

**Long-Range
Planning (LRP)
Subcommittee Training
2025 Biennium Executive Budget**

LRP Budgets

- The LRP, or Sec. F, Subcommittee does not work in HB 2, the general appropriations act
- The LRP Subcommittee does analyze the executive budget, but works instead in 8 bills that for the 2025 Session include:
- There are Executive budget volumes for many of these programs:

HB 5

HB 6

HB 7

HB 8

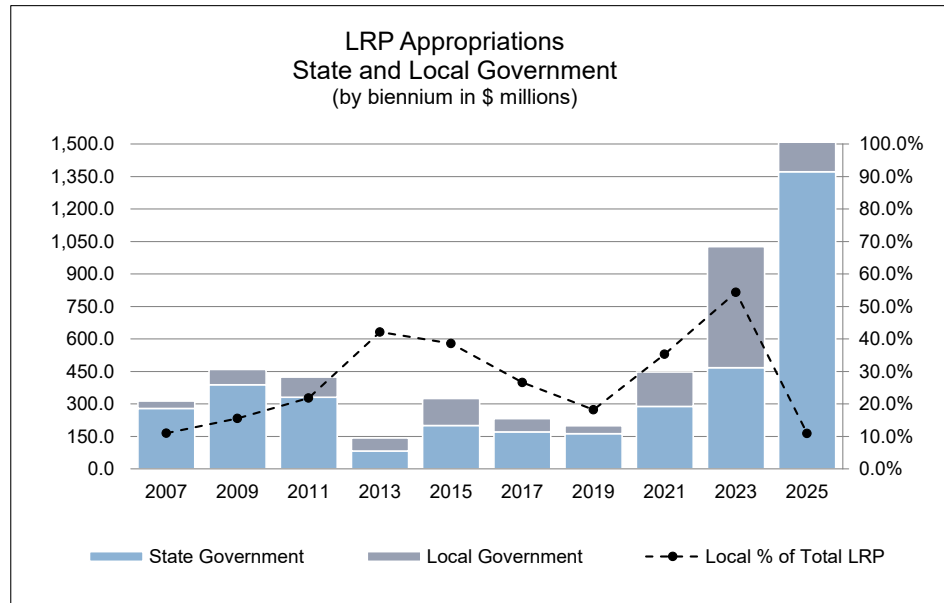
HB 9

HB 10

HB 11

HB 12

State and Local Infrastructure (F-1)



- Most of the programs you will be hearing represent the state’s investment in state and local government infrastructure
- Figure 1 shows the split between these two types of infrastructure programs by biennium
 - State Capital Projects
 - Local government projects – the increase in the 2023 biennium was due to federal ARPA funding appropriated under HB 632 for water/wastewater projects
- You will be working with 9 programs
 - Three LRP programs provide services to state government
 - The remainder of the programs issue grants for local government capital and arts and aesthetics projects
- In the 2025 executive proposal, 89.1% is state infrastructure and 10.9% is local government infrastructure

LRP Program Abbreviations/Acronyms and Administrative Agencies (F-2)

- Long-Range Building Program – **LRBP** (LRBP, DOA) – HB 5
- State Building Energy Conservation Program – **SBECP** (DEQ) – HB 5
- Long-Range Information Technology Program - **LRITP** (SITSD, DOA) – HB 10
- Montana Coal Endowment Program – **MCEP** (DOCom) – HB 11
- Montana Coal Endowment Regional Water Program – **MCEPRW** (DNRC) - HB 11
- Renewable Resource Grant and Loan Program – **RRGL** (DNRC) – HB 6 & 8
- Reclamation and Development Grant Program – **RDGP** (DNRC) – HB 7
- Cultural and Aesthetic Grant Program - **C&A** (MAC) – HB 9
- Montana Historic Preservation Grant Program – **MHPG** (DOCom) – HB 12

Appropriations and Funding (F-3)

Figure 2

Total budgets you will be looking at amount to \$1,539.7.

This is an increase of \$913.8 million from appropriations made by the 2023 Legislature.

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 & Maintenance Funding</i> ¹	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%
Total Costs	\$625.9	\$1,539.7	\$913.8	146.0%
General Fund (GF)	\$1.9	\$10.3	\$8.4	442.1%
Capital Projects Fund (Capital) ²	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%
Subtotal State Funds	543.7	1,292.0	748.3	137.6%
Authorization (Author)	82.2	247.7	165.5	201.3%
Total Funds	\$625.9	\$1,539.7	\$913.8	146.0%
¹ 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.				
² Budget includes an executive proposal to transfer \$113.0 million of general fund to the capital development fund				

How Programs Work (F-3)

- State agencies and grant seekers apply to programs for projects
- Requests are reviewed and ranked by an:
 - Agency / Board / Council
- Governor reviews lists and presents to the legislature
- Legislature appropriates funding and approves projects
- For agency projects-RFP's are developed and bids are taken for projects and programs oversee construction/work
- State agencies distribute grant funds when conditions are met

How LRP Work Differs from HB 2 (F-3)

- Do not provide agency budgets – instead project recommendations
- No base budget is considered – zero based budgeting
- No FTE questions / starting point concerns / inflation-deflation factors / fixed cost considerations
- Appropriations are OTO and do not have continuing costs
 - State projects generally have associated O&M costs
- No decision points or change packages
- All budgets are biennial, or not given by fiscal year only by the biennium

Funding (F-4)

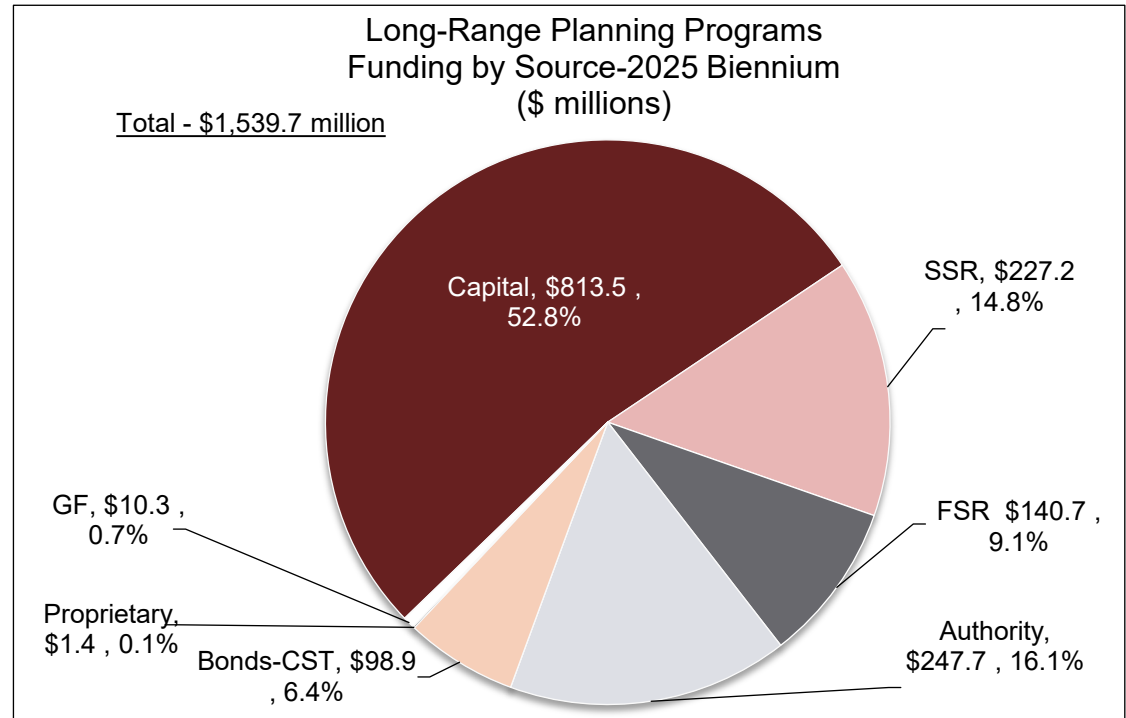
- Most programs have statutorily dedicated revenues for program purposes
 - Spending for the program is determined by the amount of revenue available
 - Appropriations are limited by estimated funding (HJ 2 revenue estimates are used)
- For the 2025 biennium, with the exception of the RRGL loans (Coal Severance Tax) for which the debt service is paid by the applicant/local government, the proposal is cash-funded. No bonding bill is currently anticipated
- LRBP (HB 5) projects are also financed with agency funds

Overall Funding (F-4)

The provision of non-funded authority is only used in LRBP

Authority funds are typically donations for building construction projects

Funds designated as authority are not appropriated, but projects must be approved by the legislature



Long-Range Projects

(F-4 additional)

- Projects coming through this program are generally LONG-RANGE in relation to time
- Projects take longer to complete than funding would available through HB 2 appropriations
- LRBP and LRITP have statutory authority to continue appropriations until the project is complete
- Grant programs continue appropriations through the accrual process

HB 553 2019 (F-5)

Funding for Long-Range Building Program projects (F-5)

- Capital Development Funding or Pay-As-You-Go Infrastructure
 - Transfers from budget stabilization reserve (BSR) fund
 - \$374.8 million transferred from BSR in the 2023 biennium
 - Funds appropriations in HB 5
 - AND
 - 1.0% of general fund revenue
 - Less GFGO bonds debt service for existing and projected bonds (HB 14)
 - Would be appropriated in HB 2
 - Executive eliminated request in HB 2 new proposal

Other Funding in LRBP Discussed in Program Descriptions

- Major Repairs Funding in LRBP
 - Will bring major state building maintenance appropriations up to 0.6% of current replacement value of state buildings

A Few Other Things...

- LRP Subcommittee **DOES NOT** amend the bills
 - Amendments passed become recommendations to the House Appropriations Committee
 - All amendments passed that make changes to the bill are compiled into a “committee report”
- HAC will generally accept the recommendations of the subcommittee and on occasion make additional amendments
- LRP Executive Action
 - Request amendments for bills early