



GOVERNOR
GREG GIANFORTE
STATE OF MONTANA

SECTION A: GENERAL GOVERNMENT

Legislative Branch
Consumer Counsel
Governor's Office
Commissioner of Political Practices
State Auditor's Office

Department of Revenue
Department of Administration
Department of Commerce
Department of Labor & Industry
Department of Military Affairs

OBPP Staff:

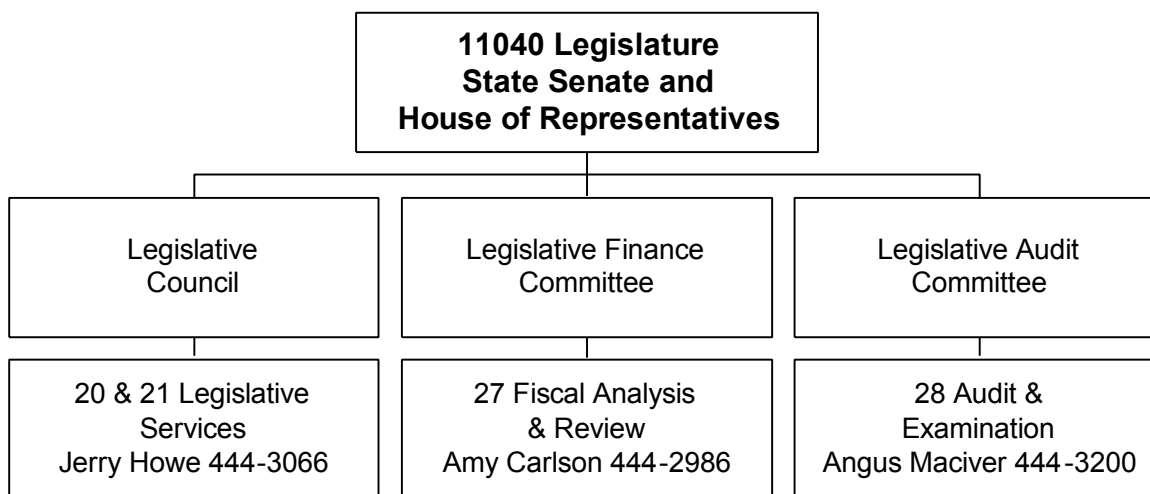
Sonia Powell
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444-4588
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GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Legislative Branch - 11040



Mission Statement - The mission of the legislature is to exercise the legislative power of state government vested by the Constitution of the State of Montana and to fulfill its constitutional duties. The mission of the agencies within the Legislative Branch, i.e., the consolidated legislative agency (5-2-201, MCA), is to provide the administration structure to support accomplishment of the powers and duties of the Legislature.

Statutory Authority - Principal statutory authority for the Legislative Services Division is found in Title 1, Chapter 11, and Title 5, Chapters 5 and 11, MCA. Principal statutory authority for the Legislative Fiscal Division is found in The Legislative Finance Act, Title 5, Chapter 12, MCA. The post-audit function of the Legislative Audit Committee is constitutionally required in Article V, section 10, of the Montanan Constitution, and support by the Legislative Audit Division with principal statutory authority in The Legislative Audit Act, Title 5, Chapter 13, MCA.

Budget Submission - In accordance with 17-7-122, MCA, the budget for the Legislative Branch must be presented in the Executive Budget as submitted to the Governor with no changes.

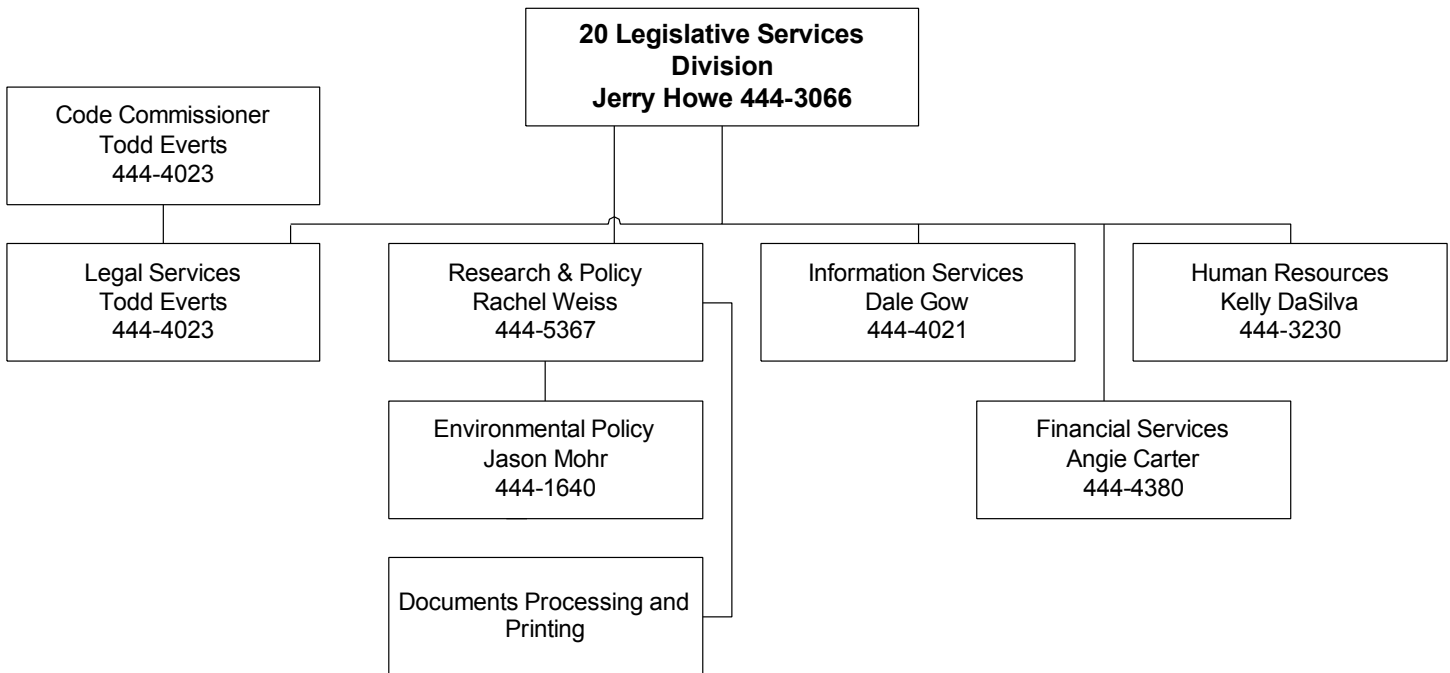
Agency Proposed Budget			
Budget Item	Total Exec. Budget Fiscal 2026	Total Exec. Budget Fiscal 2027	Total Exec. Budget 2027 Biennium
FTE	171.59	171.59	
Personal Services	21,170,933	20,852,939	42,023,872
Operating Expenses	6,715,749	5,325,654	12,041,403
Equipment & Intangible Assets	2,769,640	1,376,040	4,145,680
Transfers	150,000	150,000	300,000
Total Costs	\$30,806,322	\$27,704,633	\$58,510,955
General Fund	27,645,732	24,552,399	52,198,131
State/Other Special	3,160,590	3,152,234	6,312,824
Total Funds	\$30,806,322	\$27,704,633	\$58,510,955

Legislative Branch - 11040

Agency Appropriated Biennium to Biennium Comparison								
Program	2025 Biennium Appropriated Budget		2027 Biennium Requested Budget		Biennium to Biennium Difference (dollars)		Biennium to Biennium Difference (percent)	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
20 - Legislative Services	31,353,190	31,653,710	34,287,698	34,756,457	2,934,508	3,102,747	9.36 %	9.80 %
21 - Legis. Committees & Activities	2,707,254	2,707,488	3,356,214	3,356,214	648,960	648,726	23.97 %	23.96 %
27 - Fiscal Analysis & Review	7,051,643	7,051,643	7,468,257	7,468,257	416,614	416,614	5.91 %	5.91 %
28 - Audit & Examination	7,129,232	11,769,219	7,085,962	12,930,027	(43,270)	1,160,808	(0.61)%	9.86 %
Agency Total	\$48,241,319	\$53,182,060	\$52,198,131	\$58,510,955	\$3,956,812	\$5,328,895	8.20 %	10.02 %

Legislative Branch - 11040

Legislative Services - 20



Program Description - The Legislative Services Division provides objective research, reference, legal, technical, information technology, and business services to the House, Senate, and other divisions of the Legislative Branch.

Division services include:

1. Bill and amendment drafting, preparation of bills for introduction, and engrossing and enrolling bills;
2. Publication and records management of legislative documents of record;
3. Preparation, publication, and distribution of the Montana Code Annotated text and annotations;
4. Provision of legislative research and reference services;
5. Support for session and interim committees;
6. Legal services and counseling on legislative matters and agency legal support;
7. Review of the text of proposed ballot measures;
8. Personnel and business services;
9. Planning, installation, and maintenance of branch information technology;
10. Broadcasting of state government and public policy events; and
11. Provision of legislative information to the public.

The Legislative Council provides policy guidance to the Legislative Services Division.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	88.17	2.00	90.17	2.00	90.17	
Personal Services	10,446,093	533,393	10,979,486	626,334	11,072,427	22,051,913
Operating Expenses	4,914,240	(408,685)	4,505,555	(1,160,931)	3,753,309	8,258,864
Equipment & Intangible Assets	530,347	2,239,293	2,769,640	845,693	1,376,040	4,145,680
Transfers	195,040	(45,040)	150,000	(45,040)	150,000	300,000
Total Costs	\$16,085,720	\$2,318,961	\$18,404,681	\$266,056	\$16,351,776	\$34,756,457
General Fund	16,034,692	2,131,250	18,165,942	87,064	16,121,756	34,287,698
State/Other Special	51,028	187,711	238,739	178,992	230,020	468,759
Total Funds	\$16,085,720	\$2,318,961	\$18,404,681	\$266,056	\$16,351,776	\$34,756,457

Legislative Branch - 11040

Legislative Services - 20

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	365,100	365,100	458,040	458,040
SWPL - 2 - Fixed Costs	(588,718)	(588,718)	(674,582)	(674,582)
SWPL - 3 - Inflation Deflation	(16)	(16)	(11)	(11)
<i>Total Statewide Present Law Adjustments</i>	<i>(\$223,634)</i>	<i>(\$223,634)</i>	<i>(\$216,553)</i>	<i>(\$216,553)</i>
Present Law Adjustments				
PL - 4 - Present Law	2,473,405	2,610,757	422,496	551,129
<i>Total Present Law Adjustments</i>	<i>\$2,473,405</i>	<i>\$2,610,757</i>	<i>\$422,496</i>	<i>\$551,129</i>
New Proposals				
NP - 2005 - Capitol Security	60,000	60,000	60,000	60,000
NP - 2006 - Mitchell Building Rent	(128,162)	(128,162)	(128,520)	(128,520)
NP - 2007 - 1st Level Account Switch	0	0	0	0
NP - 2008 - Modified FTE to Permanant	0	0	0	0
NP - 2009 - Fund Switch	(50,359)	0	(50,359)	0
<i>Total New Proposals</i>	<i>(\$118,521)</i>	<i>(\$68,162)</i>	<i>(\$118,879)</i>	<i>(\$68,520)</i>
Total Budget Adjustments	\$2,131,250	\$2,318,961	\$87,064	\$266,056

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$365,100	\$365,100
FY 2027	\$458,040	\$458,040

SWPL - 1 - Personal Services -

The budget includes an increase of \$365,100 in FY 2026 and an increase of \$458,040 in FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the snapshot.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$588,718)	(\$588,718)
FY 2027	(\$674,582)	(\$674,582)

SWPL - 2 - Fixed Costs -

The request includes a reduction of \$588,718 in FY 2026 and a reduction of \$674,582 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$16)	(\$16)
FY 2027	(\$11)	(\$11)

SWPL - 3 - Inflation Deflation -

This change package includes an reduction of \$16 in FY 2026 and a reduction of \$11 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

Legislative Branch - 11040

Legislative Services - 20

-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$2,473,405	\$2,610,757
FY 2027	\$422,496	\$551,129

PL - 4 - Present Law -

The Legislative Council adopted general fund increases related to the cyclical nature of the legislature. The cyclical nature of legislative business in the Legislative Branch results in uneven appropriations for each fiscal year. Appropriations in the first year of the biennium are higher because a significant amount of expenditures happen during this time. The legislature has increased its interim workload, thus, increasing the demand for certain audio/video capabilities. Increases from the approved 2025 Biennium budget in the 2027 Biennium include:

- Increases in computer hardware costs due to life cycle replacement for audio visual equipment and servers
- Increases for software costs, including Microsoft license costs, AI tools (including Co-Pilot and Grammarly), help desk software, Power BI licenses, maintenance costs for chamber and committee applications, records request software, and network security software
- Increased contracted services costs, which mainly include costs for A/V support, MPAN (state broadcasting), and streaming costs legislative meetings
- Increases for software supporting disaster recovery solutions.
- Increased costs for the Legislative Audit Division's automation project (Workiva)

-----New Proposals-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$60,000	\$60,000
FY 2027	\$60,000	\$60,000

NP - 2005 - Capitol Security -

The Legislative Council approved this change package, which adds \$60,000 each year, to increase transfer authority for the Legislative Branch's portion of the State Capitol security agreement. The agreement is currently \$125,000 per fiscal year, and previous funding was split between HB1 and HB2. This change package consolidates all costs into HB 2 to avoid complicated calculations due to different appropriations.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$128,162)	(\$128,162)
FY 2027	(\$128,520)	(\$128,520)

NP - 2006 - Mitchell Building Rent -

The Legislative Council approved this change package to reallocate the Mitchell Building rent (\$128,162 for FY 2026 and \$128,520 for FY 2027) from Program 20 (Legislative Services) to Program 28 (Audit & Examination). Program 20's reduction is 100% general fund.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$0
FY 2027	\$0	\$0

NP - 2007 - 1st Level Account Switch -

The Legislative Council approved this change package, which reallocates \$105,040 each fiscal year to operating from transfers. There is a net zero impact to the general fund.

Legislative Branch - 11040

Legislative Services - 20

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$0
FY 2027	\$0	\$0

NP - 2008 - Modified FTE to Permanant -

The Legislative Council approved this change package, which changes 2.00 FTE from modified to permanent (\$168,294 each fiscal year). This has a net zero impact to the general fund.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$50,359)	\$0
FY 2027	(\$50,359)	\$0

NP - 2009 - Fund Switch -

The Legislative Council approved this fund switch, which reduces \$50,359 in general fund authority in FY 2026 and FY 2027 and changes the funding source to fund 02800 (state special revenue).

Legislative Branch - 11040

Legis. Committees & Activities - 21

Program Description - The Legislative Committees and Activities program supports the activities of legislators and legislative committees that are conducted during the interim between legislative sessions.

Program expenditures support :

1. The Legislative Council;
2. Interim study activities, as defined in 5-5-202 through 5-5-217, MCA;
3. Cooperative interstate, international, and intergovernmental activities, as outlined in 5-11-303 through 5-11-305, MCA; and
4. Other legislative activities for which appropriations are made.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	1.92	0.00	1.92	0.00	1.92	
Personal Services	260,779	380,359	641,138	13,996	274,775	915,913
Operating Expenses	788,340	711,946	1,500,286	151,675	940,015	2,440,301
Total Costs	\$1,049,119	\$1,092,305	\$2,141,424	\$165,671	\$1,214,790	\$3,356,214
General Fund	1,049,002	1,092,422	2,141,424	165,788	1,214,790	3,356,214
State/Other Special	117	(117)	0	(117)	0	0
Total Funds	\$1,049,119	\$1,092,305	\$2,141,424	\$165,671	\$1,214,790	\$3,356,214

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	2,793	2,793	(103,199)	(103,199)
<i>Total Statewide Present Law Adjustments</i>	<i>\$2,793</i>	<i>\$2,793</i>	<i>(\$103,199)</i>	<i>(\$103,199)</i>
Present Law Adjustments				
PL - 4 - Present Law	754,489	754,372	125,356	125,239
<i>Total Present Law Adjustments</i>	<i>\$754,489</i>	<i>\$754,372</i>	<i>\$125,356</i>	<i>\$125,239</i>
New Proposals				
NP - 2105 - 5-20-301, MCA School Funding Study - OTO	233,927	233,927	100,255	100,255
NP - 2106 - Legislator Days	66,213	66,213	28,376	28,376
NP - 2107 - Legislator Participation for Educational Opportunities	35,000	35,000	15,000	15,000
<i>Total New Proposals</i>	<i>\$335,140</i>	<i>\$335,140</i>	<i>\$143,631</i>	<i>\$143,631</i>
Total Budget Adjustments	\$1,092,422	\$1,092,305	\$165,788	\$165,671

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$2,793	\$2,793
FY 2027	(\$103,199)	(\$103,199)

SWPL - 1 - Personal Services -

The budget includes an increase of \$2,793 in FY 2026 and a reduction of \$103,199 in FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the snapshot.

Legislative Branch - 11040

Legis. Committees & Activities - 21

-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$754,489	\$754,372
FY 2027	\$125,356	\$125,239

PL - 4 - Present Law -

The Legislative Council adopted an increase in general fund appropriations in both FY 2026 and FY 2027. The cyclical nature of legislative business in Legislative Committees & Activities results in uneven appropriations for each fiscal year. In the first year of the biennium, appropriations are higher because most of the interim committee work is completed during this time. The biennial increase is mainly due to an increase in the allowed lodging and mileage rates, legislator activity dues, and increasing interim committee meetings.

This change package also reduces state special revenue by \$117, and increases general fund by \$117, as the state special revenue fund is no longer in use.

-----New Proposals-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$233,927	\$233,927
FY 2027	\$100,255	\$100,255

NP - 2105 - 5-20-301, MCA School Funding Study - OTO -

The Legislative Council approved \$233,927 in FY 2026 and \$100,255 in FY 2027 to comply with 5-20-301, MCA, requiring a study to reassess the educational needs and costs related to the basic system of free quality public elementary and secondary schools and, if necessary, recommend to the following legislature changes to the state's funding formula.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$66,213	\$66,213
FY 2027	\$28,376	\$28,376

NP - 2106 - Legislator Days -

The Legislative Council approved funding (\$94,589 biennially) for "Legislator Days." This event brings legislators to the Capitol in June of each even year to discuss budget and policy and to review interim studies in process in preparation for the 2027 Legislative Session.

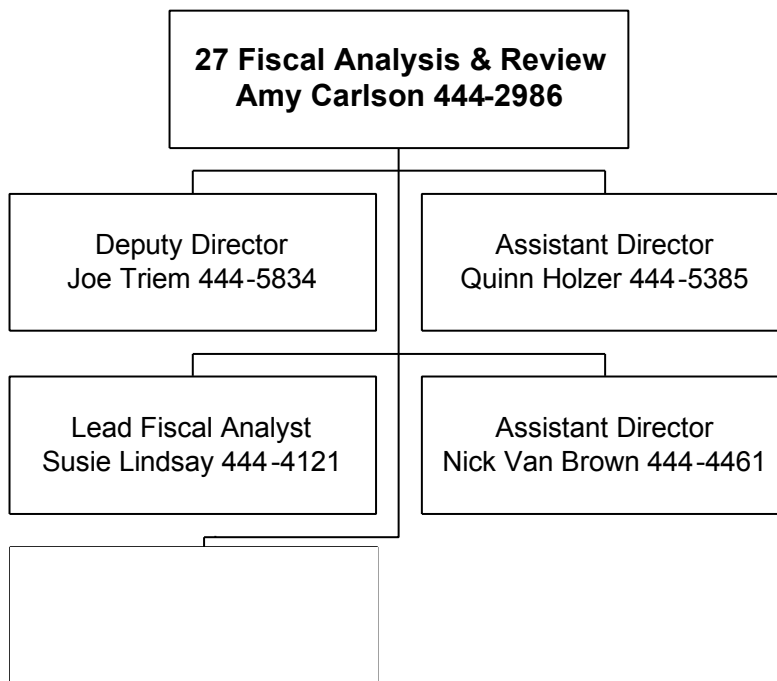
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$35,000	\$35,000
FY 2027	\$15,000	\$15,000

NP - 2107 - Legislator Participation for Educational Opportunities -

The Legislative Council approved funding to promote legislator participation in educational opportunities. Last interim, the Legislative Council approved up to \$3,000 per each legislator to use for "educational" opportunities such as the National Council of State Legislatures, the Council of State Governments, and the Pacific Northwest Economic Region. Funding in the 2025 Biennium came from a surplus from other budget items. This new proposal makes the funding a part of the base budget.

Legislative Branch - 11040

Fiscal Analysis & Review - 27



Program Description - The Legislative Fiscal Division provides the legislature with objective fiscal information and analysis relevant to Montana public policy and budget determination.

Division services include:

1. Fiscal analysis of state government and the furnishing of information bearing upon the financial matters of the state;
2. Identification of ways to effect economy and efficiency in state government;
3. Estimation of revenue and analysis of tax policy;
4. Analysis of the Executive Budget;
5. Compiling and analyzing fiscal information for legislators and legislative committees; and
6. Staffing and support for legislative committees, including the preparation and processing of the appropriation bills for the legislative, judicial, and executive agencies.

The Legislative Finance Committee provides guidance to the Legislative Fiscal Division.

Program Proposed Budget	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
Budget Item						
FTE	26.50	0.00	26.50	0.00	26.50	
Personal Services	3,385,662	111,744	3,497,406	65,095	3,450,757	6,948,163
Operating Expenses	178,046	111,053	289,099	52,949	230,995	520,094
Total Costs	\$3,563,708	\$222,797	\$3,786,505	\$118,044	\$3,681,752	\$7,468,257
General Fund	3,563,708	222,797	3,786,505	118,044	3,681,752	7,468,257
Total Funds	\$3,563,708	\$222,797	\$3,786,505	\$118,044	\$3,681,752	\$7,468,257

Legislative Branch - 11040

Fiscal Analysis & Review - 27

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	72,286	72,286	53,821	53,821
SWPL - 3 - Inflation Deflation	(76)	(76)	(51)	(51)
<i>Total Statewide Present Law Adjustments</i>	<i>\$72,210</i>	<i>\$72,210</i>	<i>\$53,770</i>	<i>\$53,770</i>
Present Law Adjustments				
PL - 4 - Present Law	99,087	99,087	11,274	11,274
<i>Total Present Law Adjustments</i>	<i>\$99,087</i>	<i>\$99,087</i>	<i>\$11,274</i>	<i>\$11,274</i>
New Proposals				
NP - 2705 - Pension Actuarial - OTO	51,500	51,500	53,000	53,000
<i>Total New Proposals</i>	<i>\$51,500</i>	<i>\$51,500</i>	<i>\$53,000</i>	<i>\$53,000</i>
Total Budget Adjustments	\$222,797	\$222,797	\$118,044	\$118,044

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$72,286	\$72,286
FY 2027	\$53,821	\$53,821

SWPL - 1 - Personal Services -

The budget includes an increase of \$72,286 in FY 2026 and an increase of \$53,821 in FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the snapshot.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$76)	(\$76)
FY 2027	(\$51)	(\$51)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$76 in FY 2026 and a reduction of \$51 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$99,087	\$99,087
FY 2027	\$11,274	\$11,274

PL - 4 - Present Law -

The Legislative Finance Committee adopted an increase in general fund appropriations in both FY 2026 and FY 2027. The cyclical nature of legislative business for the Interim Budget Committees, the Modernization and Risk Analysis Committee, and the Legislative Finance Committee results in uneven appropriations for each fiscal year. Appropriations in the first year of the biennium are higher because most of the authorized interim, interim budget, or administrative committee legislative business is completed during this time. The biennial increase is mostly due to an increase in the allowable travel expenditures and increased legislator salary.

Legislative Branch - 11040

Fiscal Analysis & Review - 27

-----New Proposals-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$51,500	\$51,500
FY 2027	\$53,000	\$53,000

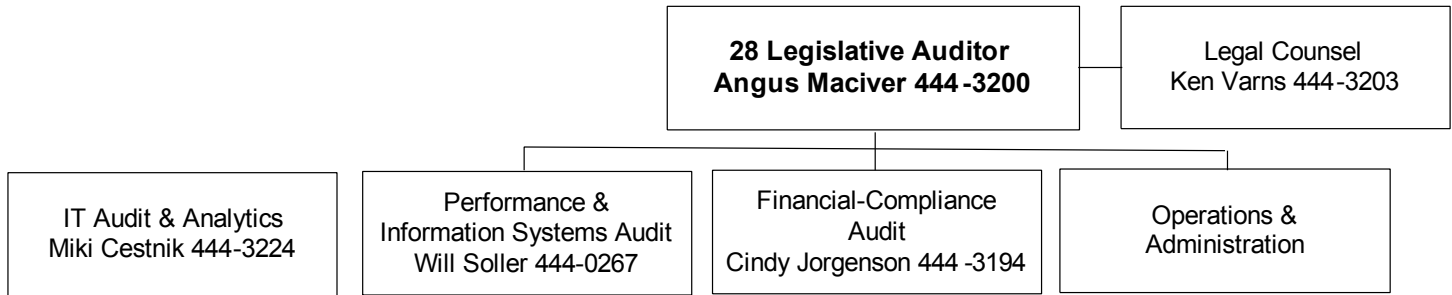
NP - 2705 - Pension Actuarial - OTO -

The Legislature approved the change package during the 2025 biennium. In HB 2, the pension actuarial analysis contract expenditure for the 2027 biennium was noted.

The 2025 Biennium HB 2 reads, "It is the intent of the Legislature that, absent clear evidence that the Pension Actuarial Analysis contract has not been sufficiently utilized at the end of the 2025 biennium, the same funding, adjusted for inflation, be included as one-time-only in the Legislative Fiscal Division's budget request for the 2027 biennium."

Legislative Branch - 11040

Audit & Examination - 28



Program Description - The Legislative Audit Division is the state's independent auditor and a key part of the legislature's responsibility for strict accountability of public funds. The division's products and services provide legislative and executive managers of the public trust with factual, objective and unbiased information on how state government works and how to make it work better. These products and services include the following:

- Auditing the state's Comprehensive Annual Financial Report and the federal Single Audit.
- Conducting performance audits to focus on agency or program operations and management, efficiency and effectiveness in delivery of government services, or public policy outcomes and impacts.
- Conducting financial-compliance audits of state agencies to assess adherence to accounting principles, compliance with material laws, and internal controls.
- Conducting information systems audits to address the design, operation, and maintenance of technology systems and processes, and providing assurances on the quality and reliability of system data.
- Maintaining the state's hotline for reporting fraud, waste, and abuse in state government and conducting work to verify allegations and substantiate reported cases.
- Reporting violations of penal statutes, instances of misfeasance, malfeasance, or nonfeasance, and any instances of apparent criminal violations of the state code of ethics discovered in an audit.
- Auditing records of entities under contract with the state.
- Assisting the legislature, its committees, and its members by providing information related to the fiscal affairs of state government.

The Legislative Auditor is responsible for managing the division, and appointing and defining the duties of the division's employees. The Legislative Auditor is appointed by the Legislative Audit Committee, a twelve-member, bipartisan, bicameral permanent joint committee of the legislature.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	52.75	0.25	53.00	0.25	53.00	
Personal Services	5,749,295	303,608	6,052,903	305,685	6,054,980	12,107,883
Operating Expenses	243,501	177,308	420,809	157,834	401,335	822,144
Total Costs	\$5,992,796	\$480,916	\$6,473,712	\$463,519	\$6,456,315	\$12,930,027
General Fund	3,624,760	(72,899)	3,551,861	(90,659)	3,534,101	7,085,962
State/Other Special	2,368,036	553,815	2,921,851	554,178	2,922,214	5,844,065
Total Funds	\$5,992,796	\$480,916	\$6,473,712	\$463,519	\$6,456,315	\$12,930,027

Legislative Branch - 11040

Audit & Examination - 28

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	158,951	289,001	160,093	291,078
SWPL - 2 - Fixed Costs	(3,087)	(5,612)	(3,087)	(5,612)
SWPL - 3 - Inflation Deflation	(284)	(517)	(192)	(349)
<i>Total Statewide Present Law Adjustments</i>	<i>\$155,580</i>	<i>\$282,872</i>	<i>\$156,814</i>	<i>\$285,117</i>
Present Law Adjustments				
PL - 4 - Present Law	30,401	55,275	19,401	35,275
<i>Total Present Law Adjustments</i>	<i>\$30,401</i>	<i>\$55,275</i>	<i>\$19,401</i>	<i>\$35,275</i>
New Proposals				
NP - 2006 - Mitchell Building Rent	70,489	128,162	70,686	128,520
NP - 2805 - Modified FTE to Permanent	8,034	14,607	8,034	14,607
NP - 2806 - Fund Switch - Audit Appropriations - OTO	(469,568)	0	(477,759)	0
NP - 2807 - Fund Switch - Statewide Risk Assessment - OTO	132,165	0	132,165	0
<i>Total New Proposals</i>	<i>(\$258,880)</i>	<i>\$142,769</i>	<i>(\$266,874)</i>	<i>\$143,127</i>
Total Budget Adjustments	(\$72,899)	\$480,916	(\$90,659)	\$463,519

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$158,951	\$289,001
FY 2027	\$160,093	\$291,078

SWPL - 1 - Personal Services -

The budget includes an increase of \$289,001 in FY 2026 and an increase of \$291,078 in FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the snapshot.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$3,087)	(\$5,612)
FY 2027	(\$3,087)	(\$5,612)

SWPL - 2 - Fixed Costs -

The request includes reductions of \$5,612 in each of the fiscal years 2026 and 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$284)	(\$517)
FY 2027	(\$192)	(\$349)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$517 in FY 2026 and a reduction of \$349 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

Legislative Branch - 11040

Audit & Examination - 28

-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$30,401	\$55,275
FY 2027	\$19,401	\$35,275

PL - 4 - Present Law -

The Legislative Audit Committee adopted adjustments in general fund increases related to the cyclical nature of the legislature. The cyclical nature of legislative business in the Legislative Branch results in uneven appropriations for each fiscal year. Appropriations in the first year of the biennium are higher because a significant amount of expenditures happen during this time. The adjustments include cyclical timing adjustments and accounts for increased operating and travel costs.

-----New Proposals-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$70,489	\$128,162
FY 2027	\$70,686	\$128,520

NP - 2006 - Mitchell Building Rent -

The Legislative Audit Committee approved this change package to reallocate the Mitchell Building rent (\$128,162 for FY 2026 and \$128,520 for FY 2027) from Program 20 (Legislative Services) to Program 28 (Audit & Examination). Program 28 will split this expenditure 55% to general fund and 45% to the state special revenue.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$8,034	\$14,607
FY 2027	\$8,034	\$14,607

NP - 2805 - Modified FTE to Permanent -

The Legislature Audit Committee approved this change package to convert a 0.25 FTE from modified to a permanent position, increasing an existing 0.75 FTE to 1.00 FTE. This position will assist in implementing HB 132, the planned transition to an annual single audit, supporting more timely reporting for the state's Annual Comprehensive Financial Report (ACFR), and expanding online reporting formats and citizen engagement.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$469,568)	\$0
FY 2027	(\$477,759)	\$0

NP - 2806 - Fund Switch - Audit Appropriations - OTO -

The Legislative Audit Committee approved this funding switch between state special revenue and general fund to recognize a change in anticipated audit appropriations for billed work. This is a funding switch only and does not contain any additional expenditures. Higher Legislative Audit Division staffing levels, combined with statutory pay increases, have resulted in higher costs as a component of the divisions' billing rate. The increase in the billing rate has also combined with an increase in the number of hours associated with federal Single Audits in the next biennium, resulting in a significant increase in the amount of state special revenue the division anticipates collecting through agency billing.

The funding switch results in a reduction in general fund of \$469,568 in FY 2026 and a reduction of \$477,759 in FY 2027. As the federal Single Audit effort stabilizes through the transition to an annual cycle, as required under HB132, the division anticipates this situation will reverse and state special revenue will proportionally decline as a funding source as more risk-based financial audits are implemented.

Legislative Branch - 11040

Audit & Examination - 28

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$132,165	\$0
FY 2027	\$132,165	\$0

NP - 2807 - Fund Switch - Statewide Risk Assessment - OTO -

The Legislative Audit Committee approved this new proposal which is for both years of the biennium. The Legislative Audit Division proposes redirecting existing resources in the division's Information Technology (IT) Audit and Analytics team to fully implement a statewide risk assessment supporting the division's risk-based audit decisions and planning. This proposal redirects existing audit efforts at the Montana State Lottery, related to lottery security, and the Department of Administration, related to the Statewide Accounting, Budgeting and Human Resources System (SABHRS). The effort currently associated with these audits will instead be used to support the statewide risk assessment process, which will provide an assessment of significant IT risks across all agencies, focusing on mission-critical enterprise IT systems as well as general IT controls that support and manage those systems. This proposal eliminates proprietary fund audit appropriations of \$94,050 (SABHRS) and \$38,115 (Lottery) in each fiscal year of the biennium, resulting in a combined funding shift of \$132,165 to the general fund. This general fund shift is intended as a temporary measure for the 2027 Biennium only, pending negotiation with the State Information Technology Service Division to implement a rate-based funding mechanism that allocates costs for the IT risk assessments on a statewide basis for the 2029 Biennium. Implementing legislation will also be required to address current provisions in law related to the Lottery security and IT audit.

Consumer Counsel - 11120

01 Consumer Counsel
Jason Brown 444-2771

Mission Statement - To represent the utility and transportation consuming public of the state of Montana in hearings before the Public Service Commission or any other successor agency, and before state and federal courts and administrative agencies.

Statutory Authority - Article XIII, Section 2, 1972 Montana Constitution
Title 5, Chapter 15 MCA and
Title 69, Chapters 1 and 2 MCA

Consumer Counsel - 11120

Administrative Program - 01

Program Description - The Office of the Consumer Counsel is charged with the duty of representing consumer interests in hearings before the Public Service Commission, or any other successor agency. The agency also may initiate, intervene in, or participate in appropriate proceedings in the court systems, or administrative agencies, on behalf of the public of Montana.

Program Proposed Budget	Starting Point	Budget	Total	Budget	Total	Executive
Budget Item	Fiscal 2025	Adjustments	Exec. Budget	Adjustments	Exec. Budget	Budget Request
	Fiscal 2025	Fiscal 2026	Fiscal 2026	Fiscal 2027	Fiscal 2027	2027 Biennium
FTE	5.54	0.02	5.56	0.02	5.56	
Personal Services	742,879	60,488	803,367	60,489	803,368	1,606,735
Operating Expenses	847,692	151,042	998,734	151,654	999,346	1,998,080
Debt Service	42,865	4,385	47,250	5,330	48,195	95,445
Total Costs	\$1,633,436	\$215,915	\$1,849,351	\$217,473	\$1,850,909	\$3,700,260
State/Other Special	1,633,436	215,915	1,849,351	217,473	1,850,909	3,700,260
Total Funds	\$1,633,436	\$215,915	\$1,849,351	\$217,473	\$1,850,909	\$3,700,260

Program Proposed Budget Adjustments					
		Budget Adjustments		Budget Adjustments	
		Fiscal 2026		Fiscal 2027	
		General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments					
SWPL - 1 - Personal Services		0	58,275	0	58,275
SWPL - 2 - Fixed Costs		0	(1,813)	0	(1,760)
<i>Total Statewide Present Law Adjustments</i>		<i>\$0</i>	<i>\$56,462</i>	<i>\$0</i>	<i>\$56,515</i>
Present Law Adjustments					
PL - 4 - Operating Expenses		0	2,855	0	3,414
PL - 6 - Debt Service Increase		0	4,385	0	5,330
<i>Total Present Law Adjustments</i>		<i>\$0</i>	<i>\$7,240</i>	<i>\$0</i>	<i>\$8,744</i>
New Proposals					
NP - 5 - Contingency Fund		0	150,000	0	150,000
NP - 7 - FTE		0	2,213	0	2,214
<i>Total New Proposals</i>		<i>\$0</i>	<i>\$152,213</i>	<i>\$0</i>	<i>\$152,214</i>
Total Budget Adjustments		\$0	\$215,915	\$0	\$217,473

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$58,275
FY 2027	\$0	\$58,275

SWPL - 1 - Personal Services -

The budget includes an increase of \$58,275 in FY 2026 and FY 2027 to annalize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the snapshot.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	(\$1,813)
FY 2027	\$0	(\$1,760)

SWPL - 2 - Fixed Costs -

The request includes a reduction of \$1,813 in FY 2026 and a reduction of \$1,760 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, warrant writer services, payroll processing, and others. The rates charged for these services are approved in other budgets.

Consumer Counsel - 11120

Administrative Program - 01

-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$2,855
FY 2027	\$0	\$3,414

PL - 4 - Operating Expenses -

This present law adjustment requests an increase of \$2,855 in FY 2026 and an increase of \$3,414 in FY 2027 to address anticipated costs in the agency.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$4,385
FY 2027	\$0	\$5,330

PL - 6 - Debt Service Increase -

This change package includes an increase of \$4,385 in FY 2026 and an increase of \$5,330 in FY 2027 to pay for the office's rental space. These increases are based on current market rates provided by the Department of Administration.

-----New Proposals-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$150,000
FY 2027	\$0	\$150,000

NP - 5 - Contingency Fund -

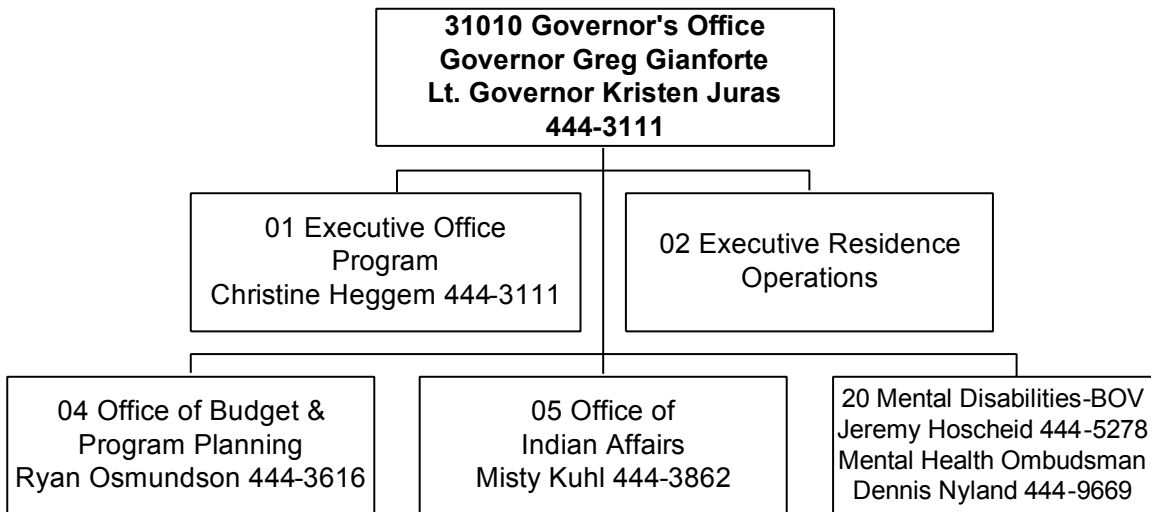
This new proposal requests the retention of the Montana Consumer Counsel's \$300,000 biennial contingency fund. This fund was moved from the agency's base budget to a restricted, biennial, one-time-only appropriation during the 2025 Legislative Session.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$2,213
FY 2027	\$0	\$2,214

NP - 7 - FTE -

This new package requests an additional .02 FTE to account for the two additional committee members on the Legislative Consumer Committee as outlined in SB 176. The agency was not included in the fiscal note distribution for this bill during the 2025 session and therefore was unable to request the additional FTE at that time.

Governor's Office - 31010



Mission Statement - To oversee and direct the activities of the Executive Branch of Montana state government, consistent with statutory and constitutional mandates, in a manner that provides necessary and affordable services to the citizens of Montana.

Statutory Authority - Primary authority is Article VI, Montana Constitution

Agency Proposed Budget			
Budget Item	Total Exec. Budget Fiscal 2026	Total Exec. Budget Fiscal 2027	Total Exec. Budget 2027 Biennium
FTE	60.57	60.57	
Personal Services	29,601,104	29,613,292	59,214,396
Operating Expenses	1,846,251	1,483,782	3,330,033
Total Costs	\$31,447,355	\$31,097,074	\$62,544,429
General Fund	20,213,420	20,047,074	40,260,494
State/Other Special	7,101,760	7,050,000	14,151,760
Proprietary Funds	552,843	500,000	1,052,843
Federal Spec. Rev. Funds	3,579,332	3,500,000	7,079,332
Total Funds	\$31,447,355	\$31,097,074	\$62,544,429

Agency Appropriated Biennium to Biennium Comparison								
Program	2025 Biennium Appropriated Budget		2027 Biennium Requested Budget		Biennium to Biennium Difference (dollars)		Biennium to Biennium Difference (percent)	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
01 - Executive Office Program	7,165,777	7,165,777	7,463,821	7,463,821	298,044	298,044	4.16 %	4.16 %
02 - Executive Residence Operations	196,663	196,663	264,545	264,545	67,882	67,882	34.52 %	34.52 %
04 - Office of Budget & Program Planning	6,847,051	6,847,051	31,036,368	53,220,303	24,189,317	46,373,252	353.28 %	677.27 %
05 - Office of Indian Affairs	439,400	539,400	469,043	569,043	29,643	29,643	6.75 %	5.50 %
20 - Mental Disabilities Bd Vistors & Mental Health Ombudsman	1,010,823	1,010,823	1,026,717	1,026,717	15,894	15,894	1.57 %	1.57 %
Agency Total	\$15,659,714	\$15,759,714	\$40,260,494	\$62,544,429	\$24,600,780	\$46,784,715	157.10 %	296.86 %

Governor's Office - 31010

Executive Office Program - 01

01 Executive Office Program
Chris Heggem 444-3111

Program Description - The Executive Office Program aids the Governor in overseeing and coordinating the activities of the Executive Branch of Montana state government. The program includes the Office of the Lieutenant Governor which is responsible for carrying out duties prescribed by statute established by Article VI, Section 4 of the Montana Constitution, as well as those delegated by the Governor. Statutory authority is Title 2, Chapter 15, part 3, MCA. The program provides administrative, legal, and press support for the Office of the Governor. The Executive Office Program also administers programs with special impact on the citizens and governmental concerns of Montana. Special programs include the Office of Economic Development, which was created to strengthen the foundations of the state's business environment and diversify and expand existing economic endeavors to achieve long-term economic stability and the Office of the Citizens' Advocate.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	29.00	0.00	29.00	0.00	29.00	
Personal Services	3,059,362	80,574	3,139,936	81,292	3,140,654	6,280,590
Operating Expenses	596,516	(5,961)	590,555	(3,840)	592,676	1,183,231
Total Costs	\$3,655,878	\$74,613	\$3,730,491	\$77,452	\$3,733,330	\$7,463,821
General Fund	3,655,878	74,613	3,730,491	77,452	3,733,330	7,463,821
Total Funds	\$3,655,878	\$74,613	\$3,730,491	\$77,452	\$3,733,330	\$7,463,821

Program Proposed Budget Adjustments				
		Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027
		General Fund	Total Funds	General Fund
				Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services		80,574	80,574	81,292
SWPL - 2 - Fixed Costs		(5,102)	(5,102)	(3,260)
SWPL - 3 - Inflation Deflation		(859)	(859)	(580)
<i>Total Statewide Present Law Adjustments</i>		<i>\$74,613</i>	<i>\$74,613</i>	<i>\$77,452</i>
Total Budget Adjustments		\$74,613	\$74,613	\$77,452

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$80,574	\$80,574
FY 2027	\$81,292	\$81,292

SWPL - 1 - Personal Services -

The budget includes \$80,574 in FY 2026 and \$81,292 in FY 2027 to annualize various personal services costs including FY 2023 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

Governor's Office - 31010

Executive Office Program - 01

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$5,102)	(\$5,102)
FY 2027	(\$3,260)	(\$3,260)

SWPL - 2 - Fixed Costs -

The request includes a reduction of \$5,102 in FY 2026 and a reduction of \$3,260 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$859)	(\$859)
FY 2027	(\$580)	(\$580)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$859 in FY 2026 and \$580 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

Governor's Office - 31010

Executive Residence Operations - 02

02 Executive Residence Operations

Program Description - The Executive Residence Operations Program provides for the day-to-day operations of the official state Executive Residence.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	1.57	0.00	1.57	0.00	1.57	
Personal Services	92,108	(7,696)	84,412	(7,698)	84,410	168,822
Operating Expenses	49,941	(2,074)	47,867	(2,085)	47,856	95,723
Total Costs	\$142,049	(\$9,770)	\$132,279	(\$9,783)	\$132,266	\$264,545
General Fund	142,049	(9,770)	132,279	(9,783)	132,266	264,545
Total Funds	\$142,049	(\$9,770)	\$132,279	(\$9,783)	\$132,266	\$264,545

Program Proposed Budget Adjustments				
		Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027
		General Fund	Total Funds	General Fund
				Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services		(7,696)	(7,696)	(7,698)
SWPL - 2 - Fixed Costs		(2,074)	(2,074)	(2,085)
<i>Total Statewide Present Law Adjustments</i>		<i>(\$9,770)</i>	<i>(\$9,770)</i>	<i>(\$9,783)</i>
Total Budget Adjustments		(\$9,770)	(\$9,770)	(\$9,783)

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$7,696)	(\$7,696)
FY 2027	(\$7,698)	(\$7,698)

SWPL - 1 - Personal Services -

The budget includes a reduction of \$7,696 in FY 2026 and a reduction of \$7,698 in FY 2027 to annualize various personal services costs including FY 2023 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$2,074)	(\$2,074)
FY 2027	(\$2,085)	(\$2,085)

SWPL - 2 - Fixed Costs -

The request includes a reduction of \$2,074 in FY 2026 and \$2,085 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

Governor's Office - 31010

Office of Budget & Program Planning - 04

**04 Office of Budget &
Program Planning
Ryan Osmundson 444-3616**

Program Description - The Office of Budget and Program Planning (OBPP) assists the Governor in preparing the Governor's Executive Budget and administering the state government budget. In addition, the OBPP prepares and monitors revenue estimates and collections, prepares and publishes fiscal notes on proposed legislation and initiatives, and acts as approving authority for operational plan changes, program transfers, and budget amendments in the Executive Branch, in accordance with Title 17, Chapter 7, MCA. The OBPP acts as the lead Executive Branch agency for compliance with the federal Single Audit Act. The office also provides accounting, budgeting, human resource, procurement, safety, and information technology support for the entire Governor's Office.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	23.00	0.00	23.00	0.00	23.00	
Personal Services	2,639,970	23,086,388	25,726,358	23,095,829	25,735,799	51,462,157
Operating Expenses	794,913	266,702	1,061,615	(98,382)	696,531	1,758,146
Total Costs	\$3,434,883	\$23,353,090	\$26,787,973	\$22,997,447	\$26,432,330	\$53,220,303
General Fund	3,434,883	12,169,155	15,604,038	11,997,447	15,432,330	31,036,368
State/Other Special	0	7,051,760	7,051,760	7,000,000	7,000,000	14,051,760
Proprietary Funds	0	552,843	552,843	500,000	500,000	1,052,843
Federal Spec. Rev. Funds	0	3,579,332	3,579,332	3,500,000	3,500,000	7,079,332
Total Funds	\$3,434,883	\$23,353,090	\$26,787,973	\$22,997,447	\$26,432,330	\$53,220,303

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	86,388	86,388	95,829	95,829
SWPL - 2 - Fixed Costs	79,247	263,182	(102,192)	(102,192)
SWPL - 3 - Inflation Deflation	(20)	(20)	(13)	(13)
<i>Total Statewide Present Law Adjustments</i>	<i>\$165,615</i>	<i>\$349,550</i>	<i>(\$6,376)</i>	<i>(\$6,376)</i>
Present Law Adjustments				
PL - 401 - OBPP Operating Increase	3,540	3,540	3,823	3,823
<i>Total Present Law Adjustments</i>	<i>\$3,540</i>	<i>\$3,540</i>	<i>\$3,823</i>	<i>\$3,823</i>
New Proposals				
NP - 402 - Recruitment and Retention Contingency Fund	12,000,000	23,000,000	12,000,000	23,000,000
<i>Total New Proposals</i>	<i>\$12,000,000</i>	<i>\$23,000,000</i>	<i>\$12,000,000</i>	<i>\$23,000,000</i>
Total Budget Adjustments	\$12,169,155	\$23,353,090	\$11,997,447	\$22,997,447

Governor's Office - 31010

Office of Budget & Program Planning - 04

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$86,388	\$86,388
FY 2027	\$95,829	\$95,829

SWPL - 1 - Personal Services -

The budget includes \$86,388 in FY 2026 and \$95,829 in FY 2027 to annualize various personal services costs including FY 2023 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$79,247	\$263,182
FY 2027	(\$102,192)	(\$102,192)

SWPL - 2 - Fixed Costs -

The request includes \$263,182 in FY 2026 and a reduction of \$102,192 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The increase in FY 2026 is due to a biennial allocation of costs related to the Legislative Audit Division's Federal Single Audit totaling \$286,804 to OBPP. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$20)	(\$20)
FY 2027	(\$13)	(\$13)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$20 in FY 2026 and \$13 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$3,540	\$3,540
FY 2027	\$3,823	\$3,823

PL - 401 - OBPP Operating Increase -

The executive proposes increased funding for subscription costs related to econometric data. The Office of Budget and Program Planning maintains a contract for an econometric data service on behalf of the OBPP, the Legislative Fiscal Division, and several other state agencies. An annual increase of 8.0% is anticipated.

-----New Proposals-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$12,000,000	\$23,000,000
FY 2027	\$12,000,000	\$23,000,000

NP - 402 - Recruitment and Retention Contingency Fund -

This new proposal establishes a contingency fund for Executive Branch agencies when personnel recruitment and retention issues arise and must be dealt with, but the agency does not have the financial capacity to so. The contingency fund would be managed by the Office of Budget and Program Planning and each request would require Budget Director approval. The funds would be used to adjust base pay for employees upon approval, so the appropriation authority would be transferred to the requesting agency and become a part of the base budget. The fund includes \$12 million general fund, \$7 million state special revenue, \$3.5 million federal special revenue, and \$500,000 appropriated proprietary funds. The appropriation is requested to be restricted and biennial.

Governor's Office - 31010

Office of Indian Affairs - 05

**05 Office of
Indian Affairs
Misty Kuhl 444-3862**

Program Description - The Director of Indian Affairs serves as the Governor's liaison with state Indian tribes, provides information and policy support on issues confronting the Indians of Montana, and advises and makes recommendations on these issues to the Legislative and Executive Branches. The director also serves the Montana congressional delegation as an advisor and intermediary in the field of Indian affairs and acts as spokesperson for representative Native American organizations and groups, both public and private, whenever that support is requested. The program is mandated by 2-15-217 and 90-11-101, MCA.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	2.00	0.00	2.00	0.00	2.00	
Personal Services	181,418	10,809	192,227	10,808	192,226	384,453
Operating Expenses	93,189	(1,112)	92,077	(676)	92,513	184,590
Total Costs	\$274,607	\$9,697	\$284,304	\$10,132	\$284,739	\$569,043
General Fund	224,607	9,697	234,304	10,132	234,739	469,043
State/Other Special	50,000	0	50,000	0	50,000	100,000
Total Funds	\$274,607	\$9,697	\$284,304	\$10,132	\$284,739	\$569,043

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	10,809	10,809	10,808	10,808
SWPL - 2 - Fixed Costs	38	38	101	101
SWPL - 3 - Inflation Deflation	(1,150)	(1,150)	(777)	(777)
<i>Total Statewide Present Law Adjustments</i>	<i>\$9,697</i>	<i>\$9,697</i>	<i>\$10,132</i>	<i>\$10,132</i>
Total Budget Adjustments	\$9,697	\$9,697	\$10,132	\$10,132

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$10,809	\$10,809
FY 2027	\$10,808	\$10,808

SWPL - 1 - Personal Services -

The budget includes \$10,809 in FY 2026 and \$10,808 in FY 2027 to annualize various personal services costs including FY 2023 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

Governor's Office - 31010

Office of Indian Affairs - 05

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$38	\$38
FY 2027	\$101	\$101

SWPL - 2 - Fixed Costs -

The request includes \$38 in FY 2026 and \$101 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$1,150)	(\$1,150)
FY 2027	(\$777)	(\$777)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$1,150 in FY 2026 and \$777 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

Governor's Office - 31010

Mental Disabilities Bd Vistors & Mental Health Ombudsman - 20

**20 Mental Disabilities
Board of Visitors
Jeremy Hoscheid 444-5278**

**Mental Health
Ombudsman
Dennis Nyland 444-9669**

Program Description - The Mental Disabilities Board of Visitors is charged with formally reviewing patient care and assisting people who have complaints about services at Montana's licensed mental health centers, community hospital psychiatric units, children's residential treatment programs, and at the state facilities that serve people with mental illnesses and developmental disabilities. The board provides legal services to patients at the Montana State Hospital. The Governor appoints six board members who represent recipients of services and their families, and the mental health and developmental disability professions. The board employs administrative and legal staff and contracts with mental health and developmental disability professionals to carry out its responsibilities for patient representation and facility review. The Mental Disabilities Board of Visitors Program was created by the Developmental Disabilities Act of 1975 and the Mental Commitment and Treatment Act of 1975 and exists as a state mandate.

The Mental Health Ombudsman is statutorily directed to "represent the interests of individuals with regard to need for public mental health services". The office functions with 2.0 FTE responding to statewide requests for service. The Office of the Ombudsman was created by the legislature in 1999 and is appointed by the Governor for a four year term.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	5.00	0.00	5.00	0.00	5.00	
Personal Services	468,908	(10,737)	458,171	(8,705)	460,203	918,374
Operating Expenses	47,403	6,734	54,137	6,803	54,206	108,343
Total Costs	\$516,311	(\$4,003)	\$512,308	(\$1,902)	\$514,409	\$1,026,717
General Fund	516,311	(4,003)	512,308	(1,902)	514,409	1,026,717
Total Funds	\$516,311	(\$4,003)	\$512,308	(\$1,902)	\$514,409	\$1,026,717

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	(10,737)	(10,737)	(8,705)	(8,705)
SWPL - 2 - Fixed Costs	(747)	(747)	(684)	(684)
SWPL - 3 - Inflation Deflation	(19)	(19)	(13)	(13)
<i>Total Statewide Present Law Adjustments</i>	<i>(\$11,503)</i>	<i>(\$11,503)</i>	<i>(\$9,402)</i>	<i>(\$9,402)</i>
Present Law Adjustments				
PL - 2001 - MHOB Travel Increase	5,000	5,000	5,000	5,000
<i>Total Present Law Adjustments</i>	<i>\$5,000</i>	<i>\$5,000</i>	<i>\$5,000</i>	<i>\$5,000</i>
New Proposals				
NP - 2002 - BOV Operating Increase	2,500	2,500	2,500	2,500
<i>Total New Proposals</i>	<i>\$2,500</i>	<i>\$2,500</i>	<i>\$2,500</i>	<i>\$2,500</i>
Total Budget Adjustments	(\$4,003)	(\$4,003)	(\$1,902)	(\$1,902)

Governor's Office - 31010

Mental Disabilities Bd Vistors & Mental Health Ombudsman - 20

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$10,737)	(\$10,737)
FY 2027	(\$8,705)	(\$8,705)

SWPL - 1 - Personal Services -

The budget includes a reduction of \$10,737 in FY 2026 and \$8,705 in FY 2027 to annualize various personal services costs including FY 2023 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$747)	(\$747)
FY 2027	(\$684)	(\$684)

SWPL - 2 - Fixed Costs -

The request includes a reduction of \$747 in FY 2026 and \$684 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$19)	(\$19)
FY 2027	(\$13)	(\$13)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$19 in FY 2026 and \$13 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$5,000	\$5,000
FY 2027	\$5,000	\$5,000

PL - 2001 - MHOB Travel Increase -

The executive proposes funding to allow the Mental Health Ombudsman to increase travel across the state for outreach & training to local communities. The estimated increase would be \$5,000 each year.

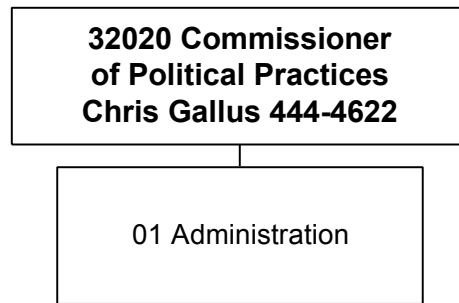
-----New Proposals-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$2,500	\$2,500
FY 2027	\$2,500	\$2,500

NP - 2002 - BOV Operating Increase -

The executive proposes increased funding for travel expenses and payments made to the Mental Disabilities Board members to \$100 for each day in which the member is engaged in the performance of board duties. The estimated increase would be \$2,500 each year.

Commissioner of Political Practices - 32020



Mission Statement - To monitor and to enforce in a fair and impartial manner: campaign practices and campaign finance disclosures; lobbying disclosures; business interest disclosures of statewide and state district candidates, elected state officials, and state department directors; ethical standards of conduct for legislators, public officers, and state employees; and to investigate legitimate complaints that arise concerning any of the above.

Statutory Authority - Title 13, Chapter 37 and Title 2, Chapter 2, MCA.

Commissioner of Political Practices - 32020

Administration - 01

Program Description - The Commissioner of Political Practices is provided for in 13-37-102, MCA, which was enacted in 1975 as part of a campaign finance and practice law reform package, with duties and responsibilities set forth in Title 13, Chapter 37, part 1, MCA. Additional responsibilities for the office were created through passage of an initiative in 1980 which provided for both lobbying disclosure and disclosure of business interests of elected officials. In 1995 the legislature enacted the code of ethics and assigned to the commissioner the responsibility for administering ethical standards of conduct for legislators, public officers, and state employees.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	7.00	0.00	7.00	0.00	7.00	
Personal Services	633,769	41,054	674,823	43,220	676,989	1,351,812
Operating Expenses	296,893	(18,089)	278,804	(22,108)	274,785	553,589
Total Costs	\$930,662	\$22,965	\$953,627	\$21,112	\$951,774	\$1,905,401
General Fund	930,662	22,965	953,627	21,112	951,774	1,905,401
Total Funds	\$930,662	\$22,965	\$953,627	\$21,112	\$951,774	\$1,905,401

Program Proposed Budget Adjustments				
		Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027
		General Fund	Total Funds	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services		41,054	41,054	43,220
SWPL - 2 - Fixed Costs		(18,050)	(18,050)	(22,082)
SWPL - 3 - Inflation Deflation		(39)	(39)	(26)
<i>Total Statewide Present Law Adjustments</i>		<i>\$22,965</i>	<i>\$22,965</i>	<i>\$21,112</i>
Total Budget Adjustments		\$22,965	\$22,965	\$21,112

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$41,054	\$41,054
FY 2027	\$43,220	\$43,220

SWPL - 1 - Personal Services -

The budget includes \$41,054 in FY 2026 and \$43,220 in FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$18,050)	(\$18,050)
FY 2027	(\$22,082)	(\$22,082)

SWPL - 2 - Fixed Costs -

The request includes a reduction of \$23,651 in FY 2026 and a reduction \$29,772 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

Commissioner of Political Practices - 32020

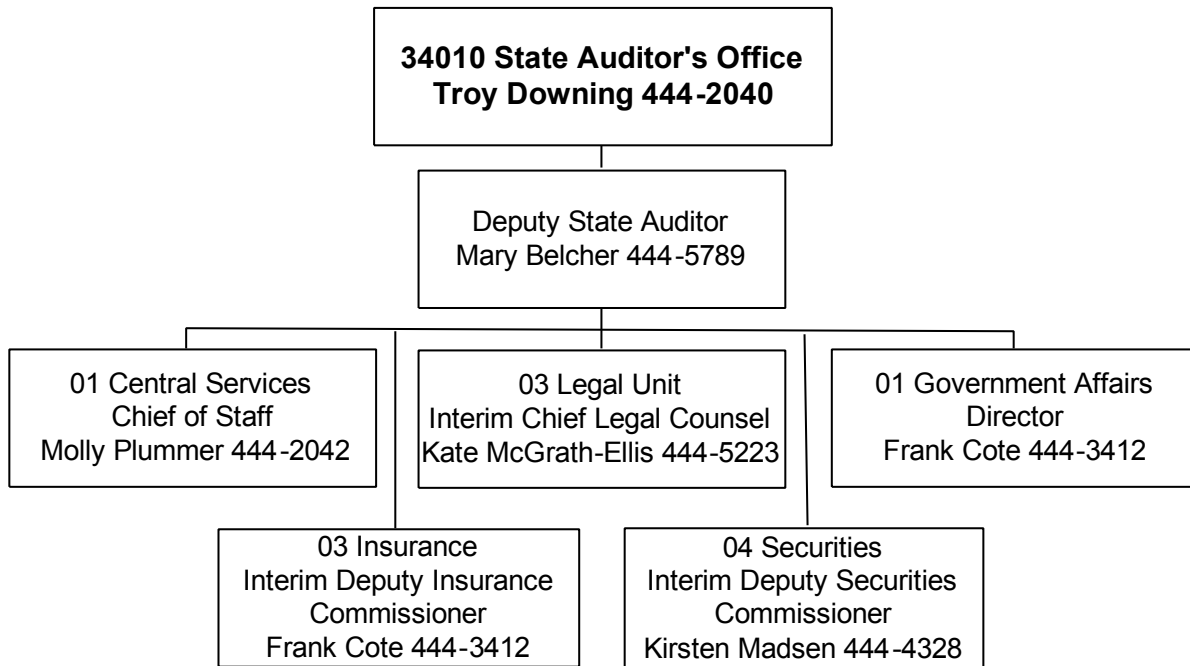
Administration - 01

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$39)	(\$39)
FY 2027	(\$26)	(\$26)

SWPL - 3 - Inflation Deflation -

This change package includes an reduction of \$39 in FY 2026 and \$26 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

State Auditor's Office - 34010



Mission Statement - The mission of the Office of the Montana State Auditor has five components:

- Informing consumers and industry through education and outreach
- Providing responsive and meaningful customer service
- Investigating complaints and prosecuting fraud
- Supporting Montana by promoting industry innovation and removing unnecessary regulatory roadblocks and red tape
- Managing State Trust Lands for the ongoing benefit of public education and Montana industry and recreation that depends on responsible use of State land as a member of the State Land Board

Statutory Authority - Title 30, Chapter 10, MCA, Securities Regulation
Title 33, MCA, Insurance Regulation

Agency Proposed Budget	Total Exec. Budget Fiscal 2026	Total Exec. Budget Fiscal 2027	Total Exec. Budget 2027 Biennium
Budget Item			
FTE	72.50	72.50	
Personal Services	7,552,086	7,564,468	15,116,554
Operating Expenses	3,198,126	3,195,996	6,394,122
Equipment & Intangible Assets	37,994	37,994	75,988
Grants	62,431,143	70,431,143	132,862,286
Benefits & Claims	157,393	157,393	314,786
Debt Service	552,118	552,118	1,104,236
Total Costs	\$73,928,860	\$81,939,112	\$155,867,972
General Fund	157,393	157,393	314,786
State/Other Special	28,743,001	31,781,719	60,524,720
Federal Spec. Rev. Funds	45,028,466	50,000,000	95,028,466
Total Funds	\$73,928,860	\$81,939,112	\$155,867,972

State Auditor's Office - 34010

Agency Appropriated Biennium to Biennium Comparison								
Program	2025 Biennium Appropriated Budget		2027 Biennium Requested Budget		Biennium to Biennium Difference (dollars)		Biennium to Biennium Difference (percent)	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
01 - Central Management	0	4,701,532	0	5,698,562	0	997,030	0.00 %	21.21 %
03 - Insurance	177,393	105,297,604	314,786	146,932,686	137,393	41,635,082	77.45 %	39.54 %
04 - Securities	0	3,266,494	0	3,236,724	0	(29,770)	0.00 %	(0.91)%
Agency Total	\$177,393	\$113,265,630	\$314,786	\$155,867,972	\$137,393	\$42,602,342	77.45 %	37.61 %

State Auditor's Office - 34010

Central Management - 01

**01 Central Services
Division
Molly Plummer 444-2042**

Program Description - The Central Management Division is responsible for the administrative, personnel, budgeting, and accounting functions for the office. The division also provides support to the commissioner in fulfilling the duties as a member of the Land Board and Crop Hail Insurance Board.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	17.00	0.00	17.00	0.00	17.00	
Personal Services	1,730,629	28,478	1,759,107	31,002	1,761,631	3,520,738
Operating Expenses	556,235	379,731	935,966	428,657	984,892	1,920,858
Equipment & Intangible Assets	1,683	0	1,683	0	1,683	3,366
Debt Service	126,800	0	126,800	0	126,800	253,600
Total Costs	\$2,415,347	\$408,209	\$2,823,556	\$459,659	\$2,875,006	\$5,698,562
State/Other Special	2,415,347	408,209	2,823,556	459,659	2,875,006	5,698,562
Total Funds	\$2,415,347	\$408,209	\$2,823,556	\$459,659	\$2,875,006	\$5,698,562

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	0	28,478	0	31,002
SWPL - 2 - Fixed Costs	0	79,755	0	128,673
SWPL - 3 - Inflation Deflation	0	(24)	0	(16)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$108,209</i>	<i>\$0</i>	<i>\$159,659</i>
New Proposals				
NP - 4 - Systems and Business Modernization	0	300,000	0	300,000
<i>Total New Proposals</i>	<i>\$0</i>	<i>\$300,000</i>	<i>\$0</i>	<i>\$300,000</i>
Total Budget Adjustments	\$0	\$408,209	\$0	\$459,659

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$28,478
FY 2027	\$0	\$31,002

SWPL - 1 - Personal Services -

The budget includes an increase of \$28,478 in FY 2026 and an increase of \$31,002 FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

State Auditor's Office - 34010

Central Management - 01

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$79,755
FY 2027	\$0	\$128,673

SWPL - 2 - Fixed Costs -

The request includes an increase of \$79,755 in FY 2026 and an increase of \$128,673 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rate charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	(\$24)
FY 2027	\$0	(\$16)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$24 in FY 2026 and a reduction of \$16 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

-----New Proposals-----

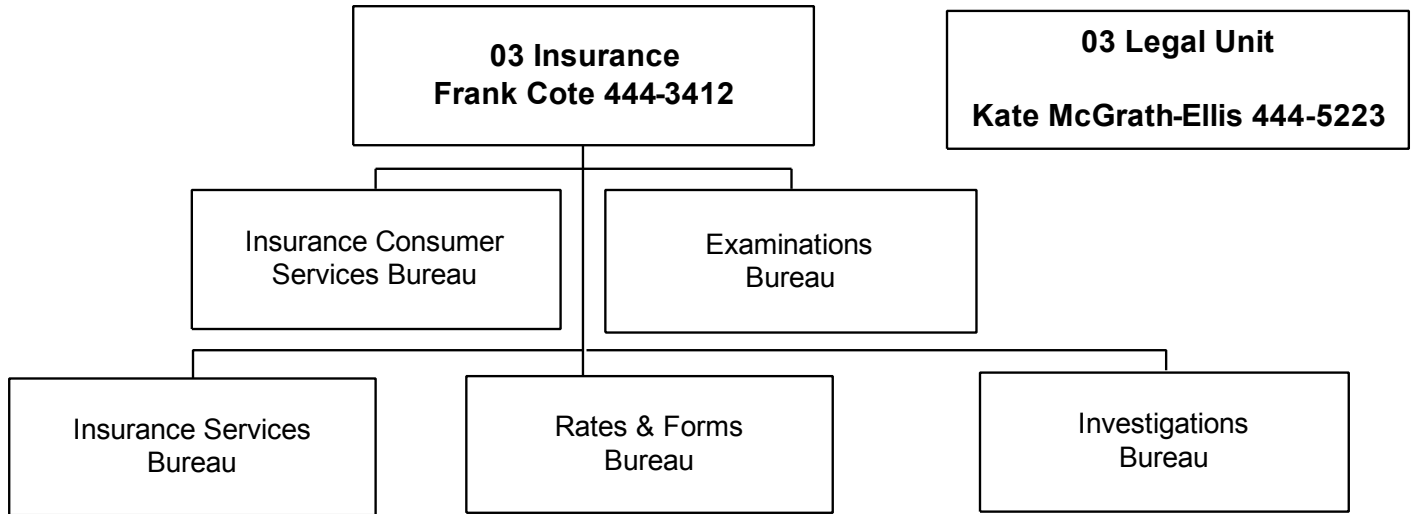
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$300,000
FY 2027	\$0	\$300,000

NP - 4 - Systems and Business Modernization -

As part of the IT Strategic Plan, the State Auditor's Office (SAO) has identified key opportunities to enhance IT systems and streamline business processes through targeted improvements. Due to limited staffing at the SAO, an experienced process consulting and technology vendor has been engaged to provide specialized analysis and IT support over specific project phases. This approach offers efficiency and cost-effectiveness compared to in-house hiring, enabling SAO to achieve significant process improvements and cost savings. Accordingly, SAO requests \$300,000 for FY 2026 and FY 2027, for a total of \$600,000, from state special revenue, with no general fund impact.

State Auditor's Office - 34010

Insurance - 03



Program Description - The Insurance Division regulates the insurance industry in Montana. The Insurance Consumer Services Bureau is responsible for resolving insurance consumer inquiries and complaints involving agents, coverage, and companies. The Examinations Bureau is responsible for monitoring the financial solvency of insurance companies, collecting premium taxes and company fees, and auditing insurance company annual statements. Also housed in this bureau is the captive insurance program, which promotes Montana as a captive domicile and regulates captive insurers in the state. The Rates and Forms Bureau is responsible for reviewing rate and form filings to ensure compliance with the applicable insurance code. The Insurance Services Bureau is responsible for licensing and providing continuing education to insurance agents, agencies, and adjustors. The Legal Unit, which serves both the Insurance and Securities Divisions, provides legal support to the divisions. The Investigations Bureau investigates code and rule violations, including possible criminal violations, and recommends referral of cases to county attorneys for prosecution.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	44.00	0.00	44.00	0.00	44.00	
Personal Services	4,485,865	(45,486)	4,440,379	(36,561)	4,449,304	8,889,683
Operating Expenses	1,205,948	900,515	2,106,463	858,366	2,064,314	4,170,777
Equipment & Intangible Assets	5,109	0	5,109	0	5,109	10,218
Grants	44,031,143	18,400,000	62,431,143	26,400,000	70,431,143	132,862,286
Benefits & Claims	157,393	0	157,393	0	157,393	314,786
Debt Service	342,468	0	342,468	0	342,468	684,936
Total Costs	\$50,227,926	\$19,255,029	\$69,482,955	\$27,221,805	\$77,449,731	\$146,932,686
General Fund	157,393	0	157,393	0	157,393	314,786
State/Other Special	15,970,533	8,326,563	24,297,096	11,321,805	27,292,338	51,589,434
Federal Spec. Rev. Funds	34,100,000	10,928,466	45,028,466	15,900,000	50,000,000	95,028,466
Total Funds	\$50,227,926	\$19,255,029	\$69,482,955	\$27,221,805	\$77,449,731	\$146,932,686

State Auditor's Office - 34010

Insurance - 03

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	0	(45,486)	0	(36,561)
SWPL - 2 - Fixed Costs	0	75,639	0	8,450
SWPL - 3 - Inflation Deflation	0	(124)	0	(84)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$30,029</i>	<i>\$0</i>	<i>(\$28,195)</i>
Present Law Adjustments				
PL - 5 - Insurer Examination & Rate Review	0	825,000	0	850,000
PL - 6 - Montana Reinsurance Program	0	18,400,000	0	26,400,000
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$19,225,000</i>	<i>\$0</i>	<i>\$27,250,000</i>
Total Budget Adjustments	\$0	\$19,255,029	\$0	\$27,221,805

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	(\$45,486)
FY 2027	\$0	(\$36,561)

SWPL - 1 - Personal Services -

The budget includes a reduction of \$45,486 in FY 2026 and a reduction of \$36,561 in FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$75,639
FY 2027	\$0	\$8,450

SWPL - 2 - Fixed Costs -

The request includes an increase of \$75,639 in FY 2026 and an increase of \$8,450 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rate charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	(\$124)
FY 2027	\$0	(\$84)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$124 in FY 2026 and a reduction of \$84 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

State Auditor's Office - 34010

Insurance - 03

-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$825,000
FY 2027	\$0	\$850,000

PL - 5 - Insurer Examination & Rate Review -

The State Auditor's Office is statutorily required to examine each authorized insurer and each captive risk retention group at least every five years. The SAO also has the authority to determine that a market conduct examination should be conducted. For each of these examinations, the SAO must retain attorneys, appraisers, independent actuaries, independent certified public accountants, or other professionals and specialists. The contracted rates for the professional services required to complete the examinations have increased. The cost of completing the examinations, including the noted professional services, is borne by the company that is the subject of the examination.

In addition, the SAO must review long term care, health and property and casualty rate filings each year. While the SAO has internal team resources, their expertise does not encompass all essential areas. The SAO must continue to contract for these services and the rate for this skill set has increased.

This request is for \$825,000 in FY 2026 and \$850,000 in FY 2027, for a total of \$1,675,000. The contract payments will be from state special revenue.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$18,400,000
FY 2027	\$0	\$26,400,000

PL - 6 - Montana Reinsurance Program -

The Montana Reinsurance Program was established under SB 125 during the 2019 legislative session and codified in Title 33, Chapter 22, part 13, MCA. The program has worked to stabilize Montana's individual health insurance market, foster competition, and reduce premiums by reimbursing qualifying high-cost health insurance claims. The average impact of the program, since inception, is an individual health insurance premium reduction of 8% to 10% relative to premium levels without the program. The reinsurance program reimburses health insurance exchange insurers for certain high-cost claims in the individual market by using a mix of federal pass-through funding and state special revenue funds from a 1.2% assessment of member insurers' total premium volume. The Centers for Medicare & Medicaid Services provide an annual funding award. Federal and state special revenue fund amounts not expended in the current award year can be carried over and used in subsequent years if the program is still active. In addition, the most recent federal award increased by 26%. This request is for an additional \$18,400,000 in FY 2026 and \$26,400,000 in FY 2027 in federal and state special revenue fund authority.

State Auditor's Office - 34010

Securities - 04

04 Securities
Kirsten Madsen 444-4328

Program Description - The Securities Division is responsible for the administration and enforcement of the Securities Act of Montana and the registration of securities issuers, salespeople, broker-dealers, investment advisers, investment adviser representatives and multi-level marketing companies. The division is also responsible for the investigation of unregistered and fraudulent securities transactions. The division has sole jurisdiction for investment advisor firms with assets of under \$100 million. The division investigates securities code and rule violations, including possible criminal violations, takes appropriate administrative action and refers criminal cases to either federal authorities or county attorneys for prosecution.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	11.50	0.00	11.50	0.00	11.50	
Personal Services	1,398,827	(46,227)	1,352,600	(45,294)	1,353,533	2,706,133
Operating Expenses	94,808	60,889	155,697	51,982	146,790	302,487
Equipment & Intangible Assets	1,202	30,000	31,202	30,000	31,202	62,404
Debt Service	82,850	0	82,850	0	82,850	165,700
Total Costs	\$1,577,687	\$44,662	\$1,622,349	\$36,688	\$1,614,375	\$3,236,724
State/Other Special	1,577,687	44,662	1,622,349	36,688	1,614,375	3,236,724
Total Funds	\$1,577,687	\$44,662	\$1,622,349	\$36,688	\$1,614,375	\$3,236,724

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	0	(46,227)	0	(45,294)
SWPL - 2 - Fixed Costs	0	10,952	0	2,024
SWPL - 3 - Inflation Deflation	0	(63)	0	(42)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>(\$35,338)</i>	<i>\$0</i>	<i>(\$43,312)</i>
New Proposals				
NP - 7 - Investigations Tracking and Management System	0	30,000	0	30,000
NP - 8 - Outreach and Education	0	50,000	0	50,000
<i>Total New Proposals</i>	<i>\$0</i>	<i>\$80,000</i>	<i>\$0</i>	<i>\$80,000</i>
Total Budget Adjustments	\$0	\$44,662	\$0	\$36,688

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	(\$46,227)
FY 2027	\$0	(\$45,294)

SWPL - 1 - Personal Services -

The budget includes a reduction of \$46,227 in FY 2026 and a reduction of \$45,294 in FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

State Auditor's Office - 34010

Securities - 04

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$10,952
FY 2027	\$0	\$2,024

SWPL - 2 - Fixed Costs -

The request includes an increase of \$10,952 in FY 2026 and an increase of \$2,024 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rate charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	(\$63)
FY 2027	\$0	(\$42)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$63 in FY 2026 and a reduction of \$42 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

-----New Proposals-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$30,000
FY 2027	\$0	\$30,000

NP - 7 - Investigations Tracking and Management System -

The Securities Division recently implemented an investigations and workflow management system. This system automates and centralizes activities that had previously been performed manually. The system is also used to automate and centralize processes and information related to other Securities Division workflows, including registration of securities, examinations of broker-dealers and investment advisor firms, and the handling of deficient notice of filings.

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

The cost of the investigations workflow management system is a subscription-based cloud product with annual fees. This request is for \$30,000 in FY 2026 and FY 2027, for a total of \$60,000 from state special revenue.

State Auditor's Office - 34010

Securities - 04

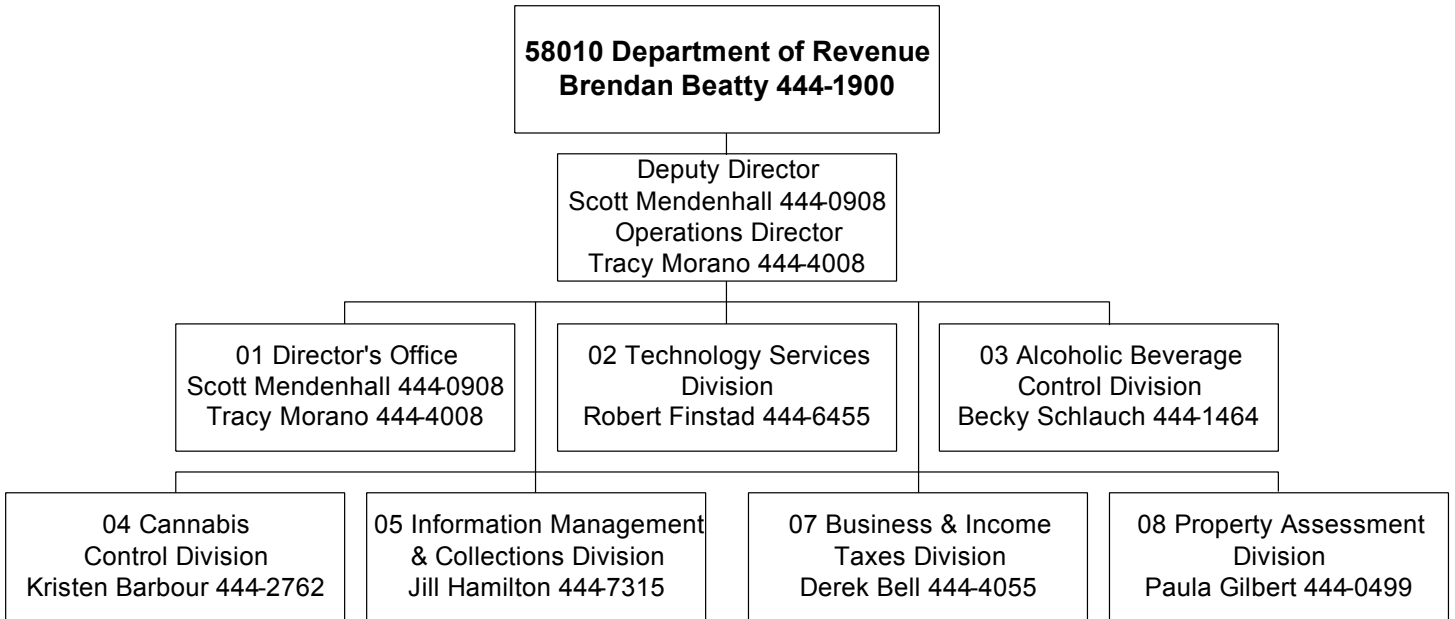
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$50,000
FY 2027	\$0	\$50,000

NP - 8 - Outreach and Education -

The Securities Division provides investor education and outreach to consumers throughout Montana through live presentations, a symposium, and a summit. The target audiences include senior citizens, veterans, and Native American communities. The live presentation outreach events provide education to investors regarding financial literacy to prevent exploitation and encourage the public to contact the Securities Division with questions regarding investments or fraud. The symposium is open to and intended for state registered investment advisors to provide education on examination trends, marketplace and regulatory developments, and other topics aimed at providing education to protect their investment clients. The summit is designed to bring capital investors together to help grow the business economy in Montana and provides education on raising capital, trademarks, patents, trade secrets and intellectual property.

The investor education and outreach had previously been funded through a grant from a nonprofit organization. The Securities Division has found these education and outreach events to be well attended, reaching thousands of Montana citizens. The continuation of these efforts will continue to educate and protect the public. This request is for \$50,000 in FY 2026 and FY 2027, for a total of \$100,000, from state special revenue.

Department of Revenue - 58010



Mission Statement - To be the nation's most citizen-oriented, efficiently administered state tax agency.

Statutory Authority - Titles 2, 15, 16, 39, MCA.

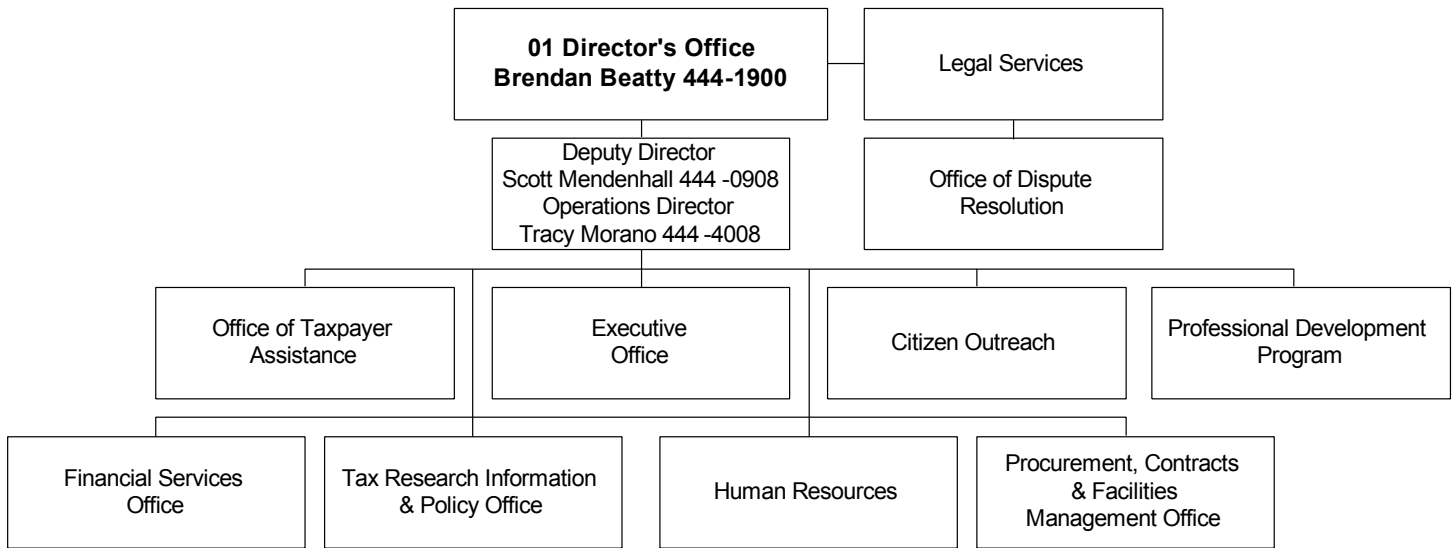
Agency Proposed Budget	Total Exec. Budget Fiscal 2026	Total Exec. Budget Fiscal 2027	Total Exec. Budget 2027 Biennium
Budget Item			
FTE	677.06	677.06	
Personal Services	57,779,236	57,951,890	115,731,126
Operating Expenses	161,922,264	162,525,210	324,447,474
Equipment & Intangible Assets	153,154	153,154	306,308
Local Assistance	2,000,000	2,000,000	4,000,000
Transfers	170,601,500	170,601,500	341,203,000
Debt Service	1,237,636	1,237,636	2,475,272
Total Costs	\$393,693,790	\$394,469,390	\$788,163,180
General Fund	68,602,451	69,257,899	137,860,350
State/Other Special	100,056,798	100,160,479	200,217,277
Proprietary Funds	224,531,518	224,547,989	449,079,507
Federal Spec. Rev. Funds	503,023	503,023	1,006,046
Total Funds	\$393,693,790	\$394,469,390	\$788,163,180

Department of Revenue - 58010

Agency Appropriated Biennium to Biennium Comparison								
Program	2025 Biennium Appropriated Budget		2027 Biennium Requested Budget		Biennium to Biennium Difference (dollars)		Biennium to Biennium Difference (percent)	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
01 - Directors Office	19,341,778	20,622,845	20,696,161	21,744,741	1,354,383	1,121,896	7.00 %	5.44 %
02 - Technology Services Division	21,463,686	22,776,460	21,064,555	22,214,711	(399,131)	(561,749)	(1.86)%	(2.47)%
03 - Alcoholic Beverage Control Div	0	447,160,707	0	447,957,349	0	796,642	0.00 %	0.18 %
04 - Cannabis Control Division	0	182,967,588	0	196,850,657	0	13,883,069	0.00 %	7.59 %
05 - Information Mgmt & Collections	13,588,898	13,915,891	14,770,198	15,097,172	1,181,300	1,181,281	8.69 %	8.49 %
07 - Business & Income Taxes Div	23,994,573	27,425,786	25,620,112	28,554,674	1,625,539	1,128,888	6.77 %	4.12 %
08 - Property Assessment Division	52,851,826	52,886,378	55,709,324	55,743,876	2,857,498	2,857,498	5.41 %	5.40 %
Agency Total	\$131,240,761	\$767,755,655	\$137,860,350	\$788,163,180	\$6,619,589	\$20,407,525	5.04 %	2.66 %

Department of Revenue - 58010

Directors Office - 01



Program Description - The Director's Office (DO) supports the agency's director, provides guidance and oversight for the department, and coordinates the department's legislative efforts. DO is comprised of the following offices:

The Financial Services Office manages the department's centralized accounting, budgeting, and asset management functions.

The Citizen Outreach Office communicates with internal and external stakeholders and is responsible for media relations, digital communications, design and branding, public education and outreach, and training and employee development. In addition, this office oversees the department's call center, e-Stop business licensing, and unclaimed property distribution.

The Office of Taxpayer Assistance works independently from the department's divisions to ensure citizens have an impartial advocate to hear their concerns and questions.

The Executive Office provides administrative support services for the work units within the Director's Office.

The Human Resources Office manages organization and workforce development, policy and practice interpretation, employee and labor relations, staffing, employment law, performance reviews, and compensation.

The Legal Services Office supervises the overall legal efforts of the department, including rules, policies, and bankruptcies.

The Office of Dispute Resolution independently hears and/or mediates cases between the department and taxpayers, liquor licensees, and other members of the public. The office provides an accessible, cost-effective means for taxpayers and licensees to appeal agency determinations or proposed department actions.

The Procurement, Contracts, and Facilities Management Office manages the planning, procurement, contract negotiation, creation, execution, performance measurement, contract resolution, and invoice verification for the department.

The Tax Research Information and Policy Office provides accurate and timely information for the Governor, the legislature, and Montana citizens. This includes the compilation of basic tax data and the publication of the statutory biennial report.

The Professional Development Program provides mission-centric and adaptive professional development opportunities specific to the department's administration of taxes, property valuation, liquor control, and cannabis regulation.

Department of Revenue - 58010

Directors Office - 01

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	65.19	0.00	65.19	0.00	65.19	
Personal Services	6,496,111	138,615	6,634,726	152,028	6,648,139	13,282,865
Operating Expenses	2,119,434	94,211	2,213,645	104,971	2,224,405	4,438,050
Local Assistance	2,000,000	0	2,000,000	0	2,000,000	4,000,000
Transfers	1,500	0	1,500	0	1,500	3,000
Debt Service	10,413	0	10,413	0	10,413	20,826
Total Costs	\$10,627,458	\$232,826	\$10,860,284	\$256,999	\$10,884,457	\$21,744,741
General Fund	10,123,168	212,826	10,335,994	236,999	10,360,167	20,696,161
State/Other Special	348,540	20,000	368,540	20,000	368,540	737,080
Proprietary Funds	155,750	0	155,750	0	155,750	311,500
Total Funds	\$10,627,458	\$232,826	\$10,860,284	\$256,999	\$10,884,457	\$21,744,741

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	138,615	138,615	152,028	152,028
SWPL - 2 - Fixed Costs	59,557	59,557	69,042	69,042
SWPL - 3 - Inflation Deflation	(846)	(846)	(571)	(571)
<i>Total Statewide Present Law Adjustments</i>	<i>\$197,326</i>	<i>\$197,326</i>	<i>\$220,499</i>	<i>\$220,499</i>
New Proposals				
NP - 101 - DO E-Stop Budget Increase	0	20,000	0	20,000
NP - 15 - DO, CCD, BITD, PAD Administrative Resources	15,500	15,500	16,500	16,500
<i>Total New Proposals</i>	<i>\$15,500</i>	<i>\$35,500</i>	<i>\$16,500</i>	<i>\$36,500</i>
Total Budget Adjustments	\$212,826	\$232,826	\$236,999	\$256,999

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$138,615	\$138,615
FY 2027	\$152,028	\$152,028

SWPL - 1 - Personal Services -

The budget includes \$138,615 in FY 2026 and \$152,028 in FY 2027 to annualize various personal services costs including the FY 2025 statewide pay plan, benefit rate adjustments and longevity adjustments related to incumbents in each position at the time of snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$59,557	\$59,557
FY 2027	\$69,042	\$69,042

SWPL - 2 - Fixed Costs -

The request includes \$59,557 in FY 2026 and \$69,042 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies with the state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll process, and others. The rates charged for these services are approved in a separate portion of the budget.

Department of Revenue - 58010

Directors Office - 01

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$846)	(\$846)
FY 2027	(\$571)	(\$571)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$846 in FY 2026 and \$571 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

-----New Proposals-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$20,000
FY 2027	\$0	\$20,000

NP - 101 - DO E-Stop Budget Increase -

The Department of Revenue, Director's Office, requests an increase of \$40,000 for the 2027 Biennium in state special revenue authority for administration of the e-Stop program.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$15,500	\$15,500
FY 2027	\$16,500	\$16,500

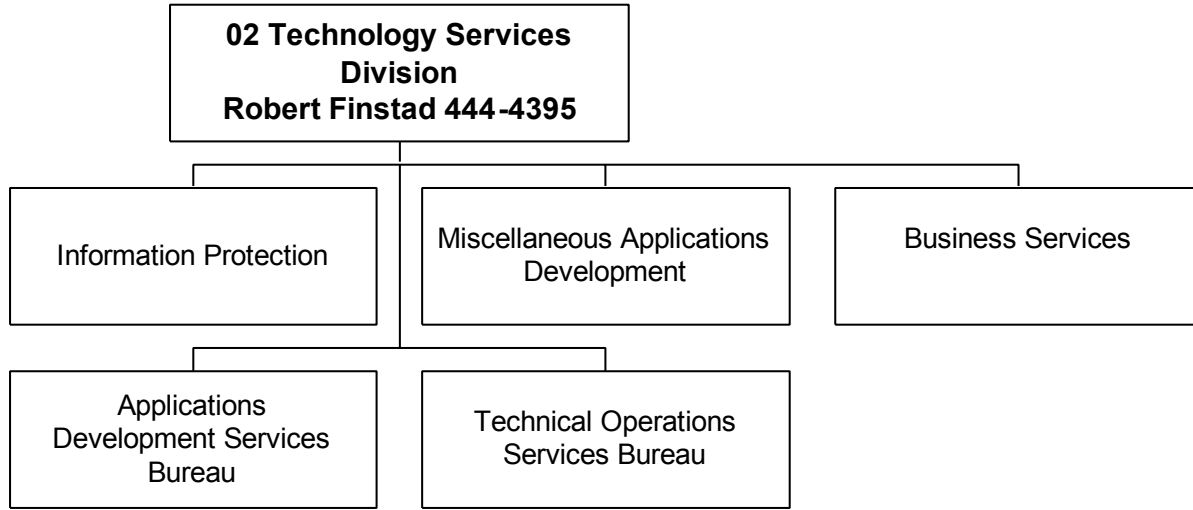
NP - 15 - DO, CCD, BITD, PAD Administrative Resources -

The Department of Revenue requests an increase of \$320,000 for the 2027 Biennium for rental space in Livingston, Boulder, and Butte. The cost of living and wages the department can offer has made it increasingly challenging to recruit and train staff in high-cost locations. The department supplies space for employees from multiple department divisions in the Butte office and has found this to be a successful model for staffing needs for Montana customers. However, the Butte office is currently at full capacity and lacks a conference room for meeting with customers. Having additional office space will better position the department to appropriately staff and serve customers.

This request is proposed across DO, CCD, BITD and PAD. DO, CCD and BITD each will contribute \$32,000 except PAD's portion will be \$224,000.

Department of Revenue - 58010

Technology Services Division - 02



Program Description - The Technology Services Division (TSD) serves as the technological foundation for the department, leveraging IT systems and services to increase internal business operations efficiencies and optimize citizen services. TSD consists of two bureaus and three units:

The Applications Development Services Bureau provides software development and maintenance support for the department's core systems and business and individual income tax and property assessment software applications.

The Technical Operations Services Bureau provides server and computer support for department hardware and software systems, as well as oversight on new system implementations, system upgrades, and endpoint support.

The Information Protection Office provides access control to systems, data protection, audit services, and security training to staff.

The Miscellaneous Applications Development Unit provides software development and maintenance support for the department's miscellaneous applications, workflow tools, and customer web applications.

The Business Services Unit provides business analysis, testing support, and project coordination, facilitation, and management to the department.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	43.00	0.00	43.00	0.00	43.00	
Personal Services	4,408,539	(41,314)	4,367,225	(31,168)	4,377,371	8,744,596
Operating Expenses	5,943,787	502,780	6,446,567	834,561	6,778,348	13,224,915
Equipment & Intangible Assets	122,600	0	122,600	0	122,600	245,200
Transfers	0	0	0	0	0	0
Total Costs	\$10,474,926	\$461,466	\$10,936,392	\$803,393	\$11,278,319	\$22,214,711
General Fund	10,043,848	320,466	10,364,314	656,393	10,700,241	21,064,555
State/Other Special	166,639	20,000	186,639	20,000	186,639	373,278
Proprietary Funds	264,439	121,000	385,439	127,000	391,439	776,878
Total Funds	\$10,474,926	\$461,466	\$10,936,392	\$803,393	\$11,278,319	\$22,214,711

Department of Revenue - 58010

Technology Services Division - 02

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	(41,314)	(41,314)	(31,168)	(31,168)
SWPL - 2 - Fixed Costs	49,311	49,311	71,582	71,582
SWPL - 3 - Inflation Deflation	(31)	(31)	(21)	(21)
<i>Total Statewide Present Law Adjustments</i>	<i>\$7,966</i>	<i>\$7,966</i>	<i>\$40,393</i>	<i>\$40,393</i>
Present Law Adjustments				
PL - 16 - TSD, PAD, and IMCD - Administrative Cost Adjustment	26,000	26,000	38,000	38,000
PL - 201 - TSD Hardware and Software Maintenance	286,500	286,500	578,000	578,000
<i>Total Present Law Adjustments</i>	<i>\$312,500</i>	<i>\$312,500</i>	<i>\$616,000</i>	<i>\$616,000</i>
New Proposals				
NP - 202 - TSD Agriculture Fee Collection	0	20,000	0	20,000
NP - 203 - TSD Liquor Warehouse Software Maintenance	0	121,000	0	127,000
<i>Total New Proposals</i>	<i>\$0</i>	<i>\$141,000</i>	<i>\$0</i>	<i>\$147,000</i>
Total Budget Adjustments	\$320,466	\$461,466	\$656,393	\$803,393

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$41,314)	(\$41,314)
FY 2027	(\$31,168)	(\$31,168)

SWPL - 1 - Personal Services -

The budget includes a decrease of \$41,314 in FY 2026 and \$31,168 in FY 2027 to annualize various personal services costs including the FY 2025 statewide pay plan, benefit rate adjustments and longevity adjustments related to incumbents in each position at the time of snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$49,311	\$49,311
FY 2027	\$71,582	\$71,582

SWPL - 2 - Fixed Costs -

The request includes a funding of \$49,311 in FY 2026 and \$71,582 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies with the state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll process, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$31)	(\$31)
FY 2027	(\$21)	(\$21)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$31 in FY 2026 and \$21 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

Department of Revenue - 58010

Technology Services Division - 02

-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$26,000	\$26,000
FY 2027	\$38,000	\$38,000

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

The Department of Revenue, Technology Services Division (TSD), requests \$64,000 in general fund for the 2027 Biennium for increases in parking costs.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$286,500	\$286,500
FY 2027	\$578,000	\$578,000

PL - 201 - TSD Hardware and Software Maintenance -

The Technology Services Division (TSD), requests a general fund increase of \$864,500 for the 2027 Biennium for multiple department IT systems including the department's integrated tax software, property valuation system, and scanner maintenance.

-----New Proposals-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$20,000
FY 2027	\$0	\$20,000

NP - 202 - TSD Agriculture Fee Collection -

The Department of Revenue (DOR), Technology Services Division, requests \$40,000 state special revenue related to Department of Agriculture functionality on the department's integrated tax software for the 2027 Biennium. A Memorandum of Understanding (MOU) between Department of Revenue and Department of Agriculture was signed in fiscal year 2023 for the Department of Agriculture to pay DOR for the cost of maintenance. The department's tax software was configured to include reporting and payment functionality for fees collected by Department of Agriculture. This appropriation is required for the yearly \$20,000 maintenance and operations fee specified in the MOU.

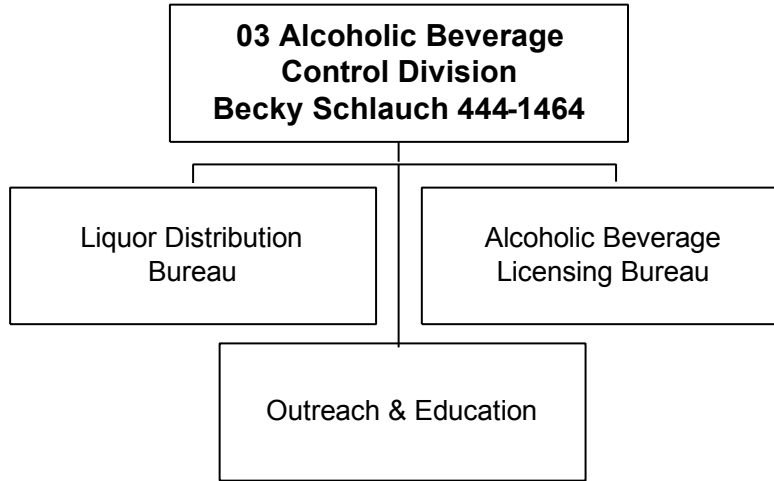
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$121,000
FY 2027	\$0	\$127,000

NP - 203 - TSD Liquor Warehouse Software Maintenance -

The Department of Revenue, Technology Services Division, requests \$248,000 for the 2027 Biennium in proprietary funds. This request is for contracted support services for the new liquor warehouse automated storage and retrieval system and the new warehouse management software.

Department of Revenue - 58010

Alcoholic Beverage Control Div - 03



Program Description - Alcoholic Beverage Control Division

The Alcoholic Beverage Control Division (ABCD) provides effective and efficient administration of the Montana alcoholic beverage code with an emphasis on customer service and public safety.

The Alcoholic Beverage Licensing Bureau protects the welfare and safety of the public by regulating alcoholic beverage licensing laws in a uniform and fair manner.

The Liquor Distribution Bureau maintains a regulated channel of distribution to fulfill the public's demand for distilled spirits and fortified wine through agency liquor stores.

The Outreach and Education Unit provides support for licensees, agency liquor store owners, special permittees, registrants, local law enforcement, and the public through outreach efforts and responsible alcohol sales and service programs.

Program Proposed Budget	Starting Point	Budget	Total	Budget	Total	Executive
Budget Item	Fiscal 2025	Adjustments	Exec. Budget	Adjustments	Exec. Budget	Budget Request
	Fiscal 2025	Fiscal 2026	Fiscal 2026	Fiscal 2027	Fiscal 2027	2027 Biennium
FTE	33.00	0.00	33.00	0.00	33.00	
Personal Services	2,851,925	350,499	3,202,424	357,418	3,209,343	6,411,767
Operating Expenses	141,175,613	29,573	141,205,186	33,125	141,208,738	282,413,924
Equipment & Intangible Assets	30,554	0	30,554	0	30,554	61,108
Transfers	79,500,000	0	79,500,000	0	79,500,000	159,000,000
Debt Service	35,275	0	35,275	0	35,275	70,550
Total Costs	\$223,593,367	\$380,072	\$223,973,439	\$390,543	\$223,983,910	\$447,957,349
Proprietary Funds	223,593,367	380,072	223,973,439	390,543	223,983,910	447,957,349
Total Funds	\$223,593,367	\$380,072	\$223,973,439	\$390,543	\$223,983,910	\$447,957,349

Department of Revenue - 58010

Alcoholic Beverage Control Div - 03

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	0	(14,501)	0	(7,582)
SWPL - 2 - Fixed Costs	0	(21,258)	0	(18,961)
SWPL - 3 - Inflation Deflation	0	(169)	0	(114)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>(\$35,928)</i>	<i>\$0</i>	<i>(\$26,657)</i>
Present Law Adjustments				
PL - 301 - ABCD Warehouse Administrative Resources	0	51,000	0	52,200
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$51,000</i>	<i>\$0</i>	<i>\$52,200</i>
New Proposals				
NP - 302 - ABCD Overtime, Temp Staff, and Termination Payouts (BIEN)	0	365,000	0	365,000
<i>Total New Proposals</i>	<i>\$0</i>	<i>\$365,000</i>	<i>\$0</i>	<i>\$365,000</i>
Total Budget Adjustments	\$0	\$380,072	\$0	\$390,543

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	(\$14,501)
FY 2027	\$0	(\$7,582)

SWPL - 1 - Personal Services -

The budget includes a reduction of \$14,501 in FY 2026 and \$7,582 in FY 2027 to annualize various personal services costs including the FY 2025 statewide pay plan, benefit rate adjustments and longevity adjustments related to incumbents in each position at the time of snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	(\$21,258)
FY 2027	\$0	(\$18,961)

SWPL - 2 - Fixed Costs -

The request includes a reduction of \$21,258 in FY 2026 and \$18,961 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies with the state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll process, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	(\$169)
FY 2027	\$0	(\$114)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$169 in FY 2026 and \$114 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

Department of Revenue - 58010

Alcoholic Beverage Control Div - 03

-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$51,000
FY 2027	\$0	\$52,200

PL - 301 - ABCD Warehouse Administrative Resources -

The Department of Revenue requests an increase of \$103,200 for the 2027 Biennium for operating and maintenance costs associated with the expansion of the liquor warehouse.

-----New Proposals-----

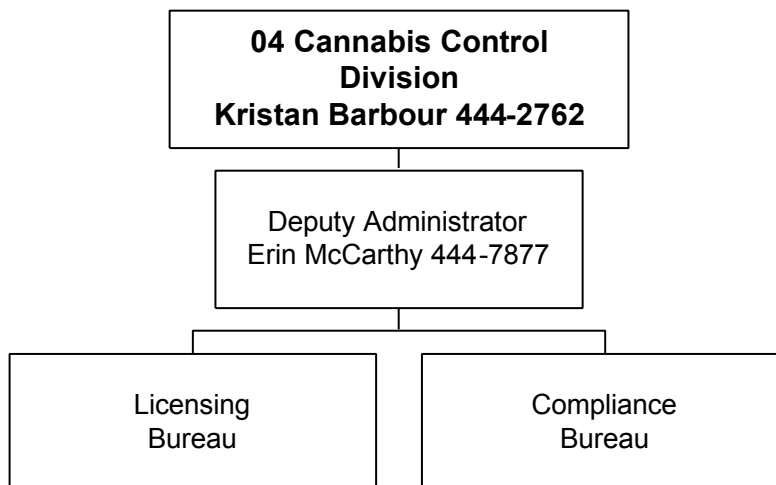
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$365,000
FY 2027	\$0	\$365,000

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

The Department of Revenue, Alcoholic Beverage Control Division, requests a biennial proprietary fund appropriation of \$730,000 to pay for overtime and temporary staff to meet the increase in demand for liquor products especially during peak periods, holiday weeks, and to back-fill personnel while out on vacation or sick leave as well as to provide funds to payout accrued leave balances for employee's retiring and/or leaving the department.

Department of Revenue - 58010

Cannabis Control Division - 04



Program Description - The Cannabis Control Division (CCD) is responsible for the effective and efficient administration of the Montana Marijuana Regulation and Taxation Act. The division provides customer service, data analysis, and support to individuals, medical marijuana cardholders, and to industry employees seeking a worker permit. The division is also responsible for licensing and regulatory oversight of cultivators, dispensaries, manufacturers, transporters, and testing laboratories of marijuana products for the medical and adult-use marijuana markets. The division consists of two bureaus, three regulatory support units, and the Cannabis Laboratory Program.

The Licensing Bureau is responsible for approving registered cardholders, licensing marijuana businesses such as cultivators, manufacturers, dispensaries, testing laboratories, transporters, and issuing worker permits. The bureau's focus is to protect the welfare and safety of the public by ensuring those who apply for a license meet the legal criteria for the cultivation, sale, and use of marijuana products in a uniform and fair manner.

The Compliance Bureau is responsible for inspection, education, and enforcement of the marijuana laws of Montana and consists of the Inspection, Synthetic Marijuana Inspection, Resolution, and Education and Outreach units. The Inspection Unit is responsible for the health and safety of the public through the tracking of all products from seed-to-sale and holding licensees accountable for any violations of the marijuana laws. The Synthetic Marijuana Inspection Unit works to prevent synthetic products from being sold in the state and is responsible for inspecting unlicensed businesses and educating and enforcing the prohibition on all synthetic cannabinoids. The Resolution Unit assures that appropriate resolutions are made with licensees who are in violation of the law. This is done through a review of deficiencies found at inspection and assigns potential civil penalties, suspensions and/or revocations based on severity. This unit also considers settlement negotiations in coordination with the department's legal unit. The Education and Outreach Unit provides education to internal and external stakeholders.

The Cannabis Laboratory Program is responsible for auditing third party testing laboratories to ensure product safety and consumer protection. This is achieved through onsite laboratory audits and continuous offsite seed-to-sale monitoring of testing activities, test results, and sampling. This unit is also responsible for staying current with the latest in cannabis science, public health, and laboratory science along with providing technical expertise for the department.

Department of Revenue - 58010

Cannabis Control Division - 04

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	35.00	7.00	42.00	7.00	42.00	
Personal Services	3,203,049	706,910	3,909,959	711,933	3,914,982	7,824,941
Operating Expenses	2,565,936	735,093	3,301,029	808,751	3,374,687	6,675,716
Transfers	91,100,000	0	91,100,000	0	91,100,000	182,200,000
Debt Service	75,000	0	75,000	0	75,000	150,000
Total Costs	\$96,943,985	\$1,442,003	\$98,385,988	\$1,520,684	\$98,464,669	\$196,850,657
State/Other Special	96,943,985	1,442,003	98,385,988	1,520,684	98,464,669	196,850,657
Total Funds	\$96,943,985	\$1,442,003	\$98,385,988	\$1,520,684	\$98,464,669	\$196,850,657

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	0	23,323	0	28,345
SWPL - 2 - Fixed Costs	0	(13,577)	0	(10,015)
SWPL - 3 - Inflation Deflation	0	(3,479)	0	(2,352)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$6,267</i>	<i>\$0</i>	<i>\$15,978</i>
Present Law Adjustments				
PL - 401 - CCD Compliance Resources	0	901,021	0	881,009
PL - 402 - CCD Contract Increase (BIEN/RST)	0	519,215	0	607,197
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$1,420,236</i>	<i>\$0</i>	<i>\$1,488,206</i>
New Proposals				
NP - 15 - DO, CCD, BITD, PAD Administrative Resources	0	15,500	0	16,500
<i>Total New Proposals</i>	<i>\$0</i>	<i>\$15,500</i>	<i>\$0</i>	<i>\$16,500</i>
Total Budget Adjustments	\$0	\$1,442,003	\$0	\$1,520,684

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$23,323
FY 2027	\$0	\$28,345

SWPL - 1 - Personal Services -

The budget includes \$23,323 in FY 2026 and \$28,345 in FY 2027 to annualize various personal services costs including the FY 2025 statewide pay plan, benefit rate adjustments and longevity adjustments related to incumbents in each position at the time of snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	(\$13,577)
FY 2027	\$0	(\$10,015)

SWPL - 2 - Fixed Costs -

The request includes a reduction of \$13,577 in FY 2026 and \$10,015 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies with the state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll process, and others. The rates charged for these services are approved in a separate portion of the budget.

Department of Revenue - 58010

Cannabis Control Division - 04

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	(\$3,479)
FY 2027	\$0	(\$2,352)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$3,479 in FY 2026 and \$2,352 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$901,021
FY 2027	\$0	\$881,009

PL - 401 - CCD Compliance Resources -

The Department of Revenue, Cannabis Control Division (CCD), requests \$1,782,030 in the 2027 Biennium in a state special revenue fund for additional FTE, including motorpool resources, related to the cannabis moratorium date expiring. With the moratorium on who qualifies for a cannabis license expiring on June 30, 2025, the division anticipates an increase of 500 new site locations. Currently, the division has 12 inspectors for approximately 1,000 site locations. The average workload is 83 inspections per inspector each year. This number only accounts for one annual inspection. However, department inspectors do complaint-based and unannounced mid-year inspections as needed. Based on the estimated increase of 500 new locations, the division needs to increase the inspector team by 6.00 FTE inspectors to allow for the additional workload. Additionally, with more locations to inspect, the division will see an influx in deficiencies that would require the assistance of an additional resolution officer. The department currently has 1.00 FTE who handles approximately 200+ cases involving some form of department regulatory action. With current staffing and workload, the division is struggling to meet these expectations. With the estimated licensee increase, CCD would not be able to perform their statutorily required duties. If the moratorium date gets extended beyond the 2027 Biennium, the department would not need this change package.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$519,215
FY 2027	\$0	\$607,197

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

The Department of Revenue (DOR), Cannabis Control Division, requests a biennial, restricted appropriation of \$1,126,412 in state special revenue to pay for seed-to-sale software. The department pays a variety of fees including program and support fees and monthly cloud hosting fees. Some fees are based on the number of cannabis licensees, and the division estimates up to 500 additional licensees will enter the recreational cannabis market beginning July 1, 2025. The DOR requests this appropriation be restricted so the department can only spend the appropriation on costs related to this software. A portion of the seed to sale software charges are built into the department's base budget. Should the moratorium date be extended, the department would only need \$580,000 in state special revenue authority for the 2027 Biennium.

Department of Revenue - 58010

Cannabis Control Division - 04

-----New Proposals-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$15,500
FY 2027	\$0	\$16,500

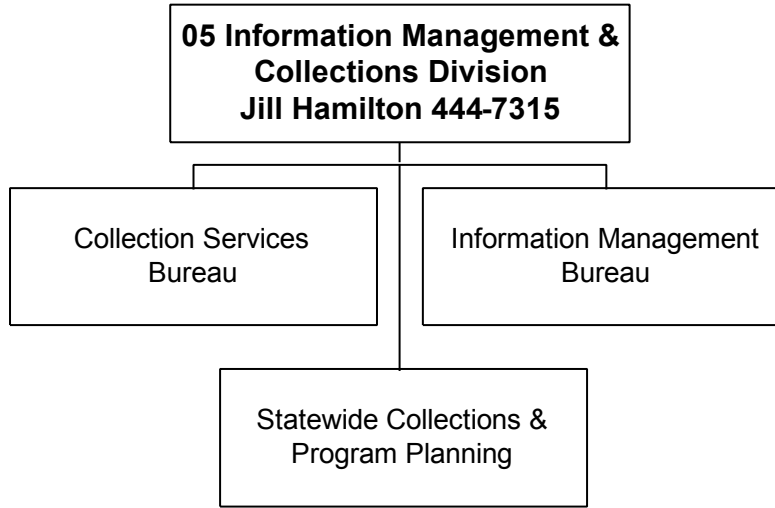
NP - 15 - DO, CCD, BITD, PAD Administrative Resources -

The Department of Revenue requests an increase of \$320,000 for the 2027 Biennium for rental space in Livingston, Boulder, and Butte. The cost of living and wages the department can offer has made it increasingly challenging to recruit and train staff in high-cost locations. The department supplies space for employees from multiple department divisions in the Butte office and has found this to be a successful model for staffing needs for Montana customers. However, the Butte office is currently at full capacity and lacks a conference room for meeting with customers. Having additional office space will better position the department to appropriately staff and serve customers.

This request is proposed across DO, CCD, BITD and PAD. DO, CCD and BITD each will contribute \$32,000 except PAD's portion will be \$224,000.

Department of Revenue - 58010

Information Mgmt & Collections - 05



Program Description - The Information Management and Collections Division (IMCD) is responsible for processing tax returns, refunds, and payments timely and accurately; integrating improved technology to enhance the user experience; increasing electronic filing, resolving overdue debt, and collecting of other state debt. IMCD consists of two bureaus and four units:

The Collection Services Bureau is responsible for administering collection activities associated with delinquent taxes statutorily administered by the department. These activities include contacting taxpayers by phone and/or letter to establish payment arrangements, filing warrants for distraint to secure the state's interest on outstanding tax liabilities, and initiating wage and funds levies to secure payment of debts.

The Information Management Bureau processes tax information, returns, and payments, and ensures the integrity and security of that data. The bureau also maintains and advances electronic alternatives for submission of data to meet the changing demands of tax compliance. The bureau is organized into three units: the Digitization Unit, the Information Governance Unit, and the Customer and Payment Management Unit.

The Statewide Collections and Program Planning Unit coordinates the offset of payments from state agencies against debts owed to other state agencies, local governments entities, and universities that are considered uncollectible.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	70.95	0.00	70.95	0.00	70.95	
Personal Services	5,159,108	2,388	5,161,496	14,647	5,173,755	10,335,251
Operating Expenses	2,000,168	88,848	2,089,016	160,227	2,160,395	4,249,411
Equipment & Intangible Assets	0	0	0	0	0	0
Debt Service	256,255	0	256,255	0	256,255	512,510
Total Costs	\$7,415,531	\$91,236	\$7,506,767	\$174,874	\$7,590,405	\$15,097,172
General Fund	7,252,044	91,236	7,343,280	174,874	7,426,918	14,770,198
State/Other Special	146,597	0	146,597	0	146,597	293,194
Proprietary Funds	16,890	0	16,890	0	16,890	33,780
Total Funds	\$7,415,531	\$91,236	\$7,506,767	\$174,874	\$7,590,405	\$15,097,172

Department of Revenue - 58010

Information Mgmt & Collections - 05

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	2,388	2,388	14,647	14,647
SWPL - 2 - Fixed Costs	37,848	37,848	45,227	45,227
<i>Total Statewide Present Law Adjustments</i>	<i>\$40,236</i>	<i>\$40,236</i>	<i>\$59,874</i>	<i>\$59,874</i>
Present Law Adjustments				
PL - 16 - TSD, PAD, and IMCD - Administrative Cost Adjustment	11,000	11,000	35,000	35,000
PL - 501 - IMCD Administrative Resources	40,000	40,000	80,000	80,000
<i>Total Present Law Adjustments</i>	<i>\$51,000</i>	<i>\$51,000</i>	<i>\$115,000</i>	<i>\$115,000</i>
Total Budget Adjustments	\$91,236	\$91,236	\$174,874	\$174,874

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$2,388	\$2,388
FY 2027	\$14,647	\$14,647

SWPL - 1 - Personal Services -

The budget includes funding to annualize various personal services costs including the FY 2025 statewide pay plan, benefit rate adjustments and longevity adjustments related to incumbents in each position at the time of snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$37,848	\$37,848
FY 2027	\$45,227	\$45,227

SWPL - 2 - Fixed Costs -

The request includes the funding required in the budget to pay fixed costs assessed by other agencies with the state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll process, and others. The rates charged for these services are approved in a separate portion of the budget.

-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$11,000	\$11,000
FY 2027	\$35,000	\$35,000

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

The Department of Revenue, Information Management and Collections Division (IMCD), requests \$46,000 in general fund for the 2027 Biennium to pay for non-state contractual rent increases and associated parking costs currently occupied by IMCD staff.

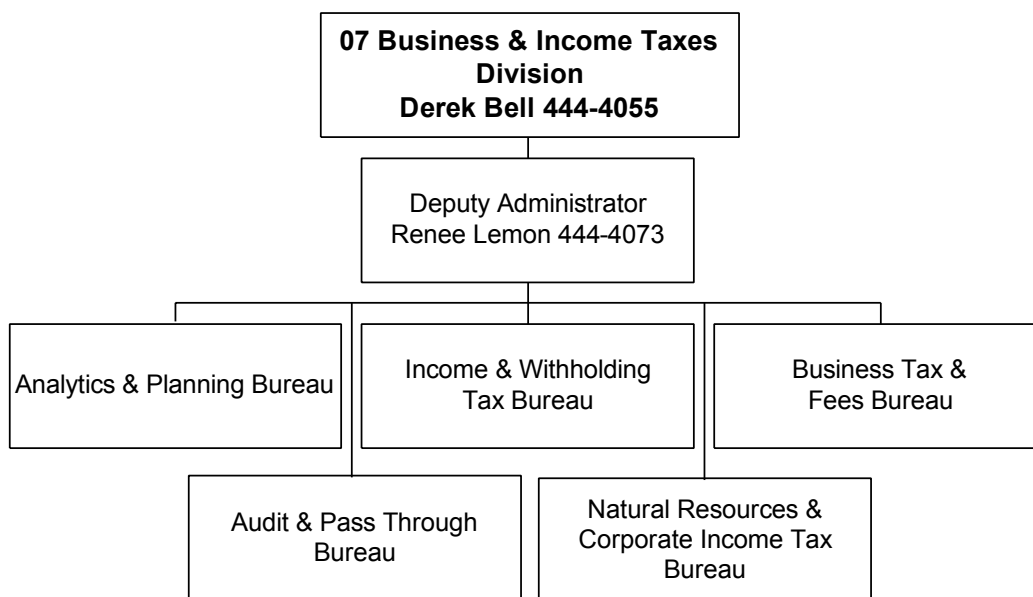
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$40,000	\$40,000
FY 2027	\$80,000	\$80,000

PL - 501 - IMCD Administrative Resources -

The Department of Revenue, Information Management and Collections Division, requests \$120,000 for the 2027 Biennium in the general fund for an inflationary increase related to printing and postage costs.

Department of Revenue - 58010

Business & Income Taxes Div - 07



Program Description - The Business and Income Taxes Division (BITD) is responsible for the administration of and collection of roughly 40 Montana taxes and fees. BITD also determines valuation of all centrally assessed property in the state.

BITD is responsible for equal tax administration, tax type expertise, taxpayer education and outreach, auditing, identification of non-filers, and overall tax compliance. BITD consists of five bureaus and ten units: The administrative group includes the administrator and deputy administrator along with a management officer and support staff. The management officer and staff work collaboratively with all BITD units and are an integral part of the division's daily operations.

The Analytics and Planning Bureau houses the division's management analysts and tax specialists. These employees focus on the division's compliance efforts, forms and administrative rule development, and finding and implementing efficiencies.

The Audits and Pass-through Bureau is responsible for administering certain aspects of Montana's individual income tax laws found in Title 15, Chapter 30. To facilitate this work, the bureau is organized into two units:

The Pass-Through Unit processes, analyzes, and audits the pass-through returns filed with the department. The unit is also responsible for managing the Montana Economic Development Industry Advancement (MEDIA) Act Tax Credit. The Field Audit Unit performs compliance activities related to complex income tax issues found on Montana's individual income tax form.

The Business Tax and Fees Bureau manages over 25 taxes and fees. The bureau is organized into three units: Business Tax Unit, Unclaimed Property/Contractor Gross Receipts Unit, and the Centrally Assessed Property Unit.

The Income and Withholding Tax Bureau is responsible for the daily management and compliance of individual and withholding taxes. The bureau is organized into three units: Compliance Unit, Withholding Unit, and Taxpayer Accounting Unit.

The Natural Resources and Corporate Income Tax Bureau is organized into two units: The Natural Resources Unit administers the state's natural resource taxes, which includes the federal royalty program. The Corporate Income Tax Unit ensures compliance with Montana's corporate income tax code.

Department of Revenue - 58010

Business & Income Taxes Div - 07

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	134.36	1.14	135.50	1.14	135.50	
Personal Services	11,731,091	106,342	11,837,433	166,783	11,897,874	23,735,307
Operating Expenses	2,127,704	260,123	2,387,827	288,720	2,416,424	4,804,251
Debt Service	7,558	0	7,558	0	7,558	15,116
Total Costs	\$13,866,353	\$366,465	\$14,232,818	\$455,503	\$14,321,856	\$28,554,674
General Fund	12,436,572	341,465	12,778,037	405,503	12,842,075	25,620,112
State/Other Special	926,758	25,000	951,758	50,000	976,758	1,928,516
Federal Spec. Rev. Funds	503,023	0	503,023	0	503,023	1,006,046
Total Funds	\$13,866,353	\$366,465	\$14,232,818	\$455,503	\$14,321,856	\$28,554,674

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	22,629	22,629	58,069	58,069
SWPL - 2 - Fixed Costs	244,739	244,739	272,298	272,298
SWPL - 3 - Inflation Deflation	(116)	(116)	(78)	(78)
<i>Total Statewide Present Law Adjustments</i>	<i>\$267,252</i>	<i>\$267,252</i>	<i>\$330,289</i>	<i>\$330,289</i>
Present Law Adjustments				
PL - 701 - BITD Cannabis Local-Option Tax Administration	0	25,000	0	50,000
PL - 702 - BITD Administrative Resources	58,713	58,713	58,714	58,714
<i>Total Present Law Adjustments</i>	<i>\$58,713</i>	<i>\$83,713</i>	<i>\$58,714</i>	<i>\$108,714</i>
New Proposals				
NP - 15 - DO, CCD, BITD, PAD Administrative Resources	15,500	15,500	16,500	16,500
<i>Total New Proposals</i>	<i>\$15,500</i>	<i>\$15,500</i>	<i>\$16,500</i>	<i>\$16,500</i>
Total Budget Adjustments	\$341,465	\$366,465	\$405,503	\$455,503

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$22,629	\$22,629
FY 2027	\$58,069	\$58,069

SWPL - 1 - Personal Services -

The budget includes \$22,629 in FY 2026 and \$58,069 in FY 2027 to annualize various personal services costs including the FY 2025 statewide pay plan, benefit rate adjustments and longevity adjustments related to incumbents in each position at the time of snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$244,739	\$244,739
FY 2027	\$272,298	\$272,298

SWPL - 2 - Fixed Costs -

The request includes \$244,739 in FY 2026 and \$272,298 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies with the state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll process, and others. The rates charged for these services are approved in a separate portion of the budget.

Department of Revenue - 58010

Business & Income Taxes Div - 07

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$116)	(\$116)
FY 2027	(\$78)	(\$78)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$116 in FY 2026 and \$78 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$25,000
FY 2027	\$0	\$50,000

PL - 701 - BITD Cannabis Local-Option Tax Administration -

The Department of Revenue, Business and Income Taxes Division, requests \$75,000 for the 2027 Biennium state special revenue for the administration of the cannabis local-option tax. In 16-12-310, MCA, the department is required to retain a percentage of the cannabis local-option tax collected. However, the department does not have an appropriation to spend this revenue. The requested budget authority would be spent on BIT personal services time spent administering the cannabis local-option tax. These duties include estimating, auditing, and adjusting tax returns as needed.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$58,713	\$58,713
FY 2027	\$58,714	\$58,714

PL - 702 - BITD Administrative Resources -

The Department of Revenue, Business and Income Taxes Division, requests \$117,427 in general fund each year for 1.14 FTE for the 2027 Biennium. Three auditing technician positions are budgeted at 0.41, 0.75, and 0.70 FTE, respectively. This budget request would allow the department to fill each of these positions at 1.00 FTE. In order to complete the workload of the division, these positions are filled and moved between the partial FTE and a modified position. In total, these employees are doing the work of more than the budgeted FTE amounts. It is very difficult to recruit and retain employees in partial FTE positions. This proposal is an administrative cleanup of FTE to avoid requesting modified FTE every biennium.

-----New Proposals-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$15,500	\$15,500
FY 2027	\$16,500	\$16,500

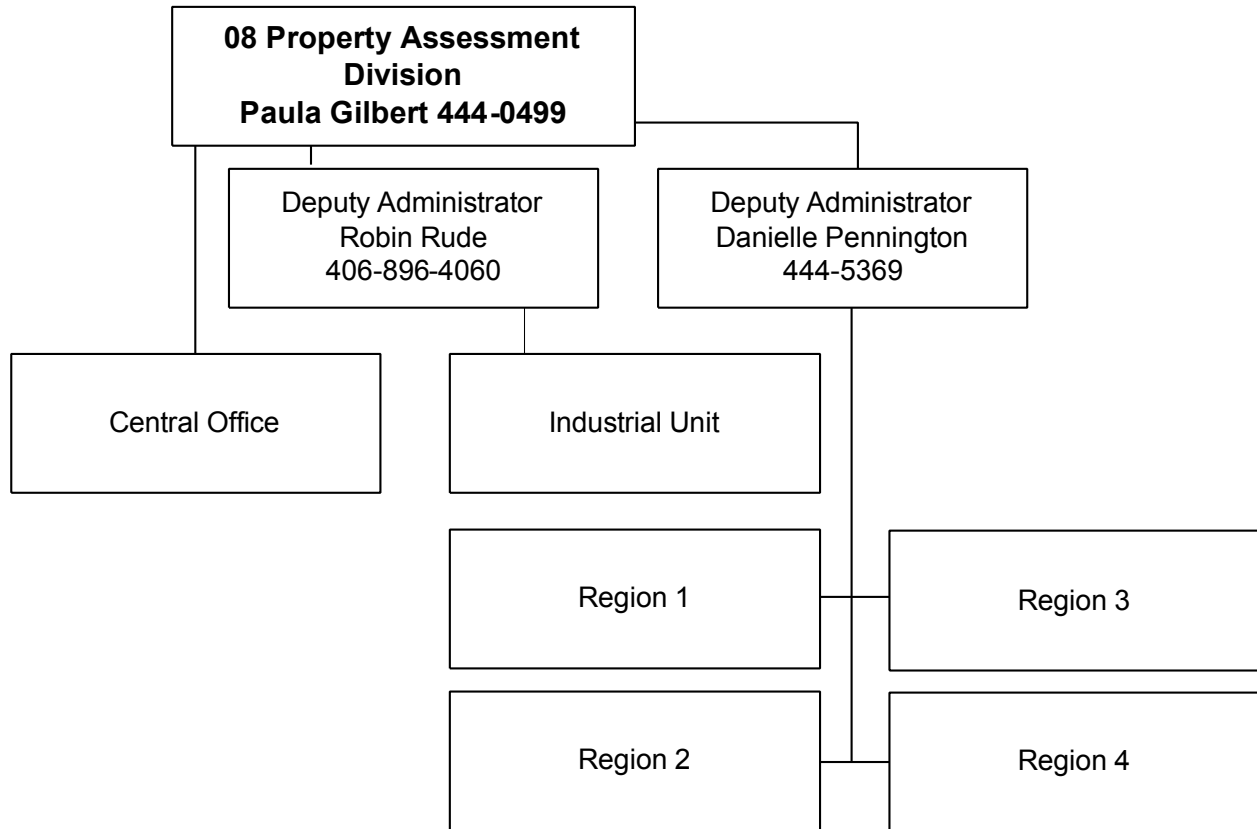
NP - 15 - DO, CCD, BITD, PAD Administrative Resources -

The Department of Revenue requests an increase of \$320,000 for the 2027 Biennium for rental space in Livingston, Boulder, and Butte. The cost of living and wages the department can offer has made it increasingly challenging to recruit and train staff in high-cost locations. The department supplies space for employees from multiple department divisions in the Butte office and has found this to be a successful model for staffing needs for Montana customers. However, the Butte office is currently at full capacity and lacks a conference room for meeting with customers. Having additional office space will better position the department to appropriately staff and serve customers.

This request is proposed across DO, CCD, BITD and PAD. DO, CCD and BITD each will contribute \$32,000 except PAD's portion will be \$224,000.

Department of Revenue - 58010

Property Assessment Division - 08



Program Description - The Property Assessment Division (PAD) is responsible for Montana's property tax laws, including the valuation of all taxable property for property tax purposes. The division ensures that property classes for agricultural and forest land, residential and commercial property, and business equipment are valued uniformly and equally throughout the state. The division provides each tax jurisdiction with the total taxable value of property in the jurisdiction and local governments use these certified values to determine property taxes used to fund community services such as public schools and road construction.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	287.42	0.00	287.42	0.00	287.42	
Personal Services	22,754,166	(88,193)	22,665,973	(23,740)	22,730,426	45,396,399
Operating Expenses	3,445,263	833,731	4,278,994	916,950	4,362,213	8,641,207
Debt Service	853,135	0	853,135	0	853,135	1,706,270
Total Costs	\$27,052,564	\$745,538	\$27,798,102	\$893,210	\$27,945,774	\$55,743,876
General Fund	27,035,288	745,538	27,780,826	893,210	27,928,498	55,709,324
State/Other Special	17,276	0	17,276	0	17,276	34,552
Total Funds	\$27,052,564	\$745,538	\$27,798,102	\$893,210	\$27,945,774	\$55,743,876

Department of Revenue - 58010

Property Assessment Division - 08

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	(88,193)	(88,193)	(23,740)	(23,740)
SWPL - 2 - Fixed Costs	201,764	201,764	229,383	229,383
SWPL - 3 - Inflation Deflation	(26,533)	(26,533)	(17,933)	(17,933)
<i>Total Statewide Present Law Adjustments</i>	<i>\$87,038</i>	<i>\$87,038</i>	<i>\$187,710</i>	<i>\$187,710</i>
Present Law Adjustments				
PL - 16 - TSD, PAD, and IMCD - Administrative Cost Adjustment	50,000	50,000	90,000	90,000
<i>Total Present Law Adjustments</i>	<i>\$50,000</i>	<i>\$50,000</i>	<i>\$90,000</i>	<i>\$90,000</i>
New Proposals				
NP - 15 - DO, CCD, BITD, PAD Administrative Resources	108,500	108,500	115,500	115,500
NP - 801 - PAD Property Tax Revision Implementation (BIEN)	500,000	500,000	500,000	500,000
<i>Total New Proposals</i>	<i>\$608,500</i>	<i>\$608,500</i>	<i>\$615,500</i>	<i>\$615,500</i>
Total Budget Adjustments	\$745,538	\$745,538	\$893,210	\$893,210

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$88,193)	(\$88,193)
FY 2027	(\$23,740)	(\$23,740)

SWPL - 1 - Personal Services -

The budget includes a decrease of \$88,193 in FY 2026 and \$23,740 in FY 2027 to annualize various personal services costs including the FY 2025 statewide pay plan, benefit rate adjustments and longevity adjustments related to incumbents in each position at the time of snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$201,764	\$201,764
FY 2027	\$229,383	\$229,383

SWPL - 2 - Fixed Costs -

The request includes \$106,796 in FY 2026 and \$123,385 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies with the state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll process, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$26,533)	(\$26,533)
FY 2027	(\$17,933)	(\$17,933)

SWPL - 3 - Inflation Deflation -

This change package includes an reduction of \$26,533 in FY 2026 and \$17,933 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

Department of Revenue - 58010

Property Assessment Division - 08

-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$50,000	\$50,000
FY 2027	\$90,000	\$90,000

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

The Department of Revenue, Property Assessment Division (PAD), requests \$140,000 in general fund for the 2027 Biennium to pay for contractual rent increases and associated parking for space currently occupied by PAD staff throughout the state.

-----New Proposals-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$108,500	\$108,500
FY 2027	\$115,500	\$115,500

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

The Department of Revenue requests an increase of \$320,000 for the 2027 Biennium for rental space in Livingston, Boulder, and Butte. The cost of living and wages the department can offer has made it increasingly challenging to recruit and train staff in high-cost locations. The department supplies space for employees from multiple department divisions in the Butte office and has found this to be a successful model for staffing needs for Montana customers. However, the Butte office is currently at full capacity and lacks a conference room for meeting with customers. Having additional office space will better position the department to appropriately staff and serve customers.

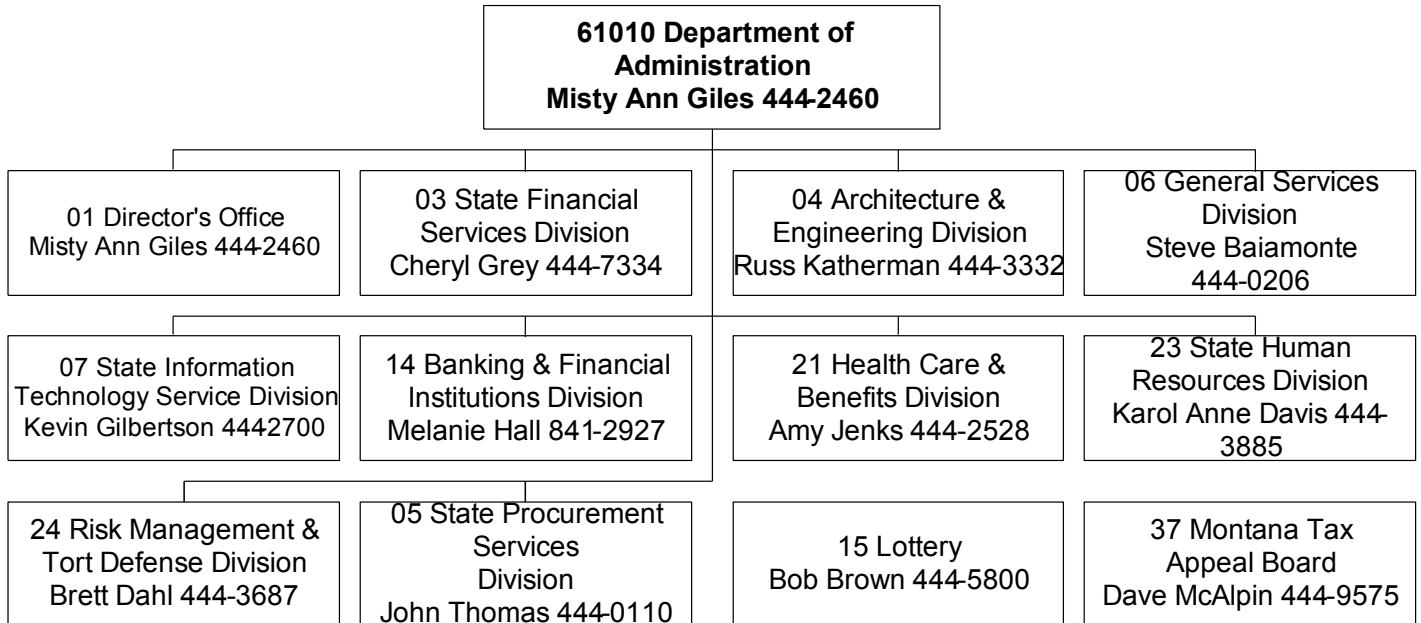
This request is proposed across DO, CCD, BITD and PAD. DO, CCD and BITD each will contribute \$32,000 except PAD's portion will be \$224,000.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$500,000	\$500,000
FY 2027	\$500,000	\$500,000

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

This request includes \$1 million biennial appropriation to implement property tax revisions in Montana. This change package is contingent upon legislation.

Department of Administration - 61010



Mission Statement - The Department of Administration's mission is to serve state government by providing effective, efficient, and customer driven solutions to benefit Montanans.

Statutory Authority - Title 2, Chapters 7, 9, 15, 17 and 18; Title 15, Chapter 2; Title 17; Title 18; Title 19, Chapter 1; Title 23, Chapter 7; Title 31; Title 32; and Title 39, Chapter 71 MCA.

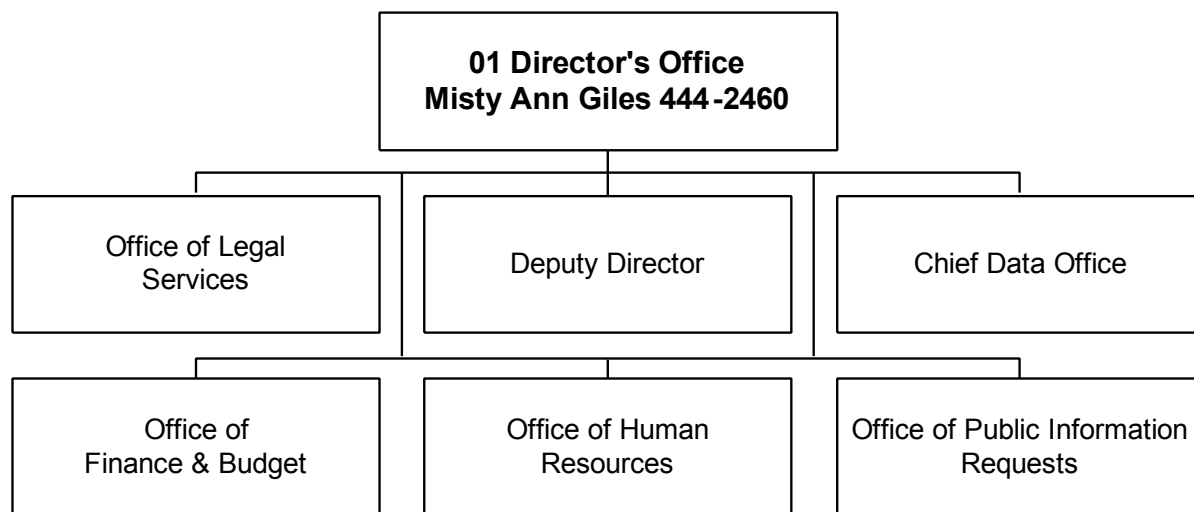
Agency Proposed Budget			
Budget Item	Total Exec. Budget Fiscal 2026	Total Exec. Budget Fiscal 2027	Total Exec. Budget 2027 Biennium
FTE	144.92	144.92	
Personal Services	14,855,030	14,898,778	29,753,808
Operating Expenses	8,688,486	7,359,816	16,048,302
Equipment & Intangible Assets	50,000	50,000	100,000
Local Assistance	38,979	38,979	77,958
Transfers	49,744,535	50,177,963	99,922,498
Debt Service	308,700	308,700	617,400
Total Costs	\$73,685,730	\$72,834,236	\$146,519,966
General Fund	57,954,872	57,237,343	115,192,215
State/Other Special	8,777,396	8,786,700	17,564,096
Proprietary Funds	6,924,927	6,781,658	13,706,585
Federal Spec. Rev. Funds	28,535	28,535	57,070
Total Funds	\$73,685,730	\$72,834,236	\$146,519,966

Department of Administration - 61010

Agency Appropriated Biennium to Biennium Comparison								
Program	2025 Biennium Appropriated Budget		2027 Biennium Requested Budget		Biennium to Biennium Difference (dollars)		Biennium to Biennium Difference (percent)	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
01 - Directors Office	66,904,331	66,917,038	101,024,073	101,069,487	34,119,742	34,152,449	51.00 %	51.04 %
03 - State Financial Services Div	3,531,759	3,715,401	4,880,167	5,067,579	1,348,408	1,352,178	38.18 %	36.39 %
04 - Architecture & Engineering Div	0	5,619,160	0	6,113,232	0	494,072	0.00 %	8.79 %
05 - State Procurement Services Div	3,282,495	3,821,755	2,881,887	4,089,756	(400,608)	268,001	(12.20)%	7.01 %
14 - Banking & Financial Institutions Division	0	9,802,935	0	10,242,995	0	440,060	0.00 %	4.49 %
15 - Montana State Lottery	0	13,282,471	0	13,530,829	0	248,358	0.00 %	1.87 %
23 - State Human Resources Division	4,548,706	4,548,706	4,808,906	4,808,906	260,200	260,200	5.72 %	5.72 %
37 - Montana Tax Appeal Board	1,501,700	1,501,700	1,597,182	1,597,182	95,482	95,482	6.36 %	6.36 %
Agency Total	\$79,768,991	\$109,209,166	\$115,192,215	\$146,519,966	\$35,423,224	\$37,310,800	44.41 %	34.16 %

Department of Administration - 61010

Directors Office - 01



Program Description - The Director's Office provides overall leadership and management support to the Department of Administration's divisions and offers administrative support to attached boards and commissions. The office acts as a liaison among the agency's divisions, administratively attached boards and commissions, the cabinet, the legislature, and the Governor's Office.

The Director's Office has 2.50 FTE funded through HB 2 and 21.51 FTE funded by the revenues generated from the internal fees charged to the Department of Administration's divisions and its attached agencies. These FTE provide services in the areas of legal, human resources, financial management, and communications.

- The Office of Legal Services advises the divisions on legal matters.
- The Office of Human Resources partners with DOA leadership and employees to enhance agency performance through strategic human resource programs and effective administrative processes.
- The Office of Finance and Budget prepares and presents the biennial budget, processes budget change documents, monitors approved budgets for compliance with state law and legislative intent, and provides accounting assistance.
- The Communications Director provides internal and external communications strategies and support.

The customers served are internal to the department and its attached agencies.

The Chief Data Office provides expertise to state agencies to enable and lead the digital transformation and data modernization efforts within state government. This office works in close partnership with agency leaders to drive the development and deployment of the enterprise data vision and strategies; oversee data management, data analytics, and data governance; ensure data quality; and recommend best practices in establishing agency performance measures.

The Office of Public Information Requests (OPIR) provides support and assistance to agencies by: establishing common policies, standards, and procedures for handling public information requests; providing centralized intake and initial response to agency record requests; developing cost estimates for records requests, as needed; collecting and allocating costs paid by requesters; tracking the status of record requests; coordinating with requesters; searching enterprise IT systems maintained primarily by State Information Technology Services Division; providing primary legal review and response; coordinating responses for requests involving multiple agencies; providing centralized output to requesters; creating reports or dashboards about record requests; providing and maintaining enterprise wide tools for tracking public information requests and searching, classifying, and preparing information for release to requesters; and assisting in record request litigation.

Department of Administration - 61010

Directors Office - 01

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	2.50	1.00	3.50	1.00	3.50	
Personal Services	336,129	59,754	395,883	62,023	398,152	794,035
Operating Expenses	105,002	47,599	152,601	46,759	151,761	304,362
Local Assistance	14,296	10,000	24,296	10,000	24,296	48,592
Transfers	33,441,889	16,302,646	49,744,535	16,736,074	50,177,963	99,922,498
Total Costs	\$33,897,316	\$16,419,999	\$50,317,315	\$16,854,856	\$50,752,172	\$101,069,487
General Fund	33,884,609	16,409,999	50,294,608	16,844,856	50,729,465	101,024,073
Federal Spec. Rev. Funds	12,707	10,000	22,707	10,000	22,707	45,414
Total Funds	\$33,897,316	\$16,419,999	\$50,317,315	\$16,854,856	\$50,752,172	\$101,069,487

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	(25,535)	(25,535)	(23,267)	(23,267)
SWPL - 2 - Fixed Costs	34,587	34,587	33,707	33,707
<i>Total Statewide Present Law Adjustments</i>	<i>\$9,052</i>	<i>\$9,052</i>	<i>\$10,440</i>	<i>\$10,440</i>
Present Law Adjustments				
PL - 103 - GF Transfer to Capital Development Authority	9,062,901	9,062,901	9,062,901	9,062,901
PL - 104 - GF Transfer Min Funding to Major Maintenance Repair	7,239,745	7,239,745	7,673,173	7,673,173
PL - 107 - Increase Flood Control Appropriation	0	10,000	0	10,000
PL - 4 - Allocate Department Indirect/Administrative Costs	10,012	10,012	10,052	10,052
<i>Total Present Law Adjustments</i>	<i>\$16,312,658</i>	<i>\$16,322,658</i>	<i>\$16,746,126</i>	<i>\$16,756,126</i>
New Proposals				
NP - 102 - Education Workforce Data Governing Board	88,289	88,289	88,290	88,290
<i>Total New Proposals</i>	<i>\$88,289</i>	<i>\$88,289</i>	<i>\$88,290</i>	<i>\$88,290</i>
Total Budget Adjustments	\$16,409,999	\$16,419,999	\$16,844,856	\$16,854,856

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$25,535)	(\$25,535)
FY 2027	(\$23,267)	(\$23,267)

SWPL - 1 - Personal Services -

The budget includes adjustments in FY 2026 and FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$34,587	\$34,587
FY 2027	\$33,707	\$33,707

SWPL - 2 - Fixed Costs -

The request includes adjustments in FY 2026 and FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

Department of Administration - 61010

Directors Office - 01

-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$9,062,901	\$9,062,901
FY 2027	\$9,062,901	\$9,062,901

PL - 103 - GF Transfer to Capital Development Authority -

This change package provides for a transfer of general fund to the Capital Developments Long-Range Building Program account as required by 17-7-208, MCA

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$7,239,745	\$7,239,745
FY 2027	\$7,673,173	\$7,673,173

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

This change package provides for a transfer of general fund to the Major Repair Long-Range Building Program Account as required by 17-7-222, MCA.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$10,000
FY 2027	\$0	\$10,000

PL - 107 - Increase Flood Control Appropriation -

Section 17-3-231, MCA, requires the distribution of Federal Flood Control funds to the counties. The executive requests an increase in appropriation to facilitate the distribution of these federal funds.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$10,012	\$10,012
FY 2027	\$10,052	\$10,052

PL - 4 - Allocate Department Indirect/Administrative Costs -

This change package includes adjustments in FY 2026 and FY 2027 to provide the funding to pay the Department of Administration's (DOA) indirect costs. These costs are charged to the department's programs for services provided by DOA employees, including accounting, human resources, and legal issues.

-----New Proposals-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$88,289	\$88,289
FY 2027	\$88,290	\$88,290

NP - 102 - Education Workforce Data Governing Board -

One FTE is being requested to support and facilitate the work of the Education and Workforce Data Governance Board, established during the 2023 Legislature, 20-7-138, MCA, that is administratively attached to the Department of Administration. The board is responsible for developing and implementing policies and procedures for the linking and sharing of education and workforce data among contributing agencies; facilitating the use of the data to inform decision making by entities to maximize the operational efficiency of the state's education and workforce systems; and ensuring compliance with federal and state privacy laws. Also requested is \$3,000 operating expenses associated with this position.

Department of Administration - 61010

State Financial Services Div - 03

Program Description - The State Financial Services Division performs many centralized functions and administers state and federal programs to state agencies, local government entities, and Montana citizens and businesses. The division consists of three bureaus – Statewide Accounting, SABHRS Financial Services Technology, and Local Government Services, which includes the State Social Security Administrator. The Division Strategies and Solutions Team (DSST) provides resources at the division level and focuses on operational business strategies and technology solutions to support division-wide initiatives.

The Statewide Accounting Bureau (SAB) serves as the process owner for the financial modules within the Statewide Accounting Budgeting & Human Resources System (SABHRS), assists state agencies in operating SABHRS, and maintains a statewide accounting structure with related policies and procedures for all state agencies and branches of government to satisfy reporting requirements. The state financial reporting section prepares and publishes the state's annual comprehensive financial report (ACFR) and serves as the subject matter experts for accounting within the state. The Daily Operations Section includes both the Treasury and Warrant Writer Units. The Treasury provides central banking functions for the state, reconciles the state's banking activity/movement of cash, and manages bank contracts. The Treasury and the Board of Investments (BOI) work jointly to manage the State of Montana's cash effectively. The Warrant Writer responsibilities include management of statewide vendor files, payment processes, and issuance of IRS 1099 MISC and IRS 1042 forms to entities that serve the state.

The Local Government Services Bureau (LGSB) works with local governments to support uniform financial accountability and to assist the local governments in complying with their statutory, financial, and budgetary reporting requirements, including provisions of the Montana Single Audit Act. LGSB receives and makes the local government financial, budget, and audit reports available to the public. The State Social Security Administrator is responsible for administering Section 218 of the Social Security Act by providing education and outreach and ensuring proper application of Social Security coverage to all state and local government employees.

The SABHRS Financial Services Technology Bureau (FSTB) provides system analysis, support, configuration, development, and maintenance of the state's enterprise accounting and budgeting systems. The bureau also manages system architecture and provides database administration for the entire SABHRS application. FSTB partners with the Statewide Accounting Bureau, Governor's Office of Budget and Program Planning, Legislative Fiscal Division, and the State Human Resources Division to gather business requirements and develop application strategies.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	16.67	0.00	16.67	0.00	16.67	
Personal Services	1,624,979	34,080	1,659,059	38,404	1,663,383	3,322,442
Operating Expenses	266,784	1,185,466	1,452,250	26,103	292,887	1,745,137
Debt Service	0	0	0	0	0	0
Total Costs	\$1,891,763	\$1,219,546	\$3,111,309	\$64,507	\$1,956,270	\$5,067,579
General Fund	1,798,057	1,219,546	3,017,603	64,507	1,862,564	4,880,167
Proprietary Funds	87,878	0	87,878	0	87,878	175,756
Federal Spec. Rev. Funds	5,828	0	5,828	0	5,828	11,656
Total Funds	\$1,891,763	\$1,219,546	\$3,111,309	\$64,507	\$1,956,270	\$5,067,579

Department of Administration - 61010

State Financial Services Div - 03

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	34,080	34,080	38,404	38,404
SWPL - 2 - Fixed Costs	1,168,315	1,168,315	8,669	8,669
SWPL - 3 - Inflation Deflation	(74)	(74)	(50)	(50)
<i>Total Statewide Present Law Adjustments</i>	<i>\$1,202,321</i>	<i>\$1,202,321</i>	<i>\$47,023</i>	<i>\$47,023</i>
Present Law Adjustments				
PL - 302 - General Fund Transfer to Correct SFSD and SPSP Starting Point	14,354	14,354	14,354	14,354
PL - 4 - Allocate Department Indirect/Administrative Costs	2,871	2,871	3,130	3,130
<i>Total Present Law Adjustments</i>	<i>\$17,225</i>	<i>\$17,225</i>	<i>\$17,484</i>	<i>\$17,484</i>
Total Budget Adjustments	\$1,219,546	\$1,219,546	\$64,507	\$64,507

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$34,080	\$34,080
FY 2027	\$38,404	\$38,404

SWPL - 1 - Personal Services -

The budget includes adjustments in FY 2026 and FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$1,168,315	\$1,168,315
FY 2027	\$8,669	\$8,669

SWPL - 2 - Fixed Costs -

The request includes adjustments in FY 2026 and FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$74)	(\$74)
FY 2027	(\$50)	(\$50)

SWPL - 3 - Inflation Deflation -

This change package includes reductions in FY 2026 and FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$14,354	\$14,354
FY 2027	\$14,354	\$14,354

PL - 302 - General Fund Transfer to Correct SFSD and SPSP Starting Point -

This change package reflects a general fund transfer from the State Procurement Services Division to the State Financial Services Division to adjust starting points due to a Budget Change Document (BCD) not processing in time to correct the starting points.

Department of Administration - 61010

State Financial Services Div - 03

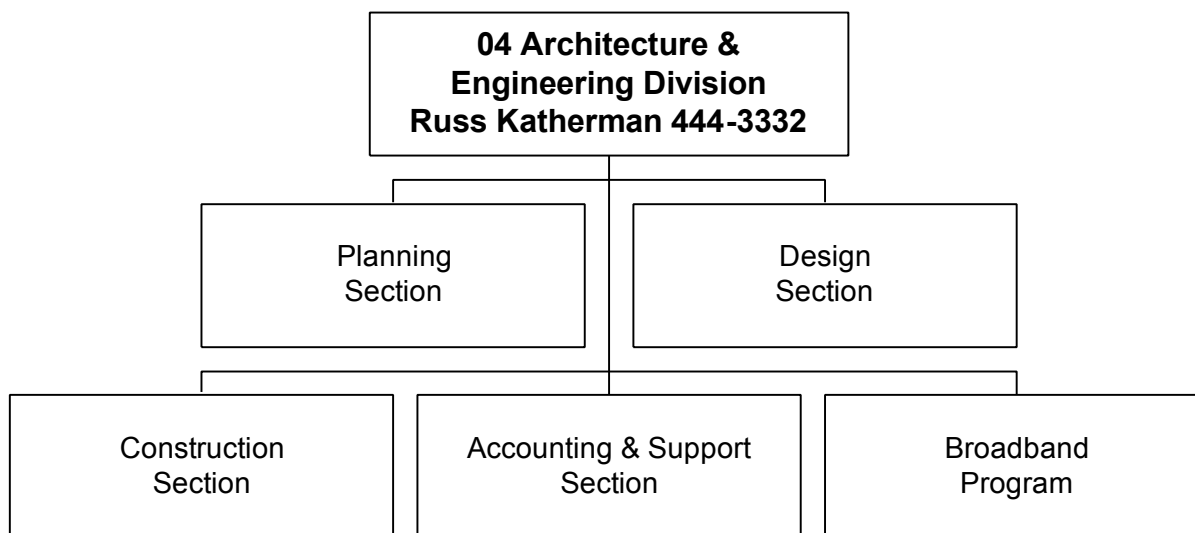
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$2,871	\$2,871
FY 2027	\$3,130	\$3,130

PL - 4 - Allocate Department Indirect/Administrative Costs -

This change package includes adjustments in FY 2026 and FY 2027 to provide the funding to pay the Department of Administration's (DOA) indirect costs. These costs are charged to the department's programs for services provided by DOA employees, including accounting, human resources, and legal issues.

Department of Administration - 61010

Architecture & Engineering Div - 04



Program Description - The Architecture and Engineering Division manages remodeling and construction of state buildings, and implementation of the ConnectMT broadband program. Its functions include planning new projects and remodeling projects; advertising, bidding, and awarding construction contracts; administering contracts with architects, engineers, and contractors; disbursing building construction payments; and providing design services for small projects. The division maintains the statewide, state-owned building inventory, directs the statewide facility condition assessment effort, and formulates a long-range building plan for legislative consideration each session. For ConnectMT, the division provides all grant management, reporting, and compliance functions. This division operates under the authority found in Titles 17 and 18, MCA, and Title 90, Chapter 1, Part 6, as well as other state mandates.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	18.00	0.00	18.00	0.00	18.00	
Personal Services	2,035,563	118,800	2,154,363	124,146	2,159,709	4,314,072
Operating Expenses	797,220	102,081	899,301	102,639	899,859	1,799,160
Total Costs	\$2,832,783	\$220,881	\$3,053,664	\$226,785	\$3,059,568	\$6,113,232
State/Other Special	2,832,783	220,881	3,053,664	226,785	3,059,568	6,113,232
Total Funds	\$2,832,783	\$220,881	\$3,053,664	\$226,785	\$3,059,568	\$6,113,232

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	0	118,800	0	124,146
SWPL - 2 - Fixed Costs	0	14,812	0	10,185
SWPL - 3 - Inflation Deflation	0	(2,178)	0	(1,472)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$131,434</i>	<i>\$0</i>	<i>\$132,859</i>
Present Law Adjustments				
PL - 4 - Allocate Department Indirect/Administrative Costs	0	1,847	0	2,126
PL - 401 - Rental Expense Increase	0	87,600	0	91,800
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$89,447</i>	<i>\$0</i>	<i>\$93,926</i>
Total Budget Adjustments	\$0	\$220,881	\$0	\$226,785

Department of Administration - 61010

Architecture & Engineering Div - 04

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$118,800
FY 2027	\$0	\$124,146

SWPL - 1 - Personal Services -

The budget includes an increase of \$118,800 in FY 2026 and an increase of \$124,146 in FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$14,812
FY 2027	\$0	\$10,185

SWPL - 2 - Fixed Costs -

The request includes an increase of \$14,812 in FY 2026 and an increase of \$10,185 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	(\$2,178)
FY 2027	\$0	(\$1,472)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$2,178 in FY 2026 and a reduction of \$1,472 in FY 2027 to reflect budgetary changes generated from the application of inflation to specific expenditure accounts. Affected accounts include those associated with the supplies & materials, communications, repair & maintenance, state motor pool, and other services.

-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$1,847
FY 2027	\$0	\$2,126

PL - 4 - Allocate Department Indirect/Administrative Costs -

This change package includes an increase of \$1,847 in FY 2026 and an increase of \$2,126 in FY 2027 to provide the funding to pay the Department of Administration's (DOA) indirect costs. These costs are charged to the department's programs for services provided by DOA employees, including accounting, human resources, and legal issues.

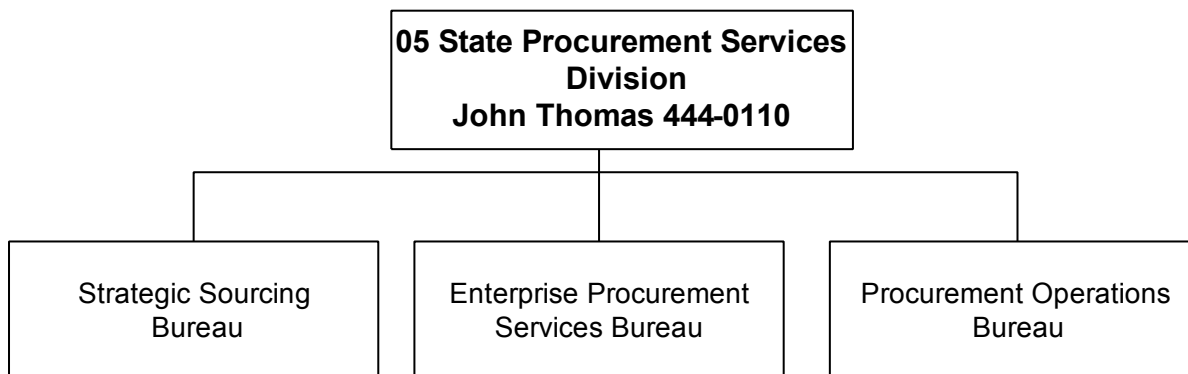
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$87,600
FY 2027	\$0	\$91,800

PL - 401 - Rental Expense Increase -

This request increases the Architecture & Engineering Division's operating budget by \$87,600 in FY 2026 and \$91,800 in FY 2027 to pay rental costs for the division's new location.

Department of Administration - 61010

State Procurement Services Div - 05



Program Description - The State Procurement Services Division (SPSD) provides professional procurement services to all state agencies for the acquisition of supplies and services. SPSP oversees compliance of state agencies with all state statutes and procurement requirements, establishes statewide contracts for commonly used goods and services, manages the state's fuel and procurement card programs, and offers procurement and contract management training to state agencies. Also, the SPSP monitors compliance with the Montana Procurement Act (MCA Title 18-4) and is the business process owner of the eMACS procurement software. The SPSP strives to assist the state in receiving the maximum value for taxpayer dollars.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	12.25	0.00	12.25	0.00	12.25	
Personal Services	1,160,102	43,316	1,203,418	45,422	1,205,524	2,408,942
Operating Expenses	727,175	114,692	841,867	111,772	838,947	1,680,814
Debt Service	0	0	0	0	0	0
Total Costs	\$1,887,277	\$158,008	\$2,045,285	\$157,194	\$2,044,471	\$4,089,756
General Fund	1,673,615	(233,367)	1,440,248	(231,976)	1,441,639	2,881,887
State/Other Special	213,662	391,375	605,037	389,170	602,832	1,207,869
Total Funds	\$1,887,277	\$158,008	\$2,045,285	\$157,194	\$2,044,471	\$4,089,756

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	43,309	43,316	45,119	45,422
SWPL - 2 - Fixed Costs	(74,044)	(67,101)	(76,461)	(70,227)
<i>Total Statewide Present Law Adjustments</i>	<i>(\$30,735)</i>	<i>(\$23,785)</i>	<i>(\$31,342)</i>	<i>(\$24,805)</i>
Present Law Adjustments				
PL - 4 - Allocate Department Indirect/Administrative Costs	(68)	3,854	122	4,060
PL - 502 - Increase in SSR Operations	0	192,293	0	192,293
<i>Total Present Law Adjustments</i>	<i>(\$68)</i>	<i>\$196,147</i>	<i>\$122</i>	<i>\$196,353</i>
New Proposals				
NP - 503 - General Fund/SSR FTE Funding	(188,210)	0	(186,402)	0
<i>Total New Proposals</i>	<i>(\$188,210)</i>	<i>\$0</i>	<i>(\$186,402)</i>	<i>\$0</i>
Total Budget Adjustments	(\$219,013)	\$172,362	(\$217,622)	\$171,548

Department of Administration - 61010

State Procurement Services Div - 05

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$43,309	\$43,316
FY 2027	\$45,119	\$45,422

SWPL - 1 - Personal Services -

The budget includes an increase of \$43,316 in FY 2026 and an increase of \$45,422 in FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$74,044)	(\$67,101)
FY 2027	(\$76,461)	(\$70,227)

SWPL - 2 - Fixed Costs -

The request includes a reduction of \$67,101 in FY 2026 and a reduction of \$70,227 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$68)	\$3,854
FY 2027	\$122	\$4,060

PL - 4 - Allocate Department Indirect/Administrative Costs -

This change package includes an increase of \$3,854 in FY 2026 and an increase of \$4,060 in FY 2027 to provide the funding to pay the Department of Administration's (DOA) indirect costs. These costs are charged to the department's programs for services provided by DOA employees, including accounting, human resources, and legal issues.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$192,293
FY 2027	\$0	\$192,293

PL - 502 - Increase in SSR Operations -

The State Procurement Services Division, created as a result of an agency reorganization in the 2025 biennium, requests additional spending authority from the Procurement State Special Revenue Fund to support the division's operations.

-----New Proposals-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$188,210)	\$0
FY 2027	(\$186,402)	\$0

NP - 503 - General Fund/SSR FTE Funding -

The State Procurement Services Division requests a funding switch for 2.00 FTE from general fund to state special revenue. The state special revenue is generated by term contract rebates and administrative fees as allowed in 18-4-227, MCA. This move will provide funding for the new division and decrease reliance on the general fund. This statute allows the division to use money in the procurement and term rebate account to administer term contracts established by the department. The division has identified the term contract area for strategic contracting opportunities for potential growth for contracts to reach across the enterprise and reduce duplicate services.

Department of Administration - 61010

Banking & Financial Institutions Division - 14

**14 Banking & Financial
Institutions Division
Melanie Hall 841-2927**

Program Description - The Division of Banking and Financial Institutions licenses, supervises, regulates, and examines financial institutions doing business in Montana. Those institutions include 35 banks and trust companies with \$75 billion in total assets, 9 credit unions with \$3 billion in total assets, 236 consumer finance companies, 136 sales finance companies, and 9 escrow businesses. The division also licenses and examines residential mortgage loan service providers which includes 347 mortgage brokers, 290 mortgage lenders, 206 mortgage servicers and 4,344 mortgage loan originators. All program functions are statutorily mandated in Title 32, Chapters 1-11, and Title 31, Chapter 1, Parts 2 & 7, MCA.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	36.00	0.00	36.00	0.00	36.00	
Personal Services	3,891,164	25,463	3,916,627	38,193	3,929,357	7,845,984
Operating Expenses	998,351	160,997	1,159,348	153,872	1,152,223	2,311,571
Debt Service	162,295	(119,575)	42,720	(119,575)	42,720	85,440
Total Costs	\$5,051,810	\$66,885	\$5,118,695	\$72,490	\$5,124,300	\$10,242,995
State/Other Special	5,051,810	66,885	5,118,695	72,490	5,124,300	10,242,995
Total Funds	\$5,051,810	\$66,885	\$5,118,695	\$72,490	\$5,124,300	\$10,242,995

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	0	25,463	0	38,193
SWPL - 2 - Fixed Costs	0	40,403	0	31,443
SWPL - 3 - Inflation Deflation	0	(3,941)	0	(2,664)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$61,925</i>	<i>\$0</i>	<i>\$66,972</i>
Present Law Adjustments				
PL - 1401 - Adjust BFID Debt Service Budget	0	0	0	0
PL - 4 - Allocate Department Indirect/Administrative Costs	0	4,960	0	5,518
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$4,960</i>	<i>\$0</i>	<i>\$5,518</i>
Total Budget Adjustments	\$0	\$66,885	\$0	\$72,490

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$25,463
FY 2027	\$0	\$38,193

SWPL - 1 - Personal Services -

The budget includes an increase of \$25,463 in FY 2026 and an increase of \$38,193 in FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

Department of Administration - 61010

Banking & Financial Institutions Division - 14

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$40,403
FY 2027	\$0	\$31,443

SWPL - 2 - Fixed Costs -

The request includes an increase of \$40,403 in FY 2026 and an increase of \$31,443 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	(\$3,941)
FY 2027	\$0	(\$2,664)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$3,941 in FY 2026 and a reduction of \$2,664 in FY 2027 to reflect budgetary changes generated from the application of inflation to specific expenditure accounts. Affected accounts include those associated with the supplies & materials, communications, repair & maintenance, state motor pool, and other services.

-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$0
FY 2027	\$0	\$0

PL - 1401 - Adjust BFID Debt Service Budget -

The Banking and Financial Institutions Division, Helena office, recently moved into a state-owned property and no longer occupies the space that was previously leased. This expense is now recorded as rent, rather than lease payments, requiring \$119,575 in budget authority to be moved from debt service to operating expense.

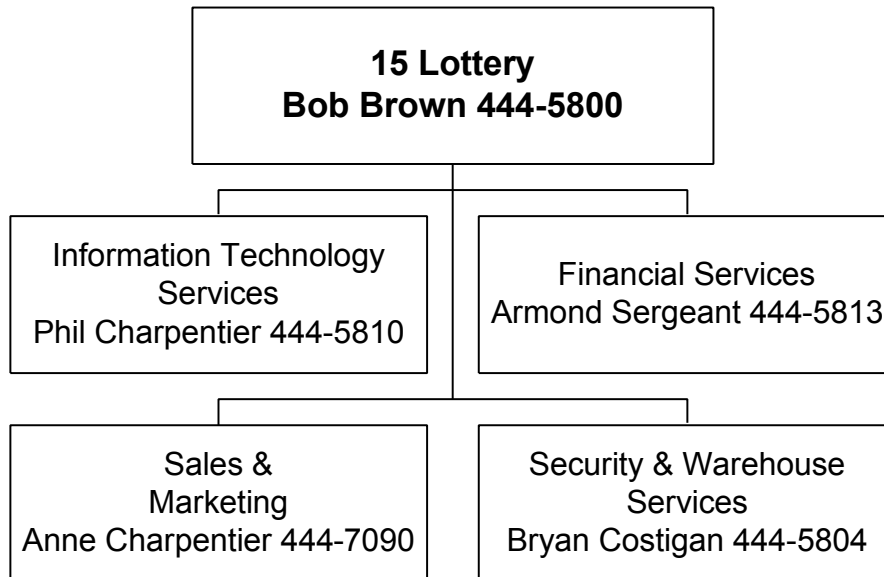
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$4,960
FY 2027	\$0	\$5,518

PL - 4 - Allocate Department Indirect/Administrative Costs -

This change package includes an increase of \$4,960 in FY 2026 and an increase of \$5,518 in FY 2027 to provide the funding to pay the Department of Administration's (DOA) indirect costs. These costs are charged to the department's programs for services provided by DOA employees, including accounting, human resources, and legal issues.

Department of Administration - 61010

Montana State Lottery - 15



Program Description - The Montana State Lottery was created in November 1986 by a referendum vote of the people of Montana. The general purpose is to allow lottery games for purchase from the state, through the administration of the lottery, a chance to win a prize. A five-member Lottery Commission, appointed by the Governor, sets policy and oversees program activities and procedures. Lottery's operations are accounted for in an enterprise fund. Starting in fiscal year 2020, the Lottery is required to transfer the first \$500,000 of net revenue to the STEM scholarship program. The transfer to the STEM scholarship program is scheduled to increase each fiscal year: \$1 million in 2021, \$1.5 million in 2022, \$2 million in 2023, and capping at \$2.25 million in 2024 and in subsequent fiscal years. Net revenue is transferred to the STEM Scholarship program in quarterly payments, and any additional revenue is placed in the general fund. The Montana State Lottery is attached to the Department of Administration for administrative purposes only.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	36.75	0.00	36.75	0.00	36.75	
Personal Services	3,127,461	23,849	3,151,310	34,781	3,162,242	6,313,552
Operating Expenses	3,247,418	171,505	3,418,923	17,304	3,264,722	6,683,645
Equipment & Intangible Assets	50,000	0	50,000	0	50,000	100,000
Debt Service	216,816	0	216,816	0	216,816	433,632
Total Costs	\$6,641,695	\$195,354	\$6,837,049	\$52,085	\$6,693,780	\$13,530,829
Proprietary Funds	6,641,695	195,354	6,837,049	52,085	6,693,780	13,530,829
Total Funds	\$6,641,695	\$195,354	\$6,837,049	\$52,085	\$6,693,780	\$13,530,829

Department of Administration - 61010

Montana State Lottery - 15

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	0	23,849	0	34,781
SWPL - 2 - Fixed Costs	0	167,683	0	12,906
SWPL - 3 - Inflation Deflation	0	(6)	0	(4)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$191,526</i>	<i>\$0</i>	<i>\$47,683</i>
Present Law Adjustments				
PL - 4 - Allocate Department Indirect/Administrative Costs	0	3,828	0	4,402
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$3,828</i>	<i>\$0</i>	<i>\$4,402</i>
Total Budget Adjustments	\$0	\$195,354	\$0	\$52,085

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$23,849
FY 2027	\$0	\$34,781

SWPL - 1 - Personal Services -

The budget includes an increase of \$23,849 in FY 2026 and an increase of \$34,781 in FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$167,683
FY 2027	\$0	\$12,906

SWPL - 2 - Fixed Costs -

The request includes an increase of \$167,683 in FY 2026 and an increase of \$12,906 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	(\$6)
FY 2027	\$0	(\$4)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$6 in FY 2026 and a reduction of \$4 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

-----Present Law Adjustments-----

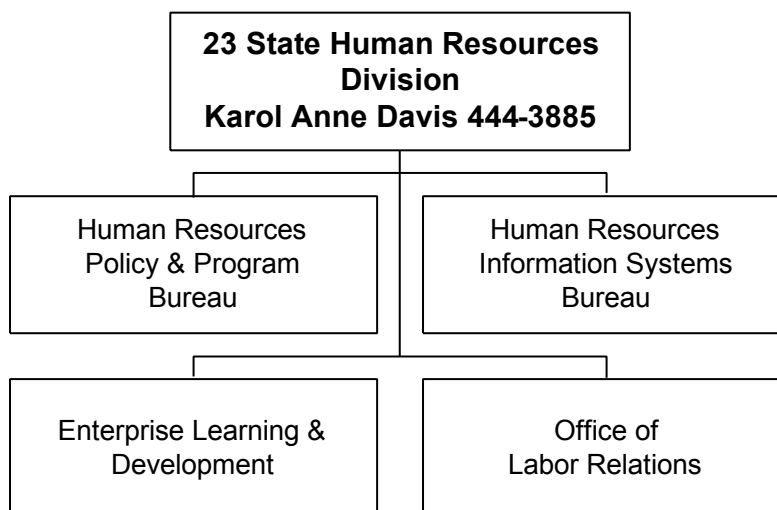
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$3,828
FY 2027	\$0	\$4,402

PL - 4 - Allocate Department Indirect/Administrative Costs -

This change package includes an increase of \$3,828 in FY 2026 and an increase of \$4,402 in FY 2027 to provide the funding to pay the Department of Administration's (DOA) indirect costs. These costs are charged to the department's programs for services provided by DOA employees, including accounting, human resources, and legal issues.

Department of Administration - 61010

State Human Resources Division - 23



Program Description - The State Human Resources Division provides statewide human resource services and programs under the authority of Title 2, Chapter 18, and 39-31-301, MCA. The division houses:

- The Human Resources Policy and Programs Bureau, which establishes the human resource rules, policies, and standards for Montana's executive branch.
- The Human Resources Information Systems Bureau, which processes the biweekly payroll, and administers other human resources information systems, for all branches of state government.
- Enterprise Learning and Development Bureau, which coordinates professional development and leadership training for the enterprise.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	16.25	0.00	16.25	0.00	16.25	
Personal Services	1,779,689	35,605	1,815,294	39,035	1,818,724	3,634,018
Operating Expenses	538,670	50,535	589,205	47,013	585,683	1,174,888
Total Costs	\$2,318,359	\$86,140	\$2,404,499	\$86,048	\$2,404,407	\$4,808,906
General Fund	2,318,359	86,140	2,404,499	86,048	2,404,407	4,808,906
Total Funds	\$2,318,359	\$86,140	\$2,404,499	\$86,048	\$2,404,407	\$4,808,906

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	35,605	35,605	39,035	39,035
SWPL - 2 - Fixed Costs	43,935	43,935	40,142	40,142
SWPL - 3 - Inflation Deflation	(59)	(59)	(40)	(40)
<i>Total Statewide Present Law Adjustments</i>	<i>\$79,481</i>	<i>\$79,481</i>	<i>\$79,137</i>	<i>\$79,137</i>
Present Law Adjustments				
PL - 4 - Allocate Department Indirect/Administrative Costs	6,659	6,659	6,911	6,911
<i>Total Present Law Adjustments</i>	<i>\$6,659</i>	<i>\$6,659</i>	<i>\$6,911</i>	<i>\$6,911</i>
Total Budget Adjustments	\$86,140	\$86,140	\$86,048	\$86,048

Department of Administration - 61010

State Human Resources Division - 23

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$35,605	\$35,605
FY 2027	\$39,035	\$39,035

SWPL - 1 - Personal Services -

The budget includes adjustments in FY 2026 and FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$43,935	\$43,935
FY 2027	\$40,142	\$40,142

SWPL - 2 - Fixed Costs -

The request includes adjustments in FY 2026 and FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$59)	(\$59)
FY 2027	(\$40)	(\$40)

SWPL - 3 - Inflation Deflation -

This change package includes reductions in FY 2026 and FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

-----Present Law Adjustments-----

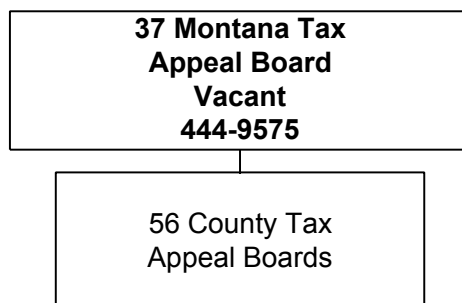
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$6,659	\$6,659
FY 2027	\$6,911	\$6,911

PL - 4 - Allocate Department Indirect/Administrative Costs -

This change package includes adjustments in FY 2026 and FY 2027 to provide the funding to pay the Department of Administration's (DOA) indirect costs. These costs are charged to the department's programs for services provided by DOA employees, including accounting, human resources, and legal issues.

Department of Administration - 61010

Montana Tax Appeal Board - 37



Program Description - The Montana Tax Appeal Board (MTAB) was established by the authority granted in Article VIII, Section 7 of the Montana Constitution and operates under statutes found in 15-2-101, MCA. MTAB is an administrative court independent of the Montana Department of Revenue. The board consists of three members, who hear appeals as full-time state employees, with two support staff. Board members are appointed by the Governor to rotating six-year terms and are subject to legislative confirmation after a hearing before the Senate Taxation Committee and a recorded vote of the full Montana Senate.

MTAB executes the only state tax appeal system for citizens to dispute any action of the Montana Department of Revenue or other state agencies with taxing authority. It is the only fact-finding court of record in tax disputes, and holds formal hearings in cases to resolve disputes through written opinions which can be appealed to Montana District Courts. The board hears appeals from decisions of the 56 county tax appeal boards, primarily involving residential and commercial property valuation and classification. It also takes original jurisdiction cases in matters involving income taxes, corporate taxes, severance taxes, centrally-assessed property, new industry property, motor fuels taxes, vehicle taxes, and cabin site leases.

The duties of the board also include funding, administering, and training the County Tax Appeal Boards required by the Montana Constitution. The Montana Tax Appeal Board trains and supports the 56 County Tax Appeal Boards, reimbursing counties for expenses associated with the county tax appeal function. Specifically, secretary wages, office supplies, and mileage/per diem for county board members are reimbursed from the MTAB budget approved by the legislature.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	5.50	0.00	5.50	0.00	5.50	
Personal Services	544,849	14,227	559,076	16,838	561,687	1,120,763
Operating Expenses	155,549	19,442	174,991	18,185	173,734	348,725
Local Assistance	14,683	0	14,683	0	14,683	29,366
Debt Service	49,164	0	49,164	0	49,164	98,328
Total Costs	\$764,245	\$33,669	\$797,914	\$35,023	\$799,268	\$1,597,182
General Fund	764,245	33,669	797,914	35,023	799,268	1,597,182
Total Funds	\$764,245	\$33,669	\$797,914	\$35,023	\$799,268	\$1,597,182

Department of Administration - 61010

Montana Tax Appeal Board - 37

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	14,227	14,227	16,838	16,838
SWPL - 2 - Fixed Costs	19,089	19,089	17,740	17,740
SWPL - 3 - Inflation Deflation	(18)	(18)	(12)	(12)
<i>Total Statewide Present Law Adjustments</i>	<i>\$33,298</i>	<i>\$33,298</i>	<i>\$34,566</i>	<i>\$34,566</i>
Present Law Adjustments				
PL - 4 - Allocate Department Indirect/Administrative Costs	371	371	457	457
<i>Total Present Law Adjustments</i>	<i>\$371</i>	<i>\$371</i>	<i>\$457</i>	<i>\$457</i>
Total Budget Adjustments	\$33,669	\$33,669	\$35,023	\$35,023

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$14,227	\$14,227
FY 2027	\$16,838	\$16,838

SWPL - 1 - Personal Services -

The budget includes an increase of \$14,227 in FY 2026 and an increase of \$16,838 in FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$19,089	\$19,089
FY 2027	\$17,740	\$17,740

SWPL - 2 - Fixed Costs -

The request includes an increase of \$19,089 in FY 2026 and an increase of \$17,740 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$18)	(\$18)
FY 2027	(\$12)	(\$12)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$18 in FY 2026 and a reduction of \$12 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

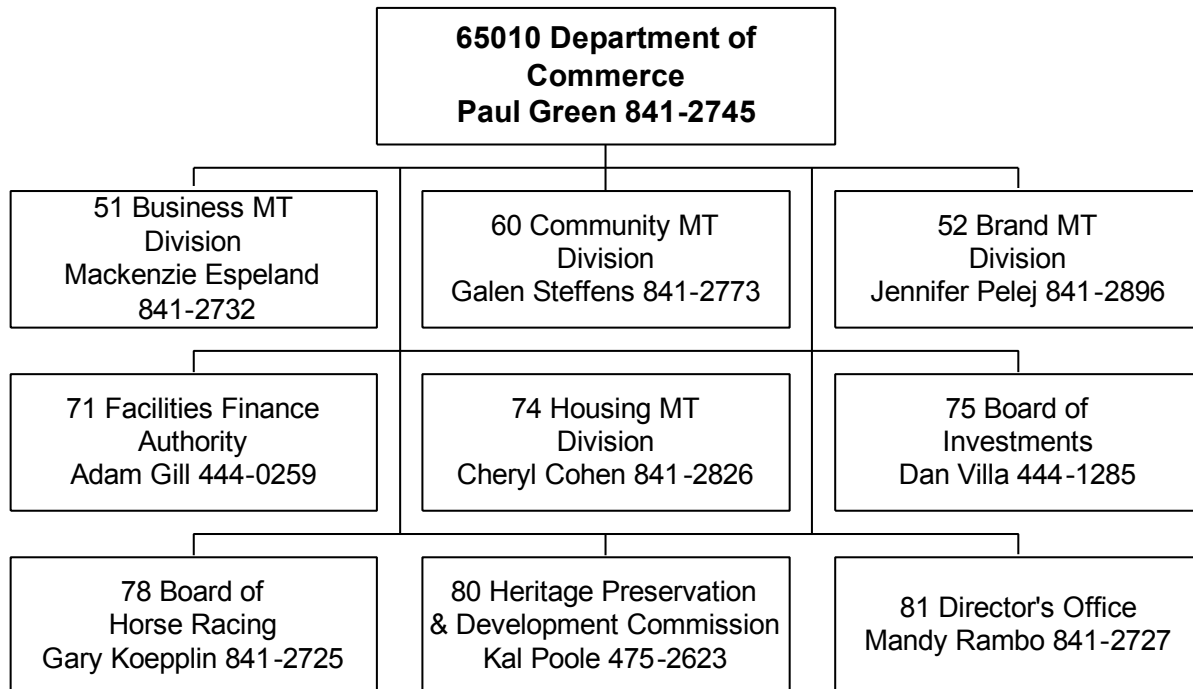
-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$371	\$371
FY 2027	\$457	\$457

PL - 4 - Allocate Department Indirect/Administrative Costs -

This change package includes adjustments in FY 2026 and FY 2027 to provide the funding to pay the Department of Administration's (DOA) indirect costs. These costs are charged to the department's programs for services provided by DOA employees, including accounting, human resources, and legal issues.

Department of Commerce - 65010



Mission Statement - The Department of Commerce delivers programs and resources through technical assistance; funding, training, and consulting; promotion; research; reporting; and outreach, to provide affordable housing, and to create sustainable business and economic growth to enhance community vitality to benefit the citizens of Montana.

Statutory Authority - The department is mandated in 2-15-18, MCA.

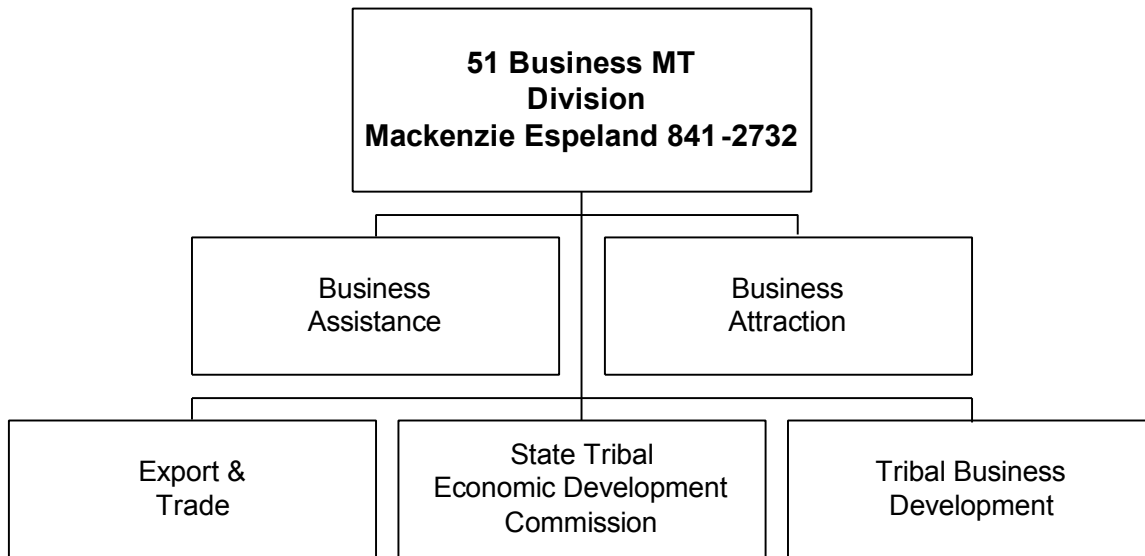
Agency Proposed Budget			
Budget Item	Total Exec. Budget Fiscal 2026	Total Exec. Budget Fiscal 2027	Total Exec. Budget 2027 Biennium
FTE	61.30	61.30	
Personal Services	5,600,044	5,619,630	11,219,674
Operating Expenses	8,831,670	8,747,145	17,578,815
Equipment & Intangible Assets	150,000	150,000	300,000
Capital Outlay	300,000	300,000	600,000
Local Assistance	46,000	46,000	92,000
Grants	23,569,931	23,569,901	47,139,832
Transfers	1,124	1,124	2,248
Debt Service	310,568	322,736	633,304
Total Costs	\$38,809,337	\$38,756,536	\$77,565,873
General Fund	6,445,549	6,471,816	12,917,365
State/Other Special	10,474,334	10,482,692	20,957,026
Federal Spec. Rev. Funds	21,889,454	21,802,028	43,691,482
Total Funds	\$38,809,337	\$38,756,536	\$77,565,873

Department of Commerce - 65010

Agency Appropriated Biennium to Biennium Comparison								
Program	2025 Biennium Appropriated Budget		2027 Biennium Requested Budget		Biennium to Biennium Difference (dollars)		Biennium to Biennium Difference (percent)	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
51 - Business M T	6,002,180	12,611,418	6,111,853	12,848,554	109,673	237,136	1.83 %	1.88 %
52 - Brand M T	0	478,699	0	420,314	0	(58,385)	0.00 %	(12.20)%
60 - Community M T	3,458,291	30,918,543	4,150,539	30,533,806	692,248	(384,737)	20.02 %	(1.24)%
74 - Housing M T	0	19,493,625	0	24,136,985	0	4,643,360	0.00 %	23.82 %
78 - Board of Horse Racing	500,000	922,228	500,000	983,650	0	61,422	0.00 %	6.66 %
80 - Montana Heritage Commission	0	5,112,951	0	5,269,641	0	156,690	0.00 %	3.06 %
81 - Directors Office	1,797,698	3,015,648	2,154,973	3,372,923	357,275	357,275	19.87 %	11.85 %
Agency Total	\$11,758,169	\$72,553,112	\$12,917,365	\$77,565,873	\$1,159,196	\$5,012,761	9.86 %	6.91 %

Department of Commerce - 65010

Business M T - 51



Program Description - The Business MT Division is to facilitate a business environment that strengthens the economy, supports business, aids in job creation and retention, and strengthens communities. Business MT's programs support businesses through proactive outreach, incentives, communication, training, counseling, technical assistance, access to grants and loans, and fostering new markets and business opportunities both domestically and internationally. Through dynamic partnerships and innovative collaborations with companies, universities, tribes, not-for-profit organizations, and government leaders the division is building an economic environment that fosters economic growth and shared community prosperity.

The division is funded by House Bill 2 and statutory appropriations. The programs work collaboratively with several state and local partnerships to promote economic development:

- Business Assistance (Business Loans and Grants)
- Export and International Trade
- Indian Country Economic Development
- Small Business Development Centers
- Regional Economic Development
- Montana Manufacturing Centers

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	13.50	0.00	13.50	0.00	13.50	
Personal Services	1,609,566	(322,153)	1,287,413	(317,813)	1,291,753	2,579,166
Operating Expenses	2,790,229	503,587	3,293,816	506,395	3,296,624	6,590,440
Local Assistance	46,000	0	46,000	0	46,000	92,000
Grants	1,714,825	(45,073)	1,669,752	(45,103)	1,669,722	3,339,474
Transfers	1,124	0	1,124	0	1,124	2,248
Debt Service	113,489	6,722	120,211	11,526	125,015	245,226
Total Costs	\$6,275,233	\$143,083	\$6,418,316	\$155,005	\$6,430,238	\$12,848,554
General Fund	2,963,478	87,551	3,051,029	97,346	3,060,824	6,111,853
State/Other Special	2,441,077	38,415	2,479,492	39,429	2,480,506	4,959,998
Federal Spec. Rev. Funds	870,678	17,117	887,795	18,230	888,908	1,776,703
Total Funds	\$6,275,233	\$143,083	\$6,418,316	\$155,005	\$6,430,238	\$12,848,554

Department of Commerce - 65010

Business M T - 51

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	14,259	(322,153)	18,375	(317,813)
SWPL - 2 - Fixed Costs	16,654	32,341	17,649	33,912
SWPL - 3 - Inflation Deflation	(649)	(984)	(438)	(664)
<i>Total Statewide Present Law Adjustments</i>	<i>\$30,264</i>	<i>(\$290,796)</i>	<i>\$35,586</i>	<i>(\$284,565)</i>
Present Law Adjustments				
PL - 5105 - BIZMT ADMINISTRATIVE COSTS ADJUSTMENTS	57,287	433,879	61,760	439,570
<i>Total Present Law Adjustments</i>	<i>\$57,287</i>	<i>\$433,879</i>	<i>\$61,760</i>	<i>\$439,570</i>
Total Budget Adjustments	\$87,551	\$143,083	\$97,346	\$155,005

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$14,259	(\$322,153)
FY 2027	\$18,375	(\$317,813)

SWPL - 1 - Personal Services -

The budget includes budget reductions to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings. Additional factors contributing to the budget request include adjustments for modified FTE in the Business Attraction program.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$16,654	\$32,341
FY 2027	\$17,649	\$33,912

SWPL - 2 - Fixed Costs -

The request includes funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$649)	(\$984)
FY 2027	(\$438)	(\$664)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction in funding to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

-----Present Law Adjustments-----

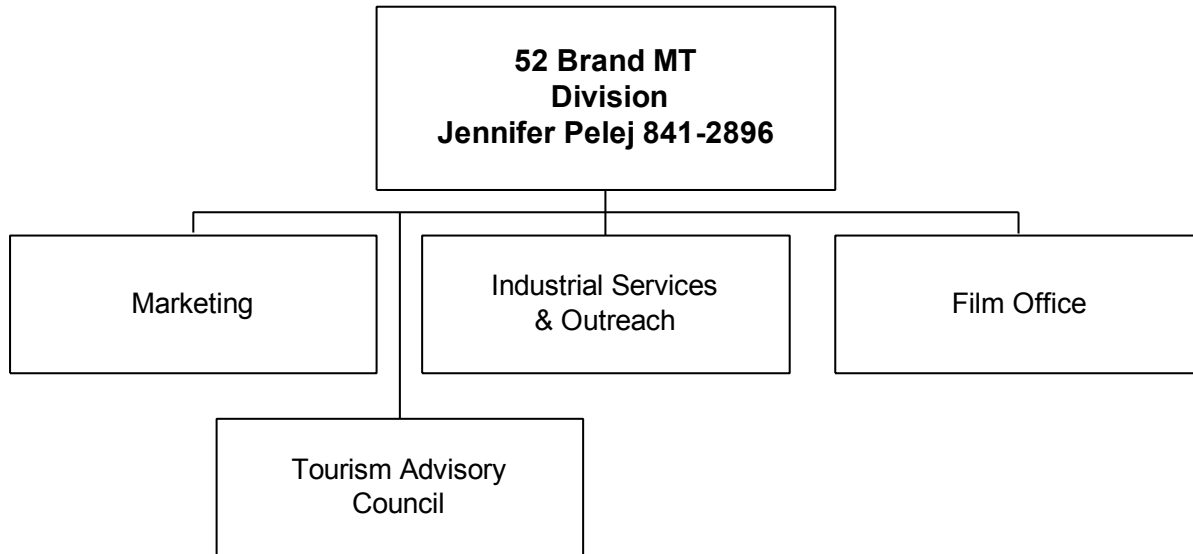
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$57,287	\$433,879
FY 2027	\$61,760	\$439,570

PL - 5105 - BIZMT ADMINISTRATIVE COSTS ADJUSTMENTS -

This request includes adjustments for non-state rent increases per the terms of the negotiated lease and indirect costs paid to the Director's Office for support services provided to supported divisions, bureaus, and programs. Additional adjustments include increased travel, adjustments for grants based on anticipated available funding, and restoring base funding for the Business Attraction program.

Department of Commerce - 65010

Brand M T - 52



Program Description - Brand MT provides opportunities for residents and visitors to enjoy Montana at its best by preserving and promoting the genuine character of Montana while partnering to achieve a sustainable economic future for all. Brand MT provides grant funding and technical assistance for tourism development, as well as promotion of Montana's nature, small towns, experiences, hospitality, and competitive business climate to promote the state as a place to visit and do business. The tourism development, film and marketing/communications programs are all part of the Brand MT team that works to sustain and grow Montana's economy. The programs help to create tourism economic opportunities, especially in rural areas, and resiliency through asset identification and data-driven marketing strategies and grant programs.

Brand MT is comprised of four bureaus funded by House Bill 2 and statutory appropriations:

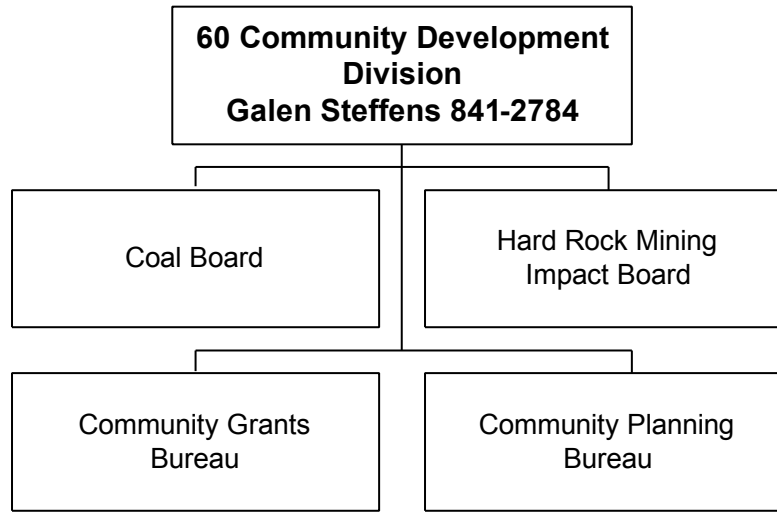
- Budget and Operations
- Marketing/Communications
- Office of Tourism
- Film Office

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
Operating Expenses	210,157	0	210,157	0	210,157	420,314
Total Costs	\$210,157	\$0	\$210,157	\$0	\$210,157	\$420,314
State/Other Special	210,157	0	210,157	0	210,157	420,314
Total Funds	\$210,157	\$0	\$210,157	\$0	\$210,157	\$420,314

Program Proposed Budget Adjustments					
		Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
		General Fund	Total Funds	General Fund	Total Funds
Total Budget Adjustments		\$0	\$0	\$0	\$0

Department of Commerce - 65010

Community M T - 60



Program Description - Community MT (CMT) supports Montana communities through outreach, technical assistance, and funding to meet their local and economic development needs to foster a strong and vibrant future for all Montanans. CMT helps Montana communities plan for resilient growth through investing in and maintaining safe, efficient, and quality infrastructure, affordable and workforce housing, and public and community facilities. The division does this through the support and administration of state and federal grant programs. CMT's project and planning grant programs include the Community Development Block Grant, Montana Coal Endowment Program, Montana Historic Preservation Grant Program, Montana Main Street Program, Lead Services Lines Technical Assistance Program, Montana Community Reinvestment Program, Community Technical Assistance Program and the Montana Emergency Tourism Assistance Program. CMT also provides administrative support to the Montana Coal Board and the Montana Hard Rock Mining Impact Board.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	26.20	0.00	26.20	0.00	26.20	
Personal Services	2,461,957	(31,512)	2,430,445	(25,103)	2,436,854	4,867,299
Operating Expenses	2,201,883	228,275	2,430,158	231,309	2,433,192	4,863,350
Grants	10,302,179	0	10,302,179	0	10,302,179	20,604,358
Debt Service	92,363	5,186	97,549	8,887	101,250	198,799
Total Costs	\$15,058,382	\$201,949	\$15,260,331	\$215,093	\$15,273,475	\$30,533,806
General Fund	1,932,724	139,793	2,072,517	145,298	2,078,022	4,150,539
State/Other Special	4,904,956	(4,790)	4,900,166	351	4,905,307	9,805,473
Federal Spec. Rev. Funds	8,220,702	66,946	8,287,648	69,444	8,290,146	16,577,794
Total Funds	\$15,058,382	\$201,949	\$15,260,331	\$215,093	\$15,273,475	\$30,533,806

Department of Commerce - 65010

Community M T - 60

Program Proposed Budget Adjustments	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	(2,917)	(31,512)	(70)	(25,103)
SWPL - 2 - Fixed Costs	18,913	26,986	19,644	28,555
SWPL - 3 - Inflation Deflation	(302)	(590)	(204)	(399)
<i>Total Statewide Present Law Adjustments</i>	<i>\$15,694</i>	<i>(\$5,116)</i>	<i>\$19,370</i>	<i>\$3,053</i>
Present Law Adjustments				
PL - 6005 - CMT ADMINISTRATIVE COSTS ADJUSTMENTS	124,099	207,065	125,928	212,040
<i>Total Present Law Adjustments</i>	<i>\$124,099</i>	<i>\$207,065</i>	<i>\$125,928</i>	<i>\$212,040</i>
Total Budget Adjustments	\$139,793	\$201,949	\$145,298	\$215,093

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$2,917)	(\$31,512)
FY 2027	(\$70)	(\$25,103)

SWPL - 1 - Personal Services -

The budget includes a reduction of \$31,512 in FY 2026 and \$25,103 in FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$18,913	\$26,986
FY 2027	\$19,644	\$28,555

SWPL - 2 - Fixed Costs -

The request includes \$26,986 in FY 2026 and \$28,555 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$302)	(\$590)
FY 2027	(\$204)	(\$399)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$590 in FY 2026 and \$399 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

-----Present Law Adjustments-----

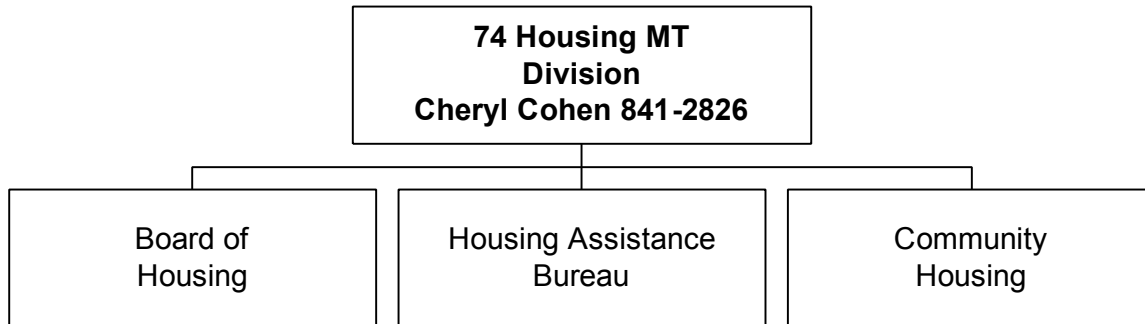
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$124,099	\$207,065
FY 2027	\$125,928	\$212,040

PL - 6005 - CMT ADMINISTRATIVE COSTS ADJUSTMENTS -

This request includes adjustments for non-state rent increases per the terms of the negotiated lease and indirect costs paid to the Director's Office for support services provided to supported divisions, bureaus, and programs.

Department of Commerce - 65010

Housing M T - 74



Program Description - The Department of Commerce Housing Division strengthens the state's vibrant communities by supporting access to safe, affordable, and sustainable homes for Montanans whose housing needs are not met by the market.

The Commerce Housing Division is comprised of three component units:

- **Board of Housing**, Montana's statewide Housing Finance Agency (HFA) created under the Montana Housing Act of 1975, is administratively attached to the Department of Commerce. The Board of Housing is funded by enterprise funds with revenues derived from an administrative charge applied to projects and mortgages financed; the board does not receive any general fund and is self-supporting.
- **Rental Assistance Bureau**, Montana's statewide Public Housing Authority (PHA), is charged with the administration of various federally funded U.S. Department of Housing and Urban Development (HUD) programs. All Rental Assistance Bureau programs are funded by enterprise funds with revenues derived under HUD administrative fees and performance-based contracts.
- **Community Housing** administers HUD Community Planning and Development (CPD) programs for the production and preservation of affordable homes, including the HOME Investment Partnership Program and National Housing Trust Fund. Additionally, this component unit administers the Emergency Shelter Facility Grant (ESFG) program, a one-time funding opportunity authorized by HB 5 of the 68th Legislative Session. Community Housing administers federal funds and state special revenue account programs appropriated via HB 2 and HB 5.

Commerce Housing Division and Board of Housing responsibilities are mandated primarily in Title 2, Chapter 15, Part 18; Title 90, Chapter 1 Part 1; Title 90, Chapter 6, Parts 1, 5, 6; Governor Executive Orders 2-87 and 27-81; 24 CFR Parts 5, 91, 93, 245, 570, 792, 813, 882, 887, 891, 982 and 984.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	6.00	0.00	6.00	0.00	6.00	
Personal Services	500,888	31,790	532,678	34,501	535,389	1,068,067
Operating Expenses	6,215,446	(5,656,132)	559,314	(5,750,849)	464,597	1,023,911
Grants	3,400,000	7,598,000	10,998,000	7,598,000	10,998,000	21,996,000
Debt Service	22,663	1,356	24,019	2,325	24,988	49,007
Total Costs	\$10,138,997	\$1,975,014	\$12,114,011	\$1,883,977	\$12,022,974	\$24,136,985
Federal Spec. Rev. Funds	10,138,997	1,975,014	12,114,011	1,883,977	12,022,974	24,136,985

Department of Commerce - 65010

Housing M T - 74

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	0	31,790	0	34,501
SWPL - 2 - Fixed Costs	0	101,711	0	6,428
SWPL - 3 - Inflation Deflation	0	(83)	0	(56)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$133,418</i>	<i>\$0</i>	<i>\$40,873</i>
Present Law Adjustments				
PL - 7405 - HMT ADMINISTRATIVE COSTS ADJUSTMENTS	0	1,841,596	0	1,843,104
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$1,841,596</i>	<i>\$0</i>	<i>\$1,843,104</i>
Total Budget Adjustments	\$0	\$1,975,014	\$0	\$1,883,977

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$31,790
FY 2027	\$0	\$34,501

SWPL - 1 - Personal Services -

The budget includes funding to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings. Additional factors contributing to the budget request include adjustments for modified FTE in the Board of Housing's Multi-family housing program.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$101,711
FY 2027	\$0	\$6,428

SWPL - 2 - Fixed Costs -

The request includes funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	(\$83)
FY 2027	\$0	(\$56)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of funding to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$1,841,596
FY 2027	\$0	\$1,843,104

PL - 7405 - HMT ADMINISTRATIVE COSTS ADJUSTMENTS -

This request includes adjustments for non-state rent increases per the terms of the negotiated lease, and indirect costs paid to the Director's Office for support services provided to supported divisions, bureaus, and programs. The decision package increases appropriations for grants in the HOME and HTF programs for the amount of federal funds projected to be available in the 2027 Biennium.

Department of Commerce - 65010

Board of Horse Racing - 78

**78 Board of
Horse Racing
Gary Koeplin 841-2725**

Program Description - The Montana Board of Horse Racing originated in 1965 through the legislative process. The stated purpose is to regulate and monitor horse racing in the state of Montana. Over the course of 59 years the role has modified and grown. The board continues to regulate and monitor, but it now also offers support and guidance. The growth and prosperity of Montana's storied horse racing industry is the ultimate goal.

The Board of Horse Racing is appropriated through HB 2 and statutory appropriations, and funded by revenue derived from licenses and fees, as well as the collection of a percentage of wagering on live and remote racing events.

The program work is mandated in Title 2, Chapter 15, and Title 23, Chapter 4, MCA.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	1.25	0.00	1.25	0.00	1.25	
Personal Services	27,761	0	27,761	0	27,761	55,522
Operating Expenses	435,793	28,188	463,981	28,354	464,147	928,128
Total Costs	\$463,554	\$28,188	\$491,742	\$28,354	\$491,908	\$983,650
General Fund	250,000	0	250,000	0	250,000	500,000
State/Other Special	213,554	28,188	241,742	28,354	241,908	483,650
Total Funds	\$463,554	\$28,188	\$491,742	\$28,354	\$491,908	\$983,650

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	0	75,550	0	75,552
SWPL - 2 - Fixed Costs	0	6,387	0	6,553
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>\$81,937</i>	<i>\$0</i>	<i>\$82,105</i>
Present Law Adjustments				
PL - 7805 - BOHR ADMINISTRATIVE COSTS ADJUSTMENTS	0	(53,749)	0	(53,751)
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>(\$53,749)</i>	<i>\$0</i>	<i>(\$53,751)</i>
Total Budget Adjustments	\$0	\$28,188	\$0	\$28,354

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$75,550
FY 2027	\$0	\$75,552

SWPL - 1 - Personal Services -

The budget includes \$75,550 in FY 2026 and \$75,552 in FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings. Additional factors contributing to the budget request include an adjustment for the contracted position of Executive Director.

Department of Commerce - 65010

Board of Horse Racing - 78

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$6,387
FY 2027	\$0	\$6,553

SWPL - 2 - Fixed Costs -

The request includes \$6,387 in FY 2026 and \$5,352 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	(\$53,749)
FY 2027	\$0	(\$53,751)

PL - 7805 - BOHR ADMINISTRATIVE COSTS ADJUSTMENTS -

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

Department of Commerce - 65010

Montana Heritage Commission - 80

**80 Heritage Preservation &
Development Commission
Kal Poole 475-2623**

Program Description - In 1997, the 55th Montana Legislature established the Montana Heritage Preservation and Development Commission (MHC) to acquire and manage historic properties for the State of Montana. This legislation approved the purchase of Virginia and Nevada City which comprised 248 buildings and 1.2 million Americana artifacts residing on 260 acres. These large historic town sites were the first properties managed by the MHC.

Since 1997, the Montana Board of Land Commissioners approved additional acquisitions of historic Reeder's Alley and the Pioneer Cabin in Helena and the Stonewall Hall property including the Dudley Garage in Virginia City. Reeder's Alley was received through a private donation on November 19, 2001. The Pioneer Cabin at the front of Reeder's Alley was received from a private donation on June 19, 2006. Stonewall Hall and the Dudley Garage were received from a private donation on April 14, 2022.

The Montana legislature authorizes MHC to care for heritage resources "in a manner that protects the properties and encourages economic stability" MCA 22-3-1001, MCA. The statutory purpose is to, "manage, on behalf of the state, properties that possess outstanding historical value, display exceptional qualities worth preserving, and are genuinely representative of the state's culture and history." MHC has worked to expand the economic and revenue generating uses for these state buildings. MHC is responsible for the management and economic use of these historic properties including building improvements, structural stabilization, site maintenance, artifact conservation, and protection of diverse historic features. MHC serves as a resource for the public and professionals interested in learning more about Montana history, historic building preservation, archaeology, conservation of artifacts, education, living history, and historic site management.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	8.00	0.00	8.00	0.00	8.00	
Personal Services	688,658	2,028	690,686	3,110	691,768	1,382,454
Operating Expenses	1,474,112	19,004	1,493,116	19,959	1,494,071	2,987,187
Equipment & Intangible Assets	150,000	0	150,000	0	150,000	300,000
Capital Outlay	300,000	0	300,000	0	300,000	600,000
Total Costs	\$2,612,770	\$21,032	\$2,633,802	\$23,069	\$2,635,839	\$5,269,641
State/Other Special	2,612,770	21,032	2,633,802	23,069	2,635,839	5,269,641
Total Funds	\$2,612,770	\$21,032	\$2,633,802	\$23,069	\$2,635,839	\$5,269,641

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	0	2,028	0	3,110
SWPL - 2 - Fixed Costs	0	(29,900)	0	(29,161)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>(\$27,872)</i>	<i>\$0</i>	<i>(\$26,051)</i>
Present Law Adjustments				
PL - 8005 - MHC ADMINISTRATIVE COSTS ADJUSTMENTS	0	48,904	0	49,120
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$48,904</i>	<i>\$0</i>	<i>\$49,120</i>
Total Budget Adjustments	\$0	\$21,032	\$0	\$23,069

Department of Commerce - 65010

Montana Heritage Commission - 80

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$2,028
FY 2027	\$0	\$3,110

SWPL - 1 - Personal Services -

The budget includes \$2,028 in FY 2026 and \$3,110 in FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	(\$29,900)
FY 2027	\$0	(\$29,161)

SWPL - 2 - Fixed Costs -

The request includes reductions of \$29,900 in FY 2026 and \$29,161 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

-----Present Law Adjustments-----

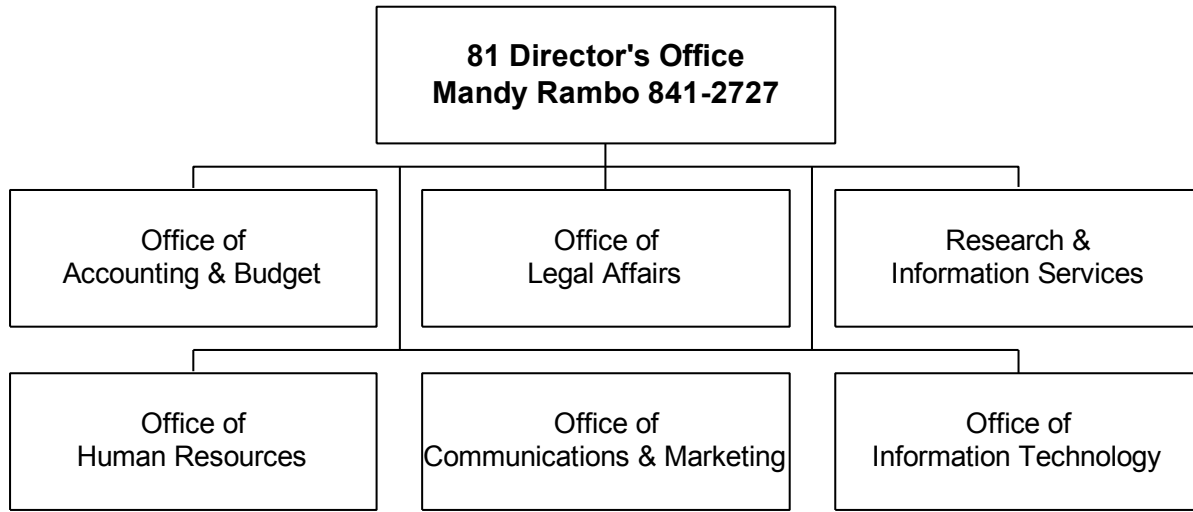
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$48,904
FY 2027	\$0	\$49,120

PL - 8005 - MHC ADMINISTRATIVE COSTS ADJUSTMENTS -

This request includes adjustments for indirect costs paid to the Director's Office for support services provided to supported divisions, bureaus, and programs.

Department of Commerce - 65010

Directors Office - 81



Program Description - Director's Office:

The Director's Office at the Montana Department of Commerce leads the department's mission of economic and community development of the state and provides effective and efficient customer service to the Department's programs and professionals. Services are provided by the Offices of Accounting and Budget, Legal Affairs, Human Resources, Information Technology, Communications & Marketing, and Research & Information Services.

The Director's Office builds relationships with private business, local governments, administratively attached boards, public, private, non-profit interest groups, the legislature, Indian tribes, individuals, other governmental agencies, the U.S. Census Bureau, the Governor's Office, and other key stakeholders.

In additions the Director's Office provides the critical central services to the agency and administratively attached boards and commissions as every division, bureau, and program in the agency uses the services in the Director's Office in some capacity.

The Director's Office responsibilities are mandated primarily in Title 2, Chapter 15 and Title 90, Chapter 1, MCA.

Montana Council on Developmental Disabilities (MCDD):

The Montana Council on Developmental Disabilities is a citizen-based advocacy group. Its members, appointed by the Governor, work to provide increased independence, integration, and productivity for persons with developmental disabilities.

The council administers federal funds in three major areas; 1) assistance in the provision of comprehensive services to persons with developmental disabilities; 2) assistance to the state in appropriate planning activities; and 3) contracting with public and private agencies to establish model programs, demonstrate innovative habilitation techniques, and to train professional and paraprofessional personnel in providing services to persons with developmental disabilities.

MCDD responsibilities are mandated primarily in Title 53, Chapter 20, MCA.

Department of Commerce - 65010

Directors Office - 81

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	6.35	0.00	6.35	0.00	6.35	
Personal Services	650,408	(19,347)	631,061	(14,303)	636,105	1,267,166
Operating Expenses	273,827	107,301	381,128	110,530	384,357	765,485
Grants	600,000	0	600,000	0	600,000	1,200,000
Debt Service	65,017	3,772	68,789	6,466	71,483	140,272
Total Costs	\$1,589,252	\$91,726	\$1,680,978	\$102,693	\$1,691,945	\$3,372,923
General Fund	980,277	91,726	1,072,003	102,693	1,082,970	2,154,973
State/Other Special	8,975	0	8,975	0	8,975	17,950
Federal Spec. Rev. Funds	600,000	0	600,000	0	600,000	1,200,000
Total Funds	\$1,589,252	\$91,726	\$1,680,978	\$102,693	\$1,691,945	\$3,372,923

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	(19,347)	(19,347)	(14,303)	(14,303)
SWPL - 2 - Fixed Costs	59,940	59,940	62,149	62,149
SWPL - 3 - Inflation Deflation	(52)	(52)	(35)	(35)
<i>Total Statewide Present Law Adjustments</i>	<i>\$40,541</i>	<i>\$40,541</i>	<i>\$47,811</i>	<i>\$47,811</i>
Present Law Adjustments				
PL - 8105 - DO ADMINISTRATIVE COSTS ADJUSTMENTS	51,185	51,185	54,882	54,882
<i>Total Present Law Adjustments</i>	<i>\$51,185</i>	<i>\$51,185</i>	<i>\$54,882</i>	<i>\$54,882</i>
Total Budget Adjustments	\$91,726	\$91,726	\$102,693	\$102,693

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$19,347)	(\$19,347)
FY 2027	(\$14,303)	(\$14,303)

SWPL - 1 - Personal Services -

The budget includes funding to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings. Additional factors contributing to the budget request include adjustments for modified FTE in the Director's Office centralized services program.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$59,940	\$59,940
FY 2027	\$62,149	\$62,149

SWPL - 2 - Fixed Costs -

The request includes funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

Department of Commerce - 65010

Directors Office - 81

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$52)	(\$52)
FY 2027	(\$35)	(\$35)

SWPL - 3 - Inflation Deflation -

This change package includes funding to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$51,185	\$51,185
FY 2027	\$54,882	\$54,882

PL - 8105 - DO ADMINISTRATIVE COSTS ADJUSTMENTS -

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

Department of Labor and Industry - 66020



Mission Statement - The mission of the Montana Department of Labor & Industry is to empower Montanans through work and opportunity.

Statutory Authority - Primarily Titles 18, 30, 37, 39, 49, 50, and 90, MCA, and the federal Corporation for National Service.

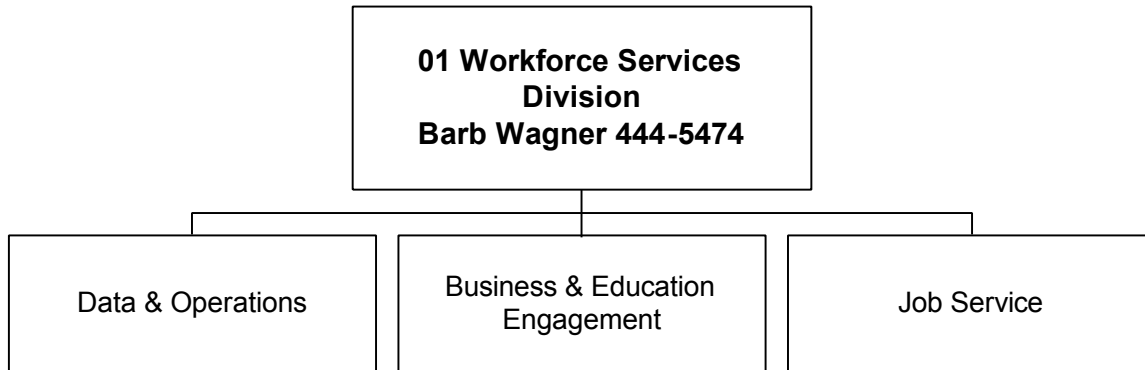
Agency Proposed Budget			
Budget Item	Total Exec. Budget Fiscal 2026	Total Exec. Budget Fiscal 2027	Total Exec. Budget 2027 Biennium
FTE	628.48	628.48	
Personal Services	55,110,506	55,246,976	110,357,482
Operating Expenses	32,309,854	31,770,597	64,080,451
Equipment & Intangible Assets	833,849	833,849	1,667,698
Grants	9,415,792	9,415,792	18,831,584
Benefits & Claims	100,389	100,389	200,778
Transfers	447,333	447,333	894,666
Debt Service	1,348,651	1,348,651	2,697,302
Total Costs	\$99,566,374	\$99,163,587	\$198,729,961
General Fund	833,044	838,473	1,671,517
State/Other Special	63,020,938	62,540,160	125,561,098
Federal Spec. Rev. Funds	35,712,392	35,784,954	71,497,346
Total Funds	\$99,566,374	\$99,163,587	\$198,729,961

Department of Labor and Industry - 66020

Agency Appropriated Biennium to Biennium Comparison								
Program	2025 Biennium Appropriated Budget		2027 Biennium Requested Budget		Biennium to Biennium Difference (dollars)		Biennium to Biennium Difference (percent)	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
01 - Workforce Services Division	543,790	62,591,810	556,072	67,166,834	12,282	4,575,024	2.26 %	7.31 %
02 - Unemployment Insurance Div	0	37,722,890	0	38,621,892	0	899,002	0.00 %	2.38 %
03 - Commissioners Office & C.s.d.	669,516	2,967,983	691,011	3,564,409	21,495	596,426	3.21 %	20.10 %
05 - Employment Standards Division	3,646,163	76,696,150	80,295	78,897,609	(3,565,868)	2,201,459	(97.80)%	2.87 %
07 - Office of Community Services	488,665	8,545,788	344,139	9,025,340	(144,526)	479,552	(29.58)%	5.61 %
09 - Workers Compensation Court	0	1,530,205	0	1,453,877	0	(76,328)	0.00 %	(4.99)%
Agency Total	\$5,348,134	\$190,054,826	\$1,671,517	\$198,729,961	(\$3,676,617)	\$8,675,135	(68.75)%	4.56 %

Department of Labor and Industry - 66020

Workforce Services Division - 01



Program Description - The Workforce Services Division (WSD) serves Montana workers and employers by fostering a highly-skilled, trained, employment-ready workforce and connecting workers with employment and job training opportunities. The division engages with employers and industries to understand and address future workforce needs. WSD operates 18 Job Service Offices (JSOs) across Montana tasked with working with individual job seekers to identify and pursue good-paying, sustainable careers, and connect them with resources to change careers, upskill, or otherwise prepare them for the workforce. The division administers Montana's Registered Apprenticeship program, which provides paid, on-the-job training in a wide range of fields, and provides high-quality economic and labor market information to Montana policymakers, employers, and other stakeholders. WSD is structured in three bureaus: Job Service, Data & Operations, and Business & Education Engagement.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	222.00	0.00	222.00	0.00	222.00	
Personal Services	17,742,780	717,462	18,460,242	755,023	18,497,803	36,958,045
Operating Expenses	7,271,814	1,263,694	8,535,508	817,883	8,089,697	16,625,205
Equipment & Intangible Assets	12,908	0	12,908	0	12,908	25,816
Grants	6,316,070	0	6,316,070	0	6,316,070	12,632,140
Transfers	101,814	0	101,814	0	101,814	203,628
Debt Service	361,000	0	361,000	0	361,000	722,000
Total Costs	\$31,806,386	\$1,981,156	\$33,787,542	\$1,572,906	\$33,379,292	\$67,166,834
General Fund	271,895	6,002	277,897	6,280	278,175	556,072
State/Other Special	14,292,551	1,017,132	15,309,683	584,905	14,877,456	30,187,139
Federal Spec. Rev. Funds	17,241,940	958,022	18,199,962	981,721	18,223,661	36,423,623
Total Funds	\$31,806,386	\$1,981,156	\$33,787,542	\$1,572,906	\$33,379,292	\$67,166,834

Department of Labor and Industry - 66020

Workforce Services Division - 01

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	5,746	717,462	6,011	755,023
SWPL - 2 - Fixed Costs	256	(112,978)	269	(114,345)
SWPL - 3 - Inflation Deflation	0	(17,141)	0	(11,585)
<i>Total Statewide Present Law Adjustments</i>	<i>\$6,002</i>	<i>\$587,343</i>	<i>\$6,280</i>	<i>\$629,093</i>
Present Law Adjustments				
PL - 101 - WSD Increase Federal Long-term Authority	0	700,000	0	700,000
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$700,000</i>	<i>\$0</i>	<i>\$700,000</i>
New Proposals				
NP - 102 - Job Service Kiosks	0	540,000	0	90,000
NP - 302 - Legal Adjustment	0	153,813	0	153,813
<i>Total New Proposals</i>	<i>\$0</i>	<i>\$693,813</i>	<i>\$0</i>	<i>\$243,813</i>
Total Budget Adjustments	\$6,002	\$1,981,156	\$6,280	\$1,572,906

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$5,746	\$717,462
FY 2027	\$6,011	\$755,023

SWPL - 1 - Personal Services -

The budget includes \$717,462 in FY 2026 and \$755,023 in FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$256	(\$112,978)
FY 2027	\$269	(\$114,345)

SWPL - 2 - Fixed Costs -

The request includes reductions of \$112,978 in FY 2026 and \$114,345 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	(\$17,141)
FY 2027	\$0	(\$11,585)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$17,141 FY 2026 and \$11,585 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

Department of Labor and Industry - 66020

Workforce Services Division - 01

-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$700,000
FY 2027	\$0	\$700,000

PL - 101 - WSD Increase Federal Long-term Authority -

This change package requests an increase in federal authority of \$700,000 each year of the 2027 Biennium in the Workforce Services Division (WSD). This adjustment is based on an increase WSD has experienced in several annual federal grants.

-----New Proposals-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$540,000
FY 2027	\$0	\$90,000

NP - 102 - Job Service Kiosks -

The Workforce Services Division requests an increase in state special revenue of \$540,000 in FY 2026 and \$90,000 in FY 2027 to place job service kiosks across Montana. The kiosks would provide the public information on employment and training opportunities in underserved rural areas in Montana that are without access to Job Service services. The department will partner with the Department of Administration (DOA) SITSD to place approximately 90 kiosks in Job Service Offices, Office of Public Assistance centers, county courthouses, and tribal headquarters across Montana so the public can access services across multiple agencies.

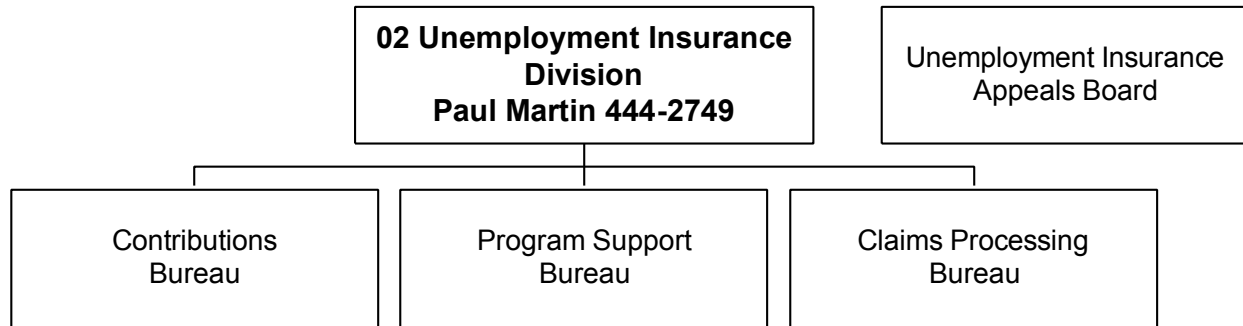
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$153,813
FY 2027	\$0	\$153,813

NP - 302 - Legal Adjustment -

This requests includes an increase of \$153,813 each year in state special revenue authority corresponding to internal rates for legal services in the agency.

Department of Labor and Industry - 66020

Unemployment Insurance Div - 02



Program Description - Montana's Unemployment Insurance Division (UID) administers the state's unemployment insurance program, which provides temporary, partial wage replacement benefits for unemployed workers which in turn provides economic stabilization to the state's communities. The division's Claims Processing Bureau conducts the intake, adjudication, and payment of UI benefit claims. The bureau assists unemployed Montanans with claims filings and appeals and operates claims processing centers in Helena and Billings. The division's Contributions Bureau facilitates the payment of employer UI payroll taxes, collects taxes and wage reports, and conducts employer audits to ensure compliance. The division's Program Support Bureau is responsible for reporting, compliance, program integrity and operational support, including support for the Unemployment Insurance Appeals Board. The division also houses a fraud prevention team that seeks to identify and prevent fraudulent UI claims, and reclaim funds paid on fraudulent claims.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	137.61	0.00	137.61	0.00	137.61	
Personal Services	11,134,224	69,846	11,204,070	98,677	11,232,901	22,436,971
Operating Expenses	7,649,872	403,684	8,053,556	408,483	8,058,355	16,111,911
Debt Service	36,505	0	36,505	0	36,505	73,010
Total Costs	\$18,820,601	\$473,530	\$19,294,131	\$507,160	\$19,327,761	\$38,621,892
State/Other Special	7,327,377	592,741	7,920,118	582,378	7,909,755	15,829,873
Federal Spec. Rev. Funds	11,493,224	(119,211)	11,374,013	(75,218)	11,418,006	22,792,019
Total Funds	\$18,820,601	\$473,530	\$19,294,131	\$507,160	\$19,327,761	\$38,621,892

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	0	69,846	0	98,677
SWPL - 2 - Fixed Costs	0	(486,310)	0	(481,857)
SWPL - 3 - Inflation Deflation	0	(1,068)	0	(722)
<i>Total Statewide Present Law Adjustments</i>	<i>\$0</i>	<i>(\$417,532)</i>	<i>\$0</i>	<i>(\$383,902)</i>
Present Law Adjustments				
PL - 201 - UID Software Maintenance Contract Operations	0	607,000	0	607,000
PL - 303 - Postage & Mailing Inflation	0	82,000	0	82,000
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$689,000</i>	<i>\$0</i>	<i>\$689,000</i>
New Proposals				
NP - 302 - Legal Adjustment	0	202,062	0	202,062
<i>Total New Proposals</i>	<i>\$0</i>	<i>\$202,062</i>	<i>\$0</i>	<i>\$202,062</i>
Total Budget Adjustments	\$0	\$473,530	\$0	\$507,160

Department of Labor and Industry - 66020

Unemployment Insurance Div - 02

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$69,846
FY 2027	\$0	\$98,677

SWPL - 1 - Personal Services -

The budget includes \$69,846 in FY 2026 and \$98,677 in FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	(\$486,310)
FY 2027	\$0	(\$481,857)

SWPL - 2 - Fixed Costs -

The request includes reductions of \$486,310 FY 2026 and \$481,857 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	(\$1,068)
FY 2027	\$0	(\$722)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$1,068 in FY 2026 and \$722 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$607,000
FY 2027	\$0	\$607,000

PL - 201 - UID Software Maintenance Contract Operations -

The Unemployment Insurance Division (UID) requests an increase of \$607,000 in state special revenue in each year of the biennium to support ongoing contracted software maintenance costs of the Montana Unemployment Services Environment system (MUSE).

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$82,000
FY 2027	\$0	\$82,000

PL - 303 - Postage & Mailing Inflation -

The Unemployment Insurance Division requests an an increase in federal authority of \$82,000 in each year of the 2027 Biennium for inflationary adjustments in printing and mailing costs.

Department of Labor and Industry - 66020

Unemployment Insurance Div - 02

-----New Proposals-----

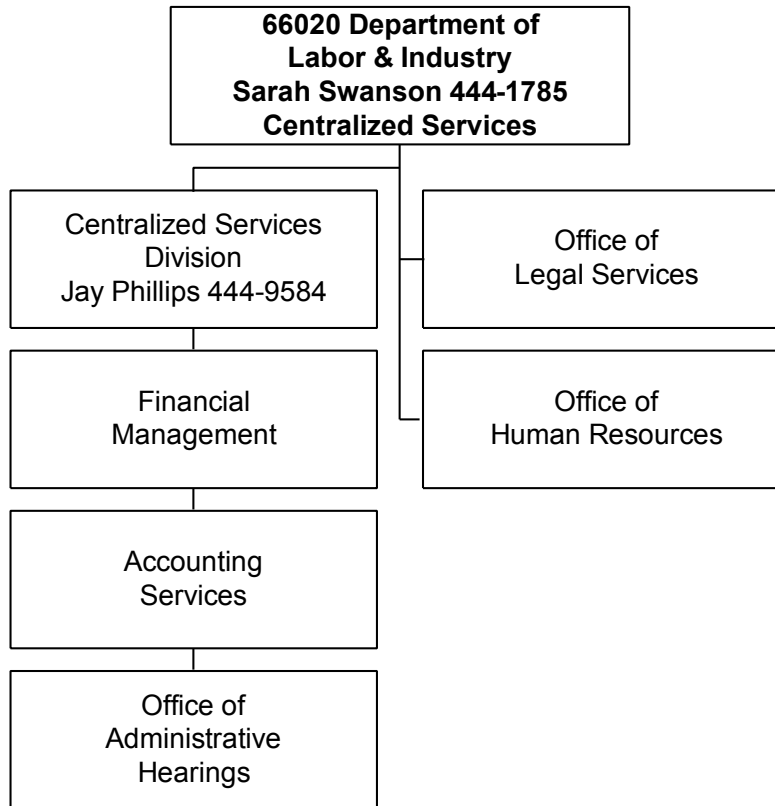
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$202,062
FY 2027	\$0	\$202,062

NP - 302 - Legal Adjustment -

This requests includes an increase of \$202,062 each year in state special revenue corresponding to internal rates for legal services in the agency.

Department of Labor and Industry - 66020

Commissioners Office & C.s.d. - 03



Program Description - The Commissioner's Office and the Centralized Services Division provide agency and program direction, legal, administration, and support services to the department's programs and administratively attached entities. Additionally, the Office of Administrative Hearings provides impartial administrative hearings and dispute resolution services.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	10.00	0.00	10.00	0.00	10.00	
Personal Services	973,452	87,270	1,060,722	91,089	1,064,541	2,125,263
Operating Expenses	632,927	83,380	716,307	(16,806)	616,121	1,332,428
Transfers	50,000	0	50,000	0	50,000	100,000
Debt Service	3,359	0	3,359	0	3,359	6,718
Total Costs	\$1,659,738	\$170,650	\$1,830,388	\$74,283	\$1,734,021	\$3,564,409
General Fund	344,698	187	344,885	1,428	346,126	691,011
State/Other Special	705,620	177,667	883,287	78,431	784,051	1,667,338
Federal Spec. Rev. Funds	609,420	(7,204)	602,216	(5,576)	603,844	1,206,060
Total Funds	\$1,659,738	\$170,650	\$1,830,388	\$74,283	\$1,734,021	\$3,564,409

Department of Labor and Industry - 66020

Commissioners Office & C.s.d. - 03

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	4,126	87,270	5,424	91,089
SWPL - 2 - Fixed Costs	(5,943)	(22,347)	(6,000)	(22,559)
SWPL - 3 - Inflation Deflation	0	(82)	0	(56)
<i>Total Statewide Present Law Adjustments</i>	<i>(\$1,817)</i>	<i>\$64,841</i>	<i>(\$576)</i>	<i>\$68,474</i>
New Proposals				
NP - 301 - Operations Resources (OTO/BIEN)	0	100,000	0	0
NP - 302 - Legal Adjustment	2,004	5,809	2,004	5,809
<i>Total New Proposals</i>	<i>\$2,004</i>	<i>\$105,809</i>	<i>\$2,004</i>	<i>\$5,809</i>
Total Budget Adjustments	\$187	\$170,650	\$1,428	\$74,283

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$4,126	\$87,270
FY 2027	\$5,424	\$91,089

SWPL - 1 - Personal Services -

The budget includes adjustments to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$5,943)	(\$22,347)
FY 2027	(\$6,000)	(\$22,559)

SWPL - 2 - Fixed Costs -

The request includes adjustments to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	(\$82)
FY 2027	\$0	(\$56)

SWPL - 3 - Inflation Deflation -

This change package includes reductions in FY 2026 and FY 2027 authority to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

Department of Labor and Industry - 66020

Commissioners Office & C.s.d. - 03

-----New Proposals-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$100,000
FY 2027	\$0	\$0

NP - 301 - Operations Resources (OTO/BIEN) -

The department is requesting a one-time-only biennial appropriation of \$100,000 in state special revenue to complete operational assessments for the Workforce Services and Unemployment Insurance Divisions. The department is currently working with a consultant to complete an operational assessment of its Unemployment Insurance Program. Upon completion of this assessment, the department will continue to work to identify other program processes which may require the procurement of industry partners services to further evaluate processes or aid in the implementation of consultant recommendations.

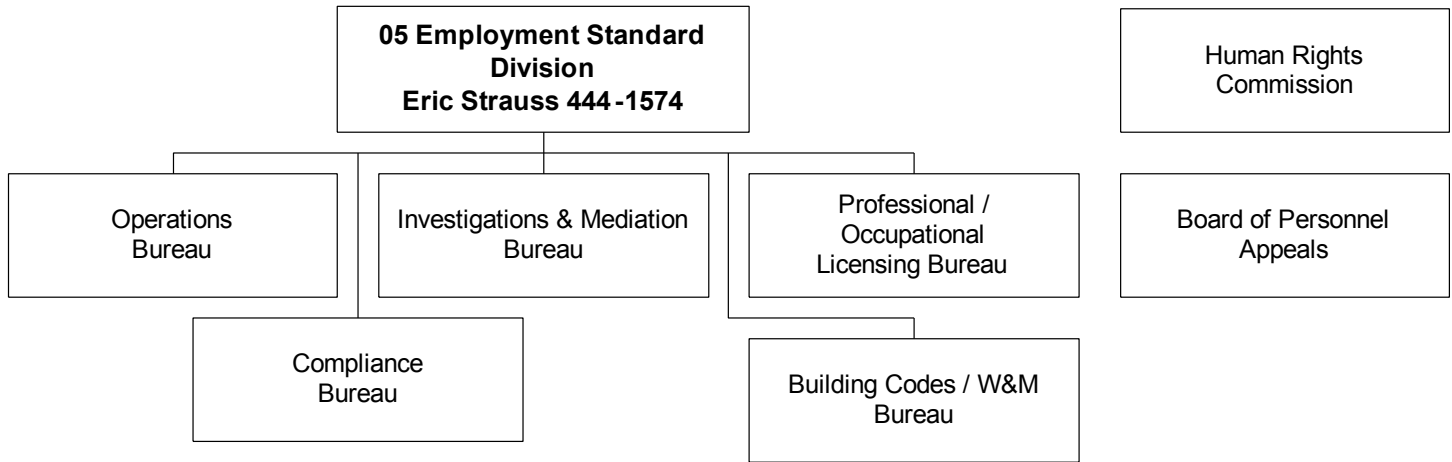
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$2,004	\$5,809
FY 2027	\$2,004	\$5,809

NP - 302 - Legal Adjustment -

This requests includes an increase of \$5,809 each year in general fund and state special revenue corresponding to internal rates for legal services in the agency.

Department of Labor and Industry - 66020

Employment Standards Division - 05



Program Description - The department's Employment Standards Division (ESD) is responsible for a wide range of services that seek to protect Montana workers and consumers. The Professional and Occupational Licensing Bureau provides operational and administrative support for Montana's professional licensing boards and programs and operates the state's Prescription Drug Registry. The Building Codes and Weights & Measurements Bureau sets and enforces minimum standards for building, electrical, plumbing, elevator and similar codes, and it licenses, tests, and certifies all weighting and measurement devices used in commercial transactions. The division's Investigation and Mediation Bureau enforces the Montana Human Rights Act, Wage Payment Act, and investigates claims of violations related to all division programs. The Compliance Bureau administers federal and state industrial safety laws for the public sector while providing no-cost consultation services for all employers. The bureau also oversees the Workers' Compensation section that assists claimants, employers, and insurers in navigating the state's Workers' Compensation system. It also provides compliance oversight and inspection services for all division programs. The Operations Bureau provides administrative support to the division while operating data management and customer services programs.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	248.87	0.00	248.87	0.00	248.87	
Personal Services	23,114,697	142,156	23,256,853	204,834	23,319,531	46,576,384
Operating Expenses	13,320,905	971,927	14,292,832	975,690	14,296,595	28,589,427
Equipment & Intangible Assets	470,941	350,000	820,941	350,000	820,941	1,641,882
Grants	5,000	0	5,000	0	5,000	10,000
Benefits & Claims	100,389	0	100,389	0	100,389	200,778
Transfers	44,869	0	44,869	0	44,869	89,738
Debt Service	894,700	0	894,700	0	894,700	1,789,400
Total Costs	\$37,951,501	\$1,464,083	\$39,415,584	\$1,530,524	\$39,482,025	\$78,897,609
General Fund	1,860,556	(1,822,239)	38,317	(1,818,578)	41,978	80,295
State/Other Special	34,772,745	3,113,545	37,886,290	3,173,836	37,946,581	75,832,871
Federal Spec. Rev. Funds	1,318,200	172,777	1,490,977	175,266	1,493,466	2,984,443
Total Funds	\$37,951,501	\$1,464,083	\$39,415,584	\$1,530,524	\$39,482,025	\$78,897,609

Department of Labor and Industry - 66020

Employment Standards Division - 05

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	9,123	142,156	13,149	204,834
SWPL - 2 - Fixed Costs	18,457	325,146	18,092	322,324
SWPL - 3 - Inflation Deflation	0	(20,316)	0	(13,731)
<i>Total Statewide Present Law Adjustments</i>	<i>\$27,580</i>	<i>\$446,986</i>	<i>\$31,241</i>	<i>\$513,427</i>
Present Law Adjustments				
PL - 303 - Postage & Mailing Inflation	0	27,000	0	27,000
PL - 501 - Equipment for Weights & Measures	0	350,000	0	350,000
PL - 502 - ESD Increase Federal Authority	0	160,000	0	160,000
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$537,000</i>	<i>\$0</i>	<i>\$537,000</i>
New Proposals				
NP - 302 - Legal Adjustment	9,602	480,097	9,602	480,097
NP - 503 - Human Rights Bureau Funding Switch	(1,859,421)	0	(1,859,421)	0
<i>Total New Proposals</i>	<i>(\$1,849,819)</i>	<i>\$480,097</i>	<i>(\$1,849,819)</i>	<i>\$480,097</i>
Total Budget Adjustments	(\$1,822,239)	\$1,464,083	(\$1,818,578)	\$1,530,524

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$9,123	\$142,156
FY 2027	\$13,149	\$204,834

SWPL - 1 - Personal Services -

The budget includes adjustments of \$142,156 in FY 2026 and \$204,834 in FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$18,457	\$325,146
FY 2027	\$18,092	\$322,324

SWPL - 2 - Fixed Costs -

The request includes \$325,146 in FY 2026 and \$322,324 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	(\$20,316)
FY 2027	\$0	(\$13,731)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$20,316 in FY 2026 and \$13,731 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

Department of Labor and Industry - 66020

Employment Standards Division - 05

-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$27,000
FY 2027	\$0	\$27,000

PL - 303 - Postage & Mailing Inflation -

This change packages requests an inflationary increase of \$27,000 for each year of the 2027 Biennium for printing and mailing costs.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$350,000
FY 2027	\$0	\$350,000

PL - 501 - Equipment for Weights & Measures -

Employment Standards Division requests an increase in state special revenue to support equipment replacements in the Weights & Measures program. The request is for \$350,000 each year of the biennium and provides for purchasing specialized equipment on a replacement schedule. The equipment is used for weight and measuring calibration and other associated equipment in the program.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$160,000
FY 2027	\$0	\$160,000

PL - 502 - ESD Increase Federal Authority -

This request is to increase federal special revenue in the Employment Standards Division (ESD) for \$160,000 in each year of the 2027 Biennium. The division has seen an increase in several annual federal grants. This request will adjust the level of appropriations to correspond to current federal award levels.

-----New Proposals-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$9,602	\$480,097
FY 2027	\$9,602	\$480,097

NP - 302 - Legal Adjustment -

This request would increase base operations in the division by \$480,097 each year. The increase provides adequate funding to cover the per hour rate charged by attorneys and paralegals for legal services in the agency.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$1,859,421)	\$0
FY 2027	(\$1,859,421)	\$0

NP - 503 - Human Rights Bureau Funding Switch -

The request includes a fund switch reducing general fund by \$1,859,421 each year and increasing the state special revenue by \$1,859,421 in each year of the biennium.

Department of Labor and Industry - 66020

Office of Community Services - 07

**07 Office of
Community Service
Sarah Sadowski 444-2573**

Program Description - The Governor's Office of Community Service (OCS) and the Governor-appointed Montana Commission on Community Service promotes service and community volunteer opportunities in Montana. OCS administers federal funding to AmeriCorps state programs in Montana. The federal funding is provided by the Corporation for National and Community Service, an independent federal agency. OCS provides a comprehensive array of technical assistance and supports national service programs and service organizations throughout Montana.

Program Proposed Budget	Starting Point	Budget	Total	Budget	Total	Executive
Budget Item	Fiscal 2025	Adjustments	Exec. Budget	Adjustments	Exec. Budget	Budget Request
		Fiscal 2026	Fiscal 2026	Fiscal 2027	Fiscal 2027	2027 Biennium
FTE	5.00	0.00	5.00	0.00	5.00	
Personal Services	456,678	123,663	580,341	126,430	583,108	1,163,449
Operating Expenses	401,551	183,733	585,284	181,968	583,519	1,168,803
Grants	3,094,722	0	3,094,722	0	3,094,722	6,189,444
Transfers	250,650	0	250,650	0	250,650	501,300
Debt Service	1,172	0	1,172	0	1,172	2,344
Total Costs	\$4,204,773	\$307,396	\$4,512,169	\$308,398	\$4,513,171	\$9,025,340
General Fund	167,318	4,627	171,945	4,876	172,194	344,139
State/Other Special	0	295,000	295,000	295,000	295,000	590,000
Federal Spec. Rev. Funds	4,037,455	7,769	4,045,224	8,522	4,045,977	8,091,201
Total Funds	\$4,204,773	\$307,396	\$4,512,169	\$308,398	\$4,513,171	\$9,025,340

Program Proposed Budget Adjustments	Budget Adjustments		Budget Adjustments	
	Fiscal 2026		Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	(188)	(783)	56	234
SWPL - 2 - Fixed Costs	4,815	13,293	4,820	13,241
SWPL - 3 - Inflation Deflation	0	(114)	0	(77)
<i>Total Statewide Present Law Adjustments</i>	<i>\$4,627</i>	<i>\$12,396</i>	<i>\$4,876</i>	<i>\$13,398</i>
New Proposals				
NP - 701 - OCS State Special Revenue Fund Match	0	295,000	0	295,000
<i>Total New Proposals</i>	<i>\$0</i>	<i>\$295,000</i>	<i>\$0</i>	<i>\$295,000</i>
Total Budget Adjustments	\$4,627	\$307,396	\$4,876	\$308,398

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$188)	(\$783)
FY 2027	\$56	\$234

SWPL - 1 - Personal Services -

The budget includes a reduction of \$783 in FY 2026 and an increase of \$234 in FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

Department of Labor and Industry - 66020

Office of Community Services - 07

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$4,815	\$13,293
FY 2027	\$4,820	\$13,241

SWPL - 2 - Fixed Costs -

The request includes \$13,293 in FY 2026 and \$13,241 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	(\$114)
FY 2027	\$0	(\$77)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$114 in FY 2026 and \$77 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

-----New Proposals-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$295,000
FY 2027	\$0	\$295,000

NP - 701 - OCS State Special Revenue Fund Match -

The Office of Community Service requests state special revenue authority of \$295,000 in each year of the 2027 Biennium to be used as match that would be combined with federal AmeriCorps funding to support grants administered by the program. Funding would support staff and operational costs for the program.

Department of Labor and Industry - 66020

Workers Compensation Court - 09

**09 Workers
Compensation Court
Judge Lee Bruner 444-7794**

Program Description - The Workers' Compensation Court provides a forum for Montana employees, employers, and insurers to resolve disputes arising from work-related injuries and occupational diseases. The court is attached to the department for administrative purposes only.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	5.00	0.00	5.00	0.00	5.00	
Personal Services	594,555	(46,277)	548,278	(45,463)	549,092	1,097,370
Operating Expenses	135,124	(8,757)	126,367	(8,814)	126,310	252,677
Debt Service	51,915	0	51,915	0	51,915	103,830
Total Costs	\$781,594	(\$55,034)	\$726,560	(\$54,277)	\$727,317	\$1,453,877
State/Other Special	781,594	(55,034)	726,560	(54,277)	727,317	1,453,877
Total Funds	\$781,594	(\$55,034)	\$726,560	(\$54,277)	\$727,317	\$1,453,877

Program Proposed Budget Adjustments				
		Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027
		General Fund	Total Funds	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services		0	(46,277)	(45,463)
SWPL - 2 - Fixed Costs		0	(8,985)	(9,097)
SWPL - 3 - Inflation Deflation		0	(170)	(115)
<i>Total Statewide Present Law Adjustments</i>		<i>\$0</i>	<i>(\$55,432)</i>	<i>(\$54,675)</i>
Total Budget Adjustments		\$0	(\$55,432)	\$0

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	(\$46,277)
FY 2027	\$0	(\$45,463)

SWPL - 1 - Personal Services -

The budget includes a reduction of \$46,277 in FY 2026 and \$45,463 in FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	(\$8,985)
FY 2027	\$0	(\$9,097)

SWPL - 2 - Fixed Costs -

The request includes a reduction of \$8,985 in FY 2026 and \$9,097 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

Department of Labor and Industry - 66020

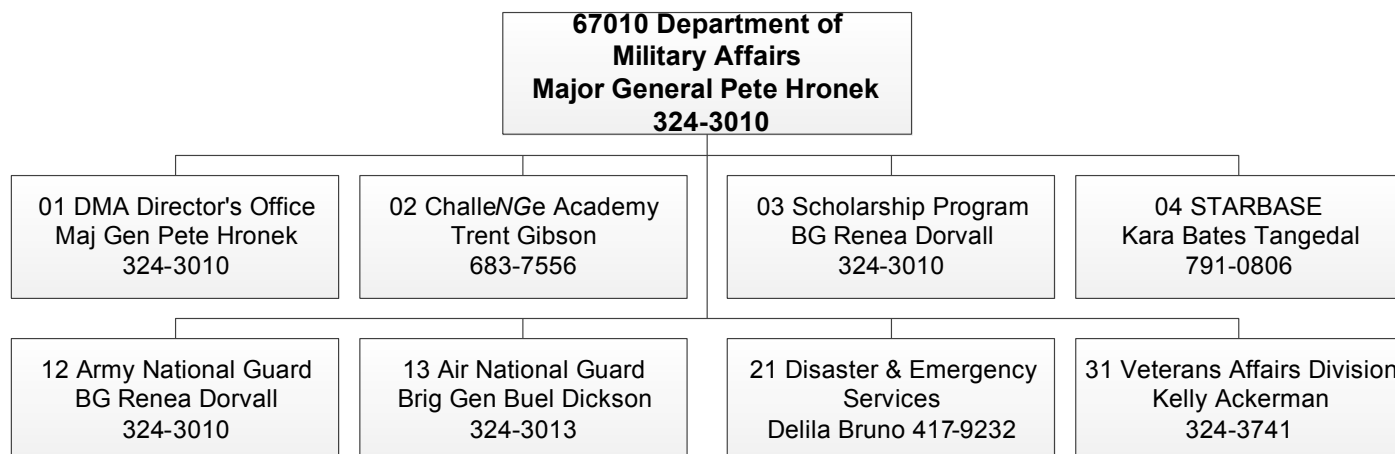
Workers Compensation Court - 09

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	(\$170)
FY 2027	\$0	(\$115)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$170 FY 2026 and \$115 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

Department of Military Affairs - 67010



Mission Statement - The mission of the Department of Military Affairs has three components:

- Federal - To serve as the primary federal reserve force in support of the national security objectives when called upon by the President of the United States;
- State - Protection of life property, preservation of peace, order, and public safety for Montana's citizens, when called upon by the Governor;
- Community - Participate in local, state, and national programs that add value to America.

Statutory Authority - Article I, U.S. Constitution; Article VI, Section 13, Montana Constitution; Title 10, MCA

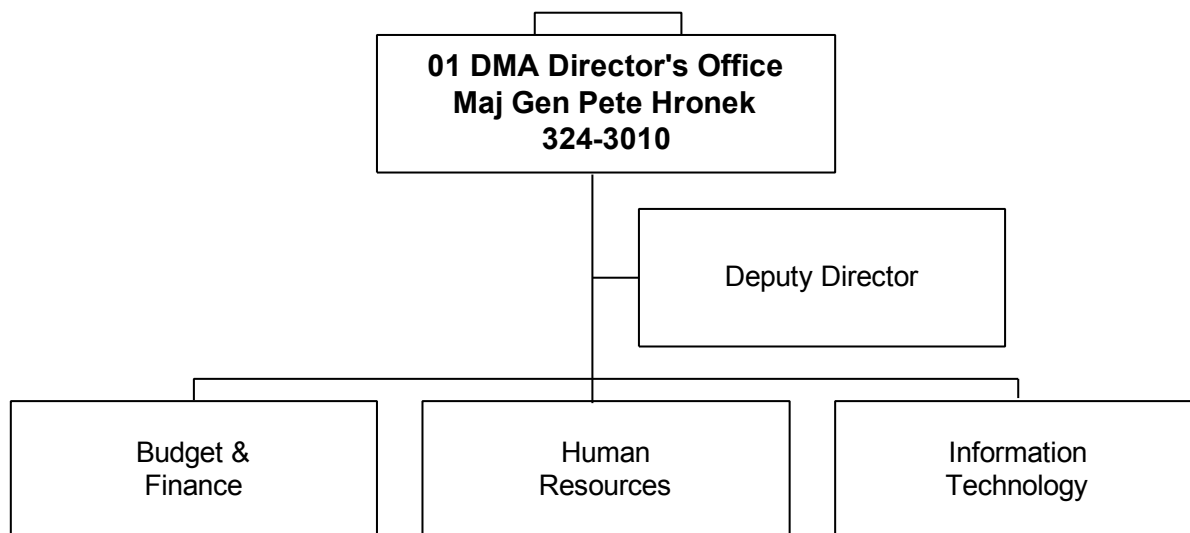
Agency Proposed Budget	Total	Total	Total
Budget Item	Exec. Budget Fiscal 2026	Exec. Budget Fiscal 2027	Exec. Budget 2027 Biennium
FTE	249.66	249.66	
Personal Services	24,111,242	24,373,259	48,484,501
Operating Expenses	23,032,886	22,865,258	45,898,144
Equipment & Intangible Assets	225,536	225,536	451,072
Grants	13,296,181	13,296,181	26,592,362
Benefits & Claims	800	800	1,600
Transfers	1,617,260	1,617,260	3,234,520
Debt Service	414,000	414,000	828,000
Total Costs	\$62,697,905	\$62,792,294	\$125,490,199
General Fund	11,151,139	11,156,970	22,308,109
State/Other Special	1,551,171	1,504,993	3,056,164
Federal Spec. Rev. Funds	49,995,595	50,130,331	100,125,926
Total Funds	\$62,697,905	\$62,792,294	\$125,490,199

Department of Military Affairs - 67010

Agency Appropriated Biennium to Biennium Comparison								
Program	2025 Biennium Appropriated Budget		2027 Biennium Requested Budget		Biennium to Biennium Difference (dollars)		Biennium to Biennium Difference (percent)	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
01 - Directors Office	2,288,337	3,609,626	2,632,712	4,055,463	344,375	445,837	15.05 %	12.35 %
02 - Challenge Program	2,762,288	11,768,692	3,033,134	12,447,428	270,846	678,736	9.81 %	5.77 %
03 - Scholarship Program	500,000	500,000	500,000	500,000	0	0	0.00 %	0.00 %
04 - Starbase	0	2,409,405	0	3,360,205	0	950,800	0.00 %	39.46 %
12 - Army National Guard Pgm	4,104,057	43,112,184	4,144,257	43,849,180	40,200	736,996	0.98 %	1.71 %
13 - Air National Guard Pgm	863,996	12,498,468	842,377	13,610,688	(21,619)	1,112,220	(2.50)%	8.90 %
21 - Disaster & Emergency Services	3,919,396	37,172,198	4,274,482	38,147,276	355,086	975,078	9.06 %	2.62 %
31 - Veterans Affairs Program	3,363,644	5,253,097	6,881,147	9,519,959	3,517,503	4,266,862	104.57 %	81.23 %
Agency Total	\$17,801,718	\$116,323,670	\$22,308,109	\$125,490,199	\$4,506,391	\$9,166,529	25.31 %	7.88 %

Department of Military Affairs - 67010

Directors Office - 01



Program Description - The Director's Office provides departmental administration through the Office of the Adjutant General and department-wide support for accounting, fiscal management, personnel, labor relations, and purchasing and property management oversight. The program operates in accordance with Title 2, Chapter 15, part 12 and Title 10, MCA.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	15.21	1.00	16.21	1.00	16.21	
Personal Services	1,501,277	199,520	1,700,797	202,918	1,704,195	3,404,992
Operating Expenses	259,092	24,598	283,690	6,179	265,271	548,961
Benefits & Claims	100	0	100	0	100	200
Transfers	50,655	0	50,655	0	50,655	101,310
Total Costs	\$1,811,124	\$224,118	\$2,035,242	\$209,097	\$2,020,221	\$4,055,463
General Fund	1,140,705	183,807	1,324,512	167,495	1,308,200	2,632,712
Federal Spec. Rev. Funds	670,419	40,311	710,730	41,602	712,021	1,422,751
Total Funds	\$1,811,124	\$224,118	\$2,035,242	\$209,097	\$2,020,221	\$4,055,463

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	65,771	106,082	67,878	109,480
SWPL - 2 - Fixed Costs	1,817	1,817	1,192	1,192
SWPL - 3 - Inflation Deflation	(19)	(19)	(13)	(13)
<i>Total Statewide Present Law Adjustments</i>	<i>\$67,569</i>	<i>\$107,880</i>	<i>\$69,057</i>	<i>\$110,659</i>
New Proposals				
NP - 1001 - DO HR Staffing	96,238	96,238	93,438	93,438
NP - 1002 - DO IT Project Implementation	20,000	20,000	5,000	5,000
<i>Total New Proposals</i>	<i>\$116,238</i>	<i>\$116,238</i>	<i>\$98,438</i>	<i>\$98,438</i>
Total Budget Adjustments	\$183,807	\$224,118	\$167,495	\$209,097

Department of Military Affairs - 67010

Directors Office - 01

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$65,771	\$106,082
FY 2027	\$67,878	\$109,480

SWPL - 1 - Personal Services -

SWPL 1: The budget includes \$106,082 in FY 2026 and \$109,480 in FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$1,817	\$1,817
FY 2027	\$1,192	\$1,192

SWPL - 2 - Fixed Costs -

The request includes funding of \$1,817 in FY 2026 and \$1,192 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$19)	(\$19)
FY 2027	(\$13)	(\$13)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$19 in FY 2026 and \$13 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

-----New Proposals-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$96,238	\$96,238
FY 2027	\$93,438	\$93,438

NP - 1001 - DO HR Staffing -

The Director's Office requests 1.00 FTE for additional human resources (HR) staff. The request directly corresponds to an increase in workload and to allow the agency to respond to staff turnover in a more timely and effective manner. The FTE will bring the department closer to, but still lower than, the employee to HR staff ratio of other state agencies. This proposal is for an increase in general fund of \$96,238 in FY 2026 and \$93,438 in FY 2027.

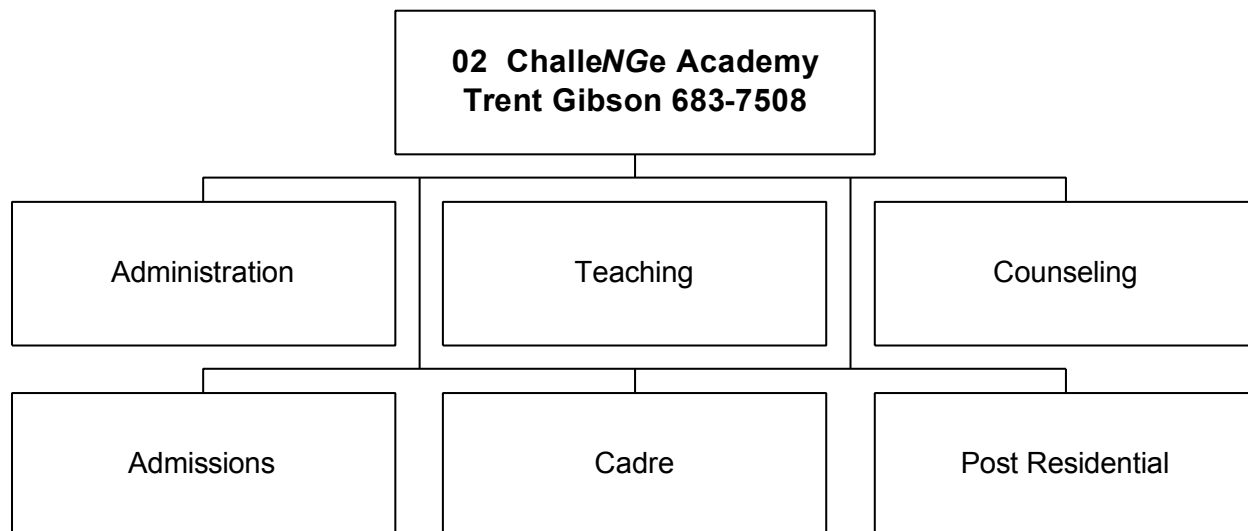
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$20,000	\$20,000
FY 2027	\$5,000	\$5,000

NP - 1002 - DO IT Project Implementation -

The Director's Office requests general fund for the purchase, implementation, and on-going license costs of Multi-Factor Authentication (MFA). As a part of the DMA IT Strategic Plan for 2024-2027, and as a requirement of both the MT-BASE Information Security Controls Standard and NIST 500-83 standard, it was identified that the Department of Military Affairs needs to implement MFA for on premises domain user logins. This will enhance security, bring DMA into compliance with SITSD security policies and help prevent security breaches. This request is for \$20,000 in FY 2026 and \$5,000 in FY 2027 in general fund.

Department of Military Affairs - 67010

Challenge Program - 02



Program Description - The Montana National Guard Youth ChalleNGe Program is a volunteer program for youth ages 16 to 18 who have stopped attending secondary school before graduating. ChalleNGe is a 17-month, voluntary, two-phased military modeled training program targeting unemployed, drug-free, and crime-free high school dropouts. The program provides an opportunity for high school "at risk" youth to enhance their life skills, and increase their educational levels and employment potential. Phase I of the program is a 22 week residential stay on the campus of Western Montana College of the University of Montana in Dillon focusing on physical training, classroom instruction, personal development, and life skills. Phase II is a year-long mentoring relationship with a specially-trained member of the community where the youth resides to provide a positive role model and to assist the student in gaining employment or enrolling in post-secondary schooling.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	54.15	3.00	57.15	3.00	57.15	
Personal Services	4,010,866	386,701	4,397,567	392,229	4,403,095	8,800,662
Operating Expenses	1,809,676	18,778	1,828,454	8,436	1,818,112	3,646,566
Benefits & Claims	100	0	100	0	100	200
Total Costs	\$5,820,642	\$405,479	\$6,226,121	\$400,665	\$6,221,307	\$12,447,428
General Fund	1,415,421	101,803	1,517,224	100,489	1,515,910	3,033,134
Federal Spec. Rev. Funds	4,405,221	303,676	4,708,897	300,176	4,705,397	9,414,294
Total Funds	\$5,820,642	\$405,479	\$6,226,121	\$400,665	\$6,221,307	\$12,447,428

Department of Military Affairs - 67010

Challenge Program - 02

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	44,250	176,958	45,650	182,486
SWPL - 2 - Fixed Costs	3,113	12,453	2,459	9,838
SWPL - 3 - Inflation Deflation	(100)	(2,075)	(70)	(1,402)
<i>Total Statewide Present Law Adjustments</i>	<i>\$47,263</i>	<i>\$187,336</i>	<i>\$48,039</i>	<i>\$190,922</i>
New Proposals				
NP - 2001 - MYCA Case Managers	54,540	218,143	52,450	209,743
<i>Total New Proposals</i>	<i>\$54,540</i>	<i>\$218,143</i>	<i>\$52,450</i>	<i>\$209,743</i>
Total Budget Adjustments	\$101,803	\$405,479	\$100,489	\$400,665

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$44,250	\$176,958
FY 2027	\$45,650	\$182,486

SWPL - 1 - Personal Services -

The budget includes \$176,958 in FY 2026 and \$182,486 in FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$3,113	\$12,453
FY 2027	\$2,459	\$9,838

SWPL - 2 - Fixed Costs -

The request includes \$12,453 in FY 2026 and \$9,838 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$100)	(\$2,075)
FY 2027	(\$70)	(\$1,402)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$2,075 in FY 2026 and \$1,402 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

Department of Military Affairs - 67010

Challenge Program - 02

-----New Proposals-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$54,540	\$218,143
FY 2027	\$52,450	\$209,743

NP - 2001 - MYCA Case Managers -

Montana Youth Challenge Academy requests 3.00 FTE Case Managers in order to comply with National Guard Bureau (NGB) staffing requirements. NGB changed the case manager ratio per graduate in March 2023. Case managers work with graduates in the post residential phase of the academy to help them maintain verified placement. NGB has identified that the case manager to graduate ratio was too low and updated its program requirements to receive federal funding. The increase to case manager staffing will increase the case manager's ability to work with graduates, improve monthly reporting, and support long-term success. This request is for \$218,143 in FY 2026 and \$209,743 in FY 2027 with the funding being split 75% federal funding and 25% state general fund.

Department of Military Affairs - 67010

Scholarship Program - 03

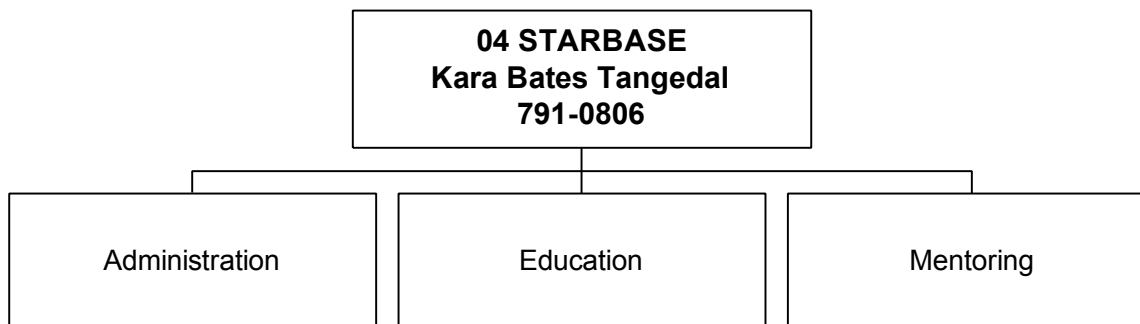
03 Scholarship Program
BG Renea Dorvall
324-3010

Program Description - The Montana National Guard Scholarship Program provides scholarships to eligible Montana National Guard personnel enrolled as undergraduate students in Montana colleges, universities, or training programs. The program assists Montana in recruiting and retaining personnel in both the Army and Air National Guard and in enhancing its operational readiness to assume both state and federal active duty missions. Scholarships also reward guard members for their service to the state by helping defray their educational costs at Montana post-secondary institutions.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
Operating Expenses	250,000	0	250,000	0	250,000	500,000
Transfers	0	0	0	0	0	0
Total Costs	\$250,000	\$0	\$250,000	\$0	\$250,000	\$500,000
General Fund	250,000	0	250,000	0	250,000	500,000
Total Funds	\$250,000	\$0	\$250,000	\$0	\$250,000	\$500,000

Department of Military Affairs - 67010

Starbase - 04



Program Description - STARBASE is the 100% federally funded premier youth outreach program of the Department of Defense. Currently, STARBASE has classrooms at Fort Harrison in Helena and the 120th Airlift Wing in Great Falls, providing 25 hours of hands-on science, technology, engineering, art, and math (STEAM) instruction to all fifth-grade classes within the Helena and Great Falls school districts, as well as afterschool programs and summer camps to students in grades 3-12 across Montana. STARBASE locations provide students the opportunity to interact with military personnel, foster familiarity with local military installations, nurture interest in STEAM careers, and empower Montana's youth for future success.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	7.00	0.00	7.00	0.00	7.00	
Personal Services	602,930	(5,417)	597,513	(3,899)	599,031	1,196,544
Operating Expenses	618,094	449,713	1,067,807	477,560	1,095,654	2,163,461
Benefits & Claims	100	0	100	0	100	200
Total Costs	\$1,221,124	\$444,296	\$1,665,420	\$473,661	\$1,694,785	\$3,360,205
Federal Spec. Rev. Funds	1,221,124	444,296	1,665,420	473,661	1,694,785	3,360,205

Program Proposed Budget Adjustments				
		Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027
		General Fund	Total Funds	General Fund
				Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services		0	(5,417)	(3,899)
SWPL - 2 - Fixed Costs		0	7,359	7,206
<i>Total Statewide Present Law Adjustments</i>		<i>\$0</i>	<i>\$1,942</i>	<i>\$3,307</i>
Present Law Adjustments				
PL - 4001 - STARBASE Budget Authority Increase		0	442,354	470,354
<i>Total Present Law Adjustments</i>		<i>\$0</i>	<i>\$442,354</i>	<i>\$470,354</i>
Total Budget Adjustments		\$0	\$444,296	\$473,661

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	(\$5,417)
FY 2027	\$0	(\$3,899)

SWPL - 1 - Personal Services -

The budget includes a reduction of \$5,417 in FY 2026 and \$3,899 in FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

Department of Military Affairs - 67010

Starbase - 04

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$7,359
FY 2027	\$0	\$7,206

SWPL - 2 - Fixed Costs -

The request includes \$7,359 in FY 2026 and \$7,206 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$442,354
FY 2027	\$0	\$470,354

PL - 4001 - STARBASE Budget Authority Increase -

This request is for an increase in federal budget authority for the STARBASE program. STARBASE programs are located in Great Falls, Fort Harrison, an upcoming site in Billings, and additional outreach is provided to reservations and HiLine communities. This request is for \$442,354 in FY 2026 and \$470,354 in FY 2027 in federal funding.

Department of Military Affairs - 67010

Army National Guard Pgm - 12



Program Description - The Army National Guard (ARNG), until federalized, is a state military organization that provides trained and equipped military units for use in the event of a state or national emergency. The federal/state cooperative agreement provides funding for facilities management, environmental, and communications support to the organization by: 1) providing professional and skilled personnel for the administration, planning, and execution of statewide repair and maintenance functions on facilities and training areas; 2) planning, programming, contracting, and professional and skilled administration, planning and execution for construction; 3) ensuring all activities and facilities comply with environmental regulations, state regulations and federal regulations; and 4) providing statewide communication services, security contracts, and leases for buildings and land used by the Army National Guard. The program is mandated by the U.S. and Montana Constitutions and Title 10, Chapters 1-3, MCA.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	55.30	0.00	55.30	0.00	55.30	
Personal Services	5,662,340	(186,145)	5,476,195	(173,325)	5,489,015	10,965,210
Operating Expenses	15,919,887	(23,356)	15,896,531	(63,920)	15,855,967	31,752,498
Equipment & Intangible Assets	150,536	0	150,536	0	150,536	301,072
Benefits & Claims	200	0	200	0	200	400
Transfers	25,000	0	25,000	0	25,000	50,000
Debt Service	390,000	0	390,000	0	390,000	780,000
Total Costs	\$22,147,963	(\$209,501)	\$21,938,462	(\$237,245)	\$21,910,718	\$43,849,180
General Fund	2,079,242	(2,206)	2,077,036	(12,021)	2,067,221	4,144,257
State/Other Special	420	3,500	3,920	3,500	3,920	7,840
Federal Spec. Rev. Funds	20,068,301	(210,795)	19,857,506	(228,724)	19,839,577	39,697,083
Total Funds	\$22,147,963	(\$209,501)	\$21,938,462	(\$237,245)	\$21,910,718	\$43,849,180

Department of Military Affairs - 67010

Army National Guard Pgm - 12

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	(9,300)	(186,145)	(8,650)	(173,325)
SWPL - 2 - Fixed Costs	7,098	(26,772)	(3,368)	(67,363)
SWPL - 3 - Inflation Deflation	(4)	(84)	(3)	(57)
<i>Total Statewide Present Law Adjustments</i>	<i>(\$2,206)</i>	<i>(\$213,001)</i>	<i>(\$12,021)</i>	<i>(\$240,745)</i>
Present Law Adjustments				
PL - 1201 - Army National Guard State Special Revenue Increase	0	3,500	0	3,500
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$3,500</i>	<i>\$0</i>	<i>\$3,500</i>
Total Budget Adjustments	(\$2,206)	(\$209,501)	(\$12,021)	(\$237,245)

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$9,300)	(\$186,145)
FY 2027	(\$8,650)	(\$173,325)

SWPL - 1 - Personal Services -

The budget includes a reduction of \$186,145 in FY 2026 and \$173,325 in FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$7,098	(\$26,772)
FY 2027	(\$3,368)	(\$67,363)

SWPL - 2 - Fixed Costs -

The request includes a reduction of \$26,771 in FY 2026 and \$67,363 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$4)	(\$84)
FY 2027	(\$3)	(\$57)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$84 in FY 2026 and \$57 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$3,500
FY 2027	\$0	\$3,500

PL - 1201 - Army National Guard State Special Revenue Increase -

This request increases state special revenue authority in the Army National Guard program. This fund receives revenue for grazing leases and armory rental fees. The increase in spending authority would allow ARNG to spend the revenue received each fiscal year. This request is for \$3,500 in each year of the biennium.

Department of Military Affairs - 67010

Air National Guard Pgm - 13



Program Description - The Air National Guard, until federalized, is a state military organization that provides trained and equipped military units for use in the event of a state or national emergency. The federal/state cooperative agreement provides for administrative, facilities maintenance, security, and fire protection support to the Air National Guard base at Gore Hill near Great Falls. The Air National Guard program operates under both federal and state mandates in accordance with its dual missions and is mandated by the United States and Montana Constitutions and Title 10, Chapter 1-3, MCA.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	46.00	0.00	46.00	0.00	46.00	
Personal Services	4,201,364	371,729	4,573,093	517,046	4,718,410	9,291,503
Operating Expenses	2,159,323	1,147	2,160,470	(808)	2,158,515	4,318,985
Benefits & Claims	100	0	100	0	100	200
Total Costs	\$6,360,787	\$372,876	\$6,733,663	\$516,238	\$6,877,025	\$13,610,688
General Fund	443,971	(23,213)	420,758	(22,352)	421,619	842,377
Federal Spec. Rev. Funds	5,916,816	396,089	6,312,905	538,590	6,455,406	12,768,311
Total Funds	\$6,360,787	\$372,876	\$6,733,663	\$516,238	\$6,877,025	\$13,610,688

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	(23,500)	(470,077)	(22,150)	(443,790)
SWPL - 2 - Fixed Costs	287	1,147	(202)	(808)
Total Statewide Present Law Adjustments	(\$23,213)	(\$468,930)	(\$22,352)	(\$444,598)
Present Law Adjustments				
PL - 1301 - ANG Re-Establish Firefighter FLSA Overtime	0	687,091	0	702,978
Total Present Law Adjustments	\$0	\$687,091	\$0	\$702,978
New Proposals				
NP - 1302 - ANG Firefighter Pay Increases	0	154,715	0	257,858
Total New Proposals	\$0	\$154,715	\$0	\$257,858
Total Budget Adjustments	(\$23,213)	\$372,876	(\$22,352)	\$516,238

Department of Military Affairs - 67010

Air National Guard Pgm - 13

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$23,500)	(\$470,077)
FY 2027	(\$22,150)	(\$443,790)

SWPL - 1 - Personal Services -

The budget includes a reduction of \$470,077 in FY 2026 and \$443,790 in FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$287	\$1,147
FY 2027	(\$202)	(\$808)

SWPL - 2 - Fixed Costs -

The request includes funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$687,091
FY 2027	\$0	\$702,978

PL - 1301 - ANG Re-Establish Firefighter FLSA Overtime -

The Air National Guard (ANG) requests an increase of \$687,091 in FY 2026 and \$702,978 in FY 2027 in federal spending authority for the firefighters Fair Labor Standards Act (FLSA) salaries and benefits that exceed those of a traditional FTE. Firefighters work a National Guard Bureau required 56-hour work week, due to the 24/7 nature of the crash/fire protection services to support and maintain the ANG mission and joint use requirements with the Great Falls International Airport. Overtime hours are paid in accordance with the Collective Bargaining Agreement and FLSA standards. These overtime costs are not fully captured in the personal services snapshot and each biennium this federal authority needs to be re-established to the levels required by the program.

-----New Proposals-----

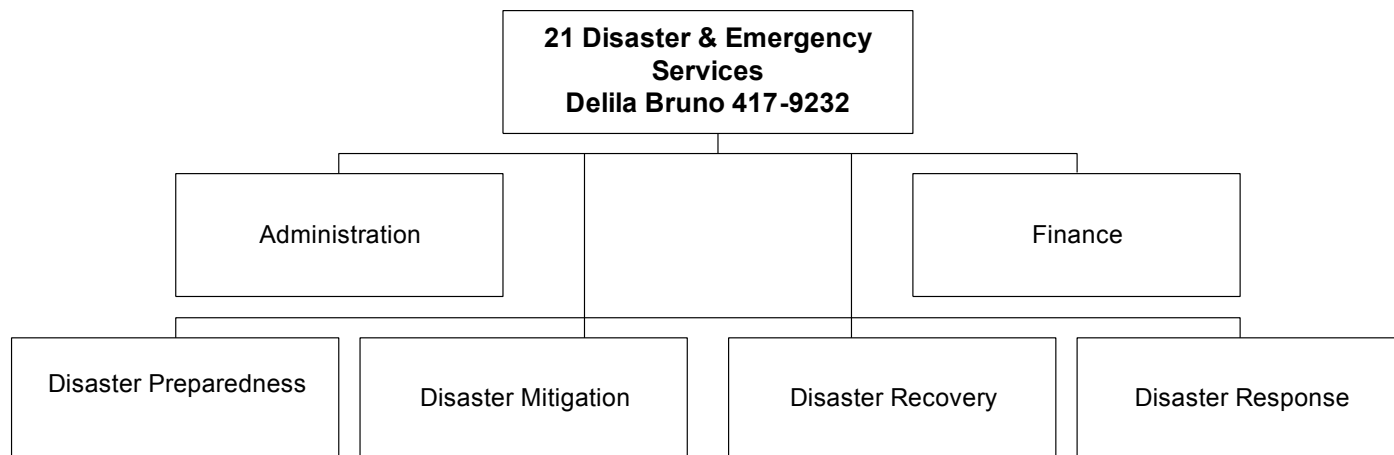
	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$154,715
FY 2027	\$0	\$257,858

NP - 1302 - ANG Firefighter Pay Increases -

The Montana Air National Guard (MANG) requests additional federal appropriation of \$154,715 in FY 2026 and \$257,858 in FY 2027 for pay increases for firefighters at the 120th Airlift Wing in Great Falls. MANG Firefighters are also Emergency Medical Technicians. The current hourly pay offered to MANG Firefighters ranks in the bottom 25% of pay across all Fire Departments in Montana. These pay discrepancies have resulted in high turnover and increased spending in recruitment and training. This request proposes an overall 8.3% increase over the biennium in salary and benefits for the MANG Fire Department. This plan to bring MANG Firefighter pay scales in line with Montana market pay rates has been approved by the National Guard Bureau and is 100% federally funded.

Department of Military Affairs - 67010

Disaster & Emergency Services - 21



Program Description - The Disaster and Emergency Services Division (DES) duties and responsibilities are provided for under Title 10, Chapter 3, MCA. The division is responsible for the coordination, development and implementation of emergency management planning, mitigation, response, and recovery statewide. This responsibility includes the administration and disbursement of federal Homeland Security and Emergency Management funds to eligible political subdivisions and tribal nations across the state. The division maintains a 24 hour a day point of contact to coordinate the volunteer, state, and federal response for assistance to political subdivisions and tribal nations in the event of an incident, emergency, or disaster.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	32.00	0.00	32.00	0.00	32.00	
Personal Services	3,077,190	319,570	3,396,760	327,074	3,404,264	6,801,024
Operating Expenses	863,885	35,123	899,008	(7,413)	856,472	1,755,480
Equipment & Intangible Assets	0	0	0	0	0	0
Grants	13,205,681	68,000	13,273,681	68,000	13,273,681	26,547,362
Benefits & Claims	100	0	100	0	100	200
Transfers	1,521,605	0	1,521,605	0	1,521,605	3,043,210
Total Costs	\$18,668,461	\$422,693	\$19,091,154	\$387,661	\$19,056,122	\$38,147,276
General Fund	1,991,285	154,976	2,146,261	136,936	2,128,221	4,274,482
State/Other Special	136,756	68,000	204,756	68,000	204,756	409,512
Federal Spec. Rev. Funds	16,540,420	199,717	16,740,137	182,725	16,723,145	33,463,282
Total Funds	\$18,668,461	\$422,693	\$19,091,154	\$387,661	\$19,056,122	\$38,147,276

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	137,415	319,570	140,642	327,074
SWPL - 2 - Fixed Costs	19,136	38,273	(2,642)	(5,284)
SWPL - 3 - Inflation Deflation	(1,575)	(3,150)	(1,064)	(2,129)
<i>Total Statewide Present Law Adjustments</i>	<i>\$154,976</i>	<i>\$354,693</i>	<i>\$136,936</i>	<i>\$319,661</i>
Present Law Adjustments				
PL - 2101 - DES Search and Rescue State Special Revenue	0	68,000	0	68,000
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$68,000</i>	<i>\$0</i>	<i>\$68,000</i>
Total Budget Adjustments	\$154,976	\$422,693	\$136,936	\$387,661

Department of Military Affairs - 67010

Disaster & Emergency Services - 21

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$137,415	\$319,570
FY 2027	\$140,642	\$327,074

SWPL - 1 - Personal Services -

The budget includes \$319,570 in FY 2026 and \$327,074 in FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$19,136	\$38,273
FY 2027	(\$2,642)	(\$5,284)

SWPL - 2 - Fixed Costs -

The request includes funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$1,575)	(\$3,150)
FY 2027	(\$1,064)	(\$2,129)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$3,150 in FY 2026 and \$2,129 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$68,000
FY 2027	\$0	\$68,000

PL - 2101 - DES Search and Rescue State Special Revenue -

The Disaster and Emergency Services Division requests additional state special revenue authority of \$68,000 each year of the biennium for the Search and Rescue (SAR) program. SAR receives revenue from the FWP licenses and permits voluntary donation and does not have adequate authority to spend the revenue received each fiscal year. The program helps to defray costs of local search and rescue units for search and rescue missions.

Department of Military Affairs - 67010

Veterans Affairs Program - 31

31 Veterans Affairs Division
Kelly Ackerman
324-3741

Program Description - The Veterans Affairs Division assists discharged veterans and their families, cooperates with state and federal agencies, promotes the general welfare of veterans, and provides information on veterans' benefits. The program also administers the veterans' cemeteries located at Miles City, Fort Harrison in Helena, and Missoula. The Board of Veterans' Affairs is administratively attached to the Department of Military Affairs, and operates under a state mandate provided in Title 10, Chapter 2, MCA.

Program Proposed Budget						
Budget Item	Starting Point Fiscal 2025	Budget Adjustments Fiscal 2026	Total Exec. Budget Fiscal 2026	Budget Adjustments Fiscal 2027	Total Exec. Budget Fiscal 2027	Executive Budget Request 2027 Biennium
FTE	25.00	11.00	36.00	11.00	36.00	
Personal Services	2,458,166	1,511,151	3,969,317	1,597,083	4,055,249	8,024,566
Operating Expenses	294,196	352,730	646,926	271,071	565,267	1,212,193
Equipment & Intangible Assets	0	75,000	75,000	75,000	75,000	150,000
Grants	35,000	(12,500)	22,500	(12,500)	22,500	45,000
Benefits & Claims	100	0	100	0	100	200
Transfers	20,000	0	20,000	0	20,000	40,000
Debt Service	24,000	0	24,000	0	24,000	48,000
Total Costs	\$2,831,462	\$1,926,381	\$4,757,843	\$1,930,654	\$4,762,116	\$9,519,959
General Fund	1,793,051	1,622,297	3,415,348	1,672,748	3,465,799	6,881,147
State/Other Special	1,038,411	304,084	1,342,495	257,906	1,296,317	2,638,812
Total Funds	\$2,831,462	\$1,926,381	\$4,757,843	\$1,930,654	\$4,762,116	\$9,519,959

Program Proposed Budget Adjustments				
	Budget Adjustments Fiscal 2026		Budget Adjustments Fiscal 2027	
	General Fund	Total Funds	General Fund	Total Funds
Statewide Present Law Adjustments				
SWPL - 1 - Personal Services	(101,474)	(169,123)	(95,419)	(159,032)
SWPL - 2 - Fixed Costs	14,427	19,236	13,222	17,630
SWPL - 3 - Inflation Deflation	(1,730)	(2,306)	(1,170)	(1,559)
<i>Total Statewide Present Law Adjustments</i>	<i>(\$88,777)</i>	<i>(\$152,193)</i>	<i>(\$83,367)</i>	<i>(\$142,961)</i>
Present Law Adjustments				
PL - 3103 - Veteran Affairs State Special Revenue	0	367,500	0	317,500
<i>Total Present Law Adjustments</i>	<i>\$0</i>	<i>\$367,500</i>	<i>\$0</i>	<i>\$317,500</i>
New Proposals				
NP - 3101 - Veteran Affairs Division Program Operations	1,711,074	1,711,074	1,756,115	1,756,115
<i>Total New Proposals</i>	<i>\$1,711,074</i>	<i>\$1,711,074</i>	<i>\$1,756,115</i>	<i>\$1,756,115</i>
Total Budget Adjustments	\$1,622,297	\$1,926,381	\$1,672,748	\$1,930,654

Department of Military Affairs - 67010

Veterans Affairs Program - 31

-----Statewide Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$101,474)	(\$169,123)
FY 2027	(\$95,419)	(\$159,032)

SWPL - 1 - Personal Services -

The budget includes funding to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$14,427	\$19,236
FY 2027	\$13,222	\$17,630

SWPL - 2 - Fixed Costs -

The request includes the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	(\$1,730)	(\$2,306)
FY 2027	(\$1,170)	(\$1,559)

SWPL - 3 - Inflation Deflation -

This change package includes a reduction of \$2,306 in FY 2026 and \$1,559 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

-----Present Law Adjustments-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$0	\$367,500
FY 2027	\$0	\$317,500

PL - 3103 - Veteran Affairs State Special Revenue -

This change package requests adjustments in state special revenue authority in several state special revenue accounts in the division to match estimated revenue levels.

-----New Proposals-----

	<u>General Fund Total</u>	<u>Total Funds</u>
FY 2026	\$1,711,074	\$1,711,074
FY 2027	\$1,756,115	\$1,756,115

NP - 3101 - Veteran Affairs Division Program Operations -

This change package requests general fund appropriation for the Montana Veterans Affairs Division (MVAD) of \$1,711,074 in FY 2026 and \$1,756,115 in FY 2027 for personal services and operating costs for the State Veterans Cemetery Program and the Veteran Services Offices Program. This request addresses the need for additional resources for the Veterans Affairs Division that was approved contingent upon legislation during the 2023 session and was funded by OBPP during the 2025 Biennium. This request also converts 11.00 FTE from modified to permanent FTE.