

**OFFICE OF THE GOVERNOR**  
**BUDGET AND PROGRAM PLANNING**  
STATE OF MONTANA



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**'29B – Memo 5**

**M E M O R A N D U M**

**TO: Directors, Centralized Services Administrators, & Interested Parties**

**FROM: Ryan Osmundson, Budget Director**  
**Office of Budget and Program Planning**

**DATE: April 13, 2026**

**SUBJECT: EXECUTIVE PLANNING PROCESS FOR THE 2029 BIENNIUM**

The 2029 biennium executive planning process (EPP) is underway. Agencies must submit all EPP requests by June 5 and budget requests by September 1, 2026.

The state budget has had the benefit of significant general fund balances over the past two biennia that it will not have this budget cycle. Attention should be given to efficiency initiatives implemented during the 2027 biennium. Agencies may also have budget requests related to the Red Tape Review process. Requests should be limited to essential agency needs. Agencies should look at reprioritizing existing resources to fund new initiatives.

**1. EPP BASICS**

**A. Training and Resources**

All OBPP memos, training guides, and instructions are available on the Budget Development TEAMS channel. Agency budget staff should also attend the bi-weekly Q & A meetings for additional information or to ask questions.

**B. EPP Present Law Requests and New Proposals**

For purposes of EPP, each agency will prepare and prioritize together at an agency-wide level, all present law increases/decreases and all new proposals. All changes from the FY 2027 Starting Point need to be submitted as change packages. Since FY 2026 actual expenditures can help determine the total

calculated need for a budgetary item, many of the adjustments requested during EPP will be zero dollar “placeholders”. All approved and pending EPP change packages will be returned to agencies in August for final adjustment and refinement.

The new proposals (NPs) and present law adjustments (PLs) will be submitted using the EPP module of IBARS. New Proposals may be submitted in the form of a zero dollar “placeholder” as well when the agency may need additional information to finalize a proposal. EPP requests must be prioritized for the entire agency, not by program.

PL and NP requests developed during EPP may include but are not limited to:

1. **PL Adjustments** - Present law increases or decreases that currently are projected require a PL adjustment change package (CP). Group these adjustments into the largest, most logical common denominator packages.
2. **Funding Shifts** – If there needs to be a change in the way a program or function is funded that is different from the budget Starting Point, the request should be categorized as a New Proposal.
3. **Program Revisions Linked to Legislation** – When a request is tied to a proposed law change that will require 2027 legislative action, it must be an NP and may be either a negative or a positive budget adjustment. Please prepare EPP requests for budgetary impacts of proposed legislation. For these types of requests, select the “1-Legislation” option for the Change Package Category in IBARS. Proposals should be related only to approved agency proposed legislation submitted through the new Agency Legislation Online Portal.
4. **Match Rate Changes** - If federal participation in mandated programs is changing, this would be a PL request. Funding shifts in discretionary programs must be NPs.
5. **Change Program Services** - If agency analysis indicates a more cost-effective manner to provide services, this type of change would likely be a PL.
6. **Phased-in 2027 Biennium Modifications** – The 2025 Legislature may have phased-in funding for the current biennium. You may need a PL request and justification to provide a budget for the entire 2029 biennium, if the program will be ongoing. Adjustments to the PL may be required in August based on actual FYE data.

7. **Caseload/Workload Adjustments** - Legally mandated workload adjustments to the FY 2027 Starting Point will be PL change packages, for example, Medicaid, inmate projections, and public-school enrollments.

**c. Implications of 2027 Biennium Budget Adjustments**

The actual FY 2026 expenditures will be available in IBARS version released in August for informational purposes and may be displayed in the Executive Budget (EB) tables. The FY 2027 Starting Point will be included in the EB tables. Based upon legislative action for each agency, and subsequent agency transactions, adjustments may include any or all of the following:

1. **Reorganization** - The FY 2027 Starting Point will include all agency reorganizations submitted to the OBPP by April 1, 2026, that were subsequently approved.
2. **Program Transfers** - The FY 2027 Starting Point will include FY 2027 program transfers (PTs) processed through June 1, 2026.
3. **Encumbrances (A-accruals)** – Encumbrances as recorded in SABHRS will be included in the displayed FY 2026 actual expenditures.
4. **One-Time-Only (OTO) Authority** –OTOs will be excluded from agency budgets. Carry-forward authority established in accordance with 17-7-304, MCA, for whatever purpose, is considered OTO, as are all administratively established authority, budget amendments, and cat and dog bills (on a case-by-case basis). Cat and dog bills that included language indicating an appropriation should be included in the base budget for the 2029 biennium will not be excluded.
5. **Biennial Appropriations** – Actual FY 2026 expenditures of biennial appropriations will be displayed in the FY 2026 actual expenditures column in IBARS. The amount of the biennial appropriations that is in FY 2027 will be included in the FY 2027 Starting Point. It will not include the balance remaining in the biennial appropriation at the end of FY 2026. If adjustments are required to the amount in the FY 2027 starting point, a change package will be required.
6. **Proprietary Funds** - For EPP purposes, if requested budget changes would affect the rates charged to budgeted programs, then an EPP request is required. The justification should describe the impact that the request would have on rates. The rate approved by the legislature for the 2025. Is akin to the Starting Point for other budgets. Any adjustment that changes the legislatively adopted rate for those internal service funds that are not considered a fixed cost must be submitted during the EPP process.

Guidelines for submission of enterprise and internal service funds not appropriated in HB 2 will be distributed by the OBPP on May 4. Analysis spreadsheet templates will be provided. Then agencies will prepare financial statements directly in IBARS for these funds. Requirements will be discussed further in the May 4 guidelines. Agencies will submit these budget requests by no later than September 1.

7. **Fixed Costs and Special Purpose Schedules** – Fixed cost budget proposals will be due to OBPP no later than July 9, 2024. Guidelines for submission of these schedules will be distributed May 2. On Aug 4, the OBPP and requesting agencies will host an informational workshop on the proposed fixed cost rates. The approved fixed cost and informational schedules, including any changes approved during EPP for the program providing the service, will be distributed to state agencies with the August budget request materials and will be used to prepare statewide present law change packages in all agencies.
8. **Reauthorization of an OTO** - If a program, activity, or funding for a function sunsets, an EPP request will be required for reauthorization consideration. If the sunset provision is in HB 2 or another appropriations bill, for example an OTO designation, and there is ongoing statutory authority for the function, the request would be a PL adjustment. If the sunset provision is in substantive law, then a NP would be required, together with a related legislation concept request.
9. **Consolidations**: Instructions to account for the consolidation efforts for HR, Procurement, and IT will be included in the August Budget Request Memo.
10. **All Other Adjustments** - All present law increases/decreases that differ from the FY 2027 Starting Point [except the three statewide PLs] are to be submitted by each agency during EPP. Placeholders are an acceptable submission.

#### **D. Writing Narrative for PL and NP Change Packages**

Begin with a paragraph that states the what, where, when, why, who, and how of the item(s) proposed. The cost or savings should be stated as a total biennial amount with an indication of how much general fund, if any, supports the DP. Please write this paragraph clearly and concisely. If your request is a placeholder, this information can be input during the August budget submission process.

In the second and following paragraphs, include additional information that explains the development of the request, detailed justification, the demographics, the funding details, and whatever else will provide an explanation of the request,

how it relates to mission and goals, what will occur if the item is not approved, and so forth. Categorization and justification of requests that are based on program needs will have more meaning to legislators and will have a better chance of favorable consideration than those listing account expenditure categories. Statistics, charts, or other information can be copied into the Narr tab.

For all approved and pending CPs, the request justification will be sent back to the agency as CP **“Narrative” in August**. The EB instructions may contain some additional information on finalizing the narrative.

## 2. ADDITIONAL REQUIREMENTS

### E. **Agency Goals and Objectives**

Please refer to budget memo 4.

## 3. SUBMISSION OF EPP REQUESTS

- F. Send an e-mail message to your executive budget analyst with a copy to Brandy Itzel at the OBPP when your IBARS work is complete, and the A01 Version has been submitted. The deadline is June 5, 2026.

The electronic IBARS copy will be the official copy of all EPP submitted requests. There will be an OBPP working version. In addition, your electronic copy as submitted will be available in a read-only public version.