b>
General Fund	3,967,445	2,524,661	3,913,440	1,388,779	2,503,241	1,938,142	(565,099)	823,680
State/other Special Rev. Funds	3,420,963	4,949,778	6,249,778	1,300,000	4,950,830	6,300,830	1,350,000	2,650,000
Federal Spec. Rev. Funds	1,024,101	1,013,471	1,010,584	(2,887)	1,015,570	1,012,518	(3,052)	(5,939)
Other	1,046,527	1,042,926	1,041,651	(1,275)	1,043,259	1,041,901	(1,358)	(2,633)
<b>Total Funds</b>	<b>\$9,459,036</b>	<b>\$9,530,836</b>	<b>\$12,215,453</b>	<b>\$2,684,617</b>	<b>\$9,512,900</b>	<b>\$10,293,391</b>	<b>\$780,491</b>	<b>\$3,465,108</b>
<b>Total Ongoing</b>	<b>\$9,351,501</b>	<b>\$9,480,836</b>	<b>\$9,915,453</b>	<b>\$434,617</b>	<b>\$9,512,900</b>	<b>\$9,943,391</b>	<b>\$430,491</b>	<b>\$865,108</b>
<b>Total OTO</b>	<b>\$107,535</b>	<b>\$50,000</b>	<b>\$2,300,000</b>	<b>\$2,250,000</b>	<b>\$0</b>	<b>\$350,000</b>	<b>\$350,000</b>	<b>\$2,600,000</b>

The legislature adopted a HB 2 budget that is approximately \$3.5 million higher than the proposed executive HB 2 budget for the 2027 biennium. There are several notable differences in the legislative budget as compared to the executive budget:

- A \$2.0 million restricted, biennial, one-time-only general fund appropriation to support the activities of the Montana 250th Commission
- A \$1.0 million fund switch from general fund to state special revenue in the Library and Archives Program
- A \$1.0 million increase in state special revenue appropriations in the Library and Archives Program and the Museum Program in order to fund operations and maintenance of the Montana Heritage Center
- A one-time-only \$600,000 increase in state special revenue appropriations in the Library and Archives Program and the Museum Program that are contingent on need for unexpected and unbudgeted operations expenses

**Funding**

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

Total Montana Historical Society Funding by Source of Authority 2027 Biennium Budget Request						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
<b>01100 General Fund</b>	<b>3,851,582</b>	<b>2,000,000</b>			<b>5,851,582</b>	<b>23.9%</b>
02850 Montana Heritage Center Operat	6,463,140	650,000			7,113,140	29.1%
02853 Accommodation Tax	4,932,052				4,932,052	20.2%
02123 Sites & Signs				1,798,099	1,798,099	7.4%
2850 Montana Heritage Center Operat	501,958				501,958	2.1%
02986 Lewis & Clark License Plates				126,200	126,200	0.5%
Other State Special Revenue	3,458				3,458	0.0%
<b>State Special Revenue Total</b>	<b>11,900,608</b>	<b>650,000</b>	-	<b>1,924,299</b>	<b>14,474,907</b>	<b>59.2%</b>
03021 Historic Sites Preservation	2,023,102				2,023,102	8.3%
<b>Federal Special Revenue Total</b>	<b>2,023,102</b>	-	-	-	<b>2,023,102</b>	<b>8.3%</b>
06002 MHS Publications Enterprise	757,048				757,048	3.1%
06071 Merchandise - Historical Soc	669,460				669,460	2.7%
06013 SHPO ENTERPRISE FUND	449,130				449,130	1.8%
06073 Historical Society Management	77,356				77,356	0.3%
06022 MHS Education Enterprise Funds	53,960				53,960	0.2%
Other Proprietary Fund	76,598				76,598	0.3%
<b>Proprietary Fund Total</b>	<b>2,083,552</b>	-	-	-	<b>2,083,552</b>	<b>8.5%</b>
<b>Total of All Funds</b>	<b>19,858,844</b>	<b>2,650,000</b>	-	<b>1,924,299</b>	<b>24,433,143</b>	
<b>Percent of All Sources of Authority</b>	<b>81.3%</b>	<b>10.8%</b>	<b>0.0%</b>	<b>7.9%</b>		

*HB 2 Appropriations*

General Fund

Approximately \$3.9 million, or 19.4%, of HB 2 ongoing appropriations proposed by the executive for the FY 2027 biennium are funded with state general fund. General fund appropriations are distributed to each program except the State Historic Preservation Office Program.

State Special Revenue Funds

The Montana Historical Society receives revenues from the lodging facility use tax (15-65-121, MCA). After the general fund receives its portion of the lodging facility use tax, 2.6% is distributed the MTHS for historical interpretation, 1.0% is distributed to the agency for the roadside signage program, and 2.7% or \$1.0 million, whichever is less, is deposited in the heritage preservation and development account that must be used to pay costs associated with historical interpretation and the Robert Scriver collection.

Before December 31, 2024, a 20.0% portion of the revenue collected on the sale or use of accommodations and campgrounds was deposited into an account for the construction of the Montana Heritage Center. This account no longer receives deposits. Beginning in January 2025 the distribution of accommodations taxes changed, and the Montana Heritage Center Operations Account now receives a 6.0% portion of the revenue collected on the sale or use of accommodations and campgrounds (15-68-102, MCA). This money may only be used for expenses incurred in the operation and maintenance of the Montana Heritage Center.

In FY 2025 the Heritage Center Operations and Maintenance account will begin receiving disbursements of accommodations taxes. Through several decision packages discussed at the individual program level, the legislature approved funding for the Montana Heritage Center operations and maintenance, which may include the Veterans' and Pioneer Memorial Building. The table below shows the projected fund balances in FY 2026 and FY 2027 using the HJ 2 revenue estimates as adopted by the Revenue Interim Committee and expenditures as adopted by the legislature.

Montana Historical Society Heritage Center Operations & Maintenance Account 2027 Biennium Projections				
	Actual FY 2024	Appropriated* FY 2025	Proposed FY 2026	Proposed FY 2027
Beginning Fund Balance	\$ -	\$ -	\$ 745,546	\$ 811,062
Revenue	-	1,569,476	3,848,620	4,006,418
Expenditures	-	(823,930)	(3,783,104)	(3,831,994)
Ending Fund Balance	\$ -	\$ 745,546	\$ 811,062	\$ 985,487
*Appropriations for this account begin on Jan 1, 2025. The FY 2025 appropriation only appropriates funds for part of the fiscal year.				

The Montana Historical Society receives a receives a small amount of state special revenue from the sale of Lewis and Clark medallions and bronze replicas of the “We Proceeded On” bronze relief located in the Senate chamber. This state special revenue funding is used for the care and maintenance of the original bronze relief.

Federal Special Revenue Funds

The Montana Historical Society receives federal special revenue appropriations in HB 2 for historic sites and preservation. The majority of these revenues fund the state historic preservation office program, but a portion is also distributed to the administration program.

Proprietary Funds

The Montana Historical Society has several HB 2 proprietary funds. Proprietary revenues are fees for goods and services to external customers and support the costs of providing those goods and services. Proprietary fund revenues include magazine subscriptions, the sale of books published by the Historical Society, merchandise sales, and photography sales.

*Statutory Appropriations*

The Montana Historical Society has several state special revenue funds that are statutorily appropriated. These include:

- Sites and signs state special revenue fund
- Lewis and Clark license plates state special revenue fund

The statutory appropriations 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.

Montana Historical Society 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
<b>Base Budget</b>	<b>3,859,910</b>	<b>3,420,963</b>	<b>1,024,101</b>	<b>9,351,501</b>	<b>76.6%</b>	<b>3,859,910</b>	<b>3,420,963</b>	<b>1,024,101</b>	<b>9,351,501</b>	<b>90.8%</b>
Statewide PL										
Personal Services	166,753	69,641	43,917	297,804	2.4%	172,851	71,803	45,753	308,150	3.0%
Fixed Costs	(189,124)	0	(54,246)	(264,464)	(2.2%)	(164,953)	0	(54,081)	(240,045)	(2.3%)
Inflation Deflation	0	0	(301)	(301)	(0.0%)	0	0	(203)	(203)	(0.0%)
<b>Total Statewide PL</b>	<b>(22,371)</b>	<b>69,641</b>	<b>(10,630)</b>	<b>33,039</b>	<b>0.3%</b>	<b>7,898</b>	<b>71,803</b>	<b>(8,531)</b>	<b>67,902</b>	<b>0.7%</b>
Present Law (PL)	(61,221)	0	(2,887)	(65,383)	(0.5%)	(65,099)	0	(3,052)	(69,509)	(0.7%)
New Proposals	137,122	2,759,174	0	2,896,296	23.7%	(1,864,567)	2,808,064	0	943,497	9.2%
<b>Total HB 2 Adjustments</b>	<b>53,530</b>	<b>2,828,815</b>	<b>(13,517)</b>	<b>2,863,952</b>	<b>23.4%</b>	<b>(1,921,768)</b>	<b>2,879,867</b>	<b>(11,583)</b>	<b>941,890</b>	<b>9.2%</b>
<b>Total Budget</b>	<b>3,913,440</b>	<b>6,249,778</b>	<b>1,010,584</b>	<b>12,215,453</b>		<b>1,938,142</b>	<b>6,300,830</b>	<b>1,012,518</b>	<b>10,293,391</b>	

**Language and Statutory Authority**

If HB 10 is not passed and approved with an appropriation for the Museum Systems Operation and Management project then the Montana Historical Society appropriation is decreased by \$96,296 state special revenue in FY 2026 and \$93,497 state special revenue in FY 2027 and the Montana Historical Society's Administration Program PB is decreased by 1.00 in FY 2026 and by 1.00 in FY 2027.

The Contingency O&M Funds appropriation may only be utilized for unforeseen and unbudgeted operations and maintenance costs, outside of the scope of the agency's regular operating appropriation.

**Program Base Budget Comparison**

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

Program Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
PB	30.68	31.68	31.68	1.00	1.6%
General Fund	1,574,637	2,250,105	270,799	(628,370)	(20.0%)
State/Other Special Rev. Funds	1,154,651	2,606,939	2,556,842	2,854,479	123.6%
Federal Spec. Rev. Funds	141,812	141,812	141,812		0.0%
Proprietary Funds	371,500	373,343	373,473	3,816	0.5%
<b>Total Funds</b>	<b>3,242,600</b>	<b>5,372,199</b>	<b>3,342,926</b>	<b>2,229,925</b>	<b>34.4%</b>
Personal Services	2,335,224	2,474,800	2,478,035	282,387	6.0%
Operating Expenses	907,376	1,887,399	864,891	937,538	51.7%
Grants		960,000		960,000	0.0%
Debt Service		50,000		50,000	0.0%
<b>Total Expenditures</b>	<b>3,242,600</b>	<b>5,372,199</b>	<b>3,342,926</b>	<b>2,229,925</b>	<b>34.4%</b>
<b>Total Ongoing</b>	<b>3,242,600</b>	<b>3,322,199</b>	<b>3,342,926</b>	<b>179,925</b>	<b>2.8%</b>
<b>Total One-Time-Only</b>	<b>107,535</b>	<b>2,050,000</b>		<b>1,834,930</b>	<b>853.2%</b>

**Page Reference**

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**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison					
Budget Item	Actuals	Approp.	Approp.	Legislative	Legislative
	Fiscal 2024	Fiscal 2024	Fiscal 2025	Fiscal 2026	Fiscal 2027
Personal Services	1,332,301	1,836,561	2,335,224	2,474,800	2,478,035
Operating Expenses	533,300	689,480	1,014,911	1,887,399	864,891
Grants	0	0	0	960,000	0
Transfers	10,000	10,000	0	0	0
Debt Service	138,108	138,108	0	50,000	0
<b>Total Expenditures</b>	<b>\$2,013,709</b>	<b>\$2,674,149</b>	<b>\$3,350,135</b>	<b>\$5,372,199</b>	<b>\$3,342,926</b>
General Fund	1,506,727	1,745,908	1,682,172	2,250,105	270,799
State/Other Special Rev. Funds	171,384	498,509	1,154,651	2,606,939	2,556,842
Federal Spec. Rev. Funds	109,817	131,026	141,812	141,812	141,812
Proprietary Funds	225,781	298,706	371,500	373,343	373,473
<b>Total Funds</b>	<b>\$2,013,709</b>	<b>\$2,674,149</b>	<b>\$3,350,135</b>	<b>\$5,372,199</b>	<b>\$3,342,926</b>
<b>Total Ongoing</b>	<b>\$1,878,886</b>	<b>\$2,539,326</b>	<b>\$3,242,600</b>	<b>\$3,322,199</b>	<b>\$3,342,926</b>
<b>Total OTO</b>	<b>\$134,823</b>	<b>\$134,823</b>	<b>\$107,535</b>	<b>\$2,050,000</b>	<b>\$0</b>

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**Funding**

*HB 2 Appropriations*

The Administration Program is primarily funded in HB 2 with general fund and state special revenue funds. As of January 1, 2025, the program receives funding from the 4.0% sales tax on accommodations and campgrounds for the operations and maintenance of the Montana Heritage Center. The program receives additional funding from the Lodging Facilities Use tax for historical interpretation and the Scriver collection. The program receives a small amount of state special revenue from the sale of Lewis and Clark medallions and bronze replicas of the “We Proceeded On” bronze relief located in the Senate chamber. This state special revenue funding is used for the care and maintenance of the original bronze relief.

The program also receives proprietary funds from museum entrance fees, lobby rentals, and merchandise sales.

**Legislative Budget**

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

Administration 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
<b>Base Budget</b>	<b>1,574,637</b>	<b>1,154,651</b>	<b>141,812</b>	<b>3,242,600</b>	<b>60.4%</b>	<b>1,574,637</b>	<b>1,154,651</b>	<b>141,812</b>	<b>3,242,600</b>	<b>97.0%</b>
Statewide PL										
Personal Services	21,868	22,369	0	46,080	0.9%	23,921	23,420	0	49,314	1.5%
Fixed Costs	(50,266)	0	0	(50,266)	(0.9%)	(29,190)	0	0	(29,190)	(0.9%)
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Statewide PL	(28,398)	22,369	0	(4,186)	(0.1%)	(5,269)	23,420	0	20,124	0.6%
Present Law (PL)	(12,511)	0	0	(12,511)	(0.2%)	(13,295)	0	0	(13,295)	(0.4%)
New Proposals	716,377	1,429,919	0	2,146,296	40.0%	(1,285,274)	1,378,771	0	93,497	2.8%
<b>Total HB 2 Adjustments</b>	<b>675,468</b>	<b>1,452,288</b>	<b>0</b>	<b>2,129,599</b>	<b>39.6%</b>	<b>(1,303,838)</b>	<b>1,402,191</b>	<b>0</b>	<b>100,326</b>	<b>3.0%</b>
<b>Total Budget</b>	<b>2,250,105</b>	<b>2,606,939</b>	<b>141,812</b>	<b>5,372,199</b>		<b>270,799</b>	<b>2,556,842</b>	<b>141,812</b>	<b>3,342,926</b>	

**Present Law Adjustments -**

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

	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	21,868	22,369	0	46,080	0.00	23,921	23,420	0	49,314
DP 2 - Fixed Costs	0.00	(50,266)	0	0	(50,266)	0.00	(29,190)	0	0	(29,190)
DP 17 - Standard Budget Adjustment	0.00	0	0	0	0	0.00	0	0	0	0
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	(394)	0	0	(394)	0.00	(394)	0	0	(394)
DP 23 - Fixed Costs Adjustment for Office/Non-Office Rent	0.00	(12,117)	0	0	(12,117)	0.00	(12,901)	0	0	(12,901)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$40,909)</b>	<b>\$22,369</b>	<b>\$0</b>	<b>(\$16,697)</b>	<b>0.00</b>	<b>(\$18,564)</b>	<b>\$23,420</b>	<b>\$0</b>	<b>\$6,829</b>

\*"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 17 - Standard Budget Adjustment -

The legislature approved a zero-impact decision package that moves funding from the state special revenue accommodations tax fund (02853) to the state special revenue Montana Heritage Center Operations account (02850) in 22-3-1304, MCA, to be used only for expenses incurred in the operation and maintenance of the Montana Heritage Center, which may include the Veterans' and Pioneer Memorial Building. This funding was miscoded in the agency standard budget which developed the starting point for the 2027 budget.

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

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

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

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

**New Proposals -**

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

New Proposals	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 11 - Fund Switch to O&M Accom Tax	0.00	(1,283,623)	1,283,623	0	0	0.00	(1,285,274)	1,285,274	0	0
DP 18 - Temporary Relocation Rent (RST/OTO)	0.00	0	50,000	0	50,000	0.00	0	0	0	0
DP 19 - Montana 250th Commission (RST/BIEN/OTO)	0.00	2,000,000	0	0	2,000,000	0.00	0	0	0	0
DP 5170101 - Museum CSM Database Manager	1.00	0	96,296	0	96,296	1.00	0	93,497	0	93,497
<b>Total</b>	<b>1.00</b>	<b>\$716,377</b>	<b>\$1,429,919</b>	<b>\$0</b>	<b>\$2,146,296</b>	<b>1.00</b>	<b>(\$1,285,274)</b>	<b>\$1,378,771</b>	<b>\$0</b>	<b>\$93,497</b>

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

DP 11 - Fund Switch to O&M Accom Tax -

15-68-820, MCA, directs 6.0% of the accommodation sales and use tax to MTHS for operation and maintenance of the Montana Heritage Center beginning January 1, 2025. The legislature adopted a switch in funding from general fund to the Montana Heritage Center Operations state special revenue fund. The change does not move funding between expenditure accounts (i.e. personal services or operating expenses). It is intended to provide authority for the MTHS to be able to utilize the Montana Heritage Center operations fund for eligible personal services, associated PB, and operating expenses as necessary.

DP 18 - Temporary Relocation Rent (RST/OTO) -

The legislature adopted an appropriation of restricted one-time-only state special revenue fund of \$50,000 in FY 2026 to extend the lease of facilities while renovations continue at the Heritage Center and Veteran’s Building.

DP 19 - Montana 250th Commission (RST/BIEN/OTO) -

The legislature adopted a restricted, biennial, one-time-only appropriation for the Montana 250th commission. This appropriation will support programs and grants that the Commission is engaging in in order to promote civic engagement and increase public awareness of United States and Montana government and history, including the history of tribal nations, leading up to the United States semiquincentennial.

DP 5170101 - Museum CSM Database Manager -

Contingent on passage and approval of related customer service management (CSM) software in HB 10, the legislature approved 1.00 PB for a database administrator to manage the CSM. This includes one-time-only funding in FY 2027 of \$2,800 for the new employee office package. This is funded by state special revenue Montana Heritage Operations accommodations tax.

**Program Base Budget Comparison**

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

Program Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
PB	16.50	16.50	16.50	0.00	0.0%
General Fund	1,205,140	684,632	687,596	(1,038,052)	(43.1%)
State/Other Special Rev. Funds	762,666	1,651,346	1,701,953	1,827,967	119.8%
Proprietary Funds	35,220	35,220	35,220		0.0%
<b>Total Funds</b>	<b>2,003,026</b>	<b>2,371,198</b>	<b>2,424,769</b>	<b>789,915</b>	<b>19.7%</b>
Personal Services	1,254,096	1,334,566	1,338,136	164,510	6.6%
Operating Expenses	660,839	948,541	998,542	625,405	47.3%
Equipment & Intangible Assets	88,091	88,091	88,091		0.0%
<b>Total Expenditures</b>	<b>2,003,026</b>	<b>2,371,198</b>	<b>2,424,769</b>	<b>789,915</b>	<b>19.7%</b>
<b>Total Ongoing</b>	<b>2,003,026</b>	<b>2,246,198</b>	<b>2,249,769</b>	<b>489,915</b>	<b>12.2%</b>
<b>Total One-Time-Only</b>		<b>125,000</b>	<b>175,000</b>	<b>300,000</b>	<b>0.0%</b>

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**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison					
Budget Item	Actuals	Approp.	Approp.	Legislative	Legislative
	Fiscal 2024	Fiscal 2024	Fiscal 2025	Fiscal 2026	Fiscal 2027
Personal Services	883,967	1,026,975	1,254,096	1,334,566	1,338,136
Operating Expenses	491,110	572,760	660,839	948,541	998,542
Equipment & Intangible Assets	109,500	138,091	88,091	88,091	88,091
<b>Total Expenditures</b>	<b>\$1,484,577</b>	<b>\$1,737,826</b>	<b>\$2,003,026</b>	<b>\$2,371,198</b>	<b>\$2,424,769</b>
General Fund	1,183,008	1,312,328	1,205,140	684,632	687,596
State/Other Special Rev. Funds	274,047	390,273	762,666	1,651,346	1,701,953
Proprietary Funds	27,522	35,225	35,220	35,220	35,220
<b>Total Funds</b>	<b>\$1,484,577</b>	<b>\$1,737,826</b>	<b>\$2,003,026</b>	<b>\$2,371,198</b>	<b>\$2,424,769</b>
<b>Total Ongoing</b>	<b>\$1,436,577</b>	<b>\$1,689,826</b>	<b>\$2,003,026</b>	<b>\$2,246,198</b>	<b>\$2,249,769</b>
<b>Total OTO</b>	<b>\$48,000</b>	<b>\$48,000</b>	<b>\$0</b>	<b>\$125,000</b>	<b>\$175,000</b>

**Page Reference**

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**Funding**

*HB 2 Appropriations*

The Research Center is primarily funded with general fund. The program also receives state special revenue from the lodging facility use tax for historical interpretation and the Robert Scriver collection, the lodging sales tax for the operations and maintenance of the Montana Heritage Center, and funding from two proprietary funds that receive revenue from the sale of historical photo reproductions and images and research requests.

**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.

Library and Archives 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
<b>Base Budget</b>	<b>1,205,140</b>	<b>762,666</b>	<b>0</b>	<b>2,003,026</b>	<b>84.5%</b>	<b>1,205,140</b>	<b>762,666</b>	<b>0</b>	<b>2,003,026</b>	<b>82.6%</b>
Statewide PL										
Personal Services	66,790	13,680	0	80,470	3.4%	69,753	14,287	0	84,040	3.5%
Fixed Costs	(68,860)	0	0	(68,860)	(2.9%)	(67,704)	0	0	(67,704)	(2.8%)
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
<b>Total Statewide PL</b>	<b>(2,070)</b>	<b>13,680</b>	<b>0</b>	<b>11,610</b>	<b>0.5%</b>	<b>2,049</b>	<b>14,287</b>	<b>0</b>	<b>16,336</b>	<b>0.7%</b>
Present Law (PL)	(18,438)	0	0	(18,438)	(0.8%)	(19,593)	0	0	(19,593)	(0.8%)
New Proposals	(500,000)	875,000	0	375,000	15.8%	(500,000)	925,000	0	425,000	17.5%
<b>Total HB 2 Adjustments</b>	<b>(520,508)</b>	<b>888,680</b>	<b>0</b>	<b>368,172</b>	<b>15.5%</b>	<b>(517,544)</b>	<b>939,287</b>	<b>0</b>	<b>421,743</b>	<b>17.4%</b>
<b>Total Budget</b>	<b>684,632</b>	<b>1,651,346</b>	<b>0</b>	<b>2,371,198</b>		<b>687,596</b>	<b>1,701,953</b>	<b>0</b>	<b>2,424,769</b>	

**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	66,790	13,680	0	80,470	0.00	69,753	14,287	0	84,040
DP 2 - Fixed Costs	0.00	(68,860)	0	0	(68,860)	0.00	(67,704)	0	0	(67,704)
DP 17 - Standard Budget Adjustment	0.00	0	0	0	0	0.00	0	0	0	0
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	(581)	0	0	(581)	0.00	(581)	0	0	(581)
DP 23 - Fixed Costs Adjustment for Office/Non-Office Rent	0.00	(17,857)	0	0	(17,857)	0.00	(19,012)	0	0	(19,012)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$20,508)</b>	<b>\$13,680</b>	<b>\$0</b>	<b>(\$6,828)</b>	<b>0.00</b>	<b>(\$17,544)</b>	<b>\$14,287</b>	<b>\$0</b>	<b>(\$3,257)</b>

\*\*"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 17 - Standard Budget Adjustment -

The legislature approved a zero-impact decision package that moves funding from the state special revenue accommodations tax fund (02853) to the state special revenue Montana Heritage Center Operations account (02850) in 22-3-1304, MCA, to be used only for expenses incurred in the operation and maintenance of the Montana Heritage Center, which may include the Veterans' and Pioneer Memorial Building. This funding was miscoded in the agency standard budget which developed the starting point for the 2027 budget.

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

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

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

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

**New Proposals -**

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

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 13 - Fund Switch from General Fund to State Special Revenue	0.00	(500,000)	500,000	0	0	0.00	(500,000)	500,000	0	0
DP 14 - Heritage Center Operations Account Appropriation	0.00	0	250,000	0	250,000	0.00	0	250,000	0	250,000
DP 15 - Contingency O&M Funds (OTO)	0.00	0	125,000	0	125,000	0.00	0	175,000	0	175,000
<b>Total</b>	<b>0.00</b>	<b>(\$500,000)</b>	<b>\$875,000</b>	<b>\$0</b>	<b>\$375,000</b>	<b>0.00</b>	<b>(\$500,000)</b>	<b>\$925,000</b>	<b>\$0</b>	<b>\$425,000</b>

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



DP 13 - Fund Switch from General Fund to State Special Revenue -

The legislature approved a funding switch to replace general fund appropriations with funds from the Montana Heritage Center Operations state special revenue fund. The change does not move funding between expenditure accounts (i.e. personal services or operating expenses). It is intended to provide authority for the MTHS to be able to utilize the Montana Heritage Center operations fund for eligible personal services, associated PB, and operating expenses as necessary.

DP 14 - Heritage Center Operations Account Appropriation -

The legislature approved increased appropriations of ongoing operating expenses to the Montana Heritage Center Operations state special revenue fund. This appropriation will be primarily used for support of increased GSD services and other operational and maintenance costs.

DP 15 - Contingency O&M Funds (OTO) -

The legislature adopted one-time-only appropriations of operating expenses to the Montana Heritage Center Operations state special revenue fund. Appropriations may only be utilized for unforeseen and unbudgeted operations and maintenance costs, outside of the scope of the agency's regular operating appropriation.

**Program Base Budget Comparison**

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

Program Base Budget Comparison						
Budget Item	Base Budget	Requested Budget		Biennium Change from Base		
	FY 2025	FY 2026	FY 2027	Amount	Percent	
PB	11.75	11.75	11.75	0.00	0.0%	
General Fund	457,179	337,152	337,672	(239,534)	(26.2%)	
State/Other Special Rev. Funds	1,142,129	1,604,361	1,654,674	974,777	42.7%	
Proprietary Funds	3,079	3,079	3,079		0.0%	
<b>Total Funds</b>	<b>1,602,387</b>	<b>1,944,592</b>	<b>1,995,425</b>	<b>735,243</b>	<b>22.9%</b>	
Personal Services	928,682	952,855	953,688	49,179	2.6%	
Operating Expenses	478,996	797,028	847,028	686,064	71.6%	
Equipment & Intangible Assets	6,795	6,795	6,795		0.0%	
Debt Service	187,914	187,914	187,914		0.0%	
<b>Total Expenditures</b>	<b>1,602,387</b>	<b>1,944,592</b>	<b>1,995,425</b>	<b>735,243</b>	<b>22.9%</b>	
<b>Total Ongoing</b>	<b>1,602,387</b>	<b>1,819,592</b>	<b>1,820,425</b>	<b>435,243</b>	<b>13.6%</b>	
<b>Total One-Time-Only</b>		<b>125,000</b>	<b>175,000</b>	<b>300,000</b>	<b>0.0%</b>	

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**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison					
Budget Item	Actuals	Approp.	Approp.	Legislative	Legislative
	Fiscal 2024	Fiscal 2024	Fiscal 2025	Fiscal 2026	Fiscal 2027
Personal Services	604,902	691,688	928,682	952,855	953,688
Operating Expenses	540,086	575,525	478,996	797,028	847,028
Equipment & Intangible Assets	5,848	6,795	6,795	6,795	6,795
Debt Service	174,500	187,914	187,914	187,914	187,914
<b>Total Expenditures</b>	<b>\$1,325,336</b>	<b>\$1,461,922</b>	<b>\$1,602,387</b>	<b>\$1,944,592</b>	<b>\$1,995,425</b>
General Fund	675,048	725,083	457,179	337,152	337,672
State/Other Special Rev. Funds	647,917	733,760	1,142,129	1,604,361	1,654,674
Proprietary Funds	2,371	3,079	3,079	3,079	3,079
<b>Total Funds</b>	<b>\$1,325,336</b>	<b>\$1,461,922</b>	<b>\$1,602,387</b>	<b>\$1,944,592</b>	<b>\$1,995,425</b>
<b>Total Ongoing</b>	<b>\$1,315,344</b>	<b>\$1,436,922</b>	<b>\$1,602,387</b>	<b>\$1,819,592</b>	<b>\$1,820,425</b>
<b>Total OTO</b>	<b>\$9,992</b>	<b>\$25,000</b>	<b>\$0</b>	<b>\$125,000</b>	<b>\$175,000</b>

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**Funding**

*HB 2 Appropriations*

The Museum Program is primarily funded in HB 2 with general fund and the accommodation tax state special revenue fund. This program receives some funding from Lodging Sales Tax disbursements. This program also has proprietary funding, which receives revenue from the sale of books, copies, and photographs, as well as the rental of traveling exhibits.

*Statutory Appropriations*

The Museum Program has two state special revenue funds that are statutorily appropriated. These include:

- The sites and signs account, which is established in 15-65-121(2)(a), MCA. This fund receives 1.0% of the lodging facility use tax for the installation or maintenance of roadside historical signs and historic sites
- The Lewis and Clark license plates account, which is established in 90-1-115, MCA. This fund receives 25.0% of the revenue from the sale of Lewis and Clark bicentennial license plates. Funding must be used to support projects related to Lewis and Clark

**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.

Museum 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
<b>Base Budget</b>	<b>457,179</b>	<b>1,142,129</b>	<b>0</b>	<b>1,602,387</b>	<b>82.4%</b>	<b>457,179</b>	<b>1,142,129</b>	<b>0</b>	<b>1,602,387</b>	<b>80.3%</b>
Statewide PL										
Personal Services	16,196	7,977	0	24,173	1.2%	16,754	8,252	0	25,006	1.3%
Fixed Costs	(29,545)	0	0	(29,545)	(1.5%)	(27,771)	0	0	(27,771)	(1.4%)
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Statewide PL	(13,349)	7,977	0	(5,372)	(0.3%)	(11,017)	8,252	0	(2,765)	(0.1%)
Present Law (PL)	(27,423)	0	0	(27,423)	(1.4%)	(29,197)	0	0	(29,197)	(1.5%)
New Proposals	(79,255)	454,255	0	375,000	19.3%	(79,293)	504,293	0	425,000	21.3%
<b>Total HB 2 Adjustments</b>	<b>(120,027)</b>	<b>462,232</b>	<b>0</b>	<b>342,205</b>	<b>17.6%</b>	<b>(119,507)</b>	<b>512,545</b>	<b>0</b>	<b>393,038</b>	<b>19.7%</b>
<b>Total Budget</b>	<b>337,152</b>	<b>1,604,361</b>	<b>0</b>	<b>1,944,592</b>		<b>337,672</b>	<b>1,654,674</b>	<b>0</b>	<b>1,995,425</b>	

**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	16,196	7,977	0	24,173	0.00	16,754	8,252	0	25,006
DP 2 - Fixed Costs	0.00	(29,545)	0	0	(29,545)	0.00	(27,771)	0	0	(27,771)
DP 17 - Standard Budget Adjustment	0.00	0	0	0	0	0.00	0	0	0	0
DP 23 - Fixed Costs Adjustment for Office/Non-Office Rent	0.00	(27,423)	0	0	(27,423)	0.00	(29,197)	0	0	(29,197)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$40,772)</b>	<b>\$7,977</b>	<b>\$0</b>	<b>(\$32,795)</b>	<b>0.00</b>	<b>(\$40,214)</b>	<b>\$8,252</b>	<b>\$0</b>	<b>(\$31,962)</b>

\*"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 17 - Standard Budget Adjustment -

The legislature adopted a zero-impact decision package that moves funding from the state special revenue accommodations tax fund (02853) to the state special revenue Montana Heritage Center Operations account (02850) in 22-3-1304, MCA, to be used only for expenses incurred in the operation and maintenance of the Montana Heritage Center, which may include the Veterans' and Pioneer Memorial Building. This funding was miscoded in the agency standard budget which developed the starting point for the 2027 budget.

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

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

**New Proposals -**

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

New Proposals	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 11 - Fund Switch to O&M Accom Tax	0.00	(79,255)	79,255	0	0	0.00	(79,293)	79,293	0	0
DP 14 - Heritage Center Operations Account Appropriation	0.00	0	250,000	0	250,000	0.00	0	250,000	0	250,000
DP 15 - Contingency O&M Funds (OTO)	0.00	0	125,000	0	125,000	0.00	0	175,000	0	175,000
DP 16 - Fund Switch to Accommodations Tax	0.00	0	0	0	0	0.00	0	0	0	0
<b>Total</b>	<b>0.00</b>	<b>(\$79,255)</b>	<b>\$454,255</b>	<b>\$0</b>	<b>\$375,000</b>	<b>0.00</b>	<b>(\$79,293)</b>	<b>\$504,293</b>	<b>\$0</b>	<b>\$425,000</b>

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

DP 11 - Fund Switch to O&M Accom Tax -

15-68-820, MCA, directs 6.0% of the accommodation sales and use tax to MTHS for operation and maintenance of the Montana Heritage Center beginning January 1, 2025. The legislature adopted a switch in funding from general fund to the Montana Heritage Center Operations state special revenue fund. The change does not move funding between expenditure accounts (i.e. personal services or operating expenses). It is intended to provide authority for the MTHS to be able to utilize the Montana Heritage Center operations fund for eligible personal services, associated PB, and operating expenses as necessary.

DP 14 - Heritage Center Operations Account Appropriation -

The legislature approved increased appropriations of ongoing operating expenses to the Montana Heritage Center Operations state special revenue fund. This appropriation will be primarily used for support of increased GSD services and other operational and maintenance costs.

DP 15 - Contingency O&M Funds (OTO) -

The legislature adopted one-time-only appropriations of operating expenses to the Montana Heritage Center Operations state special revenue fund. Appropriations may only be utilized for unforeseen and unbudgeted operations and maintenance costs, outside of the scope of the agency's regular operating appropriation.

DP 16 - Fund Switch to Accommodations Tax -

The legislature adopted a zero-impact decision package that moves funding from the state special revenue accommodations tax fund (02853) to the state special revenue Montana Heritage Center Operations account (02850) in 22-3-1304, MCA, to be used only for expenses incurred in the operation and maintenance of the Montana Heritage Center, which may include the Veterans' and Pioneer Memorial Building.

**Program Base Budget Comparison**

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

Program Base Budget Comparison						
Budget Item	Base Budget	Requested Budget		Biennium Change from Base		
	FY 2025	FY 2026	FY 2027	Amount	Percent	
PB	5.00	5.00	5.00	0.00	0.0%	
General Fund	281,790	305,266	305,446	47,132	8.4%	
Proprietary Funds	385,183	378,464	378,584	(13,318)	(1.7%)	
<b>Total Funds</b>	<b>666,973</b>	<b>683,730</b>	<b>684,030</b>	<b>33,814</b>	<b>2.5%</b>	
Personal Services	390,227	429,353	429,653	78,552	10.1%	
Operating Expenses	276,746	254,377	254,377	(44,738)	(8.1%)	
<b>Total Expenditures</b>	<b>666,973</b>	<b>683,730</b>	<b>684,030</b>	<b>33,814</b>	<b>2.5%</b>	
<b>Total Ongoing</b>	<b>666,973</b>	<b>683,730</b>	<b>684,030</b>	<b>33,814</b>	<b>2.5%</b>	
<b>Total One-Time-Only</b>					<b>0.0%</b>	

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**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison						
Budget Item	Actuals	Approp.	Approp.	Legislative	Legislative	
	Fiscal 2024	Fiscal 2024	Fiscal 2025	Fiscal 2026	Fiscal 2027	
Personal Services	392,976	395,154	390,227	429,353	429,653	
Operating Expenses	208,788	253,655	276,746	254,377	254,377	
<b>Total Expenditures</b>	<b>\$601,764</b>	<b>\$648,809</b>	<b>\$666,973</b>	<b>\$683,730</b>	<b>\$684,030</b>	
General Fund	289,863	292,365	281,790	305,266	305,446	
Proprietary Funds	311,901	356,444	385,183	378,464	378,584	
<b>Total Funds</b>	<b>\$601,764</b>	<b>\$648,809</b>	<b>\$666,973</b>	<b>\$683,730</b>	<b>\$684,030</b>	
<b>Total Ongoing</b>	<b>\$601,764</b>	<b>\$648,809</b>	<b>\$666,973</b>	<b>\$683,730</b>	<b>\$684,030</b>	
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	

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**Funding**

*HB 2 Appropriations*

The Publications Program is funded with general fund and proprietary funds. The proprietary fund receives revenues from subscription sales for the magazine and sales of books published 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.

Publications 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
<b>Base Budget</b>	<b>281,790</b>	<b>0</b>	<b>0</b>	<b>666,973</b>	<b>97.5%</b>	<b>281,790</b>	<b>0</b>	<b>0</b>	<b>666,973</b>	<b>97.5%</b>
Statewide PL										
Personal Services	23,476	0	0	39,126	5.7%	23,656	0	0	39,426	5.8%
Fixed Costs	0	0	0	(21,094)	(3.1%)	0	0	0	(21,011)	(3.1%)
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Statewide PL	23,476	0	0	18,032	2.6%	23,656	0	0	18,415	2.7%
Present Law (PL)	0	0	0	(1,275)	(0.2%)	0	0	0	(1,358)	(0.2%)
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
<b>Total HB 2 Adjustments</b>	<b>23,476</b>	<b>0</b>	<b>0</b>	<b>16,757</b>	<b>2.5%</b>	<b>23,656</b>	<b>0</b>	<b>0</b>	<b>17,057</b>	<b>2.5%</b>
<b>Total Budget</b>	<b>305,266</b>	<b>0</b>	<b>0</b>	<b>683,730</b>		<b>305,446</b>	<b>0</b>	<b>0</b>	<b>684,030</b>	

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	23,476	0	0	39,126	0.00	23,656	0	0	39,426
DP 2 - Fixed Costs	0.00	0	0	0	(21,094)	0.00	0	0	0	(21,011)
DP 23 - Fixed Costs Adjustment for Office/Non-Office Rent	0.00	0	0	0	(1,275)	0.00	0	0	0	(1,358)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$23,476</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,757</b>	<b>0.00</b>	<b>\$23,656</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,057</b>

\*\*"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 23 - Fixed Costs Adjustment for Office/Non-Office Rent -

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



**Program Base Budget Comparison**

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

Program Base Budget Comparison						
Budget Item	Base Budget	Requested Budget		Biennium Change from Base		
	FY 2025	FY 2026	FY 2027	Amount	Percent	
PB	6.91	6.91	6.91	0.00	0.0%	
General Fund	341,164	336,285	336,629	(9,414)	(1.4%)	
State/Other Special Rev. Funds	361,517	387,132	387,361	51,459	7.1%	
Proprietary Funds	26,980	26,980	26,980		0.0%	
<b>Total Funds</b>	<b>729,661</b>	<b>750,397</b>	<b>750,970</b>	<b>42,045</b>	<b>2.9%</b>	
Personal Services	464,358	528,396	528,969	128,649	13.9%	
Operating Expenses	265,303	222,001	222,001	(86,604)	(16.3%)	
<b>Total Expenditures</b>	<b>729,661</b>	<b>750,397</b>	<b>750,970</b>	<b>42,045</b>	<b>2.9%</b>	
<b>Total Ongoing</b>	<b>729,661</b>	<b>750,397</b>	<b>750,970</b>	<b>42,045</b>	<b>2.9%</b>	
<b>Total One-Time-Only</b>					<b>0.0%</b>	

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**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	366,044	442,561	464,358	528,396	528,969
Operating Expenses	211,490	238,263	265,303	222,001	222,001
<b>Total Expenditures</b>	<b>\$577,534</b>	<b>\$680,824</b>	<b>\$729,661</b>	<b>\$750,397</b>	<b>\$750,970</b>
General Fund	356,841	361,856	341,164	336,285	336,629
State/Other Special Rev. Funds	206,025	292,100	361,517	387,132	387,361
Proprietary Funds	14,668	26,868	26,980	26,980	26,980
<b>Total Funds</b>	<b>\$577,534</b>	<b>\$680,824</b>	<b>\$729,661</b>	<b>\$750,397</b>	<b>\$750,970</b>
<b>Total Ongoing</b>	<b>\$577,534</b>	<b>\$680,824</b>	<b>\$729,661</b>	<b>\$750,397</b>	<b>\$750,970</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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**Funding**

*HB 2 Appropriations*

The Education Program is primarily funded in HB 2 with general fund and the accommodation tax state special revenue fund. This program also has proprietary funds, which receive revenue from:

- The Montana Historical Conference; the revenues are used for expenses associated with the conference
- Special tours; revenues are used for operating expenses associated with the tours
- Elementary and middle school textbook sales; revenues are used for expenses related to textbook reproduction and teacher training

*Statutory Appropriations*

The Education Program has one state special revenue fund that is statutorily appropriated. The sites and signs fund established in 15-65-121(2)(a), MCA receives 1.0% of the lodging facility use tax for the installation or maintenance of roadside historical signs and historic sites.

**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.

Outreach and Education 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
<b>Base Budget</b>	<b>341,164</b>	<b>361,517</b>	<b>0</b>	<b>729,661</b>	<b>97.2%</b>	<b>341,164</b>	<b>361,517</b>	<b>0</b>	<b>729,661</b>	<b>97.2%</b>
Statewide PL										
Personal Services	38,423	25,615	0	64,038	8.5%	38,767	25,844	0	64,611	8.6%
Fixed Costs	(40,453)	0	0	(40,453)	(5.4%)	(40,288)	0	0	(40,288)	(5.4%)
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
<b>Total Statewide PL</b>	<b>(2,030)</b>	<b>25,615</b>	<b>0</b>	<b>23,585</b>	<b>3.1%</b>	<b>(1,521)</b>	<b>25,844</b>	<b>0</b>	<b>24,323</b>	<b>3.2%</b>
Present Law (PL)	(2,849)	0	0	(2,849)	(0.4%)	(3,014)	0	0	(3,014)	(0.4%)
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
<b>Total HB 2 Adjustments</b>	<b>(4,879)</b>	<b>25,615</b>	<b>0</b>	<b>20,736</b>	<b>2.8%</b>	<b>(4,535)</b>	<b>25,844</b>	<b>0</b>	<b>21,309</b>	<b>2.8%</b>
<b>Total Budget</b>	<b>336,285</b>	<b>387,132</b>	<b>0</b>	<b>750,397</b>		<b>336,629</b>	<b>387,361</b>	<b>0</b>	<b>750,970</b>	

**Present Law Adjustments -**

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

	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	38,423	25,615	0	64,038	0.00	38,767	25,844	0	64,611
DP 2 - Fixed Costs	0.00	(40,453)	0	0	(40,453)	0.00	(40,288)	0	0	(40,288)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	(298)	0	0	(298)	0.00	(298)	0	0	(298)
DP 23 - Fixed Costs Adjustment for Office/Non-Office Rent	0.00	(2,551)	0	0	(2,551)	0.00	(2,716)	0	0	(2,716)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$4,879)</b>	<b>\$25,615</b>	<b>\$0</b>	<b>\$20,736</b>	<b>0.00</b>	<b>(\$4,535)</b>	<b>\$25,844</b>	<b>\$0</b>	<b>\$21,309</b>

\*"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 23 - Fixed Costs Adjustment for Office/Non-Office Rent -

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

**Program Base Budget Comparison**

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

Program Base Budget Comparison						
Budget Item	Base Budget	Requested Budget		Biennium Change from Base		
	FY 2025	FY 2026	FY 2027	Amount	Percent	
PB	8.00	8.00	8.00	0.00	0.0%	
Federal Spec. Rev. Funds	882,289	868,772	870,706	(25,100)	(1.4%)	
Proprietary Funds	224,565	224,565	224,565		0.0%	
<b>Total Funds</b>	<b>1,106,854</b>	<b>1,093,337</b>	<b>1,095,271</b>	<b>(25,100)</b>	<b>(1.1%)</b>	
Personal Services	645,685	689,602	691,438	89,670	6.9%	
Operating Expenses	374,049	316,615	316,713	(114,770)	(15.3%)	
Grants	87,120	87,120	87,120		0.0%	
<b>Total Expenditures</b>	<b>1,106,854</b>	<b>1,093,337</b>	<b>1,095,271</b>	<b>(25,100)</b>	<b>(1.1%)</b>	
<b>Total Ongoing</b>	<b>1,106,854</b>	<b>1,093,337</b>	<b>1,095,271</b>	<b>(25,100)</b>	<b>(1.1%)</b>	
<b>Total One-Time-Only</b>					<b>0.0%</b>	

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**Program Actuals and Budget Comparison**

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	672,952	707,683	645,685	689,602	691,438
Operating Expenses	188,041	255,885	374,049	316,615	316,713
Grants	86,978	87,120	87,120	87,120	87,120
<b>Total Expenditures</b>	<b>\$947,971</b>	<b>\$1,050,688</b>	<b>\$1,106,854</b>	<b>\$1,093,337</b>	<b>\$1,095,271</b>
General Fund	2,633	2,632	0	0	0
Federal Spec. Rev. Funds	769,597	851,319	882,289	868,772	870,706
Proprietary Funds	175,741	196,737	224,565	224,565	224,565
<b>Total Funds</b>	<b>\$947,971</b>	<b>\$1,050,688</b>	<b>\$1,106,854</b>	<b>\$1,093,337</b>	<b>\$1,095,271</b>
<b>Total Ongoing</b>	<b>\$947,971</b>	<b>\$1,050,688</b>	<b>\$1,106,854</b>	<b>\$1,093,337</b>	<b>\$1,095,271</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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**Funding**

*HB 2 Appropriations*

The Historic Preservation Program is primarily funded with federal special revenue. This funding is from the National Parks Service for historic site preservation. The program also receives funding from a proprietary fund. The proprietary fund receives revenue from fees for historical preservation assistance and services and is used to enhance and maintain the agency's antiquities 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.

State Historic Preservation 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
<b>Base Budget</b>	0	0	882,289	1,106,854	101.2%	0	0	882,289	1,106,854	101.1%
Statewide PL										
Personal Services	0	0	43,917	43,917	4.0%	0	0	45,753	45,753	4.2%
Fixed Costs	0	0	(54,246)	(54,246)	(5.0%)	0	0	(54,081)	(54,081)	(4.9%)
Inflation Deflation	0	0	(301)	(301)	(0.0%)	0	0	(203)	(203)	(0.0%)
<b>Total Statewide PL</b>	0	0	(10,630)	(10,630)	(1.0%)	0	0	(8,531)	(8,531)	(0.8%)
Present Law (PL)	0	0	(2,887)	(2,887)	(0.3%)	0	0	(3,052)	(3,052)	(0.3%)
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
<b>Total HB 2 Adjustments</b>	0	0	(13,517)	(13,517)	(1.2%)	0	0	(11,583)	(11,583)	(1.1%)
<b>Total Budget</b>	0	0	868,772	1,093,337		0	0	870,706	1,095,271	

**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	43,917	43,917	0.00	0	0	45,753	45,753
DP 2 - Fixed Costs	0.00	0	0	(54,246)	(54,246)	0.00	0	0	(54,081)	(54,081)
DP 3 - Inflation Deflation	0.00	0	0	(301)	(301)	0.00	0	0	(203)	(203)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	0	0	(336)	(336)	0.00	0	0	(336)	(336)
DP 23 - Fixed Costs Adjustment for Office/Non-Office Rent	0.00	0	0	(2,551)	(2,551)	0.00	0	0	(2,716)	(2,716)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$13,517)</b>	<b>(\$13,517)</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$11,583)</b>	<b>(\$11,583)</b>

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

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

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

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

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