

# LONG-RANGE PLANNING OVERVIEW

## Executive Summary

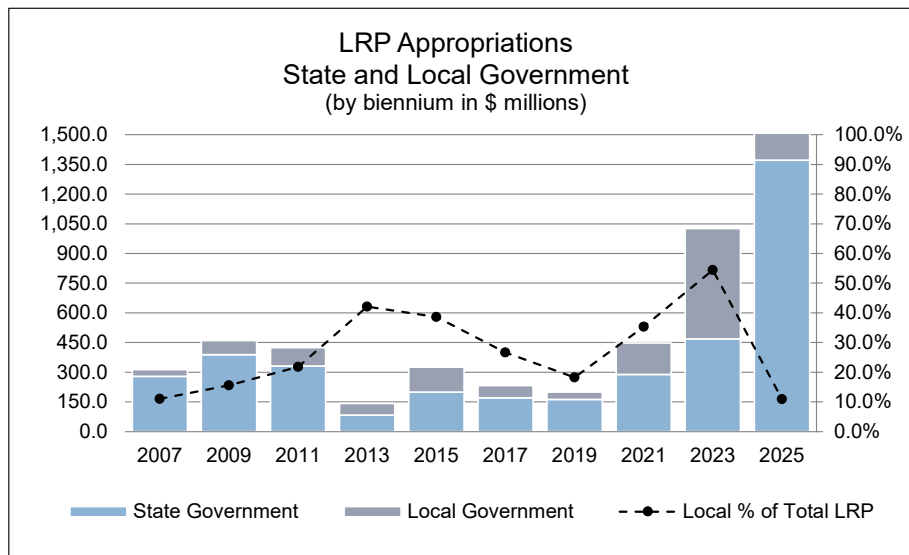
The executive proposal for Long-Range Planning (LRP) programs would provide a mix of cash and bond funding for state and local government infrastructure projects. Total LRP appropriations proposed by the executive are \$1,291.8 million. Additionally, the executive proposal includes \$247.7 million of non-state dollars (authority/donations). The executive proposed and the LRP subcommittee will review the budgets of nine programs.

## State and Local Infrastructure Projects

Long-Range Planning (LRP) programs are devoted to the creation and upkeep of major infrastructure. However, this excludes the state roads and highway construction and maintenance programs, which are appropriated in HB 2.

LRP budgets may be broadly classified as either state government or local government capital (infrastructure projects) programs. Figure 1 shows the level of biennial appropriations provided by category over time. Between the 2007 and the 2023 biennia, appropriations to the local government grant programs increased as a proportion of total LRP appropriations.

Figure 1



In the 2009, 2011, and 2015 biennia, the legislature increased local government grant awards by increasing program funding with general fund transfers. In the 2021 biennium, the legislature increased state and local infrastructure funding with the proceeds of general obligation bonds. In the interim years, LRP budgets ticked down, and no additional funding was provided. Changes made by the 2019 Legislature to the state building program, principally related to the major maintenance of state buildings, increased the proportion of state infrastructure spending, lowering the percent of local government grants as a portion of the total budget.

The 2021 legislature authorized federal American Rescue Plan Act (ARPA) funding for state and local water and sewer infrastructure, totaling \$462.7 million under HB 632. This included a minimum allocation grant program for cities, towns, and counties, totaling \$150.0 million; \$10.0 million for irrigation grants; and \$249.0 million for a competitive grant program for local government, state government, special district, school district, water user association, and tribal government water and sewer projects. This represented a significant investment in local

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water and wastewater infrastructure. Utilization of federal funding in the 2023 biennium, rather than state special revenue, for traditional local infrastructure funding programs such as the Montana Coal Endowment Program and the Renewable Resource Grants and Loans program allowed those programs to have more funding available for grants in the 2025 biennium proposal. Although there is an increased investment proposed for those programs in the 2025 biennium, the lower percentage of local appropriations in the 2025 biennium shown in Figure 1 is due to the significantly increased proposed appropriation for state-owned infrastructure.

### **Long-Range Planning Description**

In the 2025 biennium, the LRP budget analysis will focus on nine programs, which include:

- Long-Range Building Program (LRBP) – acquisition, construction, and major maintenance of state-owned lands and buildings, administered by the Department of Administration – HB 5
- State Building Energy Conservation Program (SBECP) – energy efficiency improvements to state-owned buildings, administered by the Department of Environmental Quality – HB 5
- Long-Range Information Technology Program (LRITP) – major state information technology builds and upgrades, administered by the Department of Administration – HB 10
- Montana Coal Endowment Program (MCEP) – water, wastewater, and bridge infrastructure grants to local governments, administered by the Department of Commerce – HB 11
- Montana Coal Endowment Regional Water Program (MCEPRW) – matching funds for major regional water projects, administered by the Department of Natural Resources and Conservation – HB 11
- Renewable Resource Grant and Loan Program (RRGL) – water conservation grants and loans to local governments, administered by the Department of Natural Resources and Conservation – HB 6, HB 8
- Reclamation and Development Grant Program (RDGP) – grants for the reclamation of lands degraded by mineral exploration and mining activities, administered by the Department of Natural Resources and Conservation – HB 7
- Cultural and Aesthetic Grant Program (C&A) – arts and cultural grants, administered by the Montana Arts Council – HB 9
- Montana Historic Preservation Grant Program (MHPG) – historic preservation grants, administered by the Department of Commerce – HB 12

### **Long-Range Planning Comparison**

Figure 2 compares the proposed 2025 biennium executive budget to the levels of appropriation provided by the 2021 Legislature by program and source of funding. The executive proposes total LRP budgets of \$1,539.7 million. This is \$913.8 million, or 146.0%, more than the LRP budget appropriations in the 2023 biennium. Significant aspects of this budget include:

- Increased capital development appropriations for investment in state-owned and Montana university system buildings, for new construction and larger repair and replacement projects
- Proposed supplemental funding for Long-Range Building Program (LRBP) projects that were previously authorized but due to inflation and other factors, need additional funding for inflationary adjustment
- Major repairs (maintenance) funding in the LRBP totaling \$84.4 million
- Long-Range Information Technology Program (LRITP) funding totaling \$240.3 million for 24 projects, an increase of \$186.8 million from the 2023 biennium
- Funding for grant requests in the MCEP, RRGL, and RDGP

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- No bonds have been proposed to help pay for the state infrastructure proposals; with the exception of the coal severance tax bonds for local government infrastructure, the proposal is funded with cash

Figure 2

Long-Range Planning Budget Comparison (\$ millions)				
Budget Item / Funding Source	Appropriations FY 22-23	Proposed Budget FY 24-25	Biennium Change	Biennium % Change
Long-Range Building Program (LRBP) - including O&M	\$414.3	\$1,131.6	\$717.3	173.1%
<i>Operations &amp; Maintenance Funding</i> <sup>1</sup>	4.2	11.2	7.0	166.7%
<i>State Building Energy Conservation Program (SBECP)</i>	3.7	3.7	0.0	0.0%
Long-Range Information Technology Program (LRITP)	53.5	240.3	186.8	349.2%
Montana Coal Endowment Program (MCEP)	27.7	31.0	3.3	12.0%
MCEP Regional Water Program (MCEPRW)	5.0	7.0	2.0	40.0%
Renewable Resource Grant and Loan Program (RRGL)	113.0	115.1	2.1	1.9%
Reclamation and Development Grant Program (RDGP)	6.6	5.7	(0.9)	-14.3%
Cultural and Aesthetic Grant Program (C&A)	0.3	0.6	0.3	86.3%
Montana Historic Grant Program (MHGP)	5.5	8.5	3.0	54.6%
<b>Total Costs</b>	<b>\$625.9</b>	<b>\$1,539.7</b>	<b>\$913.8</b>	<b>146.0%</b>
General Fund (GF)	\$1.9	\$10.3	\$8.4	442.1%
Capital Projects Fund (Capital) <sup>2</sup>	144.5	813.5	669.0	463.0%
State Special (SS)	85.2	227.2	142.0	166.7%
Federal Special (FS)	208.3	140.7	(67.6)	-32.5%
Total Bonds (Bonds)	101.7	98.9	(2.8)	-2.7%
<i>General Obligation Bonds Subtotal</i>	0.0	0.0	0.0	0.0%
<i>Coal Severance Tax Bonds Subtotal</i>	101.7	98.9	(2.8)	-2.7%
Proprietary Fund (Prop)	2.1	1.4	(0.7)	-33.3%
<b>Subtotal State Funds</b>	<b>543.7</b>	<b>1,292.0</b>	<b>748.3</b>	<b>137.6%</b>
Authorization (Author)	82.2	247.7	165.5	201.3%
<b>Total Funds</b>	<b>\$625.9</b>	<b>\$1,539.7</b>	<b>\$913.8</b>	<b>146.0%</b>
<sup>1</sup> Operations & Maintenance funding is appropriated in HB 5 to be included in agency base budgets for new buildings; agencies can begin using funds once buildings are completed.				
<sup>2</sup> Budget includes an executive proposal to transfer \$113.0 million of general fund to the capital development fund				

### LRP Description

LRP projects are administered by various state agencies, but the provision of services has historically been similar in each of the programs:

- Project requests are received by the program either from state agencies, the Montana university system, local governments, or private entities
- Project requests are reviewed by the receiving agency, board, or council and ranked, or prioritized, based on program specifications
- The Governor reviews the list of requests, determines the level of funding available for projects, and presents a list of funded project recommendations to the legislature in the form of separate funding bills
- If the legislature agrees to appropriate funds and authorize the various projects, money is distributed through the recipient to private contractors, generally through a competitive bid process

The legislature's work with the LRP budget differs in several ways from the work of other joint subcommittees, which include:

- LRP programs do not have a "base" budget. In LRP budget negotiations, the legislature does not consider matters of fixed costs, FTE and pay plan issues, or changes from the base. LRP budgets are functionally viewed and appropriated as zero-based budgets

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2. LRP projects are principally continuing appropriations, and the budget authority does not end in two years, like with HB 2 appropriations. Instead, the budgets are continued until project completion either through statutory re-appropriation language or by the accounting accrual process
3. LRP programs might be thought of as one-time-only appropriations. When funding is requested for any specific project, the capital funding needs do not continue once completed. For projects resulting in new construction or additions to state space, there may be increased need for operations and maintenance dollars in the future, but the capital funding for the project itself is finished
4. The LRP budget is presented to the subcommittee as a set of project recommendations. While the HB 2 budget subcommittees work with agency base budgets and decision packages (DP's) for legislative consideration, the LRP budget does not have DP's. In fact, one might consider the entire budget as a set of DP's for one-time-only project spending as provided in individual bills

### Funding

Historically, LRP programs are fully financed with statutorily dedicated allocations of funds. Generally, the program/project budget is strictly based on the amount of revenue estimated to be available for the program. The revenues come from a variety of sources including various tax allocations and, in several cases, interest earnings from dedicated trusts.

Figure 3 below shows the funding of the LRP budget for the 2025 biennium. Total biennial funding proposed for the LRP budgets is \$1,539.7 million. For the majority of LRP programs, the total of LRP budgets is funded primarily from state special revenue (SSR) funds, and for the 2025 biennium the executive proposal includes \$227.2 million of SSR, or 14.8% of the LRP budget. However, capital project funds, used almost exclusively in Long-Range programs, are \$813.5 million and make up the largest funding source in the 2025 biennium.

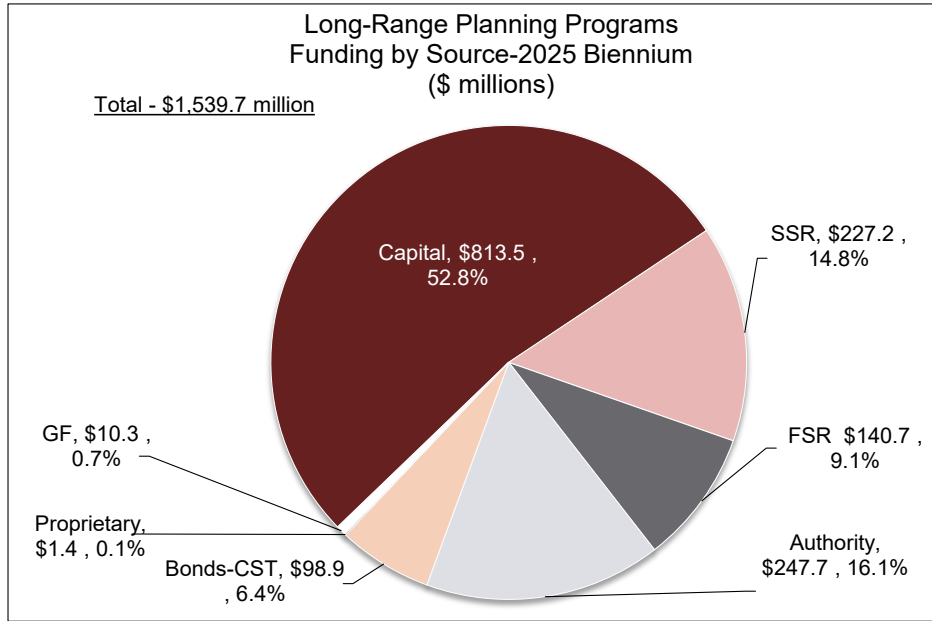
Coal severance tax bonds, for which debt service is repaid by the local governments for their renewable resource projects, total \$98.9 million in the executive proposal.

Federal special revenue funds provide \$140.7 million. This funding is for long-range building program projects, particularly Department of Military Affairs' projects, and long-range information technology projects, primarily for the Department of Health and Human Services (DPHHS).

Authorizations of \$249.1 million consist of non-state funding that does not require appropriation. Authorizations are made up of \$247.7 million of university funds, donations, and other forms of non-state resources, as well as \$1.4 million of enterprise funds for the Department of Corrections' Montana Correctional Enterprises. Authorizations exist in the LRBP because, with only a few exceptions such as Montana University System (MUS) auxiliary facilities, legislative approval is required for any state or MUS building projects with costs more than \$150,000 (18-2-102, MCA). More detail on the funding and appropriations of the LRP programs is found in the program sections of this report.

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Figure 3



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The dedicated funding of five of the LRP programs is substantially or totally reliant on the investment earnings from trust balances. Over the past decade, interest rates have been reduced causing reduced program funding. In the early 2000's, long term interest rates returned approximately 7.0% on investments. But in FY 2020, the return was just 3.4%. Interest rates are projected to increase in the 2025 biennium to 4.1% in FY 2024 and 4.3% in FY 2025, causing cash project funding increases in some of the LRP programs when compared to the 2023 biennium. This allows additional funding to be available for appropriations.

### Capital Development Funding

The 2019 Legislature created a new funding source for capital development projects that has been referred to as a “working rainy-day fund”. As seen in 17-7-208, MCA, the executive will propose annual transfers of general fund into the capital developments account, and the legislature may appropriate the transfer in the HB 2 budget of the Department of Administration, which houses the Architecture and Engineering (A&E) Division. The transfers are equal to the following:

- 1.0% of the amount of the certified unaudited state general fund revenue, including transfers, less:
  - General fund general obligation bonds debt service for existing bond issues
  - Projected general fund general obligation bonds debt service for authorized but unissued plus newly proposed bonds
- Per 17-7-130(6), MCA, the capital development fund also receives “overflow transfers from the budget stabilization account”, deposits greater than 4.5% of general fund appropriations in the second year of the biennium (\$4.7 million in FY 2021)

Transfers to the account will not occur if the executive has accessed the budget stabilization reserve fund in the immediately preceding 11 months or has made spending reductions pursuant to 17-7-140, MCA. The executive and the legislature may reduce the amount of the transfer proposed for HB 2.

The state treasurer may temporarily borrow, without interest, from the account to address cash balance deficiencies in the general fund so long as a loan would not impair the account from meeting any legal obligations. These provisions make the account a “working rainy-day fund”.

The funds in the account can be used for capital development projects, defined as:

- a) renovation, construction, alteration, site, or utility project with a total cost of \$2.5 million or more
- b) new facility with a construction cost of \$250,000 or more
- c) purchase of real property for which an appropriation is required to fund the purchase

Additionally, the terms of use of the account allows the legislature to transfer unencumbered funds from the account only to supplement the funding of local infrastructure.

The executive recommends a present law adjustment to eliminate the proposed general fund transfer, as there were transfers from the budget stabilization reserve fund in the 2023 biennium, and there is a large beginning fund balance for the capital development fund. The executive has proposed a one-time only general fund transfer to the capital development fund, unrelated to the statutory transfers, of \$113.0 million of general fund for the Department of Health & Human Services’ behavioral health initiative.

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### Infrastructure in Montana Proposal

The executive has featured most of the LRP budgets in what is titled the “Infrastructure in Montana” proposal of \$1,539.0 million. The executive’s proposal incorporates all the LRP programs except the C&A program.

Details for projects for each program can be found on the executive budget proposal webpage:  
<https://budget.mt.gov/Budgets/> Volumes 3-10 provide additional project information for each program.

The executive’s proposal will be contained in the “normal LRP bills”, including HB 5, HB 6, HB 7, HB 8, HB 10, HB 11, and HB 12. The Infrastructure in Montana proposal totals \$1,539.0 million and makes up over 99.9% of the total LRP program proposed appropriations as provided in this report.

# LONG-RANGE BUILDING PROGRAM

## Program Description

In 1963, the legislature enacted the Long-Range Building Program (LRBP) to provide funding for construction, alteration, repair, and maintenance of state-owned buildings and grounds. The program, as established in Title 17, Chapter 7, part 2, MCA, was developed to present a single, comprehensive, and prioritized plan for allocating state resources for the purpose of capital construction and repair of state-owned facilities. The program is administered by the A&E Division of the Department of Administration (DOA). Historically, the LRBP has been funded with a combination of cash accounts and bonding. The various types of cash accounts include state and federal special revenue funds, other funds (such as university and private funds), and LRBP capital project funds. The executive recommendation for LRBP projects is included in HB 5.

The LRBP appropriations are “continuing”, and unspent funds do not revert at the end of the biennium as experienced with most HB 2 appropriation. As provided in 17-7-212, MCA: “The remaining balances on capital projects previously approved by the legislature are re-appropriated for the purposes of the original appropriation until the projects are completed.” This condition allows the legislature to appropriate the full project cost in a single budget year.

## Program Budget Comparison

Figure 5 provides a comparison of the overall program by biennium. LRBP project costs are appropriated to the A&E Division, and Major Repairs and Capital Development in Figure 5 refer to the project categorization in HB 5.

Figure 5

Program Comparison - Long-Range Building Program				
Budget Item	Budget 2023 Bien.	Budget 2025 Bien.	Biennium Change	Biennium % Change
	Appropriated / Authorized	Appropriated / Authorized		
LRBP Project Costs				
<i>Major Repairs</i>	36,905,742	84,377,303	47,471,561	128.6%
<i>Capital Development</i>	257,369,876	923,457,452	666,087,576	258.8%
LRBP Project Costs	\$294,275,618	\$1,007,834,755	\$713,559,137	242.5%
Agency Project Appropriations <sup>1</sup>	40,970,335	45,738,644	4,768,309	11.6%
FWP Capital Program Appropriations <sup>1</sup>	71,136,150	63,121,380	-8,014,770	-11.3%
SBCEP Project Costs	3,700,000	3,700,000	0	0.0%
17-7-210 O&M	4,202,061	11,173,086	6,971,025	0.0%
<b>Total Costs</b>	<b>414,284,164</b>	<b>1,131,567,865</b>	<b>717,283,701</b>	<b>173.1%</b>
General Fund	1,937,741	10,300,752	8,363,011	431.6%
Capital Projects	144,012,005	665,915,944	521,903,939	362.4%
State Special	67,030,868	146,307,006	79,276,138	118.3%
Federal Special	117,020,293	59,885,929	-57,134,364	-48.8%
Proprietary <sup>2</sup>	2,074,027	1,430,000	-644,027	-31.1%
Authorization <sup>2</sup>	82,209,230	247,728,234	165,519,004	201.3%
<b>Total Funds</b>	<b>414,284,164</b>	<b>1,131,567,865</b>	<b>717,283,701</b>	<b>173.1%</b>

<sup>1</sup> Includes major repairs and capital development appropriations made directly to various agencies  
<sup>2</sup> Does not require appropriation but requires approval of the legislature

## Executive Proposal

As seen in Figure 5, the executive proposes a total LRBP budget of \$1,131.6 million for the 2025 biennium. This is \$717.3 million or 173.1% greater than the LRBP budget in the 2023 biennium. The executive proposal for the



## **LONG-RANGE BUILDING PROGRAM**

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LRBP program will be appropriated in HB 5. HB 5 also includes an appropriation of \$3.7 million for State Building Energy Conservation Program (SBECP), which is described beginning on page F-16.

The HB 5 proposal includes \$63.1 million of funding appropriated directly to Fish, Wildlife, and Parks (FWP). Funding in the FWP capital project program is used for improvements to parks and fishing access sites, land easements and acquisition, and other FWP capital improvement projects. The funding used in FWP projects is typically generated through various fishing and hunting fees charged at the state and federal level.

The LRBP also includes \$247.7 million of projects funded with non-state resource spending authority. The use of “authority” in the LRBP section is a reference to funds for major construction projects that do not require appropriation, but due to the sizable cost of the project and the potential of future costs to the state, must be authorized by the legislature. The request for authorizations would be a \$165.5 million increase when compared to the authorizations provided in the 2023 biennium.

### **HB 5 Project Highlights**

Some LRBP project highlights included in HB 5 include:

- Major repairs to state buildings across the state of \$90.3 million in all funds
- Major repair projects for Fort Harrison totaling \$5.9 million
- Supplemental funding of \$14.6 million requested for 19 major repair projects previously authorized that need additional funding for inflationary adjustment
- Supplemental funding of \$89.5 million requested for 21 capital development projects previously authorized that need additional funding for inflationary adjustment
- A proposed \$176.4 million for Department of Correction facilities from the capital development fund, including \$171.4 million for the Montana State Prison and \$5.0 million for the Montana Women’s Prison
- A DPHHS behavioral health initiative project totaling \$113.0 million for regionally based care facilities
- Also, for DPHHS, a \$15.9 million project for compliance upgrades at the Montana State Hospital
- An appropriation for the Montana Department of Transportation (MDT) which includes \$37.1 million state special revenue and \$250,000 federal special revenue funds primarily for new facilities in Great Falls, Kalispell, and Missoula
- Twelve authority-only approvals amounting to \$213.5 million for new facilities, remodeling, relocation, and renovation projects for the Montana University System. This includes \$92.0 million for the Montana State University (MSU) Mark and Robyn Jones College of Nursing (at 5 locations around the state) and \$50.0 million for the MSU Gianforte Computing Hall

A full list of the projects contained in the executive LRBP proposal, including appropriations by fund type and the list of major repairs projects, is found in appendix A-1 of this report. Detailed project descriptions are provided in Vol. 3 of the Governor’s Budget.

## LONG-RANGE BUILDING PROGRAM

### Major Maintenance & Repairs of Existing Facilities Before Authorizing Capital Development Projects

The actions of the 2019 Legislature created substantial changes to the LRBP. As a result of those actions, in statute, there are two types of projects to consider in the budget: major repairs and capital development. The project types are defined as follows in 17-7-201(7) and (8), MCA, respectively:

1. Major repair projects are defined:
  - a. a renovation, alteration, replacement, or repair project with a total cost of less than \$2.5 million
  - b. a site or utility improvement with a total cost of less than \$2.5 million
  - c. a new facility with a total construction cost of less than \$250,000

Not eligible for funding as a major repair project are operational costs and regular, ongoing, and routine repairs and maintenance funded in an agency operating budget that would not extend the capacity, function, or lifespan of a facility (normal maintenance).

2. New facility is defined as follows:
  - a. an addition to an existing building
  - b. the enclosure of space that was not previously fully enclosed

The term does not include the replacement of state-owned space that was demolished or that is otherwise removed from state use if the total construction cost of the replacement space is less than \$2.5 million.

### Operations and Maintenance Costs Related to New Construction

Operations and maintenance costs are included in HB 5 appropriations for new facilities, and then following that, are included in the future base budget for agencies, corresponding to the fund types that fund the agencies' budgets. Agencies cannot use the funding until the new facility is complete. In the HB 5 proposal, there are 28 projects for which operations and maintenance funding, totaling \$11.0 million, is included. Of this proposal, \$10.2 million general fund is included with \$4.0 million appropriated to the MSU Mark and Robyn Jones College of Nursing, for five locations around the state, at \$4.0 million; \$1.7 million appropriated to the MSU Gianforte Computing Hall; and \$2.5 million appropriated for the DPHHS regionally based care facilities under the behavioral health initiative. There is also \$572,000 of state special revenue for the new MDT combination facilities and FWP capital projects and upgrades. For federal special revenue, \$234,000 is appropriated for the Department of Military Affairs facilities.

According to 17-7-222(2), MCA, new facilities or "capital development" projects may not be authorized unless the legislature has provided the minimum amount of major repairs funding. For more information see page F-11 of this report.

According to 17-7-210(1), MCA, the legislature may not authorize the construction of a new facility if the new facility requires an immediate or future increase in state funding unless it also appropriates funds for the increase in state funding for program expansion and operations and maintenance.

## LONG-RANGE BUILDING PROGRAM

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### Funding

#### *Long-Range Building Program Major Repairs Account (LRBP-MR)*

As shown in Figure 6 below the LRBP-MR account will start the 2025 biennium with a projected fund balance of \$4.9 million. Revenues deposited into the account include a 2.6% distribution of cigarette tax revenue, \$3.1 million, and a 12.0% distribution of coal severance tax revenue, \$16.7 million. The LRBP-MR fund received an appropriated transfer totaling \$17.5 million in the 2023 biennium, and the proposed 2025 biennium transfer totals \$17.7 million. The transfers are provided as base funding for the A&E Division in HB 2 and must be approved by the Section A subcommittee. Other income received in the LRBP-MR includes interest earnings on LRBP fund balances, supervisory fees paid to the A&E Division, and transfers of excess energy savings funds from the State Building Energy Conservation Program (SBECP).

### Major Repairs Transfer

17-7-222, MCA, requires that major repairs to state buildings are funded yearly at a rate of 0.6% of the replacement value of existing LRBP eligible buildings. LRBP eligible buildings are defined as:

- Buildings owned by a state agency when the operation and maintenance are funded with state general fund
- Buildings that support the academic missions of the university system when the operation and maintenance are funded with current unrestricted university funds

To ensure that the required minimum amount of funding is available, there is an appropriated transfer to the MR account from the general fund, which is included as a present-law base appropriation in HB 2. For the 2023 biennium, the current replacement value of LRBP eligible buildings is \$2.2 billion.

The minimum major repairs funding requirement for the 2025 biennium equals \$15.2 million per year. The executive budget includes appropriated transfers of \$8.5 million in FY 2024 and \$9.3 million in FY 2025.

## LONG-RANGE BUILDING PROGRAM

Figure 6

LRBP Major Repairs Account Fund Balance Analysis - 2025 Biennium					
Account 05007					
	FY 2022 Actual	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected	2025 Bien. Projected
Calculated Beginning Fund Balance	\$12,395,792	\$21,235,806	\$4,870,973	(\$7,589,814)	\$4,870,973
Project Reversions	0	0	0	0	0
Proposed Project Deletion	0	0	0	0	0
Adjustments to Fund Balance	<u>0</u>	<u>32,539</u>	<u>0</u>	<u>0</u>	<u>0</u>
Beginning Fund Balance	12,395,792	21,268,345	4,870,973	(7,589,814)	4,870,973
<b>Revenues<sup>1</sup></b>					
Cigarette Tax	1,613,814	1,586,325	1,550,159	1,502,871	3,053,030
Coal Severance Tax	7,987,649	10,612,369	9,136,678	7,602,169	16,738,847
Interest Earnings	43,645	36,594	1,036,596	1,036,596	2,073,192
Supervisory Fees	117,422	465,974	225,000	225,000	450,000
Energy Savings Transfer		0	119,514	119,514	239,028
HB 2 Major Repairs Transfers <sup>2</sup>	8,589,879	8,941,581	8,495,149	9,254,790	17,749,939
Proposed HB 5 OTO Transfer from CD Fund <sup>3</sup>	<u>0</u>	<u>0</u>	<u>41,420,091</u>	<u>0</u>	<u>41,420,091</u>
<b>Total Revenues</b>	<b>18,352,409</b>	<b>21,642,843</b>	<b>61,983,187</b>	<b>19,740,940</b>	<b>81,724,127</b>
<b>Expenditures</b>					
Operating Costs-A & E Division <sup>4</sup>	2,172,339	2,420,107	2,718,374	2,718,374	5,436,748
Prior Biennia Projects <sup>5</sup>	4,077,333	11,280,118	0	0	0
ARPA-Ineligible Projects <sup>6</sup>	778,210	5,931,790	0	0	0
2025 Biennium Projects	<u>2,484,513</u>	<u>18,408,200</u>	<u>71,725,600</u>	<u>0</u>	<u>71,725,600</u>
<b>Total Expenditures/Appropriations</b>	<b>9,512,395</b>	<b>38,040,215</b>	<b>74,443,974</b>	<b>2,718,374</b>	<b>77,162,348</b>
<b>Estimated Ending Fund Balance</b>	<b>\$21,235,806</b>	<b>\$4,870,973</b>	<b>(\$7,589,814)</b>	<b>\$9,432,752</b>	<b>\$9,432,752</b>

<sup>1</sup>HJ2 Projections  
<sup>2</sup>Beginning in the 2023 Biennium - HB 2 Appropriated Transfer  
<sup>3</sup>Proposed transfer of \$41.4 million included in HB 5; amendment is anticipated to lower the transfer amount to \$33.9 million  
<sup>4</sup>HB 2  
<sup>5</sup>Assumes all appropriation authority is expended in FY 2023  
<sup>6</sup>There were 7 projects not eligible for ARPA funds; HB 632, section 34(1) re-establishes appropriation in the MR fund for that is how it was funded in the introduced version of HB5.

The fund balance analysis takes into consideration the HB 2 administrative costs for the A&E Division of \$5.4 million, which is paid from the LRBP-MR account but appropriated in HB 2. The total executive proposal for the LRBP capital projects funding is \$72.7 million for the 2025 biennium. The estimated ending fund balance for the major repairs fund is projected to be \$9.4 million at the end of the 2025 biennium.

**LFD**

**COMMENT**

There is a proposed one-time-only transfer from the capital development fund to the major repairs fund in HB 5 totaling approximately \$41.4 million for the 2025 biennium. It is anticipated that there will be an executive request to reduce the transfer to approximately \$33.9 million (a net decrease of \$7.5 million) to fund the expenditures proposed for the major repairs fund.

## LONG-RANGE BUILDING PROGRAM

### Capitol Land Grant Capital Projects Account

Capitol land grant (CLG) revenues, derived from trust lands designated in the Enabling Act for the state capitol complex, are a source of LRBP funding for capital projects. Funding from this source must only be used for projects within the Montana capitol complex (defined in 2-17-811, MCA, as including all state-owned facilities located within a 10-mile radius from the capitol building). As shown in Figure 7, the account is projected to start the 2025 biennium with a negative fund balance of \$1.3 million. The balance is negative because trust land earnings were less than anticipated in the 2023 biennium. The balance calculation considers that all authority provided in prior biennia would be expended.

Figure 7

Capitol Land Grant Account Fund Balance Analysis - 2025 Biennium					
Account 05008					
	FY 2022 Actual	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected	2025 Bien. Projected
Beginning Fund Balance	\$5,777,027	\$4,941,698	(\$1,265,688)	(\$3,058,245)	(\$1,265,688)
Revenues <sup>1</sup>					
Land Grant Interest & Earnings	<u>1,341,034</u>	<u>1,595,732</u>	<u>1,428,464</u>	<u>1,435,250</u>	<u>2,863,714</u>
Total Revenues	1,341,034	1,595,732	1,428,464	1,435,250	2,863,714
Expenditures					
Prior Biennia Projects <sup>2</sup>	539,101	6,132,455	0	0	0
Fund Balance Adjustment	(7,576)				
2025 Biennium HB 5 Projects	<u>1,644,838</u>	<u>1,670,663</u>	<u>3,221,021</u>	<u>0</u>	<u>3,221,021</u>
Total Expenditures/Appropriations	2,176,363	7,803,118	3,221,021	0	3,221,021
Estimated Ending Fund Balance	\$4,941,698	(\$1,265,688)	(\$3,058,245)	(\$1,622,995)	(\$1,622,995)

<sup>1</sup>HJ 2  
<sup>2</sup>Assumes all appropriation authority is expended in FY 2023

For several biennia, the capitol land grant account has become the only source of funding for major repairs in the capitol complex. In the 2025 biennium, trust land earnings are projected to be \$2.9 million, and the executive proposes \$3.2 million of projects from the fund. Considering the negative beginning fund balance and projects proposed by the executive for the 2025 biennium, at the end of the 2025 biennium, the ending fund balance for the capital land grant account is projected to be negative \$1.6 million.

<p style="margin: 0;"><b>LFD</b></p> <p style="margin: 0;"><b>COMMENT</b></p>	<p>The capitol land grant account will never go negative, instead the fund balance figure demonstrates that the executive proposal for appropriations in the account will exceed the anticipated revenues. The Legislative Fiscal Division (LFD) analysis makes use of the legislative HJ 2 revenue projections, which may be lower than the projections used by the executive when developing the budgets and resulting in a negative balance. The Section F subcommittee might consider the following options:</p> <ul style="list-style-type: none"> <li>• Reduce the appropriations from the capitol land grants account in HB 5</li> <li>• Leave the accounts with projected negative balances</li> </ul>
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## LONG-RANGE BUILDING PROGRAM

### Capital Development (CD) Account

The capital development fund was created for construction of new facilities with a total project cost exceeding \$250,000, major repair or replacement projects with a total project cost of \$2.5 million or more, or for the purchase of real property for which an appropriation is required to fund the purchase.

There is a statutory annual general fund transfer to the capital development fund required under 17-7-208, MCA. However, under 17-7-208(6), MCA, the department of administration may not make the annual transfer if the executive has authorized transfers from the budget stabilization reserve fund (BSRF) established in 17-7-130, MCA, in the immediately preceding 11 months.

In addition to the annual general fund transfer described above, when the BSRF is statutorily full, a portion of excess general fund revenues flow to the CD fund where it is available for appropriation for major repairs and improvements to state-owned infrastructure. In the 2023 biennium, there were two transfers from the BSRF to the CD fund, including \$115.1 million in FY 2022 and \$259.7 million in FY 2023. In light of the FY 2023 transfer and the strong funding level in the CD fund, the executive has proposed a one-time-only present law reduction to eliminate the transfer that is included in base budget for the Department of Administration. There are no anticipated transfers of funding from the BSRF in the executive budget proposal. There is, however, unrelated to the transfers mentioned above, a one-time only proposal to transfer \$113.0 million of general fund to CD fund specifically for the DPHHS behavioral health initiative project.

Figure 8

Capital Development Account Fund Balance Analysis - 2025 Biennium					
Account 05031					
	FY 2022 Actual	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected	2023 Bien. Projected
Beginning Fund Balance	\$ 228,302,398	\$ 342,636,956	\$ 536,137,433	\$ 44,326,305	\$ 536,073,522
Fund Balance Adjustment			(63,911)		
			536,073,522		
Revenues					
BOI Investment Earnings	973,473	15,491,885	30,863,218	23,230,929	54,094,147
Transfers from BSR	115,084,337	259,689,133	0	0	0
Proposed GF Transfer	<u>0</u>	<u>0</u>	<u>113,000,000</u>	<u>0</u>	<u>113,000,000</u>
Total Revenues	116,057,810	275,181,018	143,863,218	23,230,929	167,094,147
Expenditures					
Proposed Transfer to MR Fund <sup>1</sup>	0	0	41,420,091	0	41,420,091
Prior Biennia Projects	0	0	0	0	0
Non-Qualifying ARPA 604 Projects <sup>2</sup>	31,968	11,268,032	0	0	
2025 Biennium Projects	<u>1,691,284</u>	<u>70,412,509</u>	<u>594,190,344</u>	<u>0</u>	<u>594,190,344</u>
Total Expenditures/Appropriations	1,723,252	81,680,541	635,610,435	0	635,610,435
Estimated Ending Fund Balance	\$342,636,956	\$536,137,433	\$44,326,305	\$67,557,234	\$67,557,234

<sup>1</sup>Proposed transfer in HB 5 is \$41.4 million; an amendment is anticipated to lower the amount to \$33.9 million

<sup>2</sup>These projects were authorized in HB 632, but were found to be ineligible for federal funding under ARPA Sec. 604. In accordance with HB 632 Section 34, as these projects were found to be ineligible, the appropriation was established in the capital developments account.

## LONG-RANGE BUILDING PROGRAM

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The fund balance takes into consideration the executive proposal to transfer funding from the CD fund to the major repairs fund in the 2025 biennium. The total executive proposal for the LRBP capital projects funding is \$594.2 million for the 2025 biennium. The estimated ending fund balance for the capital development fund is projected to be \$67.6 million at the end of the 2025 biennium.

**LFD****COMMENT**

There is a proposed one-time-only transfer from the capital development fund in HB 5 totaling approximately \$41.4 million for the 2025 biennium. It is anticipated that there will be an executive request to reduce the transfer to approximately \$33.9 million (a net decrease of \$7.5 million) to fund the expenditures proposed for the major repairs fund.

# STATE BUILDING ENERGY PROGRAM

## Program Description

The State Building Energy Conservation Program (SBCEP), administered by the Department of Environmental Quality (DEQ), was established by the 1989 Legislature to reduce operating costs of state facilities by identifying and funding cost-effective energy efficiency improvement projects. The executive recommendation for SBCEP projects is included in HB 5. Statutory authority is found in Title 90, Chapter 4, part 6, MCA. Energy efficiency improvements include projects such as:

- \* Replacing old, inefficient boilers
- \* Insulating buildings
- \* Upgrading inefficient lighting
- \* Providing more effective temperature control
- \* Increasing ventilation system efficiency
- \* Upgrading water conservation systems

SBCEP projects are designed so that the estimated savings of energy costs are used to reimburse the project costs and finance DEQ operational costs. In prior years, the SBCEP was funded through the issuance of general obligation (GO) bonds, but since FY 2009, energy conservation projects with appropriations of general fund and federal special revenue funds (American Recovery and Reinvestment Act funds) resulted in the program becoming a revolving loan program. Project reimbursements, plus 3.0% interest on the outstanding loan balance of the project, are expected to support future projects and administrative costs. Program recommendations encourage conservation projects that have a service life of at least 15 years. However, the energy savings are expected to continue throughout the life of the improvement.

Projects come to the SBCEP either directly from agency requests related to the energy saving benefits or in conjunction with projects planned under the Long-Range Building Program. DEQ offers state agencies assistance in evaluating energy use and identifying energy conservation projects. Program engineers evaluate all projects proposed for the LRBP to assess the energy savings potential on proposed remodeling and renovation projects. Projects with the potential for energy savings are funded through the SBCEP and are often jointly funded with the LRBP deferred maintenance funds.

## Program Budget Comparison

Figure 9 summarizes the proposed executive budget for the program by biennium, type of expenditure, and source of funding.

Figure 9

Program Comparison - State Building Energy Conservation Program				
Budget Item	Budget 2023 Biennium	Budget 2025 Biennium	Biennium Change	Biennium % Change
	<u>Appropriated</u>	<u>Proposed</u>		
Projects Costs	3,700,000	3,700,000	0	0.0%
Total Costs	\$3,700,000	\$3,700,000	\$0	0.0%
Capital Project Funds:	3,700,000	3,700,000	0	0.0%
Total Funds	\$3,700,000	\$3,700,000	\$0	0.0%

## Executive Proposal

The executive proposal for the SBCEP is \$3.7 million, which is the same funding level as was appropriated in the 2023 biennium. The program appropriation is found in HB 5. A list of SBCEP projects, costs, anticipated energy



## STATE BUILDING ENERGY PROGRAM

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savings and years of expected repayments is seen in appendix A-9 of this report. Detailed project descriptions are provided in Vol. 3 of the Governor's Budget.

### **Funding**

The SBECF is a revolving loan program. Agencies borrow from the program for the costs of the projects. The agencies pay these costs with the savings realized through the projects. In addition to the project costs, agencies also pay an interest rate equal to 3.0% on the unpaid balance of the loan, which funds the administrative costs of the program. In the HB 2 budgets, SBECF loan repayments are scheduled to generate an average of \$2.0 million per year in the 2025 biennium, a portion of which is dedicated to the payment of the remaining bond issues.

# LONG-RANGE INFORMATION TECHNOLOGY PROGRAM

## Program Description

The Long-Range Information Technology Program (LRITP) is a program developed to fund large information technology (IT) projects in compliance with 17-7-123, MCA. The LRITP consolidates large IT investments in one appropriation bill and defines major IT enterprises as capital projects. All projects included in the LRITP bill are overseen by the state chief information officer (CIO) within the Department of Administration (DOA). The executive recommendation for LRITP projects is contained in HB 10.

The consolidation of major IT projects is intended to achieve several goals. First, IT projects are complex and require significant and time intensive planning, design, and management efforts, and by designating the projects as “capital projects”, the appropriation continues until completion of the project, as statutorily authorized in 2-17-560, MCA. Second, centralized project oversight is intended to enhance project management and foster stronger partnerships between agencies and the state CIO. Finally, having all the major projects in one piece of legislation facilitates a broad vision of the state IT program and related investments.

## Program Budget Comparison

Figure 10 summarizes the proposed executive budget for the program by biennium, type of expenditure, and source of funding.

Figure 10

Program Comparison - Long-Range Information Technology Program				
Budget Item	Budget 2023 Biennium	Budget 2025 Biennium	Biennium Change	Biennium % Change
	<u>Appropriated</u>	<u>Proposed</u>		
Projects Cost	53,500,000	240,316,406	186,816,406	349.2%
Total Costs	\$53,500,000	\$240,316,406	\$186,816,406	349.2%
Capital Project Fund <sup>1</sup>	500,000	147,575,008	147,075,008	29415.0%
State Special	3,000,000	11,945,193	8,945,193	298.2%
Federal Special	50,000,000	80,796,205	30,796,205	61.6%
Total Funds	\$53,500,000	\$240,316,406	\$186,816,406	349.2%

<sup>1</sup>The capital project fund consists of transfers from the general fund

## Executive Proposal

As seen in Figure 10, the executive proposes \$240.3 million in appropriations for the 2025 biennium in the LRITP. The proposal will be presented in HB 10 and is a 349.2% increase from the 2023 biennium. The proposal includes a transfer of \$147.6 million from the general fund to the LRITP fund to support major IT projects. A complete listing of the LRITP projects is seen in appendix A-10 of this report. Full detail of the projects included in the executive budget will be available during the legislative hearings for Section F.

## Project Highlights

This section provides high level details of the 2025 biennium LRITP projects, which includes the following projects and total project costs:

- Department of Administration, Montana Cybersecurity Enhancement Project, \$21.5 million

## LONG-RANGE INFORMATION TECHNOLOGY PROGRAM

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- Department of Administration, E-Discovery/Public Information Request Software, \$2.0 million
- Public Service Commission, Software Modernization (REDDI), \$1.5 million
  - Moving the UI Contributions System (STAARS) to a newer version of the vendor software
- Department of Natural Resources and Conservation, Financial Management System, \$1.4 million
- Department of Natural Resources and Conservation, Trust Land Management System Customer Portal, \$2.0 million
- Department of Corrections, Offender Management System, \$18.0 million
- DPHHS, totaling \$138.9 million, which includes:
  - Comprehensive Child Welfare Information System, \$25.1 million
  - MT Child Support Enhancement Automated System, \$31.5 million
  - Electronic Health Records and Billing – State Facilities, \$27.6 million
  - MT Healthcare Programs Modularity Project, \$49.4 million
  - SNAP Employment & Training Enterprise Solution, \$2.8 million
  - Electronic Benefits Transfer System, \$2.5 million
- Department of Justice, MT Enhanced Registration and Licensing Network (MERLIN) replacement, \$50.5 million

### Funding

Unlike other Long-Range Planning programs, the LRITP does not have a dedicated source of funding for major IT projects. Instead, state agencies support their project costs through agency-administered state and federal special revenue funds. For agencies primarily supported by general fund, transfers are made from the general fund to the LRITP capital projects fund in support of the agency requests. In the 2025 biennium, the executive proposes a transfer of \$147.6 million to the LRITP capital projects fund. The transfer of funds will be included in HB 10. For the MERLIN replacement project, there are changes included in HB 10 to the Department of Justice's state special revenue accounts to repay the general fund for the project capital cost.

# MONTANA COAL ENDOWMENT PROGRAM

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## Program Description

The Montana Coal Endowment Program (MCEP), administered by the Department of Commerce (DOC), is a state infrastructure finance program approved by Montana voters with the passage of Legislative Referendum 110 in June 1992. Grant funding for the program is derived from the interest earnings of the Montana Coal Endowment Trust. The executive recommendation for MCEP grants is contained in HB 11.

According to 90-6-702, MCA, the purpose of MCEP is to assist local governments in funding infrastructure projects that will:

- Create jobs for Montana residents
- Promote economic growth in Montana by helping to finance the necessary infrastructure
- Encourage local public facility improvements
- Create a partnership between the state and local governments to make necessary public projects affordable
- Support long-term, stable economic growth in Montana
- Protect future generations from undue fiscal burdens caused by financing necessary public works
- Coordinate and improve infrastructure financing by federal, state, local government, and private sources
- Enhance the quality of life and protect the health, safety, and welfare of Montana citizens

Infrastructure projects include drinking water systems, wastewater treatment facilities, sanitary sewer or storm sewer systems, solid waste disposal and separation systems, and bridges. The maximum grant award is \$750,000. Bridge projects are limited in the program to awards of up to 20.0% of the interest earnings from the MCEP trust in 90-6-710, MCA. As a result, the MCEP projects will be provided in two sections, one for bridge projects and another for infrastructure projects.

Eligible applicants include cities, towns, counties, tribal governments, consolidated local governments, county or multi-county water, sewer or solid waste districts, and other authorities as defined in 75-6-304, MCA. MCEP applications are submitted to the DOC on a biennial basis where they are evaluated according to seven statutory priorities. The seven statutory priorities focus on projects that:

- Solve urgent and serious public health or safety problems or that enable local governments to meet state or federal health or safety standards
- Reflect greater need for financial assistance than other projects
- Incorporate appropriate, cost-effective technical design and provide thorough, long-term solutions to community public facility needs
- Reflect substantial past efforts to ensure sound, effective, long-term planning and management of public facilities and that attempt to resolve the infrastructure problem with local resources
- Enable local governments to obtain funds from sources other than MCEP
- Provide long-term, full-time job opportunities for Montanans, provide public facilities necessary for the expansion of a business that has a high potential for financial success, maintain the tax base or encourage expansion of the tax base
- Are high local priorities and have strong community support

# MONTANA COAL ENDOWMENT PROGRAM

## Program Budget Comparison

Figure 11 summarizes the proposed executive budget for the program by biennium, type of expenditure, and source of funding.

Figure 11

Program Comparison - Montana Coal Endowment Program				
Budget Item	Budget 2023 Biennium	Budget 2025 Biennium	Biennium Change	Biennium % Change
Budget Item	<u>Appropriated</u>	<u>Proposed</u>	<u>Change</u>	<u>% Change</u>
Number of Grants Funded (infrastructure)	41	40	(1)	-2.4%
Number of Grants Funded (bridge)	7	11	4	57.1%
Infrastructure Grants Cost	\$23,577,698	\$23,843,500	\$265,802	1.1%
Bridge Grants Cost	3,169,451	6,176,213	3,006,762	94.9%
Other Grants Cost	1,000,000	1,000,000	0	0.0%
<b>Total Costs</b>	<b>\$27,747,149</b>	<b>\$31,019,713</b>	<b>\$3,272,564</b>	<b>11.8%</b>
State Special	3,169,451	31,019,713	27,850,262	878.7%
Bond Proceeds	0	0	0	0.0%
ARPA 9901-602 (HB 632)	24,577,698	0	(24,577,698)	0.0%
<b>Total Funds</b>	<b>\$27,747,149</b>	<b>\$31,019,713</b>	<b>\$3,272,564</b>	<b>11.8%</b>

## Executive Proposal

Figure 11 shows the executive proposal for appropriations of \$31.0 million for the 2025 biennium MCEP grants program, an 11.8% increase from the appropriations provided for the 2023 biennium. For the 2025 biennium, the MCEP program is requested in HB 11. The program funding is requested as follows:

- MCEP emergency grants appropriation of \$100,000
- MCEP project planning grants appropriation of \$900,000
- MCEP bridge grants appropriation of \$6.2 million
- MCEP infrastructure project grant appropriation of \$23.8 million

A complete list of the requested MCEP bridge and infrastructure projects, including the total project cost, and the recommended grant amount may be seen in appendix A-11 of this report. The details behind the grants requested for the 2025 biennium MCEP program along with a status of grants awarded in the 2023 biennium are presented in Vol. 4 of the Governor’s Executive Budget.

## Funding

The MCEP administrative costs and grant appropriations are funded with the interest earnings from a coal severance tax endowment trust. The MCEP trust is a “sub-trust” of the permanent coal severance tax trust. The corpus of the sub-trust is fixed at \$268.0 million. The interest earned from the trust is transferred into the state special revenue fund authorized in 90-6-701, MCA.

## MONTANA COAL ENDOWMENT PROGRAM

Figure 12

MCEP Fund Balance Analysis - 2025 Biennium Accounts 09044 and 02270					
	FY 2022 Actuals	FY 2023 Projected <sup>3</sup>	FY 2024 Projected	FY 2025 Projected	2025 Bien.
Beginning Fund Balances	\$15,061,556	\$17,830,303	\$15,762,223	(\$4,337,029)	\$15,762,223
Fund Balance Adjustment		\$15,156			
Trust Earnings <sup>1</sup>	9,076,714	10,795,013	11,722,290	12,306,782	24,029,072
Expenditures					
HB 2 MCEP Administration <sup>2</sup>	697,526	820,240	801,829	805,927	1,607,756
Emergency Grants			100,000	0	100,000
Project Planning Grants		431	900,000	0	900,000
Prior Biennia Grants	5,548,188	8,950,380	0	0	0
2025 Biennium Grants	<u>62,253</u>	<u>3,107,198</u>	<u>30,019,713</u>	<u>0</u>	<u>30,019,713</u>
Total Expenditures/Appropriations	6,307,967	12,878,249	31,821,542	805,927	32,627,469
<b>Projected Ending Fund Balance</b>	<b>\$17,830,303</b>	<b>\$15,762,223</b>	<b>(\$4,337,029)</b>	<b>\$7,163,826</b>	<b>\$7,163,826</b>
<sup>1</sup> HJ 2 Projections					
<sup>2</sup> HB 2					
<sup>3</sup> Assumes all appropriation authority is expended in FY 2023					

Figure 12 shows the projected ending fund balance of the Montana coal endowment state special revenue account for the 2025 biennium. The MCEP account is projected to begin the 2025 biennium with a balance of \$15.8 million. In the 2023 biennium, eligible water and wastewater infrastructure projects proposed for funding under the MCEP program were funded with federal American Rescue Plan Act (ARPA) funding rather than utilizing the investment earnings in the MCEP fund. This allowed for there to be a higher beginning fund balance for the 2025 biennium. For more information on trust earnings, refer to page F-5 of this report.

MCEP interest and earnings are projected to be \$24.0 million in the 2025 biennium. The executive budget proposal recommends several appropriations from the MCEP state special fund. First, there is a recommendation for appropriations of \$1.6 million for the administrative costs of the program in HB 2. Appropriations from the MCEP account that are requested in HB 11 include \$100,000 for the emergency grants program and \$900,000 for project planning grants. The total account costs of the infrastructure project grants are \$30.0 million. As a result, the fund is estimated to have a fund balance of \$7.2 million at the end of the 2025 biennium.

# MONTANA COAL REGIONAL WATER PROGRAM

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## Program Description

The 1999 Legislature created the Montana coal endowment regional water system fund as a new sub-trust within the coal tax permanent trust. The program is administered by the Department of Natural Resources and Conservation (DNRC). The executive recommendation for Montana coal endowment regional water system grants is contained in HB11.

The Montana Coal Endowment Program Regional Water System (MCEPRW), established in 90-6-715, MCA, was created to:

“...finance regional drinking water systems that supply water to large geographical areas and serve multiple local governments, such as projects in north central Montana, from the waters of the Tiber reservoir, that will provide water for domestic use, industrial use, and stock water for communities and rural residences that lie south of the Canadian border, west of Havre, north of Dutton, and east of Cut Bank and in northeastern Montana, from the waters of the Missouri River, that will provide water for domestic use, industrial use, and stock water for communities and rural residences that lie south of the Canadian border, west of the North Dakota border, north of the Missouri River, and east of range 39.”

Three projects that have received federal authorization and now qualify for federal funding are the Fort Peck Indian Reservation/Dry Prairie Regional Water System (Fort Peck-Dry Prairie), the Rocky Boy’s Indian Reservation/North Central Montana Regional Water System (Rocky Boy’s-NC Montana), and the Central Montana Musselshell-Judith Regional Water System (Central Montana Regional Water Authority). The state’s share of the financial obligation for these projects was met in full with the authorization provided by the 2015 Legislature.

A fourth project, the Dry-Redwater Regional Water System, would bring water to portions of Garfield, McCone, Richland, Prairie, and Dawson counties has not yet qualified for federal funding. This system has received approval from the state. These systems are progressing through planning phases specified by the Department of Interior and are seeking federal authorization, and the Dry-Redwater Regional Water Authority is seeking federal authorization.

The Regional Water Authorities prioritize the construction projects and DNRC prioritizes project funding based on several criteria, but the top three are:

- Need (Is there a boil order in the town or an urgent need for the construction?)
- Feasibility (Can the project move forward this biennium given the Regional Water System infrastructure already in place?)
- Cost & Funding (Is the project affordable, dependent on federal and state funds, and is the community prepared to pay their share?)

# MONTANA COAL REGIONAL WATER PROGRAM

## Program Budget Comparison

Figure 13 summarizes the proposed executive budget for the program by biennium, type of expenditure, and source of funding.

Figure 13

Program Comparison - Treasure State Endowment Regional Water Program				
Budget Item	Budget 2023 Biennium	Budget 2025 Biennium	Biennium Change	Biennium % Change
	<u>Appropriated</u>	<u>Proposed</u>	<u>Change</u>	<u>% Change</u>
Projects Funding	5,000,000	7,000,000	2,000,000	40.0%
Total Costs	\$5,000,000	\$7,000,000	\$2,000,000	40.0%
State Special	0	7,000,000	7,000,000	140.0%
ARPA 9901-602 (HB 632)	5,000,000	0	(5,000,000)	0.0%
Total Funds	\$5,000,000	\$7,000,000	\$2,000,000	40.0%

## Executive Proposal

As seen in Figure 13, the executive requests \$7.0 million of appropriations for the MCEPRW program that will be included in HB 11. The executive proposal for project funding is an increase of \$2.0 million over the project funding in the 2023 biennium. Unlike the other LRP local government grant program, the MCEPRW funding does is not provided for specific grant requests, but instead is made available for project phases within a single large project which will provide water to large rural areas. The conditions for the disbursement of funding are listed in HB 11 and include:

- The execution of an agreement with DNRC
- Having an approved project management plan
- Having an acceptable accounting system
- Having a detailed preliminary engineering report

## Funding

The MCEPRW trust is a “sub-trust” of the permanent coal severance tax trust. The corpus of the sub-trust is fixed at \$98.1 million. The interest earned from the trust is transferred into the state special revenue fund authorized in Title 90, Section 6, part 7, MCA, to provide a match for the development of large “regional” water systems.



## MONTANA COAL REGIONAL WATER PROGRAM

Figure 14

MCEP Regional Water System Fund Balance Analysis - 2025 Biennium					
Accounts 09047 and 02015					
	FY 2022 Actual	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected	2025 Biennium
Estimated Beginning Fund Balance	\$5,267,833	\$4,342,695	\$4,988,088	\$512,653	\$4,988,088
Fund Balance Adjustment		(338,868)			
Total		4,003,827			
Revenue Projections <sup>1</sup>					
Total Revenues	3,131,093	3,338,433	3,617,000	3,868,000	7,485,000
Expenditures					
Administration - DNRC <sup>2</sup>	112,738	157,000	342,435	346,806	689,241
Regional Water Authority Admin. Grants <sup>2</sup>	746,000	939,391	750,000	750,000	1,500,000
Prior Biennia Authority	3,197,493	1,257,781	0	0	0
2025 Biennium Grants	<u>0</u>	<u>0</u>	<u>7,000,000</u>	<u>0</u>	<u>7,000,000</u>
Total Expenditures/Appropriations	4,056,231	2,354,172	8,092,435	1,096,806	9,189,241
Estimated Ending Fund Balance	\$4,342,695	\$4,988,088	\$512,653	\$3,283,847	\$3,283,847
<sup>1</sup> HJ 2					
<sup>2</sup> HB 2					

Figure 14 shows the projected fund balance of the MCEPRW fund for the 2025 biennium. The fund balance is projected to be \$5.0 million at the beginning of the 2025 biennium. In the 2023 biennium, \$5.0 million in MCEPRW project grants were funded with federal ARPA funds, rather than the interest earnings. This allowed those interest earnings to be available in the 2025 biennium. The trust earnings are expected to be \$7.5 million in the 2025 biennium, as estimated in HJ 2. Statutorily, the interest earnings of the trust may be used to fund the administrative expenses for the program, and the executive proposes 2025 biennium appropriations of \$689,000 for DNRC administration and \$1.5 million for the administrative costs of the four regional water authorities, which would be appropriated in the general appropriation act, HB 2. The executive proposal for 2025 biennium MCEPRW grants is \$7.0 million and is projected to result in a fund balance of \$3.3 million at the end of the 2025 biennium. For more information on trust earnings, refer to page F-5 of this report.

The 2021 legislature, in addition to appropriating \$5.0 million in federal ARPA funds for MCEPRW grants, allocated \$10.0 million or \$2.5 million for each of the four regional water authorities, in HB 632, Section 5. The allocation is from the water and wastewater appropriation provided in HB 632, Section 2. These funds are valid for use in the 2025 biennium and require a one-to-one match from other funds secured through grants or loans, possibly including the loans authorized in HB 8. For more information on loans in HB 8, see the next section of this report.

# RENEWABLE RESOURCE GRANT AND LOAN PROGRAM

## Program Description

The Renewable Resource Grant and Loan (RRGL) program was created by the 1993 Legislature. This program combines the former Renewable Resource Development Program, established in 1975, and the Water Development Program, established in 1981. As outlined under Title 85, Chapter 1, part 6, MCA, the purpose of the RRGL is to fund projects that “enhance Montana's renewable resources through projects that measurably conserve, develop, manage, or preserve resources.” The executive recommendation for RRGL grants and loans is contained in HB 6 and HB 8.

The Department of Natural Resources and Conservation (DNRC) administers the RRGL program, which involves a biennial application process. DNRC and a technical review team initially evaluate each application for economic and technical feasibility. Qualifying applications are then examined according to five criteria:

- Financial feasibility
- Adverse environmental impact
- Technical merit
- Public benefit
- Renewable resource benefit

The RRGL program consists of two individual programs, a grant program, and a loan program, that will be detailed individually in this report.

## Program Budget Comparison

Figure 15 summarizes the proposed executive budget for the program by biennium, type of expenditure, and source of funding.

Figure 15

Program Comparison - Renewable Resource Grant and Loan Program				
Budget Item	Budget 2023 Biennium	Budget 2025 Biennium	Biennium Change	Biennium % Change
Number of Grants Funded	76	70	(6)	-8.6%
Number of Loans Funded	9	12	3	25.0%
	<u>Appropriated</u>	<u>Proposed</u>		
Grants Cost	\$9,220,788	\$8,750,000	(470,788)	-5.4%
Other Grants	2,050,000	7,400,000	5,350,000	72.3%
Loan Program	101,695,000	98,945,000	(2,750,000)	-2.8%
<b>Total Costs</b>	<b>\$112,965,788</b>	<b>\$115,095,000</b>	<b>\$2,129,212</b>	<b>1.8%</b>
State Special	0	16,150,000	16,150,000	100.0%
CST Bond Proceeds	101,695,000	98,945,000	(2,750,000)	-2.8%
GO Bond Proceeds	0	0	0	-
ARPA 9901-602 (HB 632)	11,270,788	0	(11,270,788)	0.0%
<b>Total Funds</b>	<b>\$112,965,788</b>	<b>\$115,095,000</b>	<b>\$2,129,212</b>	<b>1.8%</b>

## Executive Proposal

Figure 15 shows the executive proposal for appropriations of \$115.1 million for the RRGL programs in the 2025 biennium. The executive proposal for the RRGL program is 1.8% higher than the appropriations provided for the 2023 biennium; the increase is primarily in funding for planning grants, which falls under the other grants

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM

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category. The requests are included in HB 6 and HB 8, and each of the bills contains a piece of the 2025 RRGL Program as follows:

- HB 6
  - RRGL emergency grants appropriation of \$0.3 million
  - RRGL project planning grants appropriation of \$3.5 million
  - RRGL irrigation grants appropriation of \$0.5 million
  - RRGL watershed management grants appropriation of \$0.5 million
  - RRGL private grants appropriation of \$0.1 million
  - RRGL non-point source pollution reduction, \$2.5 million
  - RRGL specific project grant appropriation of \$8.8 million
- HB 8
  - RRGL loan appropriations of \$98.9 million

More information on the loan program, included in HB 8 with loans supported by coal severance tax (CST) bonds, will follow the RRGL grant program discussion.

### ***Grant Program Discussion***

The RRGL grant program received 70 applications requesting project grants of \$8.8 million. The executive recommends funding all the individual project requests with \$8.8 million in cash.

The 2025 biennium executive proposal includes an increase of \$7.4 million for other grants, primarily for project planning grants.

A complete list of the requested RRGL projects and the recommended grant amounts, may be seen in appendix A-12 of this report. The details behind the grants requested for the 2025 biennium RRGL, along with a status of grants awarded in the 2023 biennium, are presented in Vol. 6 of the Governor's Executive Budget.

### ***Loan Program Discussion***

The second element of the RRGL program is the loan program. The loan program, proposed in HB 8, would authorize the issuance of CST collateralized bonds to finance RRGL project loans. Proceeds from the issuance of bonds are used to finance the loans and the repayment of the loans pay the associated debt service. Loans have differing interest rates based on the years of the loan and the state's bond rate. The basic interest rate on CST loans is determined by the bond market at the time the CST bonds are sold. Loans may be provided at a rate less than the rate at which the state bond is sold for all or part of them; subsidies vary depending on legislative authorization. Because money from the coal severance tax bond fund is pledged as collateral for debt service payments on the bonds, HB 8 requires a three-fourths vote of the members of each house, as directed by the Montana Constitution.

HB 8 includes twelve loans. Of those, nine loans appeared before in HB 8 from prior sessions and are simply being reauthorized in the 2025 biennium. The remaining three loans are new. Among the new loans, the executive requests \$16.0 million for two dam rehabilitation projects. The total request for bond authority and appropriation is \$98.9 million, which includes \$9.0 million to establish a reserve for the bonds. A complete list of the loans included in HB 8 can be seen in appendix A-15 of this report.

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM

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### **Funding**

The funding for the RRGL grant program is provided through the “natural resource projects” state special revenue fund. To view the full natural resource projects fund balance analysis, see page F-31.

The RRGL loan program is financed with coal severance tax bond issues. The Board of Examiners will be authorized to issue coal severance tax bonds in the amount of \$90.0 million, the proceeds from which would be available to the DNRC for financing the projects identified in the bill.

# RECLAMATION AND DEVELOPMENT GRANTS PROGRAM

## Program Description

The Reclamation and Development Grants Program (RDGP) is designed to fund projects that, "...indemnify the people of the state for the effects of mineral development on public resources and that meet other crucial state needs serving the public interest and the total environment of the citizens of Montana" (90-2-1102, MCA).

As provided in statute, projects approved in the RDGP are intended to:

- Repair, reclaim, and mitigate environmental damage to public resources from non-renewable resource extraction
- Develop and ensure the quality of public resources for the benefit of all Montana citizens

The RDGP is administered by DNRC, which solicits, evaluates, and ranks applications on a biennial basis. The program is required to prioritize \$800,000 of funding to any government entity for abandoned mine reclamation projects. RDGP grants are limited to \$500,000. Public entities eligible to apply for grants include state and local governments, political subdivisions, and tribal governments. Applications are evaluated according to specific criteria related to:

- Public benefit
- Need and urgency
- Appropriateness of technical design
- Financial feasibility
- Project management/organization
- Program budget comparison

## Program Budget Comparison

Figure 16 summarizes the proposed executive budget for the program by biennium, type of expenditure, and source of funding.

Figure 16

Program Comparison - Reclamation and Development Grant Program				
Budget Item	Budget 2023 Biennium	Budget 2025 Biennium	Biennium Change	Biennium % Change
Number of Grants	16	10	(6)	-37.5%
	<u>Appropriated</u>	<u>Proposed</u>		
Grants Cost	\$5,802,155	\$3,653,347	-\$2,148,808	-37.0%
Other Grants Cost	800,000	2,000,000	1,200,000	150.0%
<b>Total Costs</b>	<b>\$6,602,155</b>	<b>\$5,653,347</b>	<b>-\$948,808</b>	<b>-14.4%</b>
State Special	\$6,173,155	\$5,653,347	-\$519,808	-8.4%
GO Bond Proceeds	0	0	0	0.0%
ARPA 9901-602 (HB 632)	429,000	0	-429,000	-100.0%
<b>Total Funds</b>	<b>\$6,602,155</b>	<b>\$5,653,347</b>	<b>(\$948,808)</b>	<b>-14.4%</b>

## Executive Proposal

Figure 16 shows the executive proposal for appropriations of \$5.7 million for the RDGP program in the 2025 biennium. The executive proposal is 14.4% lower than the appropriations provided for the 2023 biennium.

## **RECLAMATION AND DEVELOPMENT GRANTS PROGRAM**

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The 2025 biennium proposal is requested in HB 7 and includes:

- RDGP project planning grants appropriation of \$2.0 million
- RDGP project grants appropriation of \$3.7 million

The RDGP grant program received 10 applications requesting \$3.7 million in grants. The executive recommends funding all the individual projects with cash.

A complete listing of the RDGP grants may be seen in appendix A-16 of this report. The details behind the grants requested for the 2025 biennium RDGP program, along with a status of grants awarded in the 2023 biennium, are presented in Vol. 5 of the Governor's Executive Budget.

## NATURAL RESOURCES PROJECTS ACCOUNT

### Funding

The natural resource projects account funds appropriations for natural resource grants and projects authorized by the legislature. Primary programs funded through the account are the RRGL and the RDGP programs. The account receives the income from the following sources:

- Interest income of the resource indemnity trust (RIT) fund as provided in and subject to the conditions of 15-38-202, MCA (\$3.2 million, when interest earnings are sufficient, each fiscal year for the purpose of making grants)
- Resource indemnity and ground water assessment tax (RIGWA) under provisions of 15-38-106, MCA (50% of the remaining proceeds, after appropriations for CIRCLA debt service, and \$366,000 to the groundwater assessment account, for the purpose of making grants)
- Oil and gas production tax as provided in 15-36-331, MCA (2.16% of oil and natural gas production taxes remaining after the distributions pursuant to subsections (2) and (3))
- Excess coal severance tax proceeds allocated by 85-1-603 (Bond Pool Transfer), MCA, to the renewable resource loan debt service fund (above debt service requirements as provided in and subject to the conditions of 85-1-619, MCA)

Figure 17

Natural Resource Project Account Fund Balance Analysis - 2025 Biennium					
Account 02577					
	FY 2022	FY 2023	FY 2024	FY 2025	2025 Biennium
	Actuals	Projected	Projected	Projected	Total
Available Balance	\$9,710,996	\$14,359,730	\$8,868,903	(\$6,433,940)	\$8,868,903
Fund Balance Adjustment	0	150	0	0	0
	\$9,710,996	\$14,359,880	\$8,868,903	(\$6,433,940)	\$8,868,903
Revenue Projections <sup>1</sup>					
RIT Interest Earnings	2,220,602	2,953,396	2,361,663	3,200,000	5,561,663
Resource Indemnity & Groundwater	904,754	1,643,634	2,320,183	1,756,882	4,077,065
Oil and Gas Tax	1,689,528	1,884,706	1,698,657	1,670,443	3,369,100
Other Revenues	19,850	0	20,000	1,000	21,000
General Transfers-In	163,347		100,000	100,000	200,000
HB 14 GF Transfer	<u>2,099,322</u>	0	0	0	0
Total Revenues	7,097,403	6,481,736	6,500,504	6,728,325	13,228,829
RRGL Appropriations - HB 6					
Other Grants	0	0	7,400,000	0	7,400,000
Prior Biennia	926,634	4,377,479		0	0
2025 Biennium Grants	<u>75,000</u>	<u>576,530</u>	<u>8,750,000</u>	0	<u>8,750,000</u>
Total RRGL Expenditures/Appropriations	1,001,634	4,954,009	16,150,000	0	16,150,000
RDGP Appropriations - HB 7					
Other Grants	0	800,000	2,000,000	0	2,000,000
Prior Biennia	1,425,770	866,495	0	0	0
2025 Biennium Grants	<u>21,116</u>	<u>5,352,059</u>	<u>3,653,347</u>	0	<u>3,653,347</u>
Total RDGP Expenditures/Appropriations	1,446,886	7,018,554	5,653,347	0	5,653,347
Total Expenditures/Appropriations	2,448,520	11,972,563	21,803,347	0	21,803,347
Estimated Ending Fund Balance	\$14,359,879	\$8,868,903	(\$6,433,940)	\$294,385	\$294,385
<sup>1</sup> HJ 2 projections					

Figure 17 provides the projected balance for the natural resource project fund. The fund is projected to have a beginning balance of \$8.9 million for the 2025 biennium. Most of the RRGL grants in the 2023 biennium were funded with federal ARPA funding, rather than state special revenue funds, resulting in a higher ending fund balance.

## **NATURAL RESOURCES PROJECTS ACCOUNT**

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Revenues for the 2025 biennium, as provided in the HJ 2 estimates, are projected to be \$13.2 million. Appropriations from the natural resource projects account are authorized in Title 15, Chapter 38, MCA, which states, "Appropriations may be made from the natural resources projects state special revenue account for grants and loans for designated projects and the activities authorized in 85-1-602, MCA, and 90-2-1102, MCA," the RRGL and RDGP programs.

In the 2025 biennium, the executive budget recommends total appropriations of \$16.2 million for the RRGL program and \$5.7 million for the RDGP program from the natural resource projects fund. The ending fund balance at the end of the 2025 biennium is projected to be a positive \$294,000. For more information on interest earnings, see page F-5 of this report.



# CULTURAL AND AESTHETIC GRANT PROGRAM

## Program Description

The Cultural and Aesthetic Grant Program (C&A), as provided in Title 22, Chapter 2, part 3, MCA, is administered by the Montana Arts Council (MAC). The C&A program provides appropriation for the protection of works of art in the State Capitol, and grants for cultural and aesthetic projects, including but not limited to: the visual, performing, literary, media arts, and folk arts; history, archaeology, archives, collections, research, and historic preservation; and the construction or renovation of cultural facilities. The executive recommendation for C&A grants is contained in HB 9.

Grant applications for cultural and aesthetic projects are submitted to the MAC on a biennial basis. Eligible applicants include the state of Montana and regional, county, city, town, or tribal governments. A 16-member Cultural and Aesthetic Projects Advisory Committee, with eight members appointed by the Montana Arts Council and eight appointed by the Montana Historical Society, reviews each application. The committee prioritizes the requests and makes funding recommendations to the legislature as part of the executive budget. All grants require legislative approval in accordance with 22-2-306 through 309, MCA.

## Program Budget Comparison

Figure 18 summarizes the proposed executive budget for the program by biennium, type of expenditure, and source of funding.

Figure 18

Program Comparison - Cultural and Aesthetic Trust				
Budget Item	Budget 2023 Biennium	Budget 2025 Biennium	Biennium Change	Biennium % Change
Number of Grants	74	65	(9)	-12.2%
	<u>Appropriated</u>	<u>Proposed</u>		
Grants Cost	\$314,381	\$558,876	244,495	77.8%
Capitol Complex Works of Art	30,000	30,000	0	0.0%
<b>Total Costs</b>	<b>\$344,381</b>	<b>\$588,876</b>	<b>\$244,495</b>	<b>71.0%</b>
State Special	344,381	588,876	244,495	71.0%
<b>Total Funds</b>	<b>\$344,381</b>	<b>\$588,876</b>	<b>\$244,495</b>	<b>71.0%</b>

## Executive Proposal

The first C&A priority recommended for funding is a \$30,000 appropriation to the Montana Historical Society for the care and conservation of capitol complex artwork, in accordance with 2-17-805, MCA. The second priority is 65 C&A grant awards totaling \$558,876. The recommended awards are prioritized within three categories, which include: special projects, operational support projects, and capital expenditure projects. In the 2025 biennium, appropriations for the C&A program would be 77.8% more than the amount appropriated for the 2023 biennium.

## CULTURAL AND AESTHETIC GRANT PROGRAM

### Provision for revenue shortfalls

In past biennia, the C&A grant program has experienced interest earnings that have not kept pace with legislative appropriations. When revenue shortfalls occur, language contained in HB 9 has provided for a reduction of grants on a pro-rata basis. The language makes it possible for the program to provide all the approved grants with smaller amounts instead of needing to cancel grant awards.

A complete listing of the C&A grants may be seen in appendix A-17 of this report. The details behind the grants requested for the 2025 biennium C&A, along with a status of grants awarded in the 2023 biennium, are presented in Vol. 7 of the Governor’s Executive Budget.

### Funding

Funding for the C&A program comes from the interest earnings from the cultural trust. The trust receives a statutorily dedicated 0.63% of coal severance tax revenues.

Figure 19

Cultural & Aesthetic Grant Fund Balance Analysis - 2025 Biennium					
Account - 02009					
	FY 2022 Actual	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected	2025 Bien. Projected
Estimated Beginning Fund Balance	\$37,705	\$124,251	\$221,472	\$11,986	\$221,472
Interest Earnings - 09037 <sup>1</sup>	(25,672)	0	0	0	0
Interest Earnings Transferred-02009	<u>493,977</u>	<u>539,414</u>	<u>595,773</u>	<u>641,590</u>	<u>1,237,364</u>
Total Revenues	468,305	539,414	595,773	641,590	1,237,364
Expenditures					
MAC Administration and Folklife <sup>2</sup>	232,703	235,243	216,383	217,246	433,629
Capitol Cmplx Works of Art	0	30,000	30,000	0	30,000
Prior Biennium	11,400	0	0	0	0
Fund Balance Adjustment	(194)				
2025 Biennium Grants	<u>137,850</u>	<u>176,950</u>	<u>558,876</u>	<u>0</u>	<u>558,876</u>
Total Expenditures/Appropriations	381,759	442,193	805,259	217,246	1,022,505
<b>Ending Fund Balance</b>	<b>\$124,251</b>	<b>\$221,472</b>	<b>\$11,986</b>	<b>\$436,331</b>	<b>\$436,331</b>

<sup>1</sup>HFJ 2  
<sup>2</sup>HB 2

Figure 19 shows the projected balance of the C&A state special fund for the 2025 biennium. The fund is expected to begin the 2025 biennium with a balance of \$221,000. Revenues in the 2025 biennium are expected to be higher than the 2023 biennium. The projection for total revenue is \$1.2 million in the 2025 biennium. For more information on interest earnings, see page F-5 of this report.

Expenditures for the C&A program, which include both administration costs and grants, are limited by the amount of interest earned from the trust investments. The executive budget proposal includes HB 2 appropriations of \$433,629 for administrative expenses of the C&A program. In the 2025 biennium, HB 2 appropriations are 35.0% of the total program revenues; in HB 2, the executive has requested to fund \$50,000 of personal services costs in the 2025 biennium with federal special revenue rather than using C&A funds to help reduce the administrative costs. The HB 9 executive proposal includes \$30,000 for a statutorily required appropriation for capitol complex works of art and an appropriation of \$559,000 for project grants. This results in a projected fund balance of \$436,331 at the end of the 2025 biennium.

# MONTANA HISTORIC PRESERVATION GRANT PROGRAM

## Program Description

The Montana Historic Preservation Grant (MHPG) Program, administered by the Department of Commerce (DOC) and codified in Section 22-3-1305, MCA, provides competitive grants for public or private entities for the preservation of historic sites, historical societies, or history museums in the state. The executive recommendations for MHPG grants are contained in HB 12.

MHPG project grants are available on a competitive basis through statutory criteria established in Section 22-3-1306, MCA. The statutory criteria include the following:

1. Support of economic activity or stimulus
2. Purpose and need of proposed project
3. Project timeline and matching funds
4. State historic or heritage value
5. Experience and capacity to complete proposed project
6. Ongoing and future state economic benefit

Applicants must submit grant requests to DOC by March 1st of even numbered years. The MHPG program received 48 grant applications requesting \$14.1 million in funds. DOC has proposed 29 grants and appropriations of \$8.5 million for consideration by the Sixty-eighth Legislature. The proposed grants include the following project types:

- 23 historic sites
- 4 history museums
- 2 history museums/historic sites

## Program Budget Comparison

Figure 20 summarizes the proposed executive budget for the program by biennium, type of expenditure, and source of funding.

Figure 20

Program Comparison -Montana Historic Preservation Grant Program				
Budget Item	Budget 2023 Biennium	Budget 2025 Biennium	Biennium Change	Biennium % Change
Number of Grants	26	29	3	11.5%
Grants Cost	<u>Appropriated</u> 5,490,121	<u>Proposed</u> 8,501,314	3,011,193	54.8%
Total Costs	\$5,490,121	\$8,501,314	\$3,011,193	54.8%
State Special	5,490,121	8,501,314	3,011,193	54.8%
Total Funds	\$5,490,121	\$8,501,314	\$3,011,193	54.8%

## Executive Proposal

The executive proposal for the MHPG is a 54.8% increase over the appropriations provided in the 2023 biennium. The executive recommendation for the MHPG program includes an appropriation of \$8.5 million to fund 29 grants. The executive proposal is contained in HB 12. A complete listing of the MHPG grants may be

## MONTANA HISTORIC PRESERVATION GRANT PROGRAM

seen in appendix A-18 of this report. The details behind the grants requested for the 2025 biennium MHPG is presented in Vol. 8 of the Governor’s Executive Budget.

<b>LFD COMMENT</b>	<p>Started in FY 2020, the MHPG program was designed to be managed like MCEP. The Long-Range Planning Interim Budget Committee, in the 2023 interim, was provided an overview, outlining the program’s related statutes, administrative rules, and program specifics, including match requirements and applicant eligibility: <a href="https://leg.mt.gov/content/publications/fiscal/2023-Interim/IBC-F/MHPG-guidelines.pdf">https://leg.mt.gov/content/publications/fiscal/2023-Interim/IBC-F/MHPG-guidelines.pdf</a></p>
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### Funding

The historic preservation grants account funds appropriations for MHPG projects authorized by the legislature. The account receives revenues as established in 15-68-820, MCA, from the accommodations sales tax. The account will receive the following:

- Until December 30, 2024, 5% in the account established in 22-3-1307, MCA, for historic preservation grants
- Starting January 1, 2025, 6% in the account established in 22-3-1307, MCA, for historic preservation grants

The allowable uses of the historic preservation account, as provided in 22-3-1307, MCA, “may be used only for historic preservation grants to be administered by the Department of Commerce”. Unlike many of the other grant programs of the LRP budget, administrative costs are not allowed to be funded through the account.

Figure 21

Montana Historic Preservation Grants - 2025 Biennium Account - 02217					
	FY 2022 Actual	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected	2025 Bien. Projected
Estimated Beginning Fund Balance	\$1,784,169	\$4,126,100	\$2,608,108	(\$2,061,441)	\$2,608,108
Revenue Projections <sup>1</sup>					
Accommodation Sales Tax	3,263,645	3,408,265	3,831,765	4,531,381	8,363,146
Expenditures					
Prior Biennium	355,602	2,202	0	0	0
2025 Biennium Grants	566,066	4,924,055	8,501,314	0	8,501,314
Fund Balance Adjustment	46	0	0	0	0
Total Expenditures/Appropriations	921,714	4,926,258	8,501,314	0	8,501,314
Ending Fund Balance	\$4,126,100	\$2,608,108	(\$2,061,441)	\$2,469,940	\$2,469,940
<sup>1</sup> HJ 2					

Figure 20 shows the projected balance of the historic preservation grants state special fund for the 2025 biennium. The fund is expected to begin the 2025 biennium with a fund balance of \$2.6 million. The revenues are projected to be \$8.4 million across the biennium. The executive proposal for the MHPG program is \$8.5 million. The balance at the end of the 2025 biennium is projected to be \$2.5 million.

Long-Range Building Program HB 5 - 2025 Biennium								
Approp Agency / Project Agency / Project	LRBP Major Repairs Fund	Other Capital Projects Funds	State Special	Federal Special	Prop.	Authority	Total	
Major Repairs Appropriations								
<b>A&amp;E Appropriations</b>								
<b>Department of Administration</b>								
1 Parking Garage Repairs - 5 Last Chance Gulch	1,808,145							1,808,145
2 Original Governor's Mansion Repairs	600,000							600,000
3 Facilities Condition Assessment (FCA) Baseline Assessments	1,500,000							1,500,000
4 Project Management & Supervision	2,000,000							2,000,000
5 Boiler & Chiller Replacement - Walt Sullivan Building			473,707					473,707
6 Elevator Modifications - Cogswell Building			768,757					768,757
7 Elevator Modifications- Walt Sullivan Building			379,763					379,763
8 Roof & Mechanical - DPHHS 111 N. Sanders			1,309,099					1,309,099
9 Roof Replacement - FWP Headquarters			289,695					289,695
<b>Department of Corrections</b>								
10 MT State Prison (MSP) Red Light/Emergency Notification System	1,000,000							1,000,000
11 MSP Perimeter Fence Enhancement	1,500,000							1,500,000
12 Supplemental Door Control Systems	450,000							450,000
13 Pine Hills Roof Replacement	1,000,000							1,000,000
14 Eastmont HVAC System Repairs/Replacement	200,000							200,000
15 MT Women's Prison (MWP) Cooling System Upgrade	750,000							750,000
16 DOC Develop Facility Specific Program & Master Plan	600,000							600,000
16 MWP Heating System Upgrade	1,500,000							1,500,000
17 MWP Perimeter Fence/Dog Yard	1,000,000							1,000,000
18 Pine Hills Unit F Sewer Line Replacemet	500,000							500,000
19 MSP Unit F Water Supply Upgrade	600,000							600,000
20 MSP Site Infrastructure Study	300,000							300,000
21 AUTHORITY MCE Food Factory Emergency Generator					100,000			100,000
22 Montana Correctional Enterprises (MCE) Industries Repairs					700,000			700,000
<b>Department of Natural Resources and Conservation</b>								
23 Supplemental Swan Lake Office Siding	187,687							187,687
24 Stillwater Shop Replacement	1,214,837							1,214,837
<b>Department of Public Health and Human Services</b>								
25 Supplemental Montana State Hospital (MSH) Wastewater Treatment	1,400,000							1,400,000
26 Supplemental MSH Hospital Roof	800,000							800,000
Supplemental MT Mental Health Nursing Care Center (MMHNCC)	1,500,000							1,500,000
27 Roof Replacement								
28 Supplemental MT Veterans Home (MVH) Roof Replacement				1,600,000				1,600,000
29 Supplemental MVH Courtyard Improvements				517,000				517,000
30 Supplemental MVH Floor Project				367,000				367,000
31 Supplemental MVH ARPA HVAC				423,039				423,039
32 MMHNCC Site Improvements & Increase Parking	300,000							300,000
33 MMHNCC Key card entry system	125,000							125,000
34 MMHNCC Backup Water Well	200,000							200,000
<b>Montana School for the Deaf and Blind</b>								
35 Campus Security Camera Install	300,000							300,000
36 Supplemental Mustang Center Fire Sprinkler System	830,854							830,854

Approp Agency / Project Agency / Project	LRBP Major Repairs Fund	Other Capital Projects Funds	State Special	Federal Special	Prop.	Authority	Total
37 Create Bus Loop and Update Parking Lot	349,637						349,637
<b>Montana University System</b>							
38 Supplemental UM Flathead Lake Biological Station (FLBS) Sewer Treatment Plant	1,100,000						1,100,000
39 Supplemental UM Mansfield Library Roof Repair	500,000						500,000
40 Supplemental MSU-N Vande Bogart Library Roof Replacement	675,000						675,000
41 Supplemental MSU Reid Hall Fire System Upgrades	1,000,000						1,000,000
42 Supplemental MSU-N Brockmann Center HVAC Upgrade	1,907,320						1,907,320
43 Supplemental UM Clapp Building Elevator	500,000						500,000
44 Supplemental UM Stone Hall Roof Replacement	800,000						800,000
45 GFC Fire Suppression System Upgrades	500,000						500,000
46 MSU Barnard Hall Failed Chiller Replacement	1,750,000						1,750,000
47 UM Priority 1 Roof Replacements	2,425,000						2,425,000

Approp Agency / Project Agency / Project	LRBP Major Repairs Fund	Other Capital Projects Funds	State Special	Federal Special	Prop.	Authority	Total
48 MSU-B P.E. Building Roof Replacement	2,400,000						2,400,000
49 UMW Repair/Replace Sewer Mains	425,000						425,000
50 UM Upgrade/Replace Elevators	2,498,650						2,498,650
51 UM FLBS Roof Replacements	262,000						262,000
52 MT Tech Electrical Distribution - Multiple Bldgs	650,000						650,000
53 MSU-B Campus Water Plumbing System Repairs	2,000,000					400,000	2,400,000
54 MSU Lewis Hall ADA Upgrades <sup>1</sup>	2,400,000						2,400,000
55 UM Replace Fire Alarms - Clapp Building <sup>1</sup>	780,000						780,000
56 MSU Tietz Hall Roof Replacement	1,300,000						1,300,000
58 MSU Cobleigh Hall Parapet Structural Repair	2,400,000						2,400,000
59 MT Tech Restroom Renovations in Five Buildings <sup>1</sup>	1,200,000						1,200,000
60 MSU Campus Heating Plant Boiler Controls Upgrade	1,600,000					800,000	2,400,000
61 MSU Emergency Water System & Fixture Upgrades	2,400,000						2,400,000
62 MT Tech Masonry Repairs - Plaster, Tuckpointing, Flat	455,000						455,000
63 UM Elevator Repair/Replacement	325,000						325,000
64 MAES WARC Shop Renovation & Safety Upgrades	600,000						600,000
65 MSU-N Campus EMS Building Controls Upgrade Project	400,000						400,000
66 UM Campus Building Envelope Repairs	415,000						415,000
67 UM Replace Electrical Equipment	325,000						325,000
68 MSU-N Electronics Tech. HVAC & Lighting Upgrade	800,000						800,000
69 MAES Lambing Barn Renovation & Safety Upgrades	2,000,000						2,000,000
70 MSU Hamilton Hall Life- Safety System Improvements	2,400,000						2,400,000
71 MSU-N Pershing Hall Renovation	2,400,000						2,400,000
72 MSU-N Metals Technology Building Roof Project	400,000						400,000
73 MAES BART Demolition Project	450,000						450,000
74 HC Rehab Rental Property for Art Instruction	162,500						162,500
75 AUTHORITY HC Renovate Area For New Cosmetology Program						2,495,000	2,495,000
<b>Department of Labor &amp; Industry</b>							
76 Billings Unemployment Insurance (UI) Call Center Repairs	1,000,000						1,000,000
<b>Department of Justice</b>							
77 Boiler Replacement - MT Law Enforcement Academy (MLEA) Admin Building	830,000						\$830,000
78 Roof Replacement- MT Highway Patrol (MHP) Boulder Campus	1,860,000						\$1,860,000
79 Missoula Crime Lab Expansion Feasibility Study	75,000						\$75,000
80 MHP Boulder Dorm Renovations	250,000						\$250,000
<b>Department of Military Affairs</b>							
81 Gallatin Readiness Center (RC) Roof Replacement	741,455			741,455			1,482,910
82 Gallatin RC & FMS Retro-Commissioning Repairs	320,747			962,241			1,282,988
83 HAFRC Lighting and Control Modifications	26,768			324,947			351,715
84 SMART Program	1,500,000						1,500,000
<b>Total A&amp;E Major Repairs Appropriations</b>	<b>\$71,725,600</b>	<b>\$3,221,021</b>	<b>\$2,907,039</b>	<b>\$2,028,643</b>	<b>\$800,000</b>	<b>\$3,695,000</b>	<b>\$84,377,303</b>
<b>Agency Major Repairs Appropriations</b>							
<b>Department of Military Affairs</b>							
85 Fort Harrison (FTH) Aviation Support Facility Energy Improvements				1,067,500			1,067,500
86 FTH Building 1005 Expansion and Compound Upgrades				713,700			713,700
87 FTH Building 530 Compound Improvements				526,125			526,125

Approp Agency / Project Agency / Project	LRBP Major Repairs Fund	Other Capital Projects Funds	State Special	Federal Special	Prop.	Authority	Total
88 FTH Crew Proficiency Course Tower Improvements				396,934			396,934
89 FTH Energy Improvements and Generator Backup				320,250			320,250
90 FTH Facility LED Lighting Retrofit				238,816			238,816
91 Fort Harrison Lighting Upgrades				564,250			564,250
94 FTH Maintenance Shop Retro-Commissioning Repairs				1,486,733			1,486,733
95 FTH Training Equipment Site Retro-Commissioning				569,969			569,969
Subtotal Department of Military Affairs Projects	\$0	\$0	\$0	5,884,277	\$0	\$0	\$5,884,277
<b>Total Major Repairs</b>	<b>\$71,725,600</b>	<b>\$3,221,021</b>	<b>\$2,907,039</b>	<b>\$7,912,920</b>	<b>\$800,000</b>	<b>\$3,695,000</b>	<b>\$90,261,580</b>

<sup>1</sup> If funding appropriated for related capital development projects, funding must be reallocated by the department to other major repair projects.



Long-Range Building Program HB 5 - 2025 Biennium							
Approp Agency / Project Agency / Project	Capital Dev. Fund	Other Capital Projects Funds	State Special	Federal Special	Prop.	Authority	Total
Capital Development Appropriations							
<b>A&amp;E Capital Development Projects</b>							
<b>Department of Administration</b>							
1 Supplemental: Mazurek Building Renovation	5,000,000						5,000,000
Renovation of Capitol Complex Offices Remote Office Workspace	50,000,000						50,000,000
2 Study (ROWS)							
3 State Capitol Building Improvements	26,316,458						26,316,458
4 Old Board of Health Renovation (Legislative Staff)	3,500,000						3,500,000
5 5 Last Chance Gulch Atrium Renovation	15,558,029						15,558,029
6 DOA Statewide AUTHORITY Federal Spending Authority						5,000,000	5,000,000
<b>Department of Corrections</b>							
7 MSP Replace Low-Side Housing	135,000,000						135,000,000
8 MSP Water Line Replacement	3,000,000						3,000,000
9 MSP Entry/Staff Services Addition to Wallace Building	12,800,000						12,800,000
10 MSP Replace Roofs	5,600,000						5,600,000
11 MSP Xanthopoulos Building Repairs	2,950,000						2,950,000
12 MSP New Multi-Purpose Programs Building	9,000,000						9,000,000
13 Montana Women's Prison (MWP) Roof Replacement	5,000,000						5,000,000
14 Montana State Prison (MSP) Check Point Building/Wallace Entry Secur	3,000,000						3,000,000
15 MCE Motor Vehicle Ventilation & Paint/Sandblasting Booths					590,000		590,000
<b>Department of Agriculture</b>							
16 Supplemental Ag Analytical (Combined Labs)	3,858,000						3,858,000
<b>Department of Labor and Industry</b>							
17 Job Service Great Falls Building Renovation	5,767,880						5,767,880
<b>Department of Livestock</b>							
18 Supplemental Vet Diagnostic Lab (Combined Labs)	2,200,000						2,200,000
<b>Department of Public Health and Human Services</b>							
19 Supplemental State Health Lab Renovation			7,000,000				7,000,000
Supplemental Southwest Montana Veterans Home (SW MVH) Cottage	5,250,000						5,250,000
20 Connectors							
Montana State Hospital (MSH) Compliance Upgrades for	15,903,000						15,903,000
19 Recertification & Def							
20 Behavioral Health Initiative (Regionally-based care facilities)	113,000,000						113,000,000
21 MMHNCC Heated Storage Unit	720,000						720,000
<b>Department of Revenue</b>							
22 Supplemental Liquor Warehouse Expansion			14,315,750				14,315,750
<b>Department of Natural Resources and Conservation</b>							
23 Supplemental Eastern Land Office (ELO) Facilities & Shop	2,180,235						2,180,235
24 Seedling Nursery Capital Investment	2,797,320						2,797,320
25 Clearwater Replacement Bunkhouse	1,189,178						1,189,178
26 Anaconda Bunkhouse	1,180,962						1,180,962
27 Northeastern Land Office (NELO) Fire Ready Room	445,491						445,491
28 Central Land Office (CLO) Dispatch Center Expansion	545,000						545,000
<b>Montana University System</b>							
29 MSU Supplemental Wool Lab (Combined Labs)	4,700,000						4,700,000
30 Supplemental MT Tech Heating Systems Upgrade	2,750,000						2,750,000
31 Supplemental UMW Block Hall Renovation	3,600,000						3,600,000
32 Supplemental MAES Research Labs	1,604,050						1,604,050
33 Supplemental MSU Haynes Hall Ventilation Upgrades	3,400,000						3,400,000

Approp Agency / Project Agency / Project	Capital Dev. Fund	Other Capital Projects Funds	State Special	Federal Special	Prop.	Authority	Total
34 UM Flathead Lake Biological Station (FLBS) Water & Sewer Systems	2,500,000						2,500,000
35 HC Acquire & Renovate Airport Hangar	3,600,000						3,600,000
36 UM Clapp Building Renovation	27,000,000					10,000,000	37,000,000
37 MSU Lewis Hall Code & Instructional Renovations	23,500,000					8,000,000	31,500,000
38 MT Tech Engineering Hall Full Interior Renovations	8,000,000						8,000,000
39 MT Tech Main Hall Remodel & Renovation	30,000,000						30,000,000
40 MAES BART Life-Safety & Programmatic Improvements	10,000,000						10,000,000
41 UM Campus Storage/Warehouse Building	1,250,000						1,250,000
42 Supplemental MSU Facilities Yard Relocation - AO						8,000,000	8,000,000
43 Supplemental UM Mansfield Library Remodel - AO						4,000,000	4,000,000
44 Supplemental Visual Communications Building PBS Addition						4,000,000	4,000,000
45 Mark and Robyn Jones MSU College of Nursing - AO						92,000,000	92,000,000
46 Gianforte Hall MSU Computing Building - AO						50,000,000	50,000,000
47 UM Adams Center - Student Athlete Locker Rooms - AO						6,000,000	6,000,000
48 UM Campus-Wide Classroom Upgrades - AO						6,000,000	6,000,000
49 UM Liberal Arts Building/Eck Hall - AO						4,000,000	4,000,000
50 MSU Indoor Practice Facility- AO						15,000,000	15,000,000
51 MT Tech Highlands College Indoor Pole Barn						2,000,000	2,000,000
<b>Department of Military Affairs</b>							
52 Supplemental Silverbow Readiness Center	5,491,795			8,221,254			13,713,049
53 Supplemental Billings AFRC Unheated Storage	46,208			46,208			92,416
54 Supplemental Havre Unheated Building	63,318			63,318			126,636
55 Billings Readiness & Innovation Campus	12,840,000						12,840,000
56 Helena Readiness HVAC & Temp Control Upgrade	798,420			2,542,248			3,340,668
57 State Emergency Coordination Center Expansion	6,581,000						6,581,000
58 State Disaster Warehouse	5,704,000						5,704,000
<b>Department of Transportation</b>							
59 Supplemental Yellowstone Airport Terminal	9,000,000						9,000,000
60 Supplemental Lincoln Airport Snow Removal Equipment (SRE)				250,000			250,000
61 Combination Facility Great Falls			12,600,000				12,600,000
62 Combination Facility Kalispell			11,000,000				11,000,000
63 Combination Facility Missoula			10,500,000				10,500,000
<b>Department of Fish, Wildlife, and Parks</b>							
64 Supplemental Havre Area Office			2,199,600	620,400			\$2,820,000
65 Supplemental Glasgow Headquarters			3,100,000				\$3,100,000
66 Supplemental Lewistown Area Office			4,000,000				\$4,000,000
67 Supplemental MT Wild Avian Rehab Building				550,000			\$550,000
68 Makoshika Campground Improvement & Addition			2,500,000	2,500,000			5,000,000
69 Beartooth Wildlife Management Area (WMA) Facilities Upgrade			8,000,000				8,000,000
70 Agency Staff Housing			7,500,000				7,500,000
71 Central Services Site Upgrades			17,168,330				17,168,330
<b>Total A&amp;E Capital Development Appropriations</b>	<b>\$594,190,344</b>	<b>\$0</b>	<b>\$99,883,680</b>	<b>\$14,793,428</b>	<b>\$590,000</b>	<b>\$214,000,000</b>	<b>\$923,457,452</b>
<b>Agency Capital Development Appropriations</b>							
<b>Montana University System</b>							
72 General Spending Authority - AO						20,000,000	20,000,000
<b>Department of Military Affairs</b>							
73 FTH Aviation Facility HVAC & Temperature Control Upgrade				3,580,365			3,580,365
74 FTH Collective Training Housing Facility				3,000,000			3,000,000
75 FTH Ready Building Addition				4,700,000			4,700,000
76 FTH Training Site HVAC & Controls Upgrade				2,574,002			2,574,002
77 Federal Spending Authority				3,000,000			3,000,000

Approp Agency / Project Agency / Project	Capital Dev. Fund	Other Capital Projects Funds	State Special	Federal Special	Prop.	Authority	Total
<b>Department of Transportation</b>							
78 Maintenance, Repair, and Small Projects			3,000,000				3,000,000
Total Agency Capital Development Appropriations	\$0	\$0	\$3,000,000	16,854,367	\$0	\$20,000,000	\$39,854,367
<b>Department of Environmental Quality State Building Energy Conservation Program (SBCEP)</b>							
<b>Department of Environmental Quality</b>							
79 Authority - Energy Improvements, Statewide						3,700,000	3,700,000
Total SBCEP Capital Development Appropriations	\$0	\$0	\$0	\$0	\$0	\$3,700,000	\$3,700,000
<b>Department of FWP Capital Program Projects</b>							
<b>Department of Fish, Wildlife, &amp; Parks</b>							
80 Statewide Admin Facilities Major Maintenance			1,931,500			5,000,000	6,931,500
81 Signage & Wayfinding Updates			2,500,000				2,500,000
82 Erosion Control			2,673,000				2,673,000
83 Community Ponds			200,000				200,000
84 Forest Management			100,000	300,000			400,000
85 Site Maintenance Upgrades & Improvements			4,572,450	1,770,750		1,193,000	7,536,200
86 Shooting Range Development			1,000,000	3,000,000			4,000,000
87 Wildlife Habitat Improvement Program Renewal				2,000,000			2,000,000
88 Wildlife Habitat Management & Maintenance			1,140,000	2,765,000			3,905,000
89 Upland Game Bird Enhancement Program			1,908,000	600,000			2,508,000
90 Migratory Bird Wetland Program			500,000				500,000
91 Future Fisheries			2,000,000				2,000,000
92 Hatcheries Maintenance			2,000,000				2,000,000
93 POR Grant Programs			5,000,000	6,000,000			11,000,000
94 Fish Connectivity			548,454	1,278,992		140,234	1,967,680
95 Public Access Land Agreement (PALA) Access Program			1,000,000				1,000,000
Total FWP Capital Development Appropriations	\$0	\$0	\$27,073,404	\$17,714,742	\$0	\$6,333,234	\$51,121,380
<b>Department of FWP Capital Program Projects - Land Acquisition</b>							
96 Habitat Montana			9,650,000	2,350,000			12,000,000
Total Land Acquisition Appropriations	\$0	\$0	\$9,650,000	2,350,000	\$0	\$0	\$12,000,000
Total Capital Development Appropriations	\$594,190,344	\$0	\$139,607,084	\$51,712,537	\$590,000	\$244,033,234	\$1,030,133,199
AO - Authority only - for amounts that do not require appropriation							

**LRBP - HB 5 O&M Appropriations**  
*17-7-210, MCA Required for Future Biennia*

Agency	Project	General Fund	State Special	Federal Special	Prop.	Total
<b>HB 5</b>						
DOC	BSB Re-Entry Services, Acadia Facility	\$563,536				\$563,536
DOC	MSP Replace Low-Side Housing	176,560				176,560
DOC	MSP Entry/Staff Services Addition to Wallace Building	184,000				184,000
DOC	MSP New Multi-Purpose Programs Building	100,340				100,340
DOC	Motor Vehicle Ventilation & Paint/Sanding Booths				40,000	40,000
FWP	Beartooth WMA Facilities Upgrade		80,000			80,000
FWP	Agency Staff Housing		225,000			225,000
FWP	Central Services Site Upgrades		128,762			128,762
DMA	Billings LAASF			200,000		200,000
DMA	DES State Emergency Coordination Center Expansion	54,012				54,012
DMA	FTH Collective Training Housing Facility			34,000		34,000
DMA	FTH Ready Building Addition			26,472		26,472
DNRC	Clearwater Replacement Bunkhouse	27,650				27,650
DNRC	Anaconda Bunkhouse	33,180				33,180
DNRC	NELO Fire Ready Room	17,696				17,696
DNRC	CLO Dispatch Center Expansion	10,700				10,700
DPHHS	Statewide Behavioral Health Initiative	2,503,280				2,503,280
DPHHS	MMHNCC Heated Storage Unit	21,312				21,312
DPHHS	DMA DES State Emergency Coordination Center Expansion	62,000				62,000
MDT	Combination Facility Great Falls		53,900			53,900
MDT	Combination Facility Kalispell		42,400			42,400
MDT	Combination Facility Missoula		41,800			41,800
MUS	MSU Supplemental Wool Lab	520,695				520,695
MUS	HC Acquire & Renovate Airport Hangar	188,133				188,133
MUS	UMW Campus Storage/Warehouse Building	63,975				63,975
MUS	MSU Mark & Robyn Jones College of Nursing (5 Buildings)	4,000,154				4,000,154
MUS	MSU Gianforte Hall, School of Computing	1,730,858				1,730,858
MUS	MSU Indoor Practice Facility - Athletics/Auxiliaries funds only					
MUS	MT Tech Highlands College Indoor Pole Barn	42,671				42,671
MSU	MAES Research Laboratories <sup>1</sup>					
<b>Total Future O&amp;M Agency Appropriations</b>		<b>\$10,300,752</b>	<b>\$571,862</b>	<b>\$260,472</b>	<b>\$40,000</b>	<b>\$11,173,086</b>

<sup>1</sup> Project reduced to research lab only; O&M reduced from \$389,402 to \$305,298

**State Building Energy Conservation Program**

HB 5 - 2025 Biennium

Dept.	Project Title	Project Investment	Est. Annual Savings	Simple Payback/Yrs
<u>Fish, Wildlife, and Parks</u>				
	Pictograph Cave State Park - Lighting Upgrade	\$10,000	800	13
	First Peoples - Lighting Upgrade	7,500	850	9
	Makoshika SP - Visitor Center Basement Lighting Upgrade	2,000	100	20
	Makoshika Park - Solar PV	26,000	2,600	10
	Giant Springs Hatchery - Lighting Upgrade	25,000	2,500	10
<u>Department of Natural Resources &amp; Conservation</u>				
	Missoula Campus Lighting Upgrade (Spurgin Road)	108,440	7,000	20
<u>Labor and Industry</u>				
	Polson Job Service - Lighting Upgrade	9,500	1,200	8
<u>MT University System</u>				
	MT Tech Bureau of Mines & Geology - Billings Office Lighting Upgrade	16,000	1,300	12
	MT Tech Bureau of Mines & Geology - Billings Office Server Room Chiller	6,200	1,200	5
	Miles City Comm College - Main Campus Lighting Upgrade w/Boiler Replacement	75,000	22,500	13
	UM Western Campus - Expanded Lighting Upgrade	30,000	42,250	10
<u>Additional Projects TBD</u>				
	COR/DOJ/DPPHS/MUS Lighting Upgrades & Energy Improvements	3,384,360	22,624	
<b>Total Funding / Savings</b>		<b>\$3,700,000</b>		

**Long-Range Information Technology Program (LRITP)**

HB 10 - 2025 Biennium

Agency / Project	LRITP Capital Projects Funds	State Special	Federal Special	Total
<b>Department of Administration</b>				
1 MT Cybersecurity Enhancement Project (SITSD) E-Discovery/Public Information Request Software	\$21,513,774			\$21,513,774
2 (SITSD)	2,000,000			2,000,000
<b>Department of Agriculture</b>				
3 Commodity Assessment System	350,000	20,000		370,000
4 SAFHER Federal System		166,667	33,333	200,000
5 Grant Management System		40,000	20,000	60,000
<b>Department of Livestock</b>				
6 Animal Health System		450,000		450,000
7 Snowflake Integration		125,000		125,000
8 Google AI		425,000		425,000
<b>Public Service Commission</b>				
9 Software Modernization (REDDI)		1,496,436		1,496,436
<b>Department of Natural Resources and Conservation</b>				
10 Financial Management System	758,800	596,200		1,355,000
11 Fire Finance Processing System	500,000			500,000
12 Flathead Reservation Information Technology System	700,000			700,000
13 Trust Land Management System Customer Portal	2,000,000			2,000,000
<b>Office of Public Defender</b>				
14 Wifi Updates in Courthouses	350,000			350,000
<b>Department of Corrections</b>				
15 Offender Management System	18,000,000			18,000,000
<b>Department of Public Health and Human Services</b>				
16 Comprehensive Child Welfare Information System	12,537,881		12,537,881	25,075,762
17 MT Child Support Enhancement Automated System	4,412,940	6,304,200	20,803,860	31,521,000
18 Electronic Health Records & Billing - State Facilities	25,000,000	2,321,690	285,614	27,607,304
19 MT Healthcare Programs Modularity Project	4,940,613		44,465,517	49,406,130
20 SNAP Employment & Training Enterprise Solution	1,400,000		1,400,000	2,800,000
21 Electronic Benefits Transfer System Replacement	1,250,000		1,250,000	2,500,000
<b>Subtotal - DOA Proposed Appropriations</b>	<b>\$95,714,008</b>	<b>\$11,945,193</b>	<b>\$80,796,205</b>	<b>\$188,455,406</b>
<b>Judicial Branch/Supreme Court Proposed Appropriations</b>				
22 Courtroom Remote Appearance Video System	850,000			850,000
23 Courthouse Security Initiative	500,000			500,000
<b>Department of Justice Proposed Appropriations</b>				
24 MERLIN System Replacement	50,511,000			50,511,000
<b>Subtotal - Judicial Branch/DOJ</b>	<b>51,861,000</b>	<b>0</b>	<b>0</b>	<b>51,861,000</b>
<b>Total Long-Range Information Technology Program</b>	<b>\$147,575,008</b>	<b>\$11,945,193</b>	<b>\$80,796,205</b>	<b>\$240,316,406</b>

**Montana Coal Endowment Program (MCEP)**

HB 11 - 2025 Biennium, Proposed

Rank	Applicant	County	Type of Project	Total Project Cost	Grant Requested	Cumulative Total
<b>HB 11 - Bridge Program</b>						
1	Beaverhead County	Beaverhead	Bridge	\$1,834,038	\$750,000	\$750,000
2	Yellowstone County	Yellowstone	Bridge	1,864,767	750,000	1,500,000
3	Lewis & Clark County	Lewis & Clark	Bridge	759,860	379,930	1,879,930
4	Big Horn County	Big Horn	Bridge	1,439,081	500,000	2,379,930
5	Park County	Park	Bridge	599,244	299,622	2,679,552
6	Gallatin County	Gallatin	Bridge	1,889,294	750,000	3,429,552
7	Broadwater County	Broadwater	Bridge	1,814,491	750,000	4,179,552
8	Petroleum County	Petroleum	Bridge	620,420	465,300	4,644,852
9	Wibaux County	Wibaux	Bridge	1,383,700	691,350	5,336,202
10	Madison County	Madison	Bridge	998,922	499,461	5,835,663
11	Stillwater County	Stillwater	Bridge	684,100	340,550	6,176,213
<b>Total HB 11 Bridge Projects</b>				<b>\$13,887,917</b>	<b>\$6,176,213</b>	
<b>HB 11 - Infrastructure Program</b>						
1	Cascade, Town of	Cascade	Wastewater	3,091,000	625,000	625,000
2	Havre, City of	Hill	Water	8,355,390	500,000	1,125,000
3	Dodson, Town of	Phillips	Water	3,250,300	500,000	1,625,000
4	Thompson Falls, City of	Sanders	Water	5,523,000	750,000	2,375,000
5	Twin Bridges, Town of	Madison	Water	2,040,000	750,000	3,125,000
6	Dutton, Town of	Teton	Water	4,079,000	625,000	3,750,000
7	Geraldine, Town of	Choteau	Water	2,643,000	500,000	4,250,000
8	Wolf Point, City of	Roosevelt	Wastewater	2,400,000	625,000	4,875,000
9	Forsyth, City of	Rosebud	Water	4,630,258	500,000	5,375,000
10	Saco, Town of	Phillips	Wastewater	1,695,000	500,000	5,875,000
11	Troy, City of	Lincoln	Water	1,555,000	750,000	6,625,000
12	Choteau, City of	Teton	Water	7,767,856	625,000	7,250,000
13	Craig County Water & Sewer District	Lewis & Clark	Wastewater	800,000	400,000	7,650,000
14	Red Lodge, City of	Carbon	Wastewater	1,325,000	500,000	8,150,000
15	Superior, Town of	Mineral	Wastewater	4,824,295	750,000	8,900,000
16	Libby, City of	Lincoln	Wastewater	2,363,000	460,000	9,360,000
17	Corvallis Sewer District	Ravalli	Wastewater	1,123,210	500,000	9,860,000
18	Shelby, City of	Toole	Wastewater	889,000	444,500	10,304,500
19	Hot Springs, Town of	Sanders	Wastewater	4,111,000	750,000	11,054,500
20	Hideaway Community County Water & Sewer District	Flathead	Wastewater	1,373,378	750,000	11,804,500
21	Belt, Town of	Cascade	Water	2,855,000	500,000	12,304,500
22	Bigfork Water & Sewer District	Flathead	Wastewater	4,115,000	500,000	12,804,500
23	Martinsdale Water & Sewer District	Meagher	Water	1,998,000	750,000	13,554,500
24	Victor WSD	Ravalli	Wastewater	1,283,000	500,000	14,054,500
25	Cooke Pass/Cooke City/Silvergate Co Sewer District	Park	Wastewater	3,933,186	750,000	14,804,500
26	Absarokee Water & Sewer District	Stillwater	Water	1,446,000	500,000	15,304,500
27	Boulder, City of	Jefferson	Water	2,458,000	500,000	15,804,500
28	Richey, Town of	Dawson	Water	1,850,000	500,000	16,304,500
29	Circle, Town of	McCone	Water	2,000,000	625,000	16,929,500
30	Kalispell, City of	Flathead	Water/Wastewater	2,104,695	750,000	17,679,500
31	Lockwood Water & Sewer District	Yellowstone	Water	3,010,000	750,000	18,429,500
32	Phillipsburg, Town of	Granite	Water	7,255,955	625,000	19,054,500
33	Chester, Town of	Liberty	Wastewater	3,416,975	500,000	19,554,500
34	Hingham, Town of	Hill	Wastewater	3,610,455	750,000	20,304,500
35	Black Eagle-Cascade County W/S District	Cascade	Wastewater	1,329,620	414,000	20,718,500
36	Denton, Town of	Fergus	Wastewater	3,890,100	500,000	21,218,500
37	Drummond, Town of	Granite	Wastewater	3,548,470	500,000	21,718,500
38	Gallatin Canyon County Water & Sewer District	Gallatin	Wastewater	22,500,000	750,000	22,468,500
39	Townsend, City of	Broadwater	Water	11,131,098	750,000	23,218,500
40	Sunburst, Town of	Toole	Wastewater	2,245,000	625,000	23,843,500
<b>Total Infrastructure Projects</b>				<b>149,819,241</b>	<b>23,843,500</b>	
<b>Total MCEP Projects</b>				<b>\$163,707,158</b>	<b>\$30,019,713</b>	

Renewable Resource Grants (RRGL)					
HB 6 - 2025 Biennium Proposed Project					
Rank	Applicant / Project Title	Project Type	Total Project Cost	Grant Requested	Cumulative Total
<b>HB 6 Projects</b>					
1	Cooke City Cooke City Wastewater Treatment & Collection System	Wastewater	3,933,186	125,000	125,000
2	West Yellowstone, Town of West Yellowstone Wastewater Treatment Plant Project	Wastewater	33,114,700	125,000	250,000
3	Red Lodge, City of Red Lodge Wastewater System Improvements	Wastewater	1,325,000	125,000	375,000
4	Superior, Town of Superior Wastewater System Improvements Project	Wastewater	4,824,295	125,000	500,000
5	Choteau, City of Choteau Water System Improvements	Water	7,767,856	125,000	625,000
6	Cascade, Town of Cascade Wastewater System Improvements	Wastewater	3,091,000	125,000	750,000
7	Sand Coulee, Town of Sand Coulee Wastewater Improvements	Wastewater	6,534,776	125,000	875,000
8	Kalispell, City of Morning Star Court Water & Wastewater Improvement Project	Water/Wastewater	2,104,695	125,000	1,000,000
9	Saco, Town of Saco Water System Improvements	Wastewater	1,695,000	125,000	1,125,000
10	Drummond, Town of Wastewater Treatment Facility Upgrade	Wastewater	3,548,470	125,000	1,250,000
11	Craig County WSD Craig Wastewater System Improvements	Wastewater	800,000	125,000	1,375,000
12	Gallatin Canyon County Water Sewer District Gallatin Canyon Sewer Project Phase 1.2	Wastewater	22,500,000	125,000	1,500,000
13	Thompson Falls, City of Thompson Falls Water System Improvements Project	Water	5,523,000	125,000	1,625,000
14	Corvallis County Sewer District Corvallis Wastewater Collection System Improvements	Wastewater	1,123,210	125,000	1,750,000
15	Helena, City of Red Mountain Flume Repairs Project #22-05	Water	2,368,052	125,000	1,875,000
16	Havre, City of City of Havre Water System Improvements Project	Water	8,355,390	125,000	2,000,000
17	Bigfork County Water and Sewer District West Trunk Sewer Replacement & Collection Basin Rehabilitation Project	Wastewater	4,115,000	125,000	2,125,000
18	Belt, Town of Town of Belt Water System Improvements	Water	2,855,000	125,000	2,250,000
19	Lincoln County Libby Creek Community Water & Waste Water Improvements	Water/Wastewater	2,363,000	125,000	2,375,000
20	Richey, Town of Richey Water Main Replacement Phase 2	Water	1,850,000	125,000	2,500,000
21	Geraldine, Town of Geraldine Water System Improvements	Water	2,643,000	125,000	2,625,000
22	Victor Water & Sewer District Victor Wastewater Collection and Treatment Improvements Project	Wastewater	1,283,000	125,000	2,750,000
23	Forsyth, City of City of Forsyth Water System Improvements	Water	4,630,258	125,000	2,875,000
24	Townsend, Town of Townsend Water System Improvements Project	Water	13,046,015	125,000	3,000,000
25	Martinsdale Water and Sewer District Water System Improvements	Water	1,998,000	125,000	3,125,000
26	Twin Bridges, Town of Twin Bridges Water System Improvements	Water	2,040,000	125,000	3,250,000
27	Dodson, Town of Dodson Water System Improvements	Water	3,250,300	125,000	3,375,000
28	Sunburst, Town of	Wastewater	2,245,000	125,000	3,500,000



Rank	Applicant / Project Title	Project Type	Total Project Cost	Grant Requested	Cumulative Total
29	Sunburst Wastewater Distribution & Treatment Project Philipsburg, Town of Water Main Replacement Alley between Broadway and Stockton (Duffy-Sansome)	Water	241,995	125,000	3,625,000
30	Missoula, City of City of Missoula Comprehensive Stormwater Plan	Stormwater/Planning	252,200	125,000	3,750,000
31	Denton, Town of Denton Wastewater System Upgrades Phase 1	Wastewater	3,890,100	125,000	3,875,000
32	Dutton, Town of Dutton Water System Improvements	Water	4,079,000	125,000	4,000,000
33	Circle, Town of Circle Waterline Replacement Project Phase 4	Water	2,000,000	125,000	4,125,000
34	Clancy Water and Sewer District Water System Improvements	Water	5,048,600	125,000	4,250,000
35	Basin County Water and/or Sewer District Basin Water System Improvements Project	Water	736,334	125,000	4,375,000
36	Wolf Point, City of Wolf Point Wastewater Project Phase 1	Wastewater	2,400,000	125,000	4,500,000
37	Hideaway Community County Water & Sewer District Hideaway Court Community Sewer Project (HCCWSD)	Wastewater	1,373,378	125,000	4,625,000
38	Chester, Town of Chester Wastewater Improvements Project	Wastewater	3,416,975	125,000	4,750,000
39	Troy, City of Troy Water System Improvements Project	Water	1,540,000	125,000	4,875,000
40	Lockwood Water and Sewer District Lockwood Water and Sewer District Mid Zone Reservoir	Water	3,010,000	125,000	5,000,000
41	Hot Springs, Town of Hot Springs Sewer Lagoon Rehabilitation Project	Wastewater	4,111,000	125,000	5,125,000
42	Hingham, Town of Hingham Wastewater System Improvements Project	Wastewater	3,610,455	125,000	5,250,000
43	Chester, Town of Chester Water System Improvements Project	Water	2,375,800	125,000	5,375,000
44	Shelby, City of City of Shelby Wastewater Improvements Project	Wastewater	889,000	125,000	5,500,000
45	Conrad, City of Conrad Storm Water Project	Stormwater	3,778,313	125,000	5,625,000
46	Absarokee Water and Sewer District Absarokee Water and Sewer District Water System Improvements	Water	\$1,446,000	\$125,000	\$5,750,000
47	North Cut Bank Glacier County Water & Sewer District Wastewater Lift Station Improvements	Wastewater	314,704	125,000	5,875,000
48	Yellowstone Boys & Girls Ranch County W/S District Wastewater System Improvements	Wastewater	238,130	125,000	6,000,000
49	Judith Gap, Town of Judith Gap Wastewater Collection System Improvements	Wastewater	250,000	125,000	6,125,000
50	Boulder, City of City of Boulder Drinking Water System Improvements	Water	2,458,000	125,000	6,250,000
1	Greenfields Irrigation District Pishkun Inlet Hydroelectric Project	Irrigation	5,167,071	125,000	6,375,000
2	Lower Yellowstone Irrigation District #1 Thomas Point Pumping Plant Rehabilitation	Irrigation	465,360	125,000	6,500,000
3	Lower Yellowstone Irrigation Project Critical Structures Rehabilitation Project	Irrigation	718,551	125,000	6,625,000
4	Helena Valley Irrigation District Regulating Reservoir Preservation & Bypass Project	Irrigation	1,595,025	125,000	6,750,000
5	Buffalo Rapids Irrigation Project 2 Shirley Main Canal Rehabilitation Phase 2	Irrigation	247,183	125,000	6,875,000
6	Pondera County Conservation District Birch Creek Diversion Automation Project	Irrigation	385,400	125,000	7,000,000
7	Madison County Big Hole River Restoration Design & Permitting	Other	130,700	125,000	7,125,000
8	Ruby Valley Conservation District	Irrigation	1,252,825	125,000	7,250,000

Rank	Applicant / Project Title	Project Type	Total Project Cost	Grant Requested	Cumulative Total
	Ruby Valley CD Upper Jefferson Channel Restoration Project				
9	Newlan Creek Water District	Irrigation	137,191	125,000	7,375,000
	Newlan Creek Dam Safety Improvements				
10	Savage Irrigation District	Irrigation	511,000	125,000	7,500,000
	Savage Irrigation District Pump Station Rehabilitation				
11	Pondera County Conservation District	Irrigation	493,867	125,000	7,625,000
	PCCRC C-Canal Headworks Automation				
12	East Bench Irrigation District	Irrigation	376,593	125,000	7,750,000
	Carter Creek Lining & Headgate Automation				
13	Buffalo Rapids Irrigation Project 1	Irrigation	269,985	125,000	7,875,000
	Eiker Reach Canal Rehabilitation Project				
14	Hill County	Irrigation	147,000	125,000	8,000,000
	Beaver Creek Dam Tailwater Channel Restoration				
15	Granite Conservation District	Irrigation	250,000	125,000	8,125,000
	Allendale Ditch Rehabilitation				
16	Blaine County	Irrigation	277,502	125,000	8,250,000
	Blaine County NCIA North Chinook Reservoir Dam Outlet Rehabilitation Project				
17	Paradise Valley Irrigation District	Irrigation	491,817	125,000	8,375,000
	Hillside Ditch Pipeline Conversion Phase 2				
18	Huntley Project Irrigation District	Irrigation	1,990,428	125,000	8,500,000
	Highline Discharge Pipeline Rehabilitation				
19	Tin Cup Water & Sewer District	Irrigation	350,000	125,000	8,625,000
	Tin Cup and Mill Ditch Improvements				
20	Billings, City of	Study/PER	138,000	125,000	8,750,000
	Rim Tunnel Rehabilitation Project				
Total RRGL HB 6 Project Grants			\$213,782,683	\$8,750,000	

Renewable Resource Loans		
HB 8 - 2025 Biennium		
HB 8 Section/Sponsor/Project	Proposal	Cumulative Total
<b>Sec. 1(2) Loans with interest rates of 3.0% or state bond rate, whichever is lower-30 years</b>		
Greenfields Irrigation District		
Hydro Development	1,500,000	1,500,000
East Fork		
Dam Rehabilitation	10,000,000	11,500,000
Painted Rocks		
Dam Rehabilitation	6,000,000	17,500,000
<b>Sec. 2(2) Loan Reauthorization with interest rates of 3.0% or state bond rate, whichever is lower-20 years</b>		
DNRC-Conservation and Resource Development Division (CARDD)		
Refinance Existing Debt or Rehabilitation of Water and Sewer Facilities	\$8,000,000	\$25,500,000
<b>Sec. 2(3) Loan Reauthorization with interest rates of 3.0% or state bond rate, whichever is lower-30 years</b>		
Central Montana Regional Water Authority		
Local Match	5,000,000	30,500,000
Dry-Redwater Regional Water Authority		
Local Match	5,000,000	35,500,000
Dry Prairie Regional Water Authority		
Local Match	5,000,000	40,500,000
North Central Regional Water Authority		
Local Match	5,000,000	45,500,000
Lower Willow Creek Irrigation District		
Right Subdrain Repair Project	200,000	45,700,000
Huntley Irrigation District		
Tunnel 2 and Canal System	3,500,000	49,200,000
Lockwood Irrigation District		
Box Elder Siphon, Pump Station, and Pump 3	750,000	49,950,000
<b>Sec. 2(4) Loan Reauthorization with interest rates of 3.0% or state bond rate, whichever is lower-30 years</b>		
St Mary's Water Users Association		
St. Mary's Diversion Project Local Share <sup>1</sup>	40,000,000	89,950,000
	Total Loan Authorizations:	\$89,950,000
	Loan Reserve:	<u>8,995,000</u>
	Total Bond Request	<u>\$98,945,000</u>

Reclamation and Development Grants (RDGP)					
HB 7 - Proposed 2025 Biennium Projects					
Rank	Applicant / Project Description	Project Type	Total Project Cost	Grant Proposed	Cumulative Total
<u>Grants Funded in HB 7</u>					
1	Beaverhead Conservation District Grasshopper Creek Mine Tailings Stream Bank Stabilization	Mining	429,180	419,180	419,180
2	DNRC - State Water Projects Bureau Willow Creek Dam Rehabilitation Project	Crucial State Need	12,802,500	500,000	919,180
3	DNRC - State Water Projects Bureau East Fork of Rock Creek Dam Rehabilitation	Crucial State Need	13,194,365	500,000	1,419,180
4	Chester, Town of Chester Motors Petroleum Cleanup	Hazardous Waste	423,561	300,000	1,719,180
5	Black Eagle Sewer Black Eagle Sewer System Improvements 2023	Mining	1,329,620	125,000	1,844,180
6	Harlowton, City of Asbestos Removal, Cleanup, and Restoration of Contaminated Soils at The Harlowton Roundhouse in Harlowton, MT	Hazardous Waste	532,923	500,000	2,344,180
7	Deer Lodge, City of Milwaukee Roundhouse CECRA Site Passenger Refueling Area VCRA Program Remediation	Hazardous Waste	326,636	342,500	2,686,680
8	Philipsburg, Town of Philipsburg Wastewater Project	Mining	1,225,000	316,667	3,003,347
9	Cascade Conservation District Muddy Creek Restoration and Resilience Project	Crucial State Need	2,488,591	500,000	3,503,347
8	DNRC - Water Management Bureau Expansion of Water Resources Division Hydrology Data Portal	Crucial State Need	247,970	150,000	3,653,347
<b>Total HB 7 Projects</b>			<b>\$33,000,346</b>	<b>\$3,653,347</b>	

**Cultural and Aesthetic Grants (C&A)**

HB 9 - 2025 Biennium

Proj. #	Applicant / Project	Grants Proposed	Cummulative Total	Proj. #	Applicant / Project	Grants Awarded	Cummulative Total
<b>Special Projects</b>				<b>Operational Support (continued)</b>			
2407	Preserve Montana (Formerly Montana Preservation Alliance)	10,000	10,000	2450	Pondera Arts Council	4,000	284,199
2406	Montana Historical Society	9,000	19,000	2433	MAGDA	8,000	292,199
2402	Butte-Silver Bow Public Archives	6,500	25,500	2443	Montana Performing Arts Consortium	10,000	302,199
2401	Billings Preservation Society	7,000	32,500	2457	Verge Theater	10,000	312,199
2405	Lewistown Art Center	9,450	41,950	2449	Paris Gibson Square Museum of Art	10,000	322,199
2404	Emerson Center for the Arts & Culture	10,000	51,950	2444	Montana Repertory Theatre, University of Montana	10,000	332,199
2409	Upper Swan Valley Historical Society, Inc.	4,000	55,950	2421	Carbon County Arts Guild & Depot Gallery	10,000	342,199
2408	Support Local Artists and Musicians (S.L.A.M.)	10,000	65,950	2432	Intermountain Opera Association	10,000	352,199
2403	City County Preservation Committee	5,000	70,950	2456	The Roxy Theater (Formerly International Wildlife Film Festival)	4,000	356,199
<b>Total Special Projects</b>		<b>70,950</b>		2418	Butte Citizens for Preservation and Revitalization	4,500	360,699
<b>Operational Support</b>				2437	Missoula Symphony Association	10,000	370,699
2445	Montana Shakespeare in the Parks	10,000	80,950	2441	Montana Ballet Company	10,000	380,699
2431	Humanities Montana	10,000	90,950	2417	Bozeman Symphony Society	10,000	390,699
2436	MCT, Inc.	10,000	100,950	2455	The Paradise Center	7,000	397,699
2430	Holter Museum of Art	10,000	110,950	2425	Grandstreet Broadwater Productions, Inc.	10,000	407,699
2435	MAPS Media Institute (Formerly Irwin & Florence Rosten Fn)	10,000	120,950	2461	Whitefish Theatre Co	10,000	417,699
2423	Cohesion Dance Project	5,000	125,950	2427	Hamilton Players, Inc	10,000	427,699
2459	Western Heritage Center	10,000	135,950	2440	Montana Association of Symphony Orchestras	10,000	437,699
2434	Mai Wah Society Museum	6,749	142,699	2422	Carbon County Historical Society	7,500	445,199
2429	Hockaday Museum of Art	10,000	152,699	2416	Bozeman Art Museum	10,000	455,199
2411	Alpine Artisans, Inc.	6,000	158,699	2428	Helena Symphony	10,000	465,199
2453	Sunburst Arts and Education	6,000	164,699	2462	Zootown Arts Community Center	10,000	475,199
2439	MonDak Heritage Center	10,000	174,699	2420	C.M. Russell Museum	10,000	485,199
2413	Art Mobile of Montana	10,000	184,699	2419	Butte Symphony Association	10,000	495,199
2454	The Myrna Loy	10,000	194,699	2448	North Valley Music School	9,000	504,199
2415	Billings Symphony Society	10,000	204,699	2447	Museums Association of Montana	10,000	514,199
2451	Schoolhouse History & Art Center	10,000	214,699	2426	Great Falls Symphony	10,000	524,199
2458	WaterWorks Art Museum	10,000	224,699	2446	Montana State Firefighters Memorial	6,000	530,199
2438	Missoula Writing Collaborative	8,000	232,699	2460	Whitefish Review, Inc.	10,000	540,199
2442	Montana Dance Arts Association	5,000	237,699	<b>Total Operational Support</b>		<b>469,249</b>	
2412	Archie Bray Foundation	10,000	247,699	<b>Capital Expenditure</b>			
2414	Billings Cultural Partners	4,500	252,199	2463	Friends of the Historical Museum at Fort Missoula	3,677	543,876
2452	Stillwater Historical Society	8,000	260,199	2464	Red Lodge Area Community Foundation	5,000	548,876
2424	Glacier Symphony and Chorale	10,000	270,199	2465	Yellowstone Art Museum	10,000	558,876
2410	Alberta Bair Theater	10,000	280,199	<b>Total Capital Expenditure</b>		<b>18,677</b>	
<b>Subtotal Operational Support</b>		<b>209,249</b>		<b>Total C&amp;A Grants Requested/Recommended</b>			
						<b>\$558,876</b>	

Montana Historic Preservation Grant Program (MHPG)

HB 12 - 2025 Biennium Proposed

Rank	Project/Project Description	Project Type	Total Project Cost	Grants Proposed	Cummulative Total
1	Harlowton Roundhouse Repair the exterior walls, windows, and doors to insulate the historic Milwaukee Road's Harlowton Roundhouse	Historic Site	865,000	500,000	500,000
2	Fort Peck Theatre Updated heating, cooling, and ventilation to be able to keep the 1934 Fort Peck Theatre open year round rather than just seasonally	Historic Site	1,047,945	500,000	1,000,000
3	Baker State Bank Building Replacing the roof on the Baker State Bank Building	Historic Site	195,000	160,000	1,160,000
4	Petroleum County Courthouse Rehabilitation and adaptive reuse of the Petroleum County Courthouse to create four apartments and five office spaces on the underutilized second floor of the courthouse	Historic Site	1,650,000	498,720	1,658,720
5	Milligan Building Restoration of the windows, doors, ceiling, floors, and façade, and rebuilding of the storefront in a historically accurate manner for the Milligan Building in Miles City	Historic Site	13,200,000	500,000	2,158,720
6	Ringling Church Installing a new roof and listing on the National Register of Historic Places for the Ringling Church in Ringling	Historic Site	170,128	141,773	2,300,493
7	National Museum of Forest Service History Installation of security and fire suppression systems, climate control, and storage in the repository for the 50,000 items in the collections at the Conservation Legacy Center	History Museum	12,600,000	300,000	2,600,493
8	Historic Teslow Grain Elevator Completing structural reinforcement to the foundation and wooden walls, installing exterior insulation, adding 2 additional floors and code complaint stairs as part of a larger commercial reuse of the historic grain elevator	Historic Site	665,102	486,102	3,086,595
8	A.D. Whitcomb Garage Upgrade of the electrical system for code compliance, plaster wall repair and painting, window and exterior door replacement	History Museum, Historic Site	170,458	136,366	3,222,961
10	Havre Beneath the Streets Removing and replacing the sidewalk, interior wall, lighting, security system, and handicap stairlift in the vaulted sidewalk to reopen a portion of Havre Beneath the Streets	History Museum	447,172	359,672	3,582,633
11	Hockaday Museum of Art Replacing the heating and duct system in a 1904 former Carnegie library operating in downtown Kalispell as an art museum that offers youth and adult educational programming, classes, and tour	Historic Site	50,000	31,000	3,613,633
11	Historical Museum at Fort Missoula Updating the security system, installing climate control system, constructing access for collections movement and processing, and exterior restoration to transform Building T-203 at Fort Missoula into an appropriate space for museum collections storage	History Museum	340,684	272,000	3,885,633
13	Shelby Town Hall Installation of historically accurate windows on the old Shelby Town Hall	Historic Site	7,000	5,600	3,891,233
14	Coggswell-Taylor House Stabilizing and repairing the foundation, floors, walls, and roof along with rehabilitating and installing basic utilities within the Coggswell-Taylor House in Virginia City	Historic Site	261,562	176,562	4,067,795
15	Rocky Mountain Building Restoration of the façade, including replacing windows, on the Rocky Mountain Building in Great Falls	Historic Site	1,162,487	500,000	4,567,795
15	The History Museum Installation of HVAC and exterior wall insulation, electrical upgrades, flooring reinforcement, and a "visible vault" with additional storage for the collections at the History Museum in Great Falls	History Museum	425,000	340,000	4,907,795
15	Copper Village Museum and Arts Center Expansion of the fire suppression and alarm system into the first, second and attic floors of the old Anaconda City Hall owned and operated by Copper Village Museum and Arts Center	History Museum, Historic Site	282,000	235,000	5,142,795
18	Historic Hotel Libby Reroof of the Historic Hotel Libby to allow all additional renovation projects to move forward with the ultimate goal of opening as a fully functional hotel for the community of Libby	Historic Site	217,074	173,659	5,316,454
18	Old Roosevelt School Window repair and replacement at the Old Roosevelt School in Red Lodge	Historic Site	459,473	367,578	5,684,032
20	Kelly Block Building Replacing the roof framing, reroofing the roof, rehabilitating the original penthouse, and installing two fire stairs for code compliance in the Kelly Block in Uptown Butte	Historic Site	8,500,000	500,000	6,184,032
20	Montana Club HVAC system upgrades and ADA compliant restrooms	Historic Site	112,766	90,040	6,274,072
20	Charles Krug House Replace the windows in the 1907 Charles Krug House, which currently operates as a 25 room Airbnb, business and office space location in Glendive	Historic Site	175,000	145,000	6,419,072
23	Glendive Greenhouse at Bloom Coffeehouse and Eatery Clearing out foliage and debris, installing concrete, flooring, HVAC, and lighting, and replacing a broken panel and doors for the "conservatory" at the Glendive Greenhouse	Historic Site	300,000	250,000	6,669,072
23	Edwards & McLellan Block Restoration of the historic cornice, installation of energy efficient and code compliant storefront windows, foundation stabilization	Historic Site	359,390	221,590	6,890,662
25	Hickman House Structural stabilization and preservation of the long vacant and deteriorated residential structure	Historic Site	234,073	166,073	7,056,735
25	Paris Gibson Square Museum of Art Bat exclusion, clean-up, and exterior window repainting of the Paris Gibson Square Museum of Art housed in the former Central High building in Great Falls built in 1896	Historic Site	368,129	300,979	7,357,714

Rank	Project/Project Description	Project Type	Total Project Cost	Grants Proposed	Cummulative Total
25	Billings Depot Refinishing of exterior doors, repairs to sidewalks, roof, and floors, restoration of the Historic Post Building at the Billings Depot	Historic Site	518,000	414,400	7,772,114
28	Babcock Theatre Rehabilitation of the historic marquee, replacement of the	Historic Site	301,000	236,000	8,008,114
29	Wheeler Cabin Repairing the roof, upgrading plumbing and electrical, installing bathrooms, parking, and accessible paths, regrading the sides of the structure, repairing the foundation, sill logs, doors, windows, balcony, and exterior of the Wheeler Property in Glacier National Park	Historic Site	610,305	493,200	8,501,314
<b>Total MHPG Grants</b>			<b>\$45,694,748</b>	<b>\$8,501,314</b>	