

**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	27.53	27.53	27.53	0.00	0.0%	
Proprietary Funds	3,806,145	3,789,983	3,685,088	(137,219)	(1.8%)	
<b>Total Funds</b>	<b>3,806,145</b>	<b>3,789,983</b>	<b>3,685,088</b>	<b>(137,219)</b>	<b>(1.8%)</b>	
Personal Services	2,456,449	2,346,105	2,350,321	(216,472)	(4.4%)	
Operating Expenses	1,338,061	1,432,243	1,323,132	79,253	3.0%	
Equipment & Intangible Assets	11,635	11,635	11,635		0.0%	
<b>Total Expenditures</b>	<b>3,806,145</b>	<b>3,789,983</b>	<b>3,685,088</b>	<b>(137,219)</b>	<b>(1.8%)</b>	
<b>Total Ongoing</b>	<b>3,806,145</b>	<b>3,789,983</b>	<b>3,685,088</b>	<b>(137,219)</b>	<b>(1.8%)</b>	
<b>Total One-Time-Only</b>					<b>0.0%</b>	

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**Agency Highlights**

<p><b>Office of Public Instruction Major Budget Highlights</b></p>
<p>The Office of Public Instruction’s 2027 biennium non-budgeted proprietary appropriations are approximately \$137,000 or 1.8% lower than the FY 2025 base budget. Changes include:</p> <ul style="list-style-type: none"> <li>• Decreases for the statewide present law adjustments for personal services and inflation/deflation</li> <li>• Increases 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	2,394,762	2,405,902	2,456,449	2,346,105	2,350,321
Operating Expenses	877,471	1,393,575	1,338,061	1,432,243	1,323,132
Equipment & Intangible Assets	0	0	11,635	11,635	11,635
<b>Total Expenditures</b>	<b>\$3,272,233</b>	<b>\$3,799,477</b>	<b>\$3,806,145</b>	<b>\$3,789,983</b>	<b>\$3,685,088</b>
Proprietary Funds	3,272,233	3,799,477	3,806,145	3,789,983	3,685,088
<b>Total Funds</b>	<b>\$3,272,233</b>	<b>\$3,799,477</b>	<b>\$3,806,145</b>	<b>\$3,789,983</b>	<b>\$3,685,088</b>
<b>Total Ongoing</b>	<b>\$3,272,233</b>	<b>\$3,799,477</b>	<b>\$3,806,145</b>	<b>\$3,789,983</b>	<b>\$3,685,088</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</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	2,456,449	2,346,105	2,346,105	0	2,350,321	2,350,321	0	0
Operating Expenses	1,338,061	1,432,872	1,432,243	(629)	1,323,802	1,323,132	(670)	(1,299)
Equipment & Intangible Assets	11,635	11,635	11,635	0	11,635	11,635	0	0
<b>Total Costs</b>	<b>\$3,806,145</b>	<b>\$3,790,612</b>	<b>\$3,789,983</b>	<b>(\$629)</b>	<b>\$3,685,758</b>	<b>\$3,685,088</b>	<b>(\$670)</b>	<b>(\$1,299)</b>
Other	3,806,145	3,790,612	3,789,983	(629)	3,685,758	3,685,088	(670)	(1,299)
<b>Total Funds</b>	<b>\$3,806,145</b>	<b>\$3,790,612</b>	<b>\$3,789,983</b>	<b>(\$629)</b>	<b>\$3,685,758</b>	<b>\$3,685,088</b>	<b>(\$670)</b>	<b>(\$1,299)</b>
<b>Total Ongoing</b>	<b>\$3,806,145</b>	<b>\$3,790,612</b>	<b>\$3,789,983</b>	<b>(\$629)</b>	<b>\$3,685,758</b>	<b>\$3,685,088</b>	<b>(\$670)</b>	<b>(\$1,299)</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 non-budgeted proprietary appropriations that are approximately \$1,300 lower than the proposed executive appropriations for the 2027 biennium. This difference is due entirely to adjustments for fixed costs.

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>		

Non-Budgeted Proprietary Funds

Non-budgeted proprietary funds are used for the indirect cost pool and the advanced drivers' education program. For additional detail, please see the proprietary program descriptions.

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>0</b>	<b>0</b>	<b>0</b>	<b>3,806,145</b>	<b>100.4%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,806,145</b>	<b>103.3%</b>
Statewide PL										
Personal Services	0	0	0	(110,344)	(2.9%)	0	0	0	(106,128)	(2.9%)
Fixed Costs	0	0	0	95,240	2.5%	0	0	0	(13,969)	(0.4%)
Inflation Deflation	0	0	0	(429)	(0.0%)	0	0	0	(290)	(0.0%)
<b>Total Statewide PL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(15,533)</b>	<b>(0.4%)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(120,387)</b>	<b>(3.3%)</b>
Present Law (PL)	0	0	0	(629)	(0.0%)	0	0	0	(670)	(0.0%)
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>(16,162)</b>	<b>(0.4%)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(121,057)</b>	<b>(3.3%)</b>
<b>Total Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,789,983</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>3,685,088</b>	

**Indirect Cost Pool - 06512**

*Proprietary Program Description*

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. The fees approved in HB 2 are the maximum fees that may be charged in the biennium.

*Proprietary Program Revenues and Expenses*

The following table shows the actual and projected expenditures and related revenues associated with this fund.

2027 Biennium Report on Internal Service and Enterprise Funds						
Fund	Fund Name	Agency #	Agency Name	Program Name		
06512	Indirect Cost Pool	35010	Office of Public Instruction	State Level Activities		
			Actual FY 2024	Budgeted FY 2025	Adopted FY 2026	Adopted FY 2027
<b>Operating Revenues:</b>						
<b>Fees and Charges</b>						
	Federal Indirect Cost Recovery		1,638,537	1,946,717	1,910,035	1,881,778
	Non Federal Ind Cost Recovery		1,405,287	1,692,726	1,720,994	1,720,994
	<b>Total Operating Revenues</b>		3,043,825	3,639,443	3,631,029	3,602,772
<b>Expenses:</b>						
	Personal Services		2,349,206	2,342,897	2,271,481	2,275,695
	Other Operating Expense		811,367	1,290,167	1,296,545	1,282,154
	<b>Total Operating Expense</b>		3,160,573	3,633,064	3,568,026	3,557,849
	<b>Operating Income (Loss)</b>		(116,749)	6,379	63,003	44,923
	<b>Income (Loss) Before Contributions and Transfers</b>		(116,749)	6,379	63,003	44,923
	<b>Change in Net Position</b>		(116,749)	6,379	63,003	44,923
	<b>Beginning Net Position - July 1</b>		170,704	53,955	60,334	123,337
	Prior Period Adjustments					
	Change in Net Position		(116,749)	6,379	63,003	44,923
	<b>Ending Net Position - June 30</b>		53,955	60,334	123,337	168,260
<b>Net Position (Fund Balance) Analysis</b>						
Unrestricted Net Position						

*Expenditures*

Costs of OPI operations that are paid from the indirect cost pool include:

- Payroll, personnel, accounting, budgeting, data management, cash management, financial reporting, purchasing, mail delivery, and resource center services to all OPI programs
- Termination payouts (for vacation, comp time, and sick leave) for all staff, except the state superintendent and personal staff
- Partial costs for services provided to OPI by other state agencies, known as fixed costs
- Operating costs associated with 27.53 PB, including the cost of rent for space occupied, office supplies, postage, equipment, training, travel, photocopy charges, etc.
- General-use items such as paper, FAX lines, and shared equipment, including maintenance contracts on equipment

Legislative audit costs are appropriated on a biennial basis causing expenditures for the OPI indirect cost pool to be higher in the first year of the biennium.

*Revenues*

Indirect cost pool revenues are a function of the amount of expenditures recorded in the State Level Activities Program. Revenues are generated monthly by applying the approved indirect cost rate to the prior month's direct personal services and operating expenditures in both state and federally funded programs.

OPI negotiates an annual predetermined rate with the U.S. Department of Education (DOE). The rates are calculated in accordance with federal regulations and section 17-1-106, MCA. The rate submitted to DOE for FY 2025 is 18.37%. A new negotiation took place in December 2024 and will be applicable for FY 2026. It is anticipated this rate will remain around 18.37%, which is the submitted rate for FY 2025 and slightly higher than the current legislatively approved rate of 17.0%. OPI is requesting an increase of 2.0% to the legislatively approved restricted and unrestricted rates from 17.0% to 19.0%, based on the federal indirect cost rate determination process as directed by the U.S. Department of Education.

*Proprietary Rates*

The legislature approved an increase to the Indirect Cost Pool proprietary rate when compared to the FY 2025 base rates. The figure below shows the rates adopted by the legislature for the 2027 biennium.

<b>Rates for Internal Service or Enterprise Funds</b>				
<b>Fee/Rate Information</b>				
	<b>Actual FY 2024</b>	<b>Estimated FY 2025</b>	<b>Adopted FY 2026</b>	<b>Adopted FY 2027</b>
Fee Description:	17.0%	18.37%	19.0%	19.0%

This program is funded with an internal service fund, which is a type of proprietary fund. As such, the legislature approves the maximum rate the program may charge during the biennium. They are not the rates the program must charge.

**Advanced Drivers Program (Montana DRIVE) in Lewistown - 06067**

*Proprietary Program Description*

The advanced driver education program (D.R.I.V.E.) 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 courses provide 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. In operation since 1979, this program offers its services to employees of government services, fleet managers, and the public.

Proprietary Program Revenues and Expenses

The following table shows the actual and projected expenditures and related revenues associated with this fund.

2027 Biennium Report on Internal Service and Enterprise Funds						
Fund	Fund Name	Agency #	Agency Name	Program Name		
06067	Advanced Drivers Program	35010	Office of Public Instruction	State Level Activities		
			Actual FY 2024	Budgeted FY 2025	Reviewed FY 2026	Reviewed FY 2027
<b>Operating Revenues:</b>						
<b>Fees and Charges</b>						
	Adv Drivers Fee		171,204	170,000	170,000	170,000
	Other Operating Revenues		27,500	30,000	30,000	30,000
	Vehicles Revenue		-	-	-	-
	<b>Total Operating Revenues</b>		<b>198,704</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>
<b>Expenses:</b>						
	Personal Services		93,548	113,552	74,624	74,626
	Other Operating Expense					
	General		67,529	41,516	41,620	41,648
	Equipment & Intangibles		-	11,635	11,635	11,635
	<b>Total Operating Expense</b>		<b>161,077</b>	<b>166,703</b>	<b>127,879</b>	<b>127,909</b>
	<b>Operating Income (Loss)</b>		<b>37,627</b>	<b>33,297</b>	<b>72,121</b>	<b>72,091</b>
	<b>Income (Loss) Before Contributions and Transfers</b>		<b>37,627</b>	<b>33,297</b>	<b>72,121</b>	<b>72,091</b>
	<b>Change in Net Position</b>		<b>37,627</b>	<b>33,297</b>	<b>72,121</b>	<b>72,091</b>
	<b>Beginning Net Position - July 1</b>		86,842	124,469	157,766	229,887
	Prior Period Adjustments					
	Change in Net Position		37,627	33,297	72,121	72,091
	<b>Ending Net Position - June 30</b>		<b>124,469</b>	<b>157,766</b>	<b>229,887</b>	<b>301,978</b>
<b>Net Position (Fund Balance) Analysis</b>						
Unrestricted Net Position						

*Expenditures*

Cost drivers for fees include instructor expenses (includes salaries, travel, and per diem), vehicle maintenance and operating expenses (fuel and repairs), classroom and track supplies, track lease, program advertising, and administration (planning, scheduling, registrations, advertising, professional development of staff, support services, etc.). Continued facility maintenance is anticipated to be an ongoing cost.

*Revenues*

Revenues are generated from workshop fees collected from program users. Typically, the program serves 450 to 550 participants a season. The current fee is \$375 per person for a full-day workshop. Program fees should remain within a range of \$375 - \$400 for the biennium. It is anticipated that services will remain approximately the same as present for the 2027 biennium. Workshop rates are fixed rates evaluated against workshop personnel expenses, operating expenses, and depreciated vehicle costs on a seasonal basis to ensure workshop operating expenses are covered. Inflationary influences are anticipated as best as possible to ensure that inflation does not leave the program in a deficit situation. This fee amount should also cover any unusual maintenance costs that are incurred during a season.

*Proprietary Rates*

The legislature reviewed an increase to the Montana DRIVE proprietary rate when compared to the FY 2025 base rates. The figure below shows the rates reviewed by the legislature for the 2027 biennium.

<b>Rates for Internal Service or Enterprise Funds</b>				
<b>Fee/Rate Information</b>				
	<b>Actual FY 2024</b>	<b>Estimated FY 2025</b>	<b>Reviewed FY 2026</b>	<b>Reviewed FY 2027</b>
Fee Description:	\$375	\$375	\$375 - \$400	\$375 - \$400

This program is funded with an enterprise fund, which is a type of proprietary fund. As such, the legislature does not appropriate the funds or approve the rates for the program. Instead, the legislature reviews the report for the enterprise fund and identifies concerns with the financial position of the fund.



**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-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	0	(110,344)	0.00	0	0	0	(106,128)
DP 2 - Fixed Costs	0.00	0	0	0	95,240	0.00	0	0	0	(13,969)
DP 3 - Inflation Deflation	0.00	0	0	0	(429)	0.00	0	0	0	(290)
DP 23 - Fixed Costs Adjustment for Office/Non-Office Rent	0.00	0	0	0	(629)	0.00	0	0	0	(670)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$16,162)</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$121,057)</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 reviewed adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature reviewed 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 reviewed 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 reviewed an adjustment to fixed costs that reduced office and non-office rent 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	11.00	11.00	11.00	0.00	0.0%	
Proprietary Funds	175,504,663	168,720,511	168,722,578	(13,566,237)	(3.9%)	
<b>Total Funds</b>	<b>175,504,663</b>	<b>168,720,511</b>	<b>168,722,578</b>	<b>(13,566,237)</b>	<b>(3.9%)</b>	
Personal Services	1,155,149	1,149,221	1,151,230	(9,847)	(0.4%)	
Operating Expenses	24,432,324	24,432,144	24,432,202	(302)	(0.0%)	
Benefits & Claims	149,872,471	143,094,427	143,094,427	(13,556,088)	(4.5%)	
Debt Service	44,719	44,719	44,719		0.0%	
<b>Total Expenditures</b>	<b>175,504,663</b>	<b>168,720,511</b>	<b>168,722,578</b>	<b>(13,566,237)</b>	<b>(3.9%)</b>	
<b>Total Ongoing</b>	<b>175,504,663</b>	<b>168,720,511</b>	<b>168,722,578</b>	<b>(13,566,237)</b>	<b>(3.9%)</b>	
<b>Total One-Time-Only</b>					<b>0.0%</b>	

**Page Reference**

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Agency Highlights

<b>Office of the Commissioner of Higher Education Major Budget Highlights</b>
<p>The Office of the Commissioner of Higher Education's 2027 biennium non-budgeted proprietary appropriations are approximately \$13.6 million less in the 2027 biennium than the FY 2025 base budget</p> <ul style="list-style-type: none"> <li>• The Montana University System (MUS) Group Insurance Program is \$6.8 million less in both FY 2026 and FY 2027 than the FY 2025 base biennium. There are two non-budgeted proprietary funds in this program                             <ul style="list-style-type: none"> <li>○ The MUS Group Insurance Program fund has estimated expenses that are approximately \$6.8 million less in FY 2026 and FY 2027 than was estimated for FY 2025. Almost all of the reduction is estimated to impact benefits and claims authority</li> <li>○ The MUS Flexible Spending Account is estimated to have identical expenses in FY 2026 and FY 2027 as are estimated for FY 2025</li> </ul> </li> <li>• The MUS Worker's Compensation Program budget for FY 2026 and FY 2027 is similar to the FY 2025 base budget. This program has one non-budgeted proprietary fund, the MUS Self-Funded Workers' Compensation fund</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	1,045,773	1,103,615	1,155,149	1,149,221	1,151,230
Operating Expenses	8,222,372	24,239,305	24,432,324	24,432,144	24,432,202
Benefits & Claims	121,768,958	149,872,471	149,872,471	143,094,427	143,094,427
Debt Service	44,721	44,722	44,719	44,719	44,719
<b>Total Expenditures</b>	<b>\$131,081,824</b>	<b>\$175,260,113</b>	<b>\$175,504,663</b>	<b>\$168,720,511</b>	<b>\$168,722,578</b>
Proprietary Funds	131,081,824	175,260,113	175,504,663	168,720,511	168,722,578
<b>Total Funds</b>	<b>\$131,081,824</b>	<b>\$175,260,113</b>	<b>\$175,504,663</b>	<b>\$168,720,511</b>	<b>\$168,722,578</b>
<b>Total Ongoing</b>	<b>\$131,081,824</b>	<b>\$175,260,113</b>	<b>\$175,504,663</b>	<b>\$168,720,511</b>	<b>\$168,722,578</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	1,155,149	1,149,221	1,149,221	0	1,151,230	1,151,230	0	0
Operating Expenses	24,432,324	24,432,144	24,432,144	0	24,432,202	24,432,202	0	0
Benefits & Claims	149,872,471	143,094,427	143,094,427	0	143,094,427	143,094,427	0	0
Debt Service	44,719	44,719	44,719	0	44,719	44,719	0	0
<b>Total Costs</b>	<b>\$175,504,663</b>	<b>\$168,720,511</b>	<b>\$168,720,511</b>	<b>\$0</b>	<b>\$168,722,578</b>	<b>\$168,722,578</b>	<b>\$0</b>	<b>\$0</b>
Other	175,504,663	168,720,511	168,720,511	0	168,722,578	168,722,578	0	0
<b>Total Funds</b>	<b>\$175,504,663</b>	<b>\$168,720,511</b>	<b>\$168,720,511</b>	<b>\$0</b>	<b>\$168,722,578</b>	<b>\$168,722,578</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Ongoing</b>	<b>\$175,504,663</b>	<b>\$168,720,511</b>	<b>\$168,720,511</b>	<b>\$0</b>	<b>\$168,722,578</b>	<b>\$168,722,578</b>	<b>\$0</b>	<b>\$0</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>

There were no internal service rate changes from the executive's proposed budget.

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>-</b>	<b>-</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>-</b>	<b>-</b>	<b>-</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>-</b>	<b>337,443,089</b>	<b>-</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>		

*Non-Budgeted Proprietary Funds*

The agency administers two programs funded by enterprise funds:

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

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.

**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>0</b>	<b>0</b>	<b>0</b>	<b>0 175,504,663</b>	<b>104.0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0 175,504,663</b>	<b>104.0%</b>
Statewide PL										
Personal Services	0	0	0	(5,928)	(0.0%)	0	0	0	(3,919)	(0.0%)
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	0	0	0	(180)	(0.0%)	0	0	0	(122)	(0.0%)
Total Statewide PL	0	0	0	(6,108)	(0.0%)	0	0	0	(4,041)	(0.0%)
Present Law (PL)	0	0	0	(6,778,044)	(4.0%)	0	0	0	(6,778,044)	(4.0%)
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>(6,784,152)</b>	<b>(4.0%)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(6,782,085)</b>	<b>(4.0%)</b>
<b>Total Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0 168,720,511</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0 168,722,578</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 FY 2025	Requested Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	10.00	10.00	10.00	0.00	0.0%
Proprietary Funds	170,753,076	163,969,587	163,971,649	(13,564,916)	(4.0%)
<b>Total Funds</b>	<b>170,753,076</b>	<b>163,969,587</b>	<b>163,971,649</b>	<b>(13,564,916)</b>	<b>(4.0%)</b>
Personal Services	1,031,989	1,026,708	1,028,717	(8,553)	(0.4%)
Operating Expenses	22,809,481	22,809,317	22,809,370	(275)	(0.0%)
Benefits & Claims	146,872,471	140,094,427	140,094,427	(13,556,088)	(4.6%)
Debt Service	39,135	39,135	39,135		0.0%
<b>Total Expenditures</b>	<b>170,753,076</b>	<b>163,969,587</b>	<b>163,971,649</b>	<b>(13,564,916)</b>	<b>(4.0%)</b>
<b>Total Ongoing</b>	<b>170,753,076</b>	<b>163,969,587</b>	<b>163,971,649</b>	<b>(13,564,916)</b>	<b>(4.0%)</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	929,571	986,404	1,031,989	1,026,708	1,028,717
Operating Expenses	7,205,810	22,632,247	22,809,481	22,809,317	22,809,370
Benefits & Claims	120,137,690	146,872,471	146,872,471	140,094,427	140,094,427
Debt Service	39,134	39,135	39,135	39,135	39,135
<b>Total Expenditures</b>	<b>\$128,312,205</b>	<b>\$170,530,257</b>	<b>\$170,753,076</b>	<b>\$163,969,587</b>	<b>\$163,971,649</b>
Proprietary Funds	128,312,205	170,530,257	170,753,076	163,969,587	163,971,649
<b>Total Funds</b>	<b>\$128,312,205</b>	<b>\$170,530,257</b>	<b>\$170,753,076</b>	<b>\$163,969,587</b>	<b>\$163,971,649</b>
<b>Total Ongoing</b>	<b>\$128,312,205</b>	<b>\$170,530,257</b>	<b>\$170,753,076</b>	<b>\$163,969,587</b>	<b>\$163,971,649</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**

*Non-Budgeted Proprietary Funds*

The MUS Group Insurance Program is funded with enterprise type non-budgeted proprietary funds. As such, the legislature does not appropriate funds or approve rates for the program. Instead, the legislature reviews the report for the enterprise fund and identifies any concerns with the financial position of the fund. The Group Insurance Program has two of these funds: MUS Group Insurance and MUS Flexible Spending.

**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.

Mus Group Insurance Program 2027 Biennium HB 2 Base Budget and Requested 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>0</b>	<b>0</b>	<b>0</b>	<b>170,753,076</b>	<b>104.1%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>170,753,076</b>	<b>104.1%</b>
Statewide PL										
Personal Services	0	0	0	(5,281)	(0.0%)	0	0	0	(3,272)	(0.0%)
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	0	0	0	(164)	(0.0%)	0	0	0	(111)	(0.0%)
<b>Total Statewide PL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(5,445)</b>	<b>(0.0%)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3,383)</b>	<b>(0.0%)</b>
Present Law (PL)	0	0	0	(6,778,044)	(4.1%)	0	0	0	(6,778,044)	(4.1%)
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>(6,783,489)</b>	<b>(4.1%)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(6,781,427)</b>	<b>(4.1%)</b>
<b>Total Requested Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>163,969,587</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>163,971,649</b>	

**MUS Group Insurance Program - 06008**

*Proprietary Program Description*

The Board of Regents provides faculty and staff with group benefits through the MUS Group Insurance Program. The commissioner is authorized by Board of Regents' policy to administer the program as a self-insured, group insurance plan. All university system employees, retirees, and eligible dependents are offered medical, dental, vision, and group life insurance, as well as long-term disability benefits. Retirees and their enrolled dependents are eligible to continue medical and pharmacy coverage on a self-pay basis. The community colleges also participate in this program.



Proprietary Program Revenues and Expenses

The following table shows the actual and projected expenditures and related revenues associated with this fund.

2027 Biennium Report on Internal Service and Enterprise Funds				
Fund	Fund Name	Agency Name	Program Name	
06008	MUS Group Insurance	OCHE	MUS Group Insurance	
		Actuals	Estimated	Review ed
		FY 24	FY25	FY 26
				Review ed
				FY 27
<b>Operating Revenues</b>				
<b>Fees and Charges</b>				
BOI Investment Earnings		5,231,251	5,250,000	5,350,000
Contributions/Premiums		105,045,206	110,000,000	110,000,000
Prescription Rebates		10,834,542	13,000,000	15,000,000
<b>Total Operating Revenues</b>		<b>121,110,999</b>	<b>128,250,000</b>	<b>130,350,000</b>
<b>Expenses</b>				
Personal Services		959,116	1,031,989	1,026,708
Other Operating Expense				
Operating Expense		7,166,991	22,086,914	22,086,751
Benefits & Claims		116,644,507	134,198,049	127,420,005
Debt Service		4,989	39,135	39,135
<b>Total Operating Expense</b>		<b>124,775,603</b>	<b>157,356,087</b>	<b>150,572,599</b>
<b>Operating Income (Loss)</b>		<b>(3,664,604)</b>	<b>(29,106,087)</b>	<b>(20,222,599)</b>
Nonoperating Revenues		-	-	-
<b>Total Nonoperating Revenues (Expenses)</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Income (Loss) Before Contributions and Transfers</b>		<b>(3,664,604)</b>	<b>(29,106,087)</b>	<b>(20,222,599)</b>
<b>Change in Net Position</b>		<b>(3,664,604)</b>	<b>(29,106,087)</b>	<b>(20,222,599)</b>
<b>Beginning Net Position - July 1</b>		<b>99,843,831</b>	<b>96,179,227</b>	<b>67,073,140</b>
Prior Period Adjustments				
Change in Net Position		(3,664,604)	(29,106,087)	(20,222,599)
<b>Ending Net Position - June 30</b>		<b>96,179,227</b>	<b>67,073,140</b>	<b>46,850,541</b>

Revenues

Revenue in this program comes from:

- Employer-paid contributions toward insurance premiums
- Employee-paid contributions toward insurance premiums
- Employee payments to flexible spending accounts

The agency is projecting steady revenues in the 2027 biennium. The revenue projections exclude any premium rate increases or state share increase.

Expenditures

Significant costs for the program are for:

- Insurance claims payments
- Claims management
- Program administration

The Office of the Commissioner of Higher Education receives actuarial reports regarding the MUS Group Insurance Program. These reports provide projections with low and high trend scenarios. The tables below show both trend assumptions as provided by Actuaries Northwest, LLC in its June 30, 2024, actuarial report.

Commissioner of Higher Education MUS Group Insurance Program Low Trend Assumptions by Actuaries Northwest, LLC						
	Actual FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	\$ Change 25B - 27B	% Change 25B - 27B
Medical Claims	\$ 82,796,761	\$ 87,764,566	\$ 93,030,440	\$ 98,612,267	\$21,081,380	12.4%
Rx Claims	19,872,963	21,661,529	23,611,067	25,736,063	7,812,638	18.8%
Part D	(3,231,725)	(3,522,580)	(3,839,612)	(4,185,177)	(1,270,485)	18.8%
Dental Claims	5,520,415	5,741,231	5,970,880	6,209,716	918,950	8.2%
Vision Claims	1,010,824	1,041,149	1,072,383	1,104,555	124,965	6.1%
Screenings/Vaccines	1,276,958	1,289,727	1,302,624	1,315,651	51,590	2.0%
Change in IBNR	<u>86,274</u>	<u>614,816</u>	<u>660,742</u>	<u>706,897</u>	<u>666,549</u>	<u>95.1%</u>
Total Claims Expense	<u>\$ 107,332,469</u>	<u>\$ 114,590,439</u>	<u>\$121,808,525</u>	<u>\$129,499,970</u>	<u>\$29,385,588</u>	<u>13.2%</u>

Commissioner of Higher Education MUS Group Insurance Program High Trend Assumptions by Actuaries Northwest, LLC						
	Actual FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	\$ Change 25B - 27B	% Change 25B - 27B
Medical Claims	\$ 82,796,761	\$ 90,248,469	\$ 98,370,832	\$107,224,206	\$32,549,808	18.8%
Rx Claims	19,872,963	22,257,718	24,928,644	27,920,082	10,718,045	25.4%
Part D	(3,231,725)	(3,619,532)	(4,053,876)	(4,540,341)	(1,742,960)	25.4%
Dental Claims	5,520,415	5,851,640	6,202,738	6,574,902	1,405,586	12.4%
Vision Claims	1,010,824	1,061,365	1,114,433	1,170,155	212,399	10.3%
Screenings/Vaccines	1,276,958	1,289,727	1,302,624	1,315,651	51,590	2.0%
Change in IBNR	<u>86,274</u>	<u>765,209</u>	<u>775,836</u>	<u>852,742</u>	<u>777,096</u>	<u>91.3%</u>
Total Claims Expense	<u>\$ 107,332,469</u>	<u>\$ 117,854,596</u>	<u>\$128,641,232</u>	<u>\$140,517,398</u>	<u>\$43,971,564</u>	<u>19.5%</u>

*Proprietary Rates*

The employer-paid portion of the group insurance premium is statutorily established in 2-18-703, MCA and is presently \$1,054 per month per eligible participating employee. The employee-paid portion of the group insurance premium is adjusted as needed by the Montana University System to cover the premium requirements of a variety of benefit options and to maintain employee group benefit plans on an actuarially sound basis.

The MUS Group Insurance Program is funded with an enterprise fund, which is a type of proprietary fund. As such, the legislature does not appropriate the funds or approve the rates for the program. Instead, the legislature reviews the report for the enterprise fund and identifies concerns with the financial position of the fund.

**MUS Flex Spending Account - 06009***Program Description*

The flexible spending account is an optional selection for each employee to participate in or not. Employees can elect to set aside a certain amount of their pay into accounts to pay dependent care and out-of-pocket medical costs. The "set aside" funds are withdrawn from employee pay prior to assessment of taxes, effectively lowering employee taxable pay. Employees must submit claims to use the funds deposited in the accounts for allowable expenses. The funds are managed by a third party and are distributed to employees as claims are made.

Proprietary Program Revenues and Expenses

The following table shows the actual and projected expenditures and related revenues associated with this fund.

2027 Biennium Report on Internal Service and Enterprise Funds				
Fund	Fund Name	Agency Name	Program Name	
06009	MUS Flexible Spending	OCHE	MUS Group Insurance	
	Actuals	Estimated	Review ed	Review ed
	FY 24	FY 25	FY 26	FY 27
<b>Operating Revenues</b>				
<b>Fees and Charges</b>				
Contributions/Premiums	4,199,699	13,396,988	13,396,988	13,396,988
<b>Total Operating Revenues</b>	4,199,699	13,396,988	13,396,988	13,396,988
<b>Expenses</b>				
Personal Services	-	-	-	-
Other Operating Expense				
Operating Expense	74,467	722,566	722,566	722,566
Benefits & Claims	3,493,183	12,674,422	12,674,422	12,674,422
<b>Total Operating Expense</b>	3,567,650	13,396,988	13,396,988	13,396,988
<b>Operating Income (Loss)</b>	632,049	-	-	-
<b>Income (Loss) Before Contributions and Transfers</b>	632,049	-	-	-
<b>Change in Net Position</b>	632,049	-	-	-
<b>Beginning Net Position - July 1</b>	997,141	1,629,190	1,629,190	1,629,190
Prior Period Adjustments				
Change in Net Position	632,049	-	-	-
<b>Ending Net Position - June 30</b>	1,629,190	1,629,190	1,629,190	1,629,190

Expenditures

Expenditures in this program come from:

- Claims for allowable expenses
- Administrative fees for managing the accounts

Revenues

Revenue in this program comes from employee payments to flexible spending accounts. The agency is projecting level revenues for managing the accounts.

Proprietary Rates

The third-party vendor charges an administrative fee for managing the accounts.

The flexible spending account program is funded with an enterprise fund, which is a type of non-budgeted proprietary fund. As such, the legislature does not appropriate the funds or approve the rates for the program. Instead, the legislature reviews the report for the enterprise fund and identifies concerns with the financial position of the fund.

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				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	0	(5,281)	0.00	0	0	0	(3,272)
DP 3 - Inflation Deflation	0.00	0	0	0	(164)	0.00	0	0	0	(111)
DP 501 - MUS Group Insurance Authority Adjustment	0.00	0	0	0	(6,778,044)	0.00	0	0	0	(6,778,044)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$6,783,489)</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$6,781,427)</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 reviewed adjustments to the present law personal services budget.

DP 3 - Inflation Deflation -

The legislature reviewed 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 501 - MUS Group Insurance Authority Adjustment -

The legislature reviewed an adjustment of proprietary authority to align actuarial trends to claims and program 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	1.00	1.00	1.00	0.00	0.0%	
Proprietary Funds	4,751,587	4,750,924	4,750,929	(1,321)	(0.0%)	
<b>Total Funds</b>	<b>4,751,587</b>	<b>4,750,924</b>	<b>4,750,929</b>	<b>(1,321)</b>	<b>(0.0%)</b>	
Personal Services	123,160	122,513	122,513	(1,294)	(0.5%)	
Operating Expenses	1,622,843	1,622,827	1,622,832	(27)	(0.0%)	
Benefits & Claims	3,000,000	3,000,000	3,000,000		0.0%	
Debt Service	5,584	5,584	5,584		0.0%	
<b>Total Expenditures</b>	<b>4,751,587</b>	<b>4,750,924</b>	<b>4,750,929</b>	<b>(1,321)</b>	<b>(0.0%)</b>	
<b>Total Ongoing</b>	<b>4,751,587</b>	<b>4,750,924</b>	<b>4,750,929</b>	<b>(1,321)</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	Approp.	Approp.	Legislative	Legislative
	Fiscal 2024	Fiscal 2024	Fiscal 2025	Fiscal 2026	Fiscal 2027
Personal Services	116,202	117,211	123,160	122,513	122,513
Operating Expenses	1,016,562	1,607,058	1,622,843	1,622,827	1,622,832
Benefits & Claims	1,631,268	3,000,000	3,000,000	3,000,000	3,000,000
Debt Service	5,587	5,587	5,584	5,584	5,584
<b>Total Expenditures</b>	<b>\$2,769,619</b>	<b>\$4,729,856</b>	<b>\$4,751,587</b>	<b>\$4,750,924</b>	<b>\$4,750,929</b>
Proprietary Funds	2,769,619	4,729,856	4,751,587	4,750,924	4,750,929
<b>Total Funds</b>	<b>\$2,769,619</b>	<b>\$4,729,856</b>	<b>\$4,751,587</b>	<b>\$4,750,924</b>	<b>\$4,750,929</b>
<b>Total Ongoing</b>	<b>\$2,769,619</b>	<b>\$4,729,856</b>	<b>\$4,751,587</b>	<b>\$4,750,924</b>	<b>\$4,750,929</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**

*Non-Budgeted Proprietary Funds*

The MUS Workers' Compensation Program is funded with an enterprise type non-budgeted proprietary fund. As such, the legislature does not appropriate funds or approve rates for the program. Instead, the legislature reviews the report for the enterprise fund and identifies any concerns with the financial position of the 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.

Mus Workers Comp Program 2027 Biennium HB 2 Base Budget and Requested 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>0</b>	<b>0</b>	<b>0</b>	<b>4,751,587</b>	<b>100.0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,751,587</b>	<b>100.0%</b>
Statewide PL										
Personal Services	0	0	0	(647)	(0.0%)	0	0	0	(647)	(0.0%)
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	0	0	0	(16)	(0.0%)	0	0	0	(11)	(0.0%)
<b>Total Statewide PL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(663)</b>	<b>(0.0%)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(658)</b>	<b>(0.0%)</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>0</b>	<b>0</b>	<b>0</b>	<b>(663)</b>	<b>(0.0%)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(658)</b>	<b>(0.0%)</b>
<b>Total Requested Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,750,924</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>4,750,929</b>	

MUS Self-Funded Workers' Compensation - 06082

Proprietary Program Narrative

The following table shows the actual and projected expenditures and related revenues associated with this fund.

2027 Biennium Report on Internal Service and Enterprise Funds				
Fund	Fund Name	Agency Name	Program Name	
06082	MUS Self Funded WC	OCHE	MUS Workers' Compensation	
	Actuals FY 24	Estimated FY 25	Review ed FY 26	Review ed FY 27
<b>Operating Revenues</b>				
<b>Fees and Charges</b>				
Contributions/Premiums	3,103,178	3,150,000	3,250,000	3,315,000
BOI Investment Earnings	549,155	500,000	495,000	490,000
Grants / Transfers		9,000	9,100	9,100
<b>Total Operating Revenues</b>	<b>3,652,333</b>	<b>3,659,000</b>	<b>3,754,100</b>	<b>3,814,100</b>
<b>Expenses</b>				
Personal Services	119,079	123,160	122,513	122,513
Other Operating Expense				
Operating Expense	1,021,651	1,622,843	1,622,827	1,622,832
Benefits & Claims	1,661,355	3,000,000	3,000,000	3,000,000
Other Operaitng Expenses	712	5,584	5,584	5,584
<b>Total Operating Expense</b>	<b>2,802,797</b>	<b>4,751,587</b>	<b>4,750,924</b>	<b>4,750,929</b>
<b>Operating Income (Loss)</b>	<b>849,536</b>	<b>(1,092,587)</b>	<b>(996,824)</b>	<b>(936,829)</b>
Nonoperating Revenues				
<b>Total Nonoperating Revenues (Expenses)</b>	<b>849,536</b>	<b>(1,092,587)</b>	<b>(996,824)</b>	<b>(936,829)</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>849,536</b>	<b>(1,092,587)</b>	<b>(996,824)</b>	<b>(936,829)</b>
<b>Change in Net Position</b>	<b>849,536</b>	<b>(1,092,587)</b>	<b>(996,824)</b>	<b>(936,829)</b>
<b>Beginning Net Position - July 1</b>	<b>10,851,688</b>	<b>11,701,224</b>	<b>10,608,637</b>	<b>9,611,813</b>
Prior Period Adjustments				
Change in Net Position	849,536	(1,092,587)	(996,824)	(936,829)
<b>Ending Net Position - June 30</b>	<b>11,701,224</b>	<b>10,608,637</b>	<b>9,611,813</b>	<b>8,674,984</b>



This program is an enterprise fund in which the funding is derived from premiums and investment earnings. Expenditures include claims, reinsurance premiums, debt service, and administrative costs. Debt service is for the bonds that were issued to establish the claim reserve for the program.

*Rate Explanation*

Premium rates for the program are based upon commonly accepted actuarial principles developed by a qualified actuary and reviewed by an oversight committee comprised of university system representatives and the administrator of the State of Montana Risk Management and Tort Defense Division.

Historically, the rates for this program are based on total payroll for two classes of employees: high risk and low risk.

The MUS Workers' Compensation Program is funded with an enterprise fund. As such, the legislature does not appropriate the funds or approve the rates for the program. Instead, the legislature reviews the report for the enterprise fund and identifies concerns with the financial position of the fund.

**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-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	0	(647)	0.00	0	0	0	(647)
DP 3 - Inflation Deflation	0.00	0	0	0	(16)	0.00	0	0	0	(11)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$663)</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$658)</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 reviewed adjustments to the present law personal services budget.

DP 3 - Inflation Deflation -

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

**Agency Base Budget Comparison**

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

Agency Base Budget Comparison						
Budget Item	Base Budget	Requested Budget		Biennium Change from Base		
	FY 2025	FY 2026	FY 2027	Amount	Percent	
PB	4.62	4.62	4.62	0.00	0.0%	
Proprietary Funds	628,844	680,811	682,077	105,200	8.4%	
<b>Total Funds</b>	<b>628,844</b>	<b>680,811</b>	<b>682,077</b>	<b>105,200</b>	<b>8.4%</b>	
Personal Services	349,278	401,245	402,511	105,200	15.1%	
Operating Expenses	99,815	99,815	99,815		0.0%	
Debt Service	179,751	179,751	179,751		0.0%	
<b>Total Expenditures</b>	<b>628,844</b>	<b>680,811</b>	<b>682,077</b>	<b>105,200</b>	<b>8.4%</b>	
<b>Total Ongoing</b>	<b>628,844</b>	<b>680,811</b>	<b>682,077</b>	<b>105,200</b>	<b>8.4%</b>	
<b>Total One-Time-Only</b>					<b>0.0%</b>	

**Page Reference**

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**Agency Highlights**

<b>Montana State Library Major Budget Highlights</b>
<p>The Montana State Library's 2027 biennium non-budgeted proprietary appropriations are approximately \$105,000 or 8.4% 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</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	257,761	257,764	349,278	401,245	402,511
Operating Expenses	28,136	95,102	99,815	99,815	99,815
Debt Service	171,447	171,447	179,751	179,751	179,751
<b>Total Expenditures</b>	<b>\$457,344</b>	<b>\$524,313</b>	<b>\$628,844</b>	<b>\$680,811</b>	<b>\$682,077</b>
Proprietary Funds	457,344	524,313	628,844	680,811	682,077
<b>Total Funds</b>	<b>\$457,344</b>	<b>\$524,313</b>	<b>\$628,844</b>	<b>\$680,811</b>	<b>\$682,077</b>
<b>Total Ongoing</b>	<b>\$457,344</b>	<b>\$524,313</b>	<b>\$628,844</b>	<b>\$680,811</b>	<b>\$682,077</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	349,278	401,245	401,245	0	402,511	402,511	0	0
Operating Expenses	99,815	99,815	99,815	0	99,815	99,815	0	0
Debt Service	179,751	179,751	179,751	0	179,751	179,751	0	0
<b>Total Costs</b>	<b>\$628,844</b>	<b>\$680,811</b>	<b>\$680,811</b>	<b>\$0</b>	<b>\$682,077</b>	<b>\$682,077</b>	<b>\$0</b>	<b>\$0</b>
Other	628,844	680,811	680,811	0	682,077	682,077	0	0
<b>Total Funds</b>	<b>\$628,844</b>	<b>\$680,811</b>	<b>\$680,811</b>	<b>\$0</b>	<b>\$682,077</b>	<b>\$682,077</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Ongoing</b>	<b>\$628,844</b>	<b>\$680,811</b>	<b>\$680,811</b>	<b>\$0</b>	<b>\$682,077</b>	<b>\$682,077</b>	<b>\$0</b>	<b>\$0</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>

There were no differences between the executive and legislative budgets.

## 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>		

*Non-Budgeted Proprietary Funds*

Proprietary funds are used for the Montana shared catalog and the real time network. For additional detail, please see the proprietary program descriptions.

**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>0</b>	<b>0</b>	<b>0</b>	<b>628,844</b>	<b>92.4%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>628,844</b>	<b>92.2%</b>
Statewide PL										
Personal Services	0	0	0	51,967	7.6%	0	0	0	53,233	7.8%
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>0</b>	<b>0</b>	<b>51,967</b>	<b>7.6%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>53,233</b>	<b>7.8%</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>0</b>	<b>0</b>	<b>0</b>	<b>51,967</b>	<b>7.6%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>53,233</b>	<b>7.8%</b>
<b>Total Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>680,811</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>682,077</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	2.62	2.62	2.62	0.00	0.0%	
Proprietary Funds	478,844	477,038	478,304	(2,346)	(0.2%)	
<b>Total Funds</b>	<b>478,844</b>	<b>477,038</b>	<b>478,304</b>	<b>(2,346)</b>	<b>(0.2%)</b>	
Personal Services	227,778	225,972	227,238	(2,346)	(0.5%)	
Operating Expenses	71,315	71,315	71,315		0.0%	
Debt Service	179,751	179,751	179,751		0.0%	
<b>Total Expenditures</b>	<b>478,844</b>	<b>477,038</b>	<b>478,304</b>	<b>(2,346)</b>	<b>(0.2%)</b>	
<b>Total Ongoing</b>	<b>478,844</b>	<b>477,038</b>	<b>478,304</b>	<b>(2,346)</b>	<b>(0.2%)</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	Approp.	Approp.	Legislative	Legislative	
	Fiscal 2024	Fiscal 2024	Fiscal 2025	Fiscal 2026	Fiscal 2027	
Personal Services	257,761	257,764	227,778	225,972	227,238	
Operating Expenses	28,136	95,102	71,315	71,315	71,315	
Debt Service	171,447	171,447	179,751	179,751	179,751	
<b>Total Expenditures</b>	<b>\$457,344</b>	<b>\$524,313</b>	<b>\$478,844</b>	<b>\$477,038</b>	<b>\$478,304</b>	
Proprietary Funds	457,344	524,313	478,844	477,038	478,304	
<b>Total Funds</b>	<b>\$457,344</b>	<b>\$524,313</b>	<b>\$478,844</b>	<b>\$477,038</b>	<b>\$478,304</b>	
<b>Total Ongoing</b>	<b>\$457,344</b>	<b>\$524,313</b>	<b>\$478,844</b>	<b>\$477,038</b>	<b>\$478,304</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**

*Non-Budgeted Proprietary Funds*

The non-budgeted proprietary fund for the Patron and Local Library Development Program is for the Montana Shared Catalog. For additional detail, please see the proprietary program description.

**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 Requested 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>0</b>	<b>0</b>	<b>0</b>	<b>478,844</b>	<b>100.4%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>478,844</b>	<b>100.1%</b>
Statewide PL										
Personal Services	0	0	0	(1,806)	(0.4%)	0	0	0	(540)	(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>0</b>	<b>0</b>	<b>0</b>	<b>(1,806)</b>	<b>(0.4%)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(540)</b>	<b>(0.1%)</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>0</b>	<b>0</b>	<b>0</b>	<b>(1,806)</b>	<b>(0.4%)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(540)</b>	<b>(0.1%)</b>
<b>Total Requested Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>477,038</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>478,304</b>	



**Montana Shared Catalog - 06021**

*Proprietary Program Description*

The Montana Shared Catalog (MSC) is a cooperative project involving approximately 180 libraries across Montana. Public, school, academic, medical, and other special libraries have pooled resources to purchase a robust library automation system. The Montana State Library became the fiscal agent for the Montana Shared Catalog in FY 2008.

*Proprietary Program Revenues and Expenses*

The following table shows the actual and projected expenditures and related revenues associated with this fund.

2027 Biennium Report on Internal Service and Enterprise Funds						
Fund	Fund Name	Agency #	Agency Name	Program Name		
06021	Montana Shared Catalog	51150	Montana State Library	Statewide Library Resources		
			Actual FY 2024	Budgeted FY 2025	Reviewed FY 2026	Reviewed FY 2027
<b>Operating Revenues:</b>						
<b>Fees and Charges</b>						
	Member Fees		495,380	500,000	500,000	500,000
	<b>Total Operating Revenues</b>		495,380	500,000	500,000	500,000
<b>Expenses:</b>						
	Personal Services		255,116	227,778	225,972	227,238
	Other Operating Expense		106,774	71,315	71,315	71,315
	<b>Total Operating Expense</b>		472,869	478,844	477,038	478,304
	<b>Operating Income (Loss)</b>		22,511	21,156	22,962	21,696
	<b>Income (Loss) Before Contributions and Transfers</b>		22,511	21,156	22,962	21,696
	<b>Change in Net Position</b>		22,511	21,156	22,962	21,696
	<b>Beginning Net Position - July 1</b>		(25,452)	(2,941)	18,215	41,177
	Prior Period Adjustments		-	-	-	-
	<b>Change in Net Position</b>		22,511	21,156	22,962	21,696
	<b>Ending Net Position - June 30</b>		(2,941)	18,215	41,177	62,873
<b>Net Position (Fund Balance) Analysis</b>						
	Unrestricted Net Position					

*Expenditures*

Expenditures include:

- Personal services for 2.62 PB
- The payment of required fees for software licensing
- User interface
- Indexing to make the system run
- Payment for required yearly catalog director station maintenance
- Travel budget for meeting with stakeholders and conference attendance
- Member training
- Equipment replacement

*Revenues*

The MSC members pay membership dues that are used to pay operating expenses. There are approximately 180 member libraries that pay membership fees each year.

*Proprietary Rates*

In accordance with the written agreement each participating library signs upon joining this consortium, the annual fee assessed to each library is established on the basis of a membership-approved cost formula. The goal of the cost formula is to distribute MSC operational costs as fairly and evenly as possible based on the following:

- Individual library's title count
- Patron count
- Circulation count
- Equal share contribution

This program is funded with an enterprise fund, which is a type of proprietary fund. As such, the legislature does not appropriate the funds or approve the rates for the program. Instead, the legislature reviews the report for the enterprise fund and identifies concerns with the financial position of the fund.

**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-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	0	(1,806)	0.00	0	0	0	(540)
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>\$0</b>	<b>\$0</b>	<b>(\$1,806)</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$540)</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 reviewed adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature reviewed 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 reviewed 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	2.00	2.00	2.00	0.00	0.0%	
Proprietary Funds	150,000	203,773	203,773	107,546	35.8%	
<b>Total Funds</b>	<b>150,000</b>	<b>203,773</b>	<b>203,773</b>	<b>107,546</b>	<b>35.8%</b>	
Personal Services	121,500	175,273	175,273	107,546	44.3%	
Operating Expenses	28,500	28,500	28,500	0.00	0.0%	
<b>Total Expenditures</b>	<b>150,000</b>	<b>203,773</b>	<b>203,773</b>	<b>107,546</b>	<b>35.8%</b>	
<b>Total Ongoing</b>	<b>150,000</b>	<b>203,773</b>	<b>203,773</b>	<b>107,546</b>	<b>35.8%</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	Approp.	Approp.	Legislative	Legislative	
	Fiscal 2024	Fiscal 2024	Fiscal 2025	Fiscal 2026	Fiscal 2027	
Personal Services	0	0	121,500	175,273	175,273	
Operating Expenses	0	0	28,500	28,500	28,500	
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$150,000</b>	<b>\$203,773</b>	<b>\$203,773</b>	
Proprietary Funds	0	0	150,000	203,773	203,773	
<b>Total Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$150,000</b>	<b>\$203,773</b>	<b>\$203,773</b>	
<b>Total Ongoing</b>	<b>\$0</b>	<b>\$0</b>	<b>\$150,000</b>	<b>\$203,773</b>	<b>\$203,773</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**

*Non-Budgeted Proprietary Funds*

The non-budgeted proprietary fund for the GIS, Data, and Information Program is for the Montana Real Time Network. For additional detail, please see the proprietary program description.

**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 Requested 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>0</b>	<b>0</b>	<b>0</b>	<b>150,000</b>	<b>73.6%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>150,000</b>	<b>73.6%</b>
Statewide PL										
Personal Services	0	0	0	53,773	26.4%	0	0	0	53,773	26.4%
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>0</b>	<b>0</b>	<b>53,773</b>	<b>26.4%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>53,773</b>	<b>26.4%</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>0</b>	<b>0</b>	<b>0</b>	<b>53,773</b>	<b>26.4%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>53,773</b>	<b>26.4%</b>
<b>Total Requested Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>203,773</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>203,773</b>	

**Montana State Reference Network - 06025***Proprietary Program Description*

The Montana State Reference Network (MTRSN) 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.

Proprietary Program Revenues and Expenses

The following table shows the actual and projected expenditures and related revenues associated with this fund.

2027 Biennium Report on Internal Service and Enterprise Funds						
Fund	Fund Name	Agency #	Agency Name	Program Name		
06025	Montana State Reference Network	51150	Montana State Library	Statewide Library Resources		
			Actual FY 2024	Budgeted FY 2025	Reviewed FY 2026	Reviewed FY 2027
<b>Operating Revenues:</b>						
<b>Fees and Charges</b>						
	Subscriber Fees		62,087	150,000	225,000	375,000
	<b>Total Operating Revenues</b>		62,087	150,000	225,000	375,000
<b>Expenses:</b>						
	Personal Services		-	121,500	175,273	175,273
	Other Operating Expense		-	28,500	28,500	28,500
	<b>Total Operating Expense</b>		-	150,000	203,773	203,773
	<b>Operating Income (Loss)</b>		62,087	-	21,227	171,227
	<b>Income (Loss) Before Contributions and Transfers</b>		62,087	-	21,227	171,227
	<b>Change in Net Position</b>		62,087	-	21,227	171,227
	<b>Beginning Net Position - July 1</b>		-	62,087	62,087	83,314
	Prior Period Adjustments		-	-	-	-
	Change in Net Position		62,087	-	21,227	171,227
	<b>Ending Net Position - June 30</b>		62,087	62,087	83,314	254,541
<b>Net Position (Fund Balance) Analysis</b>						
	Unrestricted Net Position					

*Expenditures*

Expenditures include:

- Payment of required fees for software licensing
- User interface
- Agency support staff and overhead
- Equipment replacement

*Revenues*

The Montana State Reference Network subscribers pay subscription fees that are used to pay for the operations of the program. 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 the 2025 biennium, the legislature also appropriated \$500,000 per fiscal year of one-time-only state special revenue authority in HB 2 for additional start-up and ongoing costs related to the Montana real-time network in HB 2.

*Proprietary Rates*

Montana State Library analyzes rates charged to subscribers on a biannual basis. Rates are reflective of projected program costs and number of program subscribers.

This program is funded with an enterprise fund, which is a type of proprietary fund. As such, the legislature does not appropriate the funds or approve the rates for the program. Instead, the legislature reviews the report for the enterprise fund and identifies concerns with the financial position of the fund.



**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-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	0	53,773	0.00	0	0	0	53,773
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>\$0</b>	<b>\$0</b>	<b>\$53,773</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$53,773</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 reviewed adjustments to the present law personal services budget.

DP 3 - Inflation Deflation -

The legislature reviewed 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.