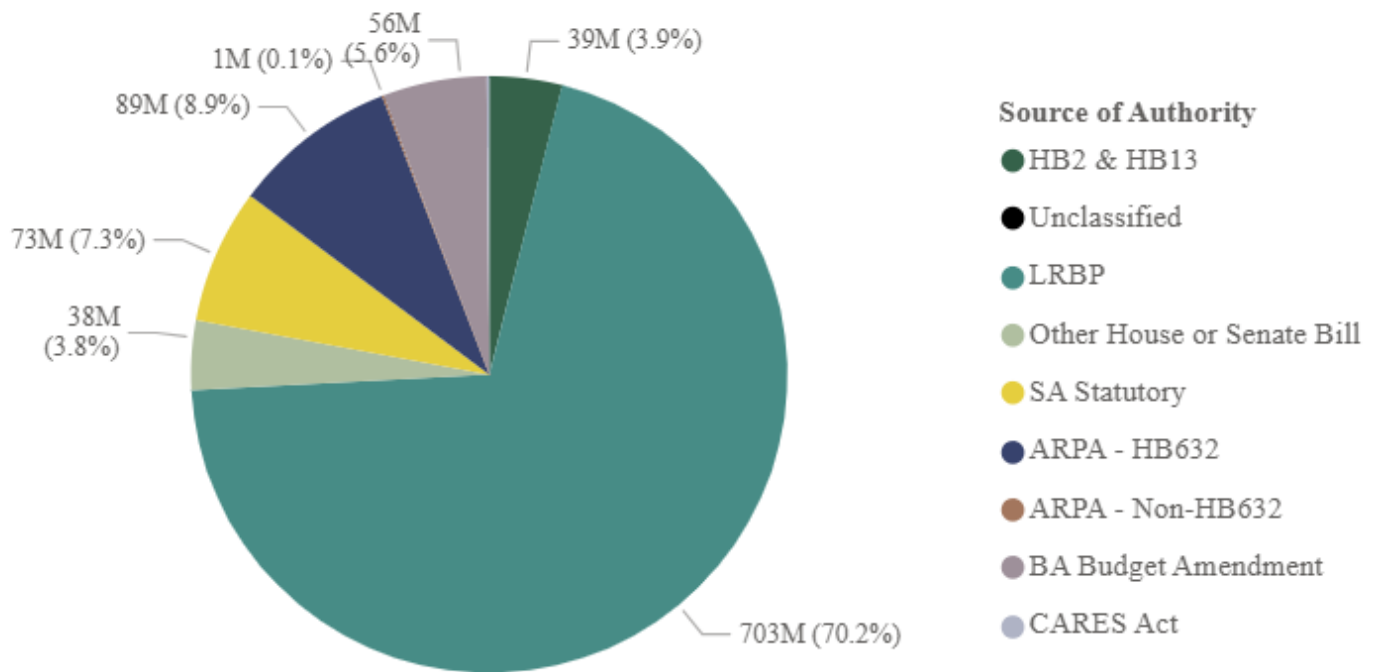


DEPARTMENT OF COMMERCE

TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the Department of Commerce is shown in the pie chart below. HB 2 and HB 13 provide 3.9% of the total authority for this agency. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.

Total Modified Budget by Source of Authority



Source of Authority	Modified Budget	Expenditure Budget	% Expended	
LRBP	703,296,558	231,194	0.0%	
ARPA	90,270,913	13,888,629	15.4%	
SA Statutory	73,080,134	18,573,428	25.4%	
BA Budget Amendment	56,265,217	377,656	0.7%	
HB2 & HB13	39,455,657	5,536,240	14.0%	
Other House or Senate Bill	37,650,233	232,959	0.6%	
CARES	1,418,668	391,269	27.6%	
Unclassified	3,463			
Total	1,001,440,842	39,231,375	3.9%	

Long-Range Building Program (LRBP)

The Department of Commerce holds \$703.3 million in Long-Range Building Program authority, representing 70.2% of the total budget authority, established through budget amendments. In FY 2025, the Department of Commerce was awarded \$700.0 million for the federal North Plains Connector Interregional Innovation (NPCII) grant by the U.S. Department of Energy. This grant will go towards building infrastructure to connect the U.S. eastern and western electric grids in Montana and North Dakota. However, no funds have been expended from this grant as of the end of November 2025 as this grant is being held by the federal government. Funds for the NPCII will remain available until December 31, 2032. The second budget amendment is to replace lead service lines in drinking water systems. This federal authority is awarded under the Infrastructure Investment and Jobs Act (IIJA) with this authority amount being \$3.3 million. As of November 30, 2025, \$231,000 has been expended from this award in FY 2026 with \$1.6 million being expended over the previous two fiscal year.

COVID-19 Authority

Within the Department of Commerce is \$91.7 million of appropriations relating to the COVID-19 pandemic. This is broken up between \$90.3 million in American Rescue Plan Act (ARPA) funding and \$1.4 million in Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. The two largest portions of the ARPA funding lie within emergency rental assistance (\$47.5 million) and homeowner assistance (\$20.9 million), with 0.9% and 31.9% of these appropriations being expended in FY 2026, respectively. Along with this, the appropriation for emergency rental assistance expired on September 30, 2025, and the homeownership assistance expires on September 30, 2026.

Statutory Appropriations

In FY 2026, statutory appropriations comprise 7.3% of the Department of Commerce's total budget. This includes \$1.8 million in general fund, \$63.4 million in state special revenue, \$1.0 million in federal special revenue, and \$5.3 million in proprietary funds. Further details on the different statutory appropriations are in the chart below.

**Department of Commerce
Statutory Appropriations and Expenditures
FY 2026, as of November 2025**

	Appropriations	Expenditures	Remaining Appropriations	Percent Expended
Business MT Division				
Coal Severance Tax	\$ 1,800,000	\$ 783,523	\$ 1,016,477	43.5%
Distressed Wood Products State Special Revenue	562,909	55,885	507,024	9.9%
Distressed Wood Products Federal Special Revenue	2,575,527	2,300,692	274,835	89.3%
Big Sky Economic Development Program	8,953,408	322,023	8,631,385	3.6%
Division Total	13,891,844	3,462,124	10,429,720	24.9%
Brand MT Division				
Accommodations Tax Account - Promotion	16,276,516	2,875,244	13,401,272	17.7%
Accommodations Tax Account - Rural Tourism	8,474,826	262,328	8,212,498	3.1%
Accommodations Tax Account - Tourism Grants	8,664,062	106,385	8,557,677	1.2%
Accommodations Tax Account - Revolving Loan	2,444,066	-	2,444,066	0.0%
Accommodations Tax Account - Economic Development	1,879,500	563,836	1,315,664	30.0%
Accommodations Tax Account - Regional	15,539,993	10,488,716	5,051,277	67.5%
Lewis and Clark Bicentennial Plate Fund	3,500	2,595	905	74.1%
Film Credit	2,959	-	2,959	0.0%
Division Total	53,285,422	14,299,104	38,986,318	26.8%
Community MT Division				
Hard Rock Mining	217,868	209,110	8,758	96.0%
Division Total	217,868	209,110	8,758	96.0%
Board of Investments				
Debt Services	5,300,000	390,090	4,909,910	7.4%
Division Total	5,300,000	390,090	4,909,910	7.4%
Board of Horse Racing				
Operation Fund	385,000	213,000	172,000	55.3%
Division Total	385,000	213,000	172,000	55.3%
Total Statutory Appropriations	73,080,134	18,573,428	54,506,706	25.4%

Within statutory appropriations, the timing of grant and award cycles are the largest factor regarding expenditures. According to the agency, many of the programs have varying award cycles, including grants on a reimbursement basis that will be expended over several fiscal years. In looking at the Big Sky Economic Development Program, the agency expects to disburse funds for this program in the Spring of 2026. Within the lower percent expended for the accommodations tax appropriations, the first grant application cycle of FY 2026 is closing in November and December with expenditures expected thereafter.

Budget Amendment

As of November 2025, the Department of Commerce processed budget amendments totaling approximately \$56.3 million in federal special revenue funds. Approximately \$47.5 million of this amount is from the Southeastern Montana Transmission Siting and Economic Development grant from the U.S. Department of Energy. No expenditures have been made on this authority as of the end of November 2025. Other budget amendments include approximately \$445,000 for the State Trade Expansion Program (STEP), which supports small businesses engaged in international trade. The remaining funds were designated for federal housing programs, including the Project-Based Section 8 Housing, which provides affordable housing to low-income households through privately owned and managed rental units, and the Housing Choice Voucher Program, which helps very low-income families, the elderly, and the disabled afford housing in the private market. As of November 30, 2025, the department expended \$378,000 of their budget amendment authority with the majority of this being in STEP.

Other Bills

In FY 2026, the Department of Commerce manages other house and senate bill authority of \$37.7 million, representing 3.8% of the department's total appropriation authority with all of this being in state special revenue appropriations. HB 11 provided the largest portion of this authority, totaling \$25.5 million across three different areas. This bill provides appropriations for the Montana Coal Endowment Program (MCEP). Appropriations for MCEP are distributed on a project basis with many of these projects having a several-year timeline. Regarding the appropriation provided to the Board of Investments in HB 876, they are currently awaiting applicants for this program. Further detail on each of these appropriations can be found in the chart below.

Department of Commerce				
Other House and Senate Bills Appropriations and Expenditures				
FY 2026, as of November 2025				
	Appropriations	Expenditures	Remaining Appropriations	Percent Expended
HB 11 - MCEP Grants (BIEN)	23,832,141	4,418	23,832,141	0.0%
HB 11 - MCEP Emergency Grants (BIEN)	150,000	-	150,000	0.0%
HB 11 - MCEP Planning Grants (BIEN)	1,500,000	-	1,500,000	0.0%
HB 12 - Montana Historic Preservation Grants (BIEN)	5,918,092	228,541	5,741,634	3.9%
HB 863 - Ireland Trade Commission (BIEN)	250,000	-	250,000	0.0%
HB 876 - Sawmill Revitalization	6,000,000	-	6,000,000	0.0%
Total	37,650,233	232,959	37,417,274	0.6%

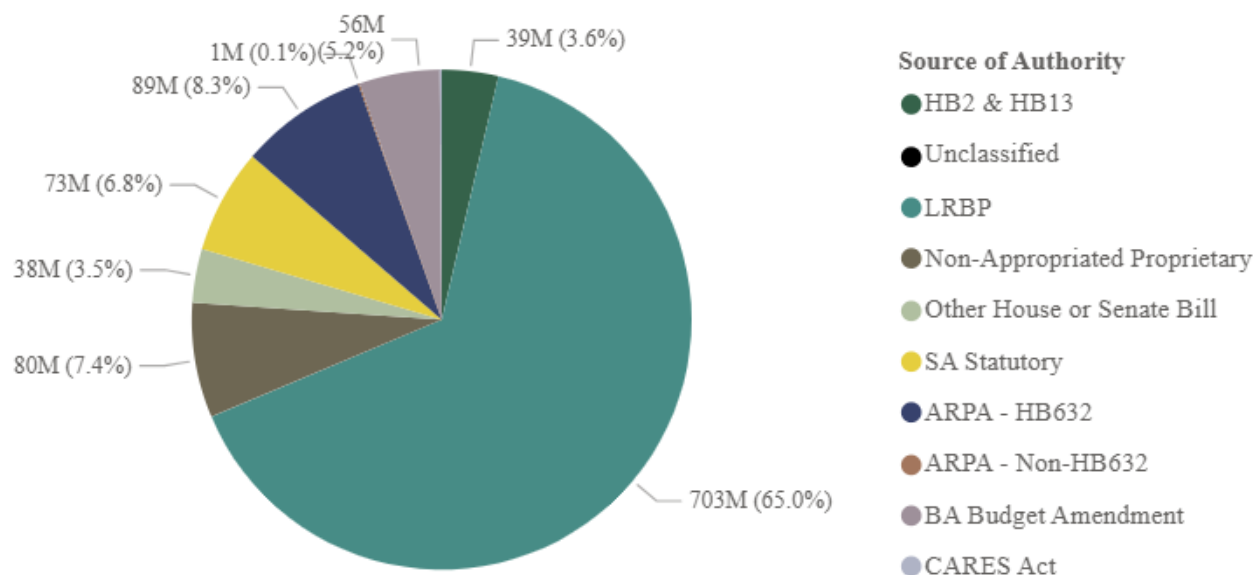
Unclassified

The Department of Commerce has unclassified appropriation authority of \$3,463 because of lower workers' compensation premiums. Per 39-71-403(1)(b)(iv), MCA, when workers' compensation premiums are lower than the previous year, state agencies shall reduce personal services appropriations by the amount of the premium reduction. The reductions are included in the accounting system as unclassified authority that will not be spent by the agency.

EXPENDITURE AUTHORITY

The total expenditure authority for the agency is shown in the following pie chart. Total expenditure authority includes non-budgeted proprietary funding and non-budgeted expenditures such as transfers or indirect costs which are not included in the previous pie chart as the expenditures are not appropriated.

Modified Budget & Expended Budget by Source of Authority



Source of Authority	Modified Budget	Expended Budget	% Expended
LRBP	703,296,558	231,194	0.0%
ARPA	90,270,913	13,888,629	15.4%
Non-Appropriated Proprietary	80,284,205	34,945,141	43.5%
SA Statutory	73,080,134	18,573,428	25.4%
BA Budget Amendment	56,265,217	377,656	0.7%
HB2 & HB13	39,455,657	5,536,240	14.0%
Other House or Senate Bill	37,650,233	232,959	0.6%
CARES	1,418,668	391,269	27.6%
Unclassified	3,463		
Total	1,081,725,047	74,176,516	6.9%

Non-Budgeted Proprietary Fund Authority

In FY 2026, the Department of Commerce has approximately \$80.3 million in non-budgeted proprietary funding, of which \$34.9 million, or 43.5%, was expended. Of this, around \$67.7 million was allocated to the Housing MT Division, which uses these funds to support Section 8 housing projects, Board of Housing initiatives, Emergency Housing Vouchers, and the Mainstream Housing Choice Voucher Program (HCVP). The table below provides a breakdown of the budget, expenditures, remaining funds, and the percentage expended for each of the non-budgeted proprietary funds for FY 2026.

Department of Commerce Non-Budgeted Proprietary Appropriations and Expenditures FY 2026, as of November 2025				
	Appropriations	Expenditures	Remaining Appropriations	Percent Expended
Facility Finance Authority Division				
Facilities Finance Authority	\$ 1,026,226	\$ 325,965	\$ 700,261	31.8%
C-PACE Commercial Property Asset	64,294	-	64,294	0.0%
Division Total	1,090,520	325,965	764,555	29.9%
Housing MT Division				
Board of Housing Financial Programs	4,055,546	1,624,391	2,431,155	40.1%
Housing Trust Fund	10,000	2,042	7,958	20.4%
Board of Housing Mortgage Loan Servicing	2,428,788	892,692	1,536,096	36.8%
Montana Affordable Housing Revolving Fund	10,000	-	10,000	0.0%
TANF - Revolving Loan Fund	10,000	132	9,868	1.3%
Section 8 Project Based	28,705,312	14,998,321	13,706,991	52.2%
Section 8 Housing Assistance Payment (HAP)	24,050,506	11,292,038	12,758,468	47.0%
Section 8 Moderate Rehabilitation HAP	2,467,008	194,156	2,272,852	7.9%
Section 8 Tenant Based Vouchers	4,214,218	1,693,969	2,520,249	40.2%
Section 8 Moderate Rehabilitation	349,582	36,769	312,813	10.5%
Mainstream HCVP Administration	75,000	6,000	69,000	8.0%
Mainstream HCVP HAP	400,000	88,319	311,681	22.1%
Emergency Housing Vouchers Administration	160,371	15,921	144,450	9.9%
Emergency Housing Vouchers HAP	720,000	213,274	506,726	29.6%
Division Total	67,656,331	31,058,024	36,598,307	45.9%
Board of Investments				
Economic Development Bond	556,201	210,836	345,365	37.9%
Investment Division	7,884,785	2,178,493	5,706,292	27.6%
Division Total	8,440,986	2,389,329	6,051,657	28.3%
Director's Office				
Centralized Services	3,096,368	1,171,822	1,924,546	37.8%
Division Total	3,096,368	1,171,822	1,924,546	37.8%
Total Proprietary Appropriations	\$ 80,284,205	\$ 34,945,140	\$ 45,339,065	43.5%

The relatively low expenditures for the C-PACE Program can be attributed to its early stage of development, as the program has not yet generated sufficient revenue to support higher levels of spending. However, the Department of Commerce anticipates an increase in expenditures in the coming years as more projects are completed under this program.

The Department of Commerce's Housing MT Division manages various housing programs. Within both the Section 8 Project Based program and the Housing Choice Voucher Program, higher percent expended is due primarily to increased disbursements related to rises in rent. The U.S. Department of Housing and Urban Development increased funding to the Department of Commerce for these programs as a result of the fair market rent study conducted in the Spring of 2025 by the agency.

HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the HB 2 modified budget from July 1, 2025, through November 30, 2025. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The **positive modifications** and **negative modifications** are shown by program, expenditure account, and fund type.

Legislative Budget Compared to Modified Budget - HB 2 Only

Agency Name	HB 2 Budget	Modified Budget	Net Modifications	
<div> <div></div> <div>Department of Commerce</div> </div>	39,456,588	39,455,657	-931	
<div> <div></div> <div>51 BUSINESS MT</div> </div>	6,405,687	6,405,386	-301	
<div> <div></div> <div>52 BRAND MT</div> </div>	210,157	210,157		
<div> <div></div> <div>60 COMMUNITY MT</div> </div>	15,331,335	15,331,011	-324	
<div> <div></div> <div>74 HOUSING MT</div> </div>	12,129,636	12,129,581	-55	
<div> <div></div> <div>78 BOARD OF HORSE RACING</div> </div>	495,046	495,041	-5	
<div> <div></div> <div>80 MONTANA HERITAGE COMMISSION</div> </div>	3,186,136	3,185,980	-156	
<div> <div></div> <div>81 DIRECTORS OFFICE</div> </div>	1,698,591	1,698,501	-90	
Total	39,456,588	39,455,657	-931	

Expenditure Type	HB 2 Budget	Modified Budget	Net Modifications	
<div> <div></div> <div>61000 Personal Services</div> </div>	5,767,645	6,122,020	354,375	
<div> <div></div> <div>62000 Operating Expenses</div> </div>	9,028,440	8,750,134	-278,306	
<div> <div></div> <div>63000 Equipment & Intangible Assets</div> </div>	150,000	150,000		
<div> <div></div> <div>64000 Capital Outlay</div> </div>	582,880	582,880		
<div> <div></div> <div>65000 Local Assistance</div> </div>	46,000	46,000		
<div> <div></div> <div>66000 Grants</div> </div>	23,569,931	23,492,931	-77,000	
<div> <div></div> <div>68000 Transfers-out</div> </div>	1,124	1,124		
<div> <div></div> <div>69000 Debt Service</div> </div>	310,568	310,568		
Total	39,456,588	39,455,657	-931	

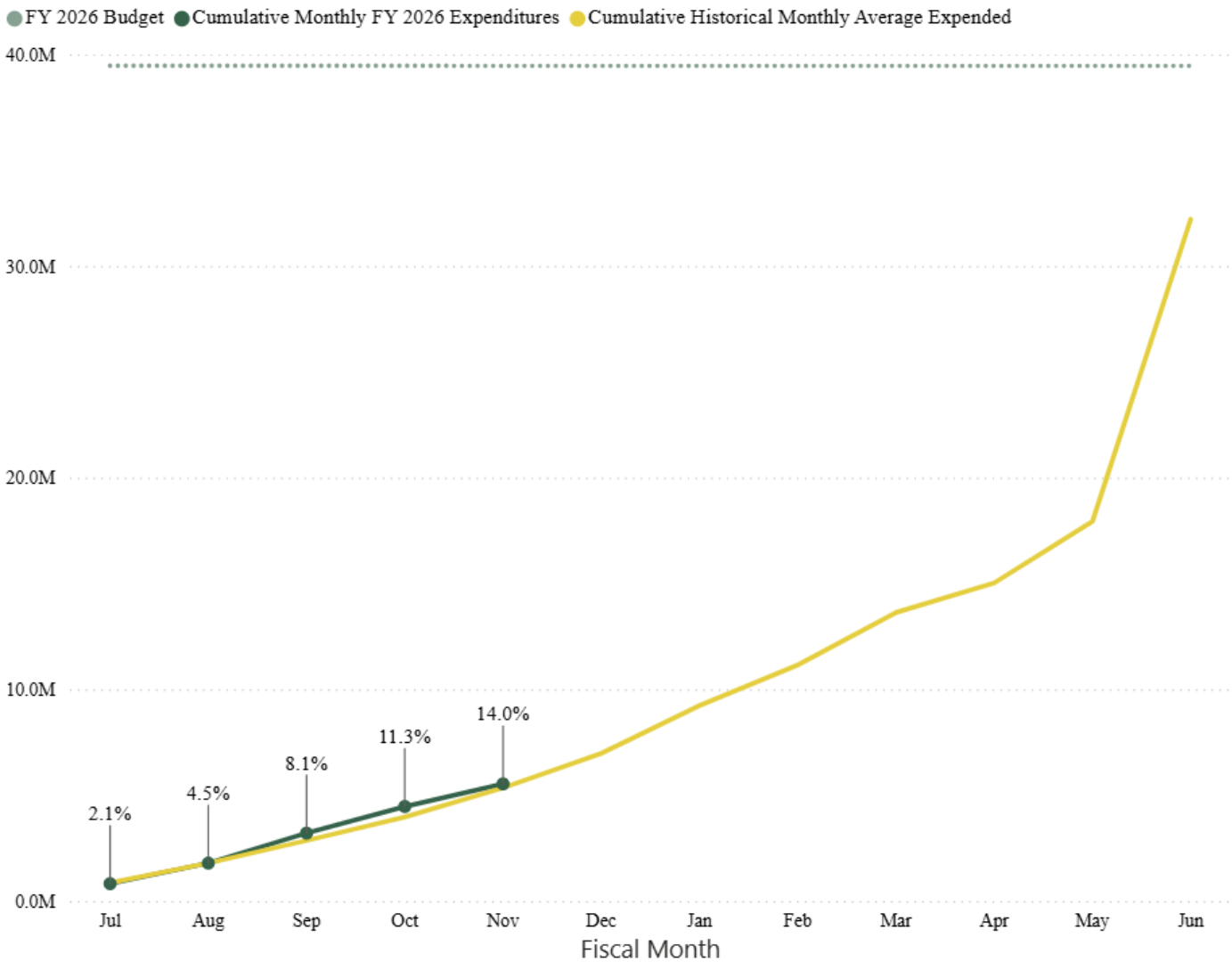
Fund Type	HB 2 Budget	Modified Budget	Net Modifications	
<div> <div></div> <div>01 General</div> </div>	6,527,639	6,527,185	-454	
<div> <div></div> <div>02 State/Other Spec Rev</div> </div>	11,008,840	11,008,445	-395	
<div> <div></div> <div>03 Fed/Other Spec Rev</div> </div>	21,920,109	21,920,027	-82	
Total	39,456,588	39,455,657	-931	

The Department of Commerce has two budget modifications through November 30, 2025, of FY 2026. The first transferred state special revenue appropriations from operating expenses into personal services. This was completed within the Business MT Division to reauthorize 2.00 modified PB that have been authorized in previous biennia. These are for business attraction advisor positions. This change resulted in the movement of \$355,000 in FY 2026. The second modification made by the agency transferred grant appropriations to operating expenses within the Business MT Division. Through this modification, the agency will be collecting revenue from businesses and organizations for fees associated with participating and attending trade missions led by the executive. The decrease in appropriations across general fund, state special revenue, and federal special revenue is due to workers' compensation reductions, as discussed in the unclassified section above.

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through November 30, 2025.

Monthly Expenditures Compared to Historical Average



Program Name	Modified Budget	Expended Budget	% Expended
⊕ 51 BUSINESS MT	6,405,386	2,036,274	31.8%
⊕ 52 BRAND MT	210,157	1,181	0.6%
⊕ 60 COMMUNITY MT	15,331,011	1,376,286	9.0%
⊕ 74 HOUSING MT	12,129,581	234,110	1.9%
⊕ 78 BOARD OF HORSE RACING	495,041	68,895	13.9%
⊕ 80 MONTANA HERITAGE COMMISSION	3,185,980	1,408,306	44.2%
⊕ 81 DIRECTORS OFFICE	1,698,501	411,188	24.2%
Total	39,455,657	5,536,240	14.0%

Expenditure Type	Modified Budget	Expended Budget	% Expended
⊕ Personal Services	6,122,020	2,142,710	35.0%
⊕ Operating Expenses	8,750,134	2,169,062	24.8%
⊕ Equipment & Intangible Assets	150,000	22,750	15.2%
⊕ Capital Outlay	582,880	616,121	105.7%
⊕ Local Assistance	46,000		
⊕ Grants	23,492,931	435,375	1.9%
⊕ Transfers-out	1,124		
⊕ Debt Service	310,568	150,222	48.4%
Total	39,455,657	5,536,240	14.0%

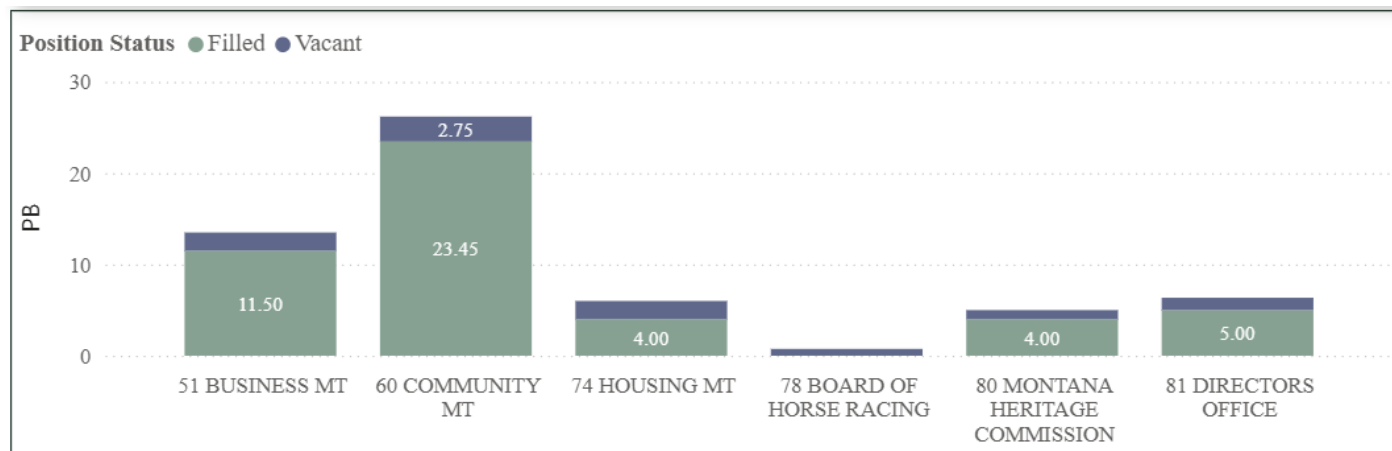
Fund Type	Modified Budget	Expended Budget	% Expended
⊕ 01 General	6,527,185	2,099,818	32.2%
⊕ 02 State/Other Spec Rev	11,008,445	2,603,949	23.7%
⊕ 03 Fed/Other Spec Rev	21,920,027	832,473	3.8%
Total	39,455,657	5,536,240	14.0%

Through November 30, 2025, the Department of Commerce expended 14.0% of their FY 2026 HB 2 budget, which aligns closely with the average at this point in the fiscal year. Appropriations for this agency are centralized in the Community MT Division (\$15.3 million) and the Housing MT Division (\$12.1 million) with these being 9.0% and 1.9% expended, respectively. Although this may appear low, both divisions align closely with the anticipated percent expended at this point in time due to the majority of their authority being within grants that are tied to specific projects.

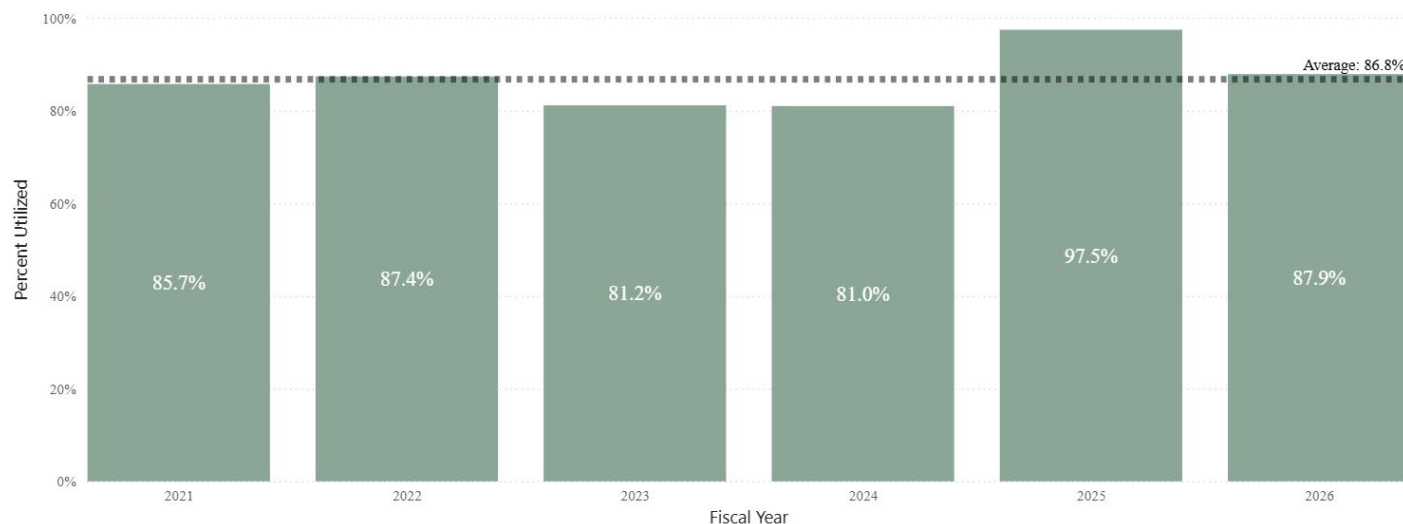
In looking at the different expenditure types within the agency, personal services and operating expenses encapsulate approximately 37.7% of the total HB 2 appropriations. Within operating expenses, the lower percent expended is common as the majority of the appropriations are tied to revolving loans. Most of the remaining appropriations lie within grants, specifically within federal special revenue. The grants expenditure type being low is not uncommon at this point in the fiscal year due to the timing of when grants are issued.

Personal Services

Appropriations for personal services in the Department of Commerce total \$6.1 million and are 35.0% expended through November 30, 2025. The following chart shows the filled and vacant PB within the agency as of November 1, 2025. At this point in time, the department had 57.80 HB 2 PB, excluding aggregate positions, and 83.0% of these positions were filled.



The chart below shows the hourly utilization percentage for the Department of Commerce for each fiscal year when compared to the available hours. Overall, the department has utilized 87.9% of the hours budgeted at this point in FY 2026, as shown in the chart below. This utilization is slightly higher than the five-year average of 86.8%.



The chart below shows the vacant PB in each division, the number of months each position has been vacant and the midpoint hourly pay rate. Of the 9.85 PB that are vacant, 1.50 PB have been vacant for over one year. Of the positions that are currently vacant, the agency plans to post a Planner 2 position, 0.75 PB, in January; is evaluating the need to post a Program Specialist position, 1.00 PB, in January; with the remaining being held vacant for vacancy savings.

Vacant Positions Report

	PB	Median Months Vacant	Market Midpoint (Hourly)
▣ 65010 COMMERCE	9.85	4.03	33.79
▣ 51 BUSINESS MT	2.00	24.79	33.52
Budgets Analyst 2	1.00	0.85	33.52
Bus/Tech Assist Program Mngr	0.50	25.70	36.35
Public Relations Specialist 1	0.50	24.79	30.55
▣ 60 COMMUNITY MT	2.75	4.03	27.86
Planner 2	0.75	4.03	43.30
Program Specialist	1.00	0.00	27.86
Program Specialist 1	1.00	11.70	27.86
▣ 74 HOUSING MT	2.00	5.21	32.11
Program Specialist	1.00	7.80	27.86
Program Specialist 2	1.00	2.62	36.35
▣ 78 BOARD OF HORSE RACING	0.75	4.03	36.35
Program Specialist 2	0.75	4.03	36.35
▣ 80 MONTANA HERITAGE COMMISSION	1.00	0.75	64.01
Program Executive	1.00	0.75	64.01
▣ 81 DIRECTORS OFFICE	1.35	9.75	27.77
Administrative Assistant 3	0.85	4.03	21.48
Industry Development Officer	0.50	15.48	34.06
Total	9.85	4.03	33.79

OTHER ISSUES

In accordance with the State's Settlement of Claims Sunshine and Transparency Act, the Montana Department of Commerce is required to submit a quarterly report to the Legislative Fiscal Division detailing all civil claims or complaints received during the quarter that seek \$10,000 or more in monetary compensation. For the quarter ending June 30, 2025, the Department of Commerce, including its administratively attached boards, received zero new civil claims.

APPENDIX A

The Department of Commerce was asked to provide information on the following questions:

Did the agency utilize contractors in FY 2026?

Yes.

If so, how much did you pay contractors?

The Department of Commerce expended \$21,823 for contractors as of November 1, 2025.

How much of the amount paid to contractors do you estimate is due to vacant positions? If contractors were paid because of vacant positions, what are the types of vacant positions that resulted in the need for contractors?

100.0% of the amount paid to contractors was due to vacant positions. This was all in accounting and administrative positions.

How much did you pay in overtime in FY 2026?

The Department of Commerce paid \$11,449 in FY 2026 in overtime costs. It should be noted that this does not incorporate compensation time hours that many of the Department of Commerce's employees accrue in lieu of overtime.

How much of the overtime paid do you estimate is due to vacant positions? If overtime was paid because of vacant positions, what are the types of vacant positions that resulted in the need for overtime?

100.0% of overtime payments were due to vacancies. The types of vacancies requiring overtime and/or compensation time are accounting and administrative positions. The overtime amount provided does not include comp time earned.