

Pathways to Removing Obstacles to Housing (PRO Housing)

FR-6700-N-98

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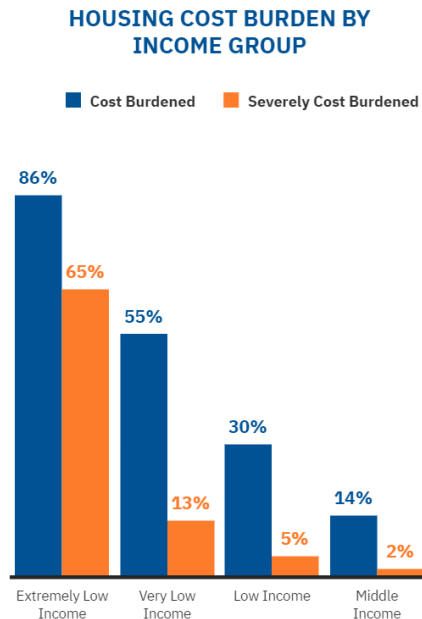
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Exhibit A: Executive Summary

Montana Department of Commerce, State of Montana

The Montana Department of Commerce (Commerce) effectively and efficiently delivers programs and resources through technical assistance, funding/investments, training/consulting, promotion, research, reporting, and outreach to provide affordable housing and land use planning, create sustainable business and economic growth to enhance community vitality to benefit the citizens of Montana. Commerce partners with communities, businesses, and organizations across the state to strengthen Montana’s economy. Commerce administers a diverse set of programs that together help Montana build and grow sustainable communities.

The lack of affordable housing has been an increasingly difficult problem for many Montana communities. With relatively few affordable homes available for households earning a low income, and with much of the existing affordable inventory aging and in need of rehabilitation, many households earning a low income are being priced out of housing markets. When households become highly cost burdened, they experience many difficulties regarding health and well-being outcomes. Households priced completely out of the market experience the relentless difficulties associated with homelessness.



Source: National Low Income Housing Coalition

Montana made great progress during the 63rd Montana Legislative session to increase the supply of affordable, attainable housing for Montanans, but there is still more work that needs to be done. Spearheading statewide efforts to resolve the housing supply shortage, the Governor Gianforte launched a diverse, bipartisan Housing Task Force in July 2022. The governor’s task force identified problems at the root of the state’s housing shortage and provided solutions that could be implemented administratively or through law. The task force’s recommendations provided a roadmap for lawmakers ahead of the 2023 legislative session, leading to the historic pro-housing reforms adopted in Montana that some have dubbed the “Montana Miracle.”

Commerce intends to build on this success and is proposing a two-pronged approach.

- **Provide additional statewide support for communities by expanding our Community Technical Assistance Program (CTAP).** With the addition of two Housing
- Planners, Commerce will be able to support our Montana communities in implementing the pro-housing reforms by providing technical assistance to encourage planning and sustainable development in Montana communities by working with local governments, planning departments, private developers, non-profit organizations, and the public. In addition, the Housing Planners would lead in the development of a PRO Housing Guidebook and a Fair Housing Toolkit to further fair housing in Montana.
- **Commission a long-term study to build evidence on the outcomes of the legislative reforms.** Governments make budget and policy choices that have long-term effects on the outcomes they deliver for constituents. Policymakers can achieve substantially better results by using rigorous evidence to inform these decisions. This study will look, not only at reforms implemented in the 2023 legislative session, but also historical reforms and recommendations not implemented from the Housing Task Force.

Commerce is uniquely positioned to implement the activities proposed in this application quickly. Commerce has been operating the CTAP for nearly 10 years and provides professional planning assistance to communities across Montana in support of sound land use and development decisions, economic revitalization, and overall community resilience. CTAP staff include a land use attorney, professional planners, planning and outreach specialists, and licensed engineers who assist communities in everything from the development of long-range plans to interpretation of statute to guidance on grant applications and review of technical documents. This assistance is provided at no cost to communities statewide. Commerce also has capacity and proven success in managing a wide variety of federal funding.

Commerce's proposed budget requests \$3,919,469.04 for the HUD share and Commerce is leveraging \$6,698,503.76. Commerce's proposed activities will impact all communities across the state of Montana and the long-term effects of the proposed activities are:

Effectiveness: The public and private sectors have access to Commerce's planning expertise to develop plans, feasibility studies, and projects that have a high impact on economic vitality in Montana communities.

Efficiency: The public and private sectors spend a reduced amount of time on effective housing and land use development planning.

Evidence: The creation of evidence from Montana's legislative reforms to evaluate housing policies now, rather than a backward evaluation, and to assist other states who are considering housing and land use reform.

Exhibit B: Threshold Requirements and Other Submission Requirements
Montana Department of Commerce, State of Montana

Exhibit B Threshold Requirements and Other Submission Requirements

1. Resolution of Civil Rights Matters

The Montana Department of Commerce (Commerce) acknowledges the requirement that all outstanding civil rights matters must be resolved prior to the application deadline. Commerce takes affirmative action to equalize opportunity for those classes of people who have traditionally denied equal opportunity by following all applicable state and federal laws pertaining to the fair and equal treatment of all people. Commerce has no current or past Civil Rights violations.

2. Timely Submission of Applications

Commerce acknowledges that we are aware of the timely submission requirements for the PRO Housing Notice of Funding Opportunity.

3. Eligible Applicant

Commerce attests that we meet the eligibility criteria under III.A as 00 state government under the Executive Branch of Montana's state government per Montana Code Annotated 2-15-104.

4. Number of Applications

Commerce acknowledges that only one application per applicant is allowed.

Exhibit C: Need

Montana Department of Commerce, State of Montana

Describe your efforts so far to identify, address, mitigate, or remove barriers to affordable housing production and preservation. (12 points)

Analysis of Impediments to Fair Housing, 2015-2020

As a requirement of receiving funds under the Community Development Block Grant (CDBG), the HOME Investment Partnerships (HOME), and the Emergency Solutions Grant (ESG), Montana submitted certification of affirmatively furthering fair housing to the Department of Housing and Urban Development (HUD). This certification has three elements:

- Completion of an Analysis of Impediments to Fair Housing Choice in Montana (AI),
- Actions taken to overcome the effects of any impediments identified, and
- Maintenance of records reflecting the actions taken in response to the analysis.

Although removing or ameliorating barriers to affordable housing falls primarily to local jurisdictions and the State Legislature, Montana Department of Commerce (Commerce) requires its CDBG, HOME, or HTF grantees to develop an Affirmatively Fair Housing Marketing Plan (AFHMP). An approved AFHMP is one element of the special conditions of Commerce's contracts with grantees and staff monitor for compliance during CDBG, HOME, and HTF project visits. All activities which are funded under the State's CDBG, HOME, HTF, and ESG programs will address obstacles to meeting underserved needs. The State identifies and responds to underserved needs as they arise from self-evaluation and citizen participation. In addition, Commerce continually provides technical assistance and planning resources to help communities engage in comprehensive planning, downtown master planning, business development planning, market studies, preliminary architectural reports, asset management, needs analysis, preliminary engineering, disaster planning, and other studies or plans that support the sustainability of local communities, affordable housing, public works investments, vital employment centers, and the environment.

Housing Task Force, 2022-current

On July 14, 2022, Governor Gianforte signed Executive Order No. 5-2022 creating the Governor's Housing Task Force. The purpose of the Task Force was to find solutions to these complex issues in the interest of Montana citizens and job creators. The Governor charged the task force with providing recommendations to make housing more affordable and attainable for Montanans. Recommendations included items the legislature could consider, and the governor could sign into law, items state agencies can implement administratively, as well as best practices local jurisdictions can enact. Task Force members were appointed by the Governor and included state and local elected officials, state agencies, state boards, councils, and commissions, housing-related professional associations, advisory groups, and researchers, among others. In developing these recommendations and strategies, the Task Force sought input from the public, members of the Legislature, Montana associations whose members are impacted by housing and land use policy, advisory groups and researchers focused on housing and land use policy, and other appropriate stakeholders as determined by the Task Force. The task force held over 25 meetings between July and December of 2022, which included opportunities for public comment, additionally the public could submit written comments for the task force to consider.

The task force's recommendations provided a roadmap for lawmakers ahead of the 2023 legislative session, leading to the historic pro-housing and land use reforms adopted in Montana that some have [dubbed](#) the "Montana Miracle." Below is an outline of what was accomplished.

HB 114 reduces the timeline to obtain a water right permit and change of use permit from 360 days to 105 days. This process will greatly lower the amount of time that it takes to build homes across the state by cutting red tape through the pre-application technical review process while increasing staff at the Montana Department of Natural Resources and Conservation to adequately service these applications.

HB 189 increases the income limits and market value limits for primary residences eligible for the Property Tax Assistance Program. This program aims to assist low- and fixed-income Montanans meet their property tax obligations.

HB 211 creates a process to streamline subdivision reviews when new information arises that may substantially affect the governing body's consideration of an application. The bill revises sections of the subdivision review process that require the governing body to restart an application review process due to new information. HB 211 creates a process to address variances in expedited subdivision review processes as variances are currently prohibited under this expedited process. HB 211 requires an incorporated city, town, or consolidated city-county to implement the expedited review process for a proposed subdivision that meets the revised criteria regardless of a local government's subdivision regulations.

HB 819 contains four housing proposals:

- (1) Sets up Community Reinvestment Organizations to allocate \$50 million for a statewide mortgage buy-down program for homebuyers earning 60-140% of median household income, with \$6 million going to a program for communities that house state inmates or behavioral health patients;
- (2) \$106 million for the Home Ownership Means Economic Security (HOMES) Act to establish a revolving loan fund account to provide financing to pay for infrastructure for development that achieves a minimum gross density of 10 units per acre, with \$1 million for planning grants program overseen by Commerce to be used to:
 - provide planning grants to local governments and tribal governments for planning and zoning reforms to increase housing supply; and
 - cover administration costs of the grant program.
- (3) \$12 million to the Montana Board of Investments to construct or purchase workforce housing for employees who work at state-owned facilities that house state inmates or behavioral health patients; and
- (4) Adds \$50 million in authorization from the state of Montana Coal Trust Tax Fund to the existing \$15 million Coal Trust Multifamily Homes loan program run by the Montana Board of Housing, for a total of \$65 million in a revolving loan fund to provide lower interest rate loans for the new construction or preservation of affordable housing, including mobile home parks (this is an infusion from the coal trust, not from the general fund like the other programs).

HB 830 creates an optional 7-month property tax payment schedule for primary residences. Currently, homeowners that don't escrow, most notably Montanan seniors whose primary home loans have been paid off, must make two equal payments at the end of November and May of each year. This bill allows 7 monthly payments enables homeowners to spread out their payments and thus have more predictability and stability in their month-to-month finances.

SB 105 amends the local government power title of the Montana Code Annotated (MCA) to explicitly prohibit a local government unit from controlling the amount of rent charged for private residential or commercial property. This bill also includes a carveout for private

residential property where a local government unit has an interest in the property through a housing authority. The impetus of this bill is to prevent local government units from instituting rent control measures across Montana as has been the trend in other parts of the country. Rent control measures have the effect of decreasing the housing supply, perversely and negatively impacting Montana's ability to provide a housing supply to meet the demand across the state. **SB 131** requires local governing bodies to complete the examination and approve or deny an application for an exempt division or aggregation of land within 20 days of the receipt of the application. Also, this bill prohibits a local governing body from imposing conditions on the approval of an exempt division or aggregation of land.

SB 170 establishes an administrative process for first and subsequent minor subdivision if it: 1) Is located in an area that is subject to and complies with zoning regulations that address development intensity, dimension requirements, and use standards; 2) Is served by municipal water and sewer or a county water and/or sewer district; 3) Has legal and physical access; and 5) Doesn't require a variance to the subdivision regulations. The bill also outlines what items of subdivision review the administrative process eliminates when considering a minor subdivision application. SB 170 also allows for public participation by allowing a party to object to the administrator's approval of a minor subdivision application and establishes a process to address the grievance in a timely manner.

SB 237 allows municipalities to sell future connections for water and wastewater systems if it adheres to a development plan. This bill also establishes a process for municipalities to create development plans for water and wastewater systems to meet future growth expectations.

SB 240 exempts the Montana Department of Environmental Quality from reviewing subdivisions for Montana Environmental Protection Act requirements when a subdivision meets the following requirements: 1) Located 2 or more miles from high-quality waters; 2) Include 14 or fewer single-family residential subdivision lots; 3) Include wastewater systems that meet non-significance criteria established in rule; and 4) Demonstrate full compliance with the acquisition of necessary water rights and water availability.

SB 245 requires local government units with populations greater than 5,000 to allow multiple-unit dwellings and mixed-use developments that include multiple-dwelling units on a parcel or lot. The bill also requires that development under this statute must have a "will-serve" letter from both a municipal water and sewer system and that the development is in a commercial zone. SB 245 also restricts municipalities from requiring more than one off-street parking space for each unit. Key definitions include: "Mixed-use development" means a development consisting of residential and nonresidential uses in which the nonresidential uses are less than 50% of the total square footage of the development and are limited to the first floor of buildings that are two or more stories; and "Multiple-unit dwelling" means a building designed for five or more dwelling units in which the dwelling units share a common separation like a ceiling or wall and in which access cannot be gained between units through an internal doorway, excluding common hallways.

SB 323 revises zoning statutes to allow for duplex housing on a lot where single-family residence is a permitted use in a city with a population of at least 5,000 residents. The bill prohibits zoning regulations from being more restrictive on developments of single-family use lots or duplex housing on single-family lots than the zoning regulations applicable to single-family residences.

SB 382 requires many of the largest jurisdictions across Montana to draft and adopt a land use plan within 3 years of the effective date. The plan must include public comment and

participation. SB 382 also provides a process for adopting local plans and defines the required contents of a plan (e.g., future land use map and the number of housing units needed to accommodate its population projections over the next 20 years). The bill requires that once a land use plan is adopted, the local government unit must adopt zoning to reflect its plan. For example, the local government unit must zone enough area to allow for the permitting of all the housing units identified in the land use plan. SB 382 includes a list of zoning reforms to encourage housing and requires each jurisdiction to adopt five or more of the following reforms best suited to their locale:

- (a) allow, as a permitted use, for at least a duplex where a single-unit dwelling is permitted;
- (b) zone for higher density housing near transit stations, places of employment, higher education facilities, and other appropriate population centers, as determined by the local government;
- (c) eliminate or reduce off-street parking requirements to require no more than one parking space per dwelling unit;
- (d) eliminate impact fees for accessory dwelling units or developments that include multi-unit dwellings or reduce the fees by at least 25%;
- (e) allow, as a permitted use, for at least one internal or detached accessory dwelling unit on a lot with a single-unit dwelling occupied as a primary residence;
- (f) allow for single-room occupancy developments;
- (g) allow, as a permitted use, a triplex or fourplex where a single-unit dwelling is permitted;
- (h) eliminate minimum lot sizes or reduce the existing minimum lot size required by at least 25%;
- (i) eliminate aesthetic, material, shape, bulk, size, floor area, and other massing requirements for multi-unit dwellings or mixed-use developments or remove at least half of those requirements;
- (j) provide for zoning that specifically allows or encourages the development of tiny houses, as defined in Appendix Q of the International Residential Code as it was printed on January 1, 2023;
- (k) eliminate setback requirements or reduce existing setback requirements by at least 25%;
- (l) increase building height limits for dwelling units by at least 25%;
- (m) allow multi-unit dwellings or mixed-use development as a permitted use on all lots where office, retail, or commercial are primary permitted uses; or
- (n) allow multi-unit dwellings as a permitted use on all lots where triplexes or fourplexes are permitted uses.

After zoning is adopted, the jurisdiction adopts subdivision regulations with an administrative process for review and approval of plats and exemptions.

SB 407 requires local design review standards imposed by a local government to be clear, objective, and necessary to protect public health or safety or to comply with federal law. Also, when an individual or entity is seeking a variance, it can be pursued through an administrative process as opposed to a board. This process speeds up the variance approval process as most, if not all, variances must be board approved.

SB 528 revises zoning regulations to allow for a minimum of at least one accessory dwelling unit (ADU) on a lot or parcel that contains a single-family dwelling. The ADU can be attached, detached (when meeting specific requirements), or internal to the single-family unit on a lot or parcel. SB 528 allows municipalities to require a “will-serve” letter for water and sewer systems and allows for more permissive regulations relating to ADUs. If the accessory dwelling unit is

detached from or attached to the single-family dwelling, it may not be more than 75% of the gross floor area of the single-family dwelling or 1,000 square feet, whichever is less.

In addition, through **HB 2**, the Legislature significantly increased the budget for the Community Technical Assistance Program (CTAP) managed by the Community MT Division with the charge of providing planning assistance to communities experiencing housing shortages.

Additional recommendations were also offered to state agencies and local governments to further inform challenges and barriers that inhibit increasing housing supply to meet demand, provide possible solutions to identified challenges and barriers, and prioritizing key strategies. The Task Force developed 18 recommendations outlining three overarching strategies state policy makers can use to address Montana's housing and land use crisis outlined below (Housing Task Force, 2022).

1. Address Regulatory Capacity and Efficiency

Six (6) recommendations suggest that state agencies and local governments invest time to review regulatory process efficiency with an intent to streamline the current permitting process. Also, identify and modify portions of state code that may limit the ability of local jurisdictions to streamline or expedite routine administrative tasks that add unnecessary delay to building projects. This approach would include looking at occupational licensing and state building code review. Recommendations seek to reduce the time and steps of the required permitting process that may reduce costs to the applicant and stimulate development. Local governments are encouraged to seek opportunities to remove inefficiencies from their development permit review processes. These steps may help increase capacity without requiring higher permit fees or greater levels of public funding.

2. Information Gathering and Reporting

Five (5) recommendations suggest that state agencies support local governments by providing technical assistance to inventory/study infill development opportunities to increase the awareness of housing markets across the state and to understand the basic functioning of the state's regulatory and approval process. This may include an inventory of eligible underutilized state-owned lands in urban areas that may be appropriate for housing. Gathering and providing this basic information can be used as a benchmark for housing outcomes and regulatory throughput. These metrics may also be used to reduce the costs of development and increase the supply of housing.

3. Use of New and Existing Programs

Seven (7) recommendations suggest that state agencies and local governments invest more resources to develop and enhance a skilled workforce. This investment will ensure people are available and trained to work. Also, several recommendations were proposed to explore the benefits of innovative construction methods using modern technologies, materials, techniques and building systems/practices. Task Force members suggested investigating opportunities to build-out community infrastructure, such as water and sewer systems, roadways, utility connections, traffic control, parks, and public access, etc. and to access equitable ways to spread those over-heads costs. Recommendations further included exploring the creation of additional Community Land Trusts as non-profit organizations to assist with financing new development in a predictable, equitable method. Finally, recommendations suggested use of existing state funding to target projects located in jurisdictions that have proactively removed barriers to affordability in their zoning ordinances.

Community Planning Platform, 2023-future

The Community MT Division within Commerce is conducting outreach to prepare for the creation of the Community Planning Platform (CPP). This single online location will enable users to find a wide range of data for community and economic development planning. The CPP represents a commitment to improving the efficiency and effectiveness of planning throughout Montana. The outreach process is designed to encourage participation and engagement, since the success of the plan is determined by people working together. The initial phase of the plan has begun. The CPP will be launched sometime next year with future enhancements to follow. We intend for this platform to continue to evolve over the years with more tools and data. Community participation is key to the future of the platform. Working across State government, Commerce is leveraging new technology to draw relevant data from thousands of locations into a single platform that will put all this information at Montanan's fingertips.

Do you have acute demand for affordable housing? What are your remaining affordable housing needs and how do you know? (13 points)

Overview

According to the National Low Income Housing Coalition and available Census data, across Montana there is a shortage of rental homes affordable and available to extremely low-income and very low-income households.

Montana's Affordable Housing Need	
135,060	Total number of renter households (31%)
54,928	Number of VLI renters (41%)
55%	VLI Cost Burdened
31,337	Number of ELI renters (23%)
86%	ELI Cost Burdened
65%	ELI Severely Cost Burdened
-15,741	Shortage of rental homes affordable and available for ELI renter

Source: NLIHC tabulations of 2021 ACS PUMS

To put it into context, a very low-income family of 4 in Montana has an annual income just over \$45,500; an extremely low-income family of 4 has an annual income of just \$26,500. 65% of extremely low-income and 55% of very low-income households are severely cost burdened, spending more than half of their income on housing. There are over 86 thousand very low and extremely low-income renter households in Montana, but there is a shortage of over 24,000 rental homes affordable and available for these families. Unfortunately, our current State of Montana and Federally allocated resources can only support the production of, on average, approximately 500 affordable rental homes each year.

In recent years, home prices have skyrocketed, newly listed homes were sold within hours of listing, and rental vacancy rates fell, driving up rent prices across Montana. Supply has simply not kept up with demand leading to a record low housing inventory in early 2022. However, many factors are driving housing shortages in Montana, including a lack of available

construction labor, land use regulations, zoning restrictions, in-migration, and a lack of developable land.

Compounding Montana's housing and land use crisis, seven of Montana's counties experienced a major flood event in June 2022, caused by a combination of heavy rainfall and melting snowpack. Two of the counties impacted and 18 of the census designated places impacted are identified as priority geography locations. In response to Montana's request, President Biden declared a presidential major disaster declaration on June 16, 2022.

Total physical damages from the flood event are estimated to exceed \$221 million, which does not include potentially millions in lost revenues experienced by privately owned businesses, including hotels and motels, restaurants, and other major wholesale and retail services. Based on the FEMA Individual Assistance (FEMA IA) registration numbers, there were 10 primary homes destroyed; 55 primary homes that sustained major damage; and 347 primary homes that will require habitability repairs (these numbers do not include property owners who decided not to apply for FEMA assistance). Flooding exacerbated existing housing shortages in these communities. In addition to the assistance for the replacement and repair of damaged residential structures, there is a basic need to provide additional affordable, owner-occupied, and rental housing units.

Condition of Housing Stock

The Montana Department of Revenue reviews the condition of Montana's housing stock biannually. The residential housing condition data is compiled and supplied from the ORION Property Database System. It includes most residential real estate including commercial apartments, condos, etc., improvements, and personal property which are appraised by the Department of Revenue for purposes of taxation. It does not include properties that are exempt from taxation. Housing condition is rated on the following scale:

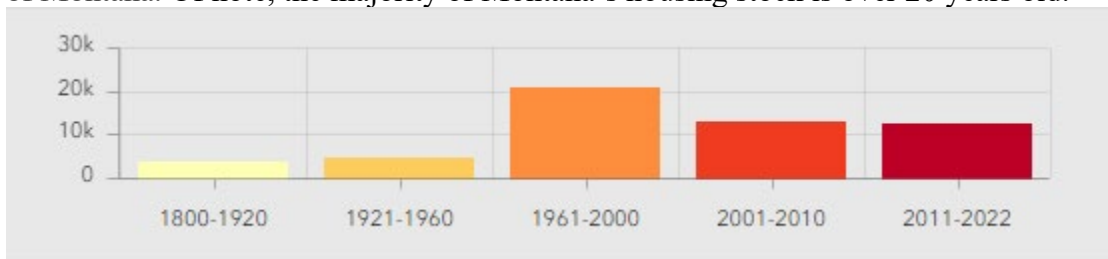
- Excellent – The residential dwelling is in better than new condition; very attractive and highly desirable. There are no deficiencies in material or construction and no signs of deferred maintenance.
- Very Good – The residential dwelling is in new or like new condition. There are no deficiencies in material or construction and no signs of deferred maintenance.
- Good – The residential dwelling has little to no wear and tear and the structure is slightly more attractive and desirable than average.
- Average – The residential dwelling exhibits normal wear and tear. There are few indications of deferred maintenance, and no significant repairs or replacements are necessary.
- Fair – The residential dwelling has some deterioration but is usable. The exterior and interior show wear and tear and deterioration but the property is suitable for use. The structure could be characterized by needing work.
- Poor – The residential dwelling has definite obvious deterioration and is barely useable. Structural elements may require replacement. The exterior and interior are in poor condition and the structure appears barely suitable for use.
- Very Poor – The residential dwelling is in very poor condition and practically unusable. Most structural elements require replacement. The exterior and interior are in dilapidated condition and not suitable for use.

- Unsound – The residential dwelling is unsound and unfit for use. All major structural elements require replacement. The exterior and interior are in dilapidated condition. The structure is not suitable for use.

The following is raw data which still needs to be analyzed, therefore, it is an estimate of Montana’s current housing stock. Of the 352,706 single family residential homes 56,578, or 16% ranked between fair and unsound. For mobile homes, 25,546, or 40%, ranked between fair and unsound. Condos and townhomes had 1,707 out of 31,508, or 5%, that ranked between fair and unsound.

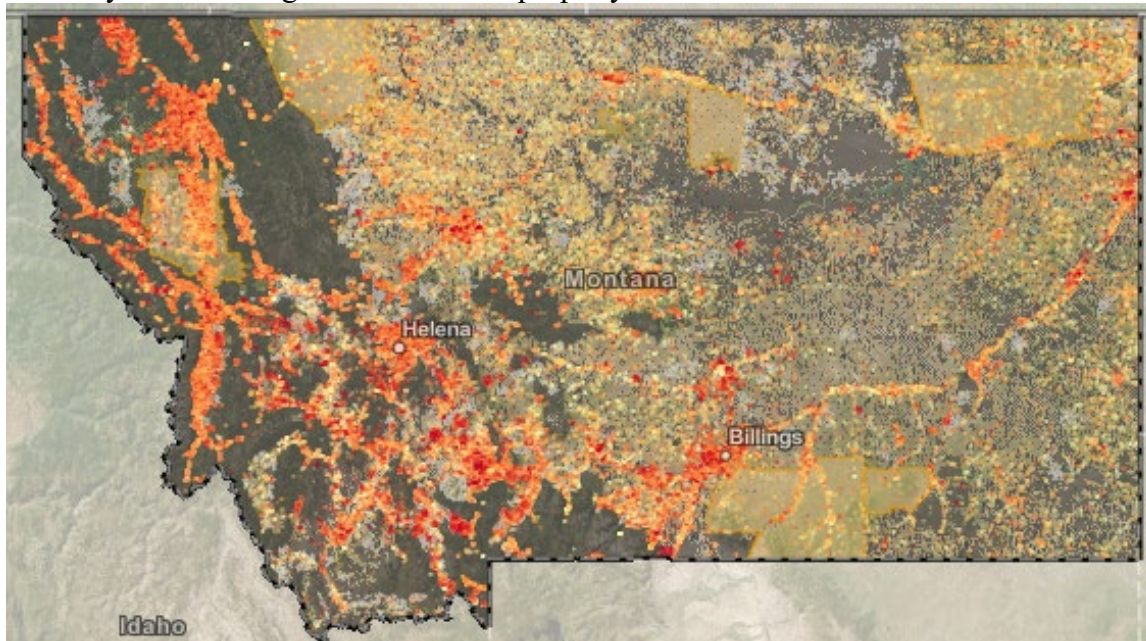
Age of Housing Stock

The graph below represents the age of Montana’s housing/building stock. The Montana Department of Revenue maintains property tax information for every parcel owned in the State of Montana. Of note, the majority of Montana’s housing stock is over 20 years old.



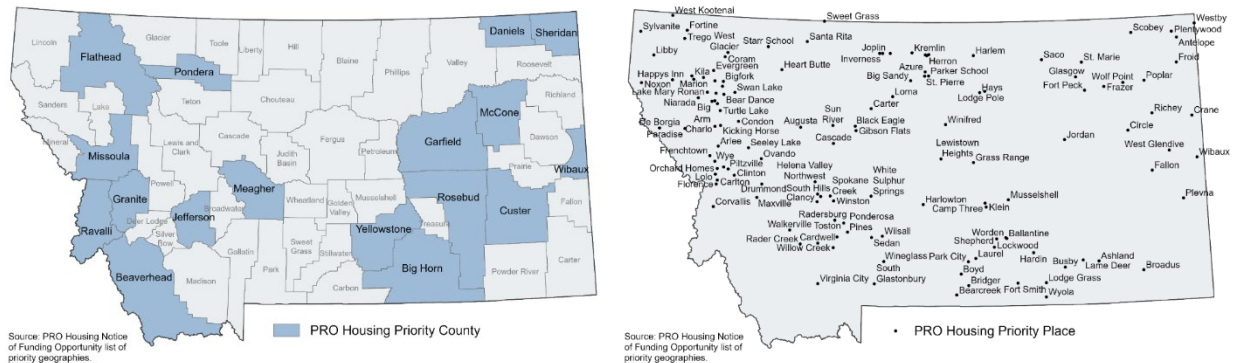
(Montana Department of Commerce, 2023)

Parcel development varies across time and space within Montana. This map created by Commerce, uses structure locations and boundaries from the Montana State Library and Property Tax information from the Montana Department of Revenue to highlight areas of recent development. The points on this map represent structures and the color classes reflect the earliest year a building was built on the property.



Priority Geography

Montana's proposal will provide the support needed to expand our CTAP program by adding two Housing Planners and to study the outcomes of the housing and land use reforms statewide.



As you can see, Montana is vast and priority geographies are represented across the entire state. To put it into context, it would take more than 10 hours, without stopping, to drive east to west across Montana, while traversing the state north to south would take 5-6 hours. As the name given Montana of the “Big Sky Country” implies, it is just big. The proposed activities in the application will have the capacity to span over this vast country and provide benefits in every part of the state.

iii. What key barriers still exist and need to be addressed to produce and preserve more affordable housing? (10 points)

Barriers Identified through the Housing Taskforce

While much was accomplished during the 2023 Legislative session, there is still more work to do, therefore, on June 29th Governor Gianforte signed another executive order extending the Housing Taskforce under Executive Order No. 5-2022, through June 2025. Many factors are driving housing shortages across Montana, including a lack of available construction labor, land use regulations, zoning restrictions, and a lack of developable land. In Montana, home prices have skyrocketed, newly listed homes were sold within hours of listing, and rental vacancy rates fell, driving up rent prices across Montana, which lead to record low housing inventory in early 2022.

The task force identified and provided recommendations for barriers to Montana's housing shortage crisis as outlined below.

(1) Immediate supplemental budget allocations to three agencies/programs-

The taskforce identified three barriers that they recommended immediate supplemental budget allocation for that would result in moving forward with “shovel ready” projects as follows:

- The Department of Environmental Quality has a wait time of 8-12 months for permitting subdivision and public water supplies.
- Creation of a new position within Commerce to facilitate year-round support and implementation of the housing and land use task force recommendations.
- Expand Accelerate Montana/ Rapid Training (AMP/RPT) Program to meet urgent labor and workforce needs. The AMP/RPT Program is partnering with two-year colleges and

Tribal colleges to train skilled workers in construction, manufacturing, healthcare, and technology.

(2) Increase the Supply of Housing - The absence of appropriate private sector incentive to offset costs such as municipal regulations, land, and infrastructure costs to make building affordable and attainable. Resources that currently exist are inadequate to successfully address Montana's shortage of housing.

(3) Create Legislation Directed at Development of Certain Lands – Land costs in Montana are a substantial barrier to building affordable housing therefore, the taskforce recommended the creation of legislation to establish criteria by which certain eligible entities could select and sell certain parcels of land (e.g., university system land) at below-market prices or for free to improve affordability and increase the density of housing supply.

(4) Reformation of State Tax Laws May Be Needed to Incentive Housing Development and to Reduce Property Taxes of Residential Homeowners – Montana does not have a sales tax so local governments and schools rely heavily on property tax for their revenue which may be contributing to the overall barriers to meeting Montana's housing needs. Montana generates 40% of its total taxes from property taxes, while the national average is 31%.

(5) Prohibit Residential Min. Lot Size Requirements Larger Than 2,500 Sq. Ft. – Some local authorities set minimum lot sizes that require more infrastructure such as streets, sidewalks, lighting, sewer, and water, which increases the costs for local governments and higher taxes as a result. This also leads to issues with transportation and the loss of agricultural and open spaces.

(6) Allow Accessory Dwelling Units on All Single-unit Residential Lots – The need to legalize the building Accessory Dwelling units to reduce barriers to homeowners using their property to generate income.

(7) Re-write the Montana Subdivision and Platting Act – Montana's Subdivision and Platting Act (MSPA) needs to be streamlined to foster development and protect public health and safety. As was currently written, it could take years from concept to final plat, at times, ending in a denial or unrealistic conditions that made the project too expensive, or bring about lawsuits.

(8) Enact a State Affordable Housing Tax Credit Tied to Local Zoning Reform- Need for an incentive program that would provide state funded tax credits for local governments who address zoning barriers currently limiting the supply of housing. This would meet the need for both market rate and subsidized low income and very low-income Montanans.

(9) Infrastructure Grants to Support Housing- Funding is needed to support the infrastructure for housing development to include the construction of water, sewer, and street extensions to serve the creation of high-density housing. This would allow for development opportunities with a variety of housing options.

(10) Amend State Law to Streamline Local Permitting- In the absence of a full re-write of the Montana Subdivision and Platting Act, there are still some smaller changes that could make permitting more efficient and predictable by streamlining local approval of development applications. This would include removal of duplicative public hearings and allowing zone map amendments implementing existing land use policy to be adopted by resolution rather than ordinance.

(11) Removal Bans on Multi-unit Residences- It is necessary to remove strict local zoning regulations that exclude low and middle-income residents. Over 70% of in-demand residential areas in Montana's either outright prohibit or penalize affordable multiunit residential development.

(12) Eliminate Regulatory Barriers to Housing Construction within Cities -Sidebars are needed to align zoning standards with best practices focused on promoting public health and safety.

(13) Require Short-term Rental Reporting - There is a need for improved monitoring on short-term rentals to determine the impact of short-term rentals on local workforce and community housing.

(14) Maximize Existing Infrastructure and Infill Development Through Incentives - State level financial investments are needed to build infrastructure as a foundational requirement, to address workforce shortages, to encourage innovative home construction with incentives that would include homes for households making less than 80% AMI, and to create toolkits that would encourage collaboration between the public and private sectors.

While some of these barriers were addressed during the legislative session, many were not. One factor in preventing some of these barriers from being addressed is maintaining autonomy of local governments. It was the intent of the housing taskforce to provide reports with recommendations that further inform the Legislature, Governor, state agencies, local governments, Tribal governments, and the public and are not intended to be prescriptive in nature.

Barrier in Availability of Funding

The availability of financing and subsidies for affordable housing development and preservation in Montana are primarily limited to federal resources, often set at the small population state minimums. The state of Montana strives to maximize its use and leverage of these scarce resources. For example, the need and demand for 9 percent Low-Income Housing Credits significantly exceeds credit availability.

- In 2021, 14 Letters of Intent were submitted requesting \$72.4M in 2022 Housing Credits to produce 433 rental homes, but only \$28.85M to support 162 homes was available to award.
- In 2022, 14 Letters of Intent were submitted requesting \$80.9M in 2023 Housing Credits to produce 403 but only \$30.1M to produce 158 homes was available to award.
- In 2023, 13 Letters of Intent were submitted requesting \$71.7 million in 2024 Housing Credits to produce 375 homes but only \$32.4 million to produce 139 homes was available to award.

This lack of funding over the last three Housing Credit applications cycles resulted in over 750 (752) affordable rental homes not getting developed.

The Low-Income Housing Tax Credit 4 percent program can only be triggered using the tax-exempt private activity multifamily Housing Bonds. Private Activity Bonds are issued under the Montana Unified Volume Bond Allocation Plan under 17-5-13, MCA.

- In 2021, the Montana Board of Housing issued \$135,388,504 to support 756 affordable rental homes.
- In 2022, \$49,958,689 was issued to support 352 affordable rental homes.
- We currently have eleven (11) applications requesting nearly \$200 million in tax-exempt bonds in our pipeline for proposed developments in Bozeman (x3), Missoula (x2), Great Falls (x2), Big Fork, Billings, Hamilton and Havre.

The Montana Housing Division and the Community MT Division, both housed within Commerce, administer a variety of HUD Community Planning and Development (CPD) program

funds that can be used as gap financing for rental development, including CDBG for housing activities and planning, HOME and federal HTF. These HUD programs provide grant funds to communities and non-profits to rehabilitate single- and multifamily homes, finance new construction and rehabilitation of single- and multifamily homes and provide down payment assistance and closing assistance to eligible homebuyers. Additionally, the CDBG planning grant program provides funding for land use, zoning and subdivision regulations, housing needs assessments and community and regional housing plans, and infrastructure planning essential to providing housing.

Montana's Community Development Block Grant (CDBG) allocation under the 2021-2022 Annual Action Plan was \$6,790,917, which decreased to \$6,537,201 under the 2022-2023 Annual Action Plan. As another example, the state of Montana's fiscal year 2022 HOME allocation of \$3.4M was slightly higher than allocations to the 7 lowest allocated states: Alaska, Delaware, Hawaii, North Dakota, Nevada, South Dakota, and Vermont. We are in the tier of the lowest awarded states for federal Housing Trust Fund dollars. To put Montana's HUD allocations in perspective, the City of Oakland at population of 440,646 received \$3.38M in HOME and \$7.45M in CDBG for a combined \$10.83M, whereas Montana's combined HOME and CDBG allocation was \$9.95M. Unfortunately, these modest federal allocations are insufficient to significantly increase affordable housing supply.

As noted above, the legislature and executive branch are taking steps to increase state resources for affordable housing production, including the additional \$50 million authorized for the Coal Trust Multifamily Homes (CTMH) program and \$106 million for the HOMES Act. The Montana Board of Housing is completing the Administrative Rules process for the CTMH program but has already received nearly \$20 million in application requests. Market interest rates for construction loans and permanent financing averaging 7 percent or higher are creating significant financial feasibility challenges for affordable housing developers. The CTMH program interest rate is tied to the performance yield of the state's Coal Trust Tax Fund, ranging between 3.75 and 4.00 percent, and thus provides a significant cost benefit for affordable development.

Barriers in Infrastructure

Montana's large land area at 147,040 square miles and low population at just over one million, offer unique barriers to infrastructure improvements. Some of the older communities in Montana have pipes that date back to the late 1800s to the early 1900s, many of which have never been replaced. The most current data available suggests that to completely update Montana's water and wastewater infrastructure would be in the billions of dollars. The smaller communities around the state cannot afford these updates as they are costly and spread over a comparably small tax base. Rural areas in the state do not have the financial technical management necessary to take on these projects and there are very few funds for private grants. Montana, through the Montana Coal Endowment Program, HB 819, and administration of the federally-funded CDBG public and community facilities grant program, American Rescue Act Plan, and Infrastructure Investment and Jobs Act, has started to mitigate this issue, however, Montana's infrastructure needs far outweigh the state's capacity to address them.

Barriers in Natural Disaster Response

Montana is subject to a wide array of natural disasters. These natural disasters include:

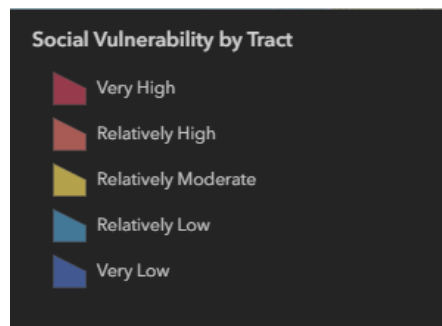
- Wildfires are very common and risky in Montana, especially in the summer and fall seasons.
- Earthquakes, which are very likely in the western part of the state, where there are several active faults.
- Winter storms, which can bring heavy snow, ice, and freezing temperatures, affect roads, power, and health.
- Floods, which can result from snowmelt, rain, or ice jams, damage property and infrastructure.
- Extreme heat and drought, which can increase fire danger, affect water supply, and harm crops and livestock.

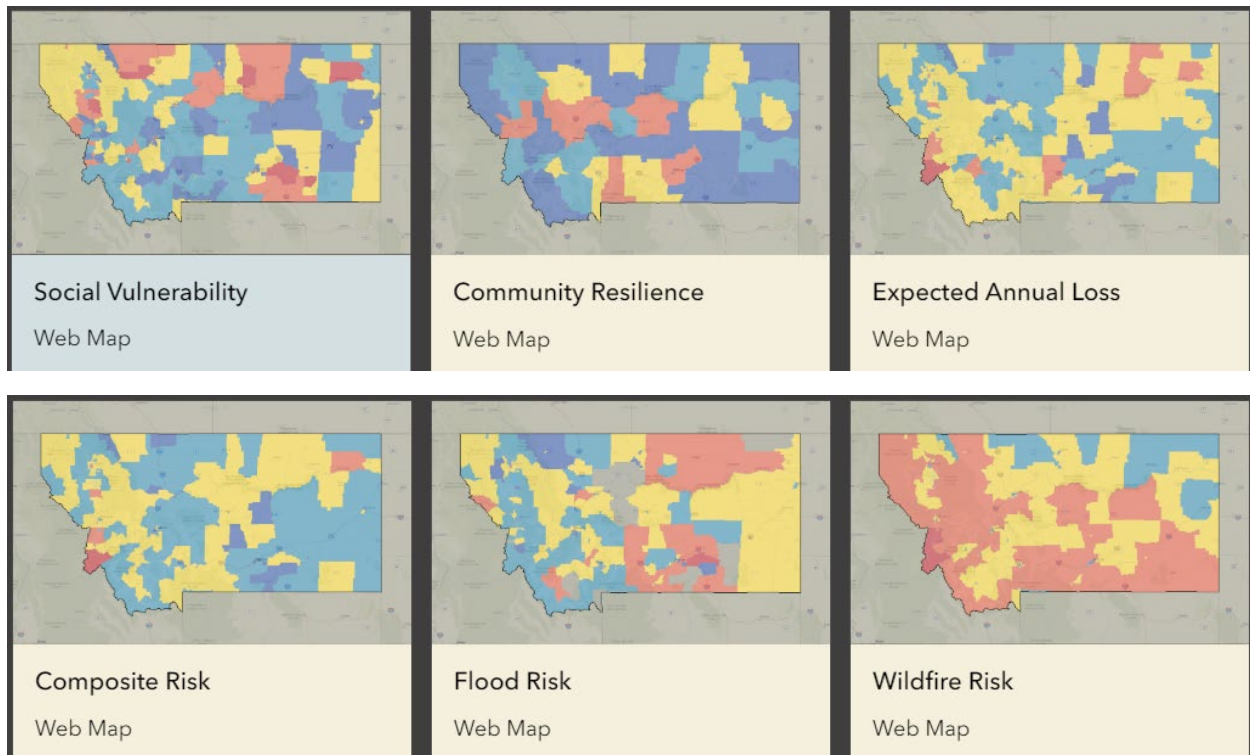
Montana's response to these natural disasters is inhibited on multiple levels. At a local level, there is a substantial lack of capacity to respond to and recover from natural disasters.

Emergency managers are often over-stretched, which creates burnout and turnover, causing knowledge gaps. On a state level, many of the same barriers exist. State emergency entities are a pass through for multiple communities and are often understaffed. Many of the programs to assist with natural disasters are complex and due to the lack of capacity, creating a platform to streamline the programs is not feasible. Programs tend to roll out in inequitable ways, leaving vulnerable populations more susceptible to long term insecurity and with a lack of resiliency.

At a federal level, there is inequitable access to funding between public and private assistance. The absence of established objective criteria to determine disaster assistance creates uncertain outcomes for accessing needed assistance, in essence, prolonging and exacerbating communities' trauma. Montana being an interior, rural state, cannot compete with hurricane states in a way that builds true resiliency.

The maps below represent FEMA's national risk index of natural hazards for the state of Montana. Social Vulnerability is a location-specific assessment of social vulnerability that utilizes 29 socioeconomic variables (ex. Median Age, Gross Rent, Per Capita Income) deemed to contribute to a community's reduced ability to prepare for, respond to, and recover from hazards.





(Montana Department of Commerce, 2023)

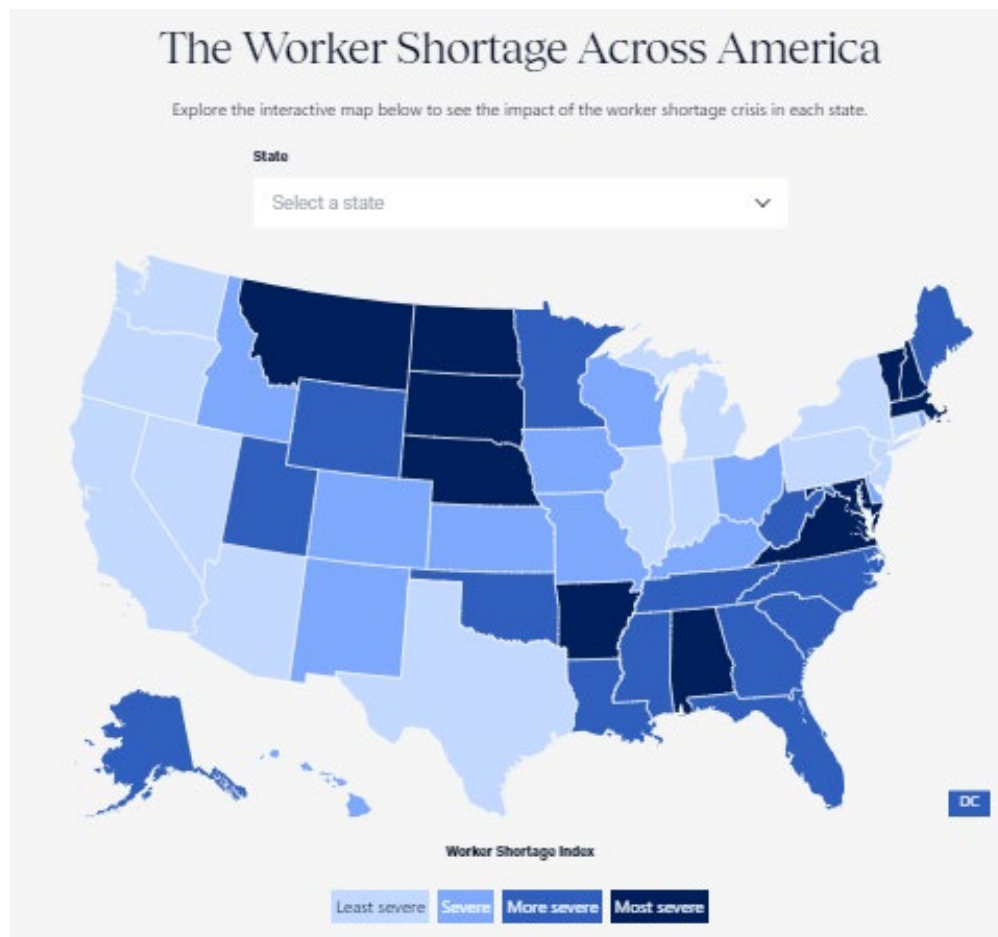
The State of Montana and our local communities understand the benefits of addressing impacts from natural disasters in a proactive manner. However, the lack of capacity/resources at the state and local levels limits our ability to invest in mitigation and resiliency before disasters strike. Therefore, many of our communities get stuck in the response/recovery cycle with no time, capacity, or funding to dedicate and invest in mitigation and resiliency.

Barriers in Workforce

Montana's economy continues its robust growth. According to the 2023 Montana Labor Day Report through the Montana Department of Labor and Industry, the first quarter in 2023, the unemployment rate dropped to 2.3%, hitting a record low. Montana has an aging/retiring population, and this is reflected in the state's workforce shortages. Additionally, Montana ranks 2nd in the nation for the largest percentage of in-migration from 2020 to 2022. Over 40,000 more people moved to the state than left from 2020 to 2022, translating to 3.8% of Montana's population. The U.S. Chamber of Commerce ranks Montana in the most severe worker shortage with only 48 available workers for every 100 open jobs.

While low unemployment rates have provided opportunity in Montana, they have also created a tight labor market in which all industries are experiencing the gap. Montana housing shortage is inextricably linked to Montana's staffing shortage. Since Covid 19, rapid price increases in home ownership and rentals have left many in Montana's workforce with a severe lack of affordable housing and many of those workers are needed to support Montana housing industry. From construction to property management and maintenance, the entire housing industry is being affected. Montana also has many seasonal workers, in both agriculture and tourism, who are

either being priced out of the housing market or there simply isn't the inventory, causing labor shortages in those industries as well.



Source: U.S. Chamber of Commerce

Because of Montana's variances across regions, the answer to this issue is not a one size fits all. Montana is currently looking at innovative ways to improve the workforce housing dilemma across all industries, however, there isn't a silver bullet, and it will take time.

Exhibit D: Soundness of Approach
Montana Department of Commerce, State of Montana

b. SOUNDNESS OF APPROACH (Maximum 35 points)

i. What is your vision? (15 points)

The Montana Department of Commerce (Commerce) has chosen to take a two-pronged approach when reviewing the eligible uses of this funding. Montana has made progress towards addressing our housing and land use crisis and our proposed activities would serve to build upon successes already achieved and to monitor legislative changes that were put into place during the 2023 legislative session to build evidence that the reform's objectives have been met, and to identify where they may have fallen short. To that end Commerce proposes the following activities:

- Expand the Community Technical Assistance Program (CTAP) by adding two (2) Housing Planners; and
- Commission a long-term study of the housing legislation passed, both historically and in the 2023 legislative session.

Implementing these proposed activities will allow Commerce to further develop, evaluate, and implement housing policy plans, improve housing strategies, and facilitate affordable housing and preservation. In addition, these proposed activities will provide Commerce capacity to support local jurisdictions in implementing the new state laws put into place during the 2023 legislative session.

National Objectives

These proposed activities will result in state-wide professional planning assistance and data acquisition which will benefit low- and moderate-income persons and meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs. Montana is one of a few states that assesses property at a state level so Commerce has the capability to meet the requirements in 24 CFR 570.208(a)(1)(i) serving residents in a particular area, at least 51 percent of whom are low- and moderate-income persons, an area that is not primarily residential in character shall not qualify.

Focus on Resiliency

Montana is committed to building resilient communities. Commerce led the Montana Ready Communities Initiative (MRCI) with expertise from staff in the Community MT and a cross-sector of knowledge from other state agencies, a project to support community resilience in the face of natural, human-caused and economic challenges. The goal was to collaborate with a wide range of partners to leverage resources and deliver positive results that create an adaptable and vibrant future for all Montanans.

Commerce carried out MRCI through public listening sessions, data collection, and collaboration with state and federal partners to develop a *Montana Resiliency Framework*. The Framework provides helpful tools to assist communities as they work to ensure that long-term planning, projects, and priorities address challenges and build resiliency so that communities are best positioned to thrive in all conditions. By incorporating community resilience into existing hazard mitigation plans, economic development plans and other long-term planning documents,

communities can integrate environmental, social, and economic sectors proactively and holistically improve their communities.

CTAP Expansion

The Community MT Division, within the Commerce, operates CTAP. The mission of CTAP is to provide technical assistance to encourage planning and sustainable development in Montana communities by working with local governments, planning departments, private developers, non-profit organizations, and the public. CTAP assists communities statewide through research and by providing both technical and legal guidance, education, and training.

Montana is currently the 6th fastest growing state in the country. While our population grew nearly 10% in the last decade, housing grew by less than 7%. Communities are struggling to effectively plan for and implement needed housing and infrastructure. Many of Montana's local communities lack planning staff and don't have the budget to hire consultants. Updated land use policies and regulations are needed so communities can plan for and provide needed housing. Montana communities need planning best practices, funding resources – including infrastructure to support housing needs, and guidance on implementing changes to state land use and housing laws. The CTAP program is working to address these needs.

CTAP plans to assist Montana communities to address the housing crisis by:

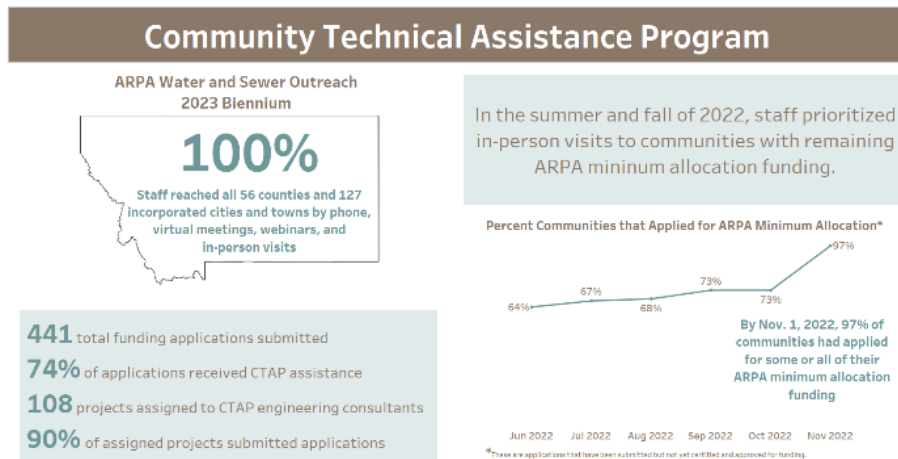
- Mapping infill and redevelopment opportunities in Montana's fastest growing communities.
- Providing guidance, model documents, and direct technical assistance to develop or update housing plans, and zoning and land use policies such as overlays to encourage multifamily and mixed-use development or access to affordable housing, and other policies and tools to incentive zoning, transit-oriented development zones, or ordinances to encourage housing development or preservation.
- Providing guidance, model documents, and technical assistance to identify and remove or reduce barriers to affordable housing development or preservation.
- Providing guidance, model documents, and direct assistance to communities for infrastructure planning necessary for housing development.
- Collaborate with the Commerce Research Information Services to host the Community Planning Platform, an online one-stop clearinghouse for all relevant land use and housing planning data curated to enhance the capacity of Montana communities to plan for the development of affordable housing or preservation.

Expand CTAP



MONTANA

CTAP has proven successes. During the 2023 biennium staff prioritized in-person visits to communities with remaining ARPA minimum allocation funding. CTAP staff were successful in contacting all 127 Montana cities and towns and 56 counties and assisting almost all of them in applying for ARPA minimum allocation funding. As a result, eligible communities applied for more than 98% of available funding. Through this experience, CTAP learned the value of combining staff expertise, persistent outreach, in-person and virtual meetings and trainings, and the strategic use of on-call procured service providers to fill the capacity gaps typical in Montana’s rural communities. CTAP is applying these lessons to its current efforts to help rural communities remove lead from drinking water and to address the housing crisis across the state.



Funding for two Housing Planners would allow Commerce to expand our current capacity to include proactive fair housing plans and the creation of a PRO Housing guidebook for Montana’s planning community. With the addition of two Housing Planners, Commerce could take the lead for fair housing planning in the State of Montana.

The Housing Planners would analyze Montana’s fair housing landscape and set goals to:

- Reveal who lacks access to opportunity and address any inequity among protected class groups;

- Promote integration and reduce segregation; and
- Transform racially or ethnically concentrated areas of poverty into areas of opportunity.

In addition, the Housing Planners would be tasked with long-term activities to ensure the successful and sustainable implementation of Montana’s fair housing plan by:

- Evaluating the completion of previous goals.
- Updating data and evaluating the current fair housing landscape.
- Revising previous goals and/or setting new goals based on that updated analysis.

The guidebook would serve as a resource for local and regional planners, as well as members of planning and zoning boards and other officials to understand how federal housing laws impact local planning efforts as well as how they interact with state laws around fair housing. The guidebook would also highlight the importance of integrating its principles into planning work. The focus of the guidebook would be to encourage expansion of affordable housing in a manner that would promote desegregation, expand affordable housing in well-resourced areas of opportunity for protected class groups that have systematically been denied equitable access to such areas; and to deconcentrating affordable housing and increasing housing choice.

Montana is currently undertaking the heavy lift of housing and land use reform, particularly around fair housing, and the landscape is primed for building opportunities that are sustainable, increase community resiliency, and develop and preserve affordable housing. By utilizing this funding, Commerce will be able to achieve successes that will support efforts to pursue sustainable funding for this work into the future.

Long-Term Study of Housing Initiatives

As outlined in Exhibit C Need, during the 2023 legislative session, a suite of housing reform and land use bills were passed intended to increase the supply of affordable, attainable housing for Montanans. In addition to previous reforms, these reforms are expected to have long-term outcomes for Montana’s housing and land use capacities and by completing a long-term study, Montana will be able to build evidence regarding what works in housing reform, as well as strategically implementing future reforms. These legislative victories provide a unique opportunity to evaluate housing policies now, and as a retrospective evaluation, and to assist other states who are considering housing and land use reform.

This study would routinely measure and report outcome data to determine whether reforms are achieving the desired results. The selected contractor would be expected to:

- Develop meaningful outcome measures.
- Monitor Montana’s housing industry.
- Evaluate the effectiveness of the reforms.
- Regularly report performance data to the Commerce.

The overarching questions facing policymakers and housing advocates alike are:

- What package of housing and land use policy changes were effective at increasing the supply, diversity, and affordability of homes?
- What political strategies worked in achieving better housing and land use policies?

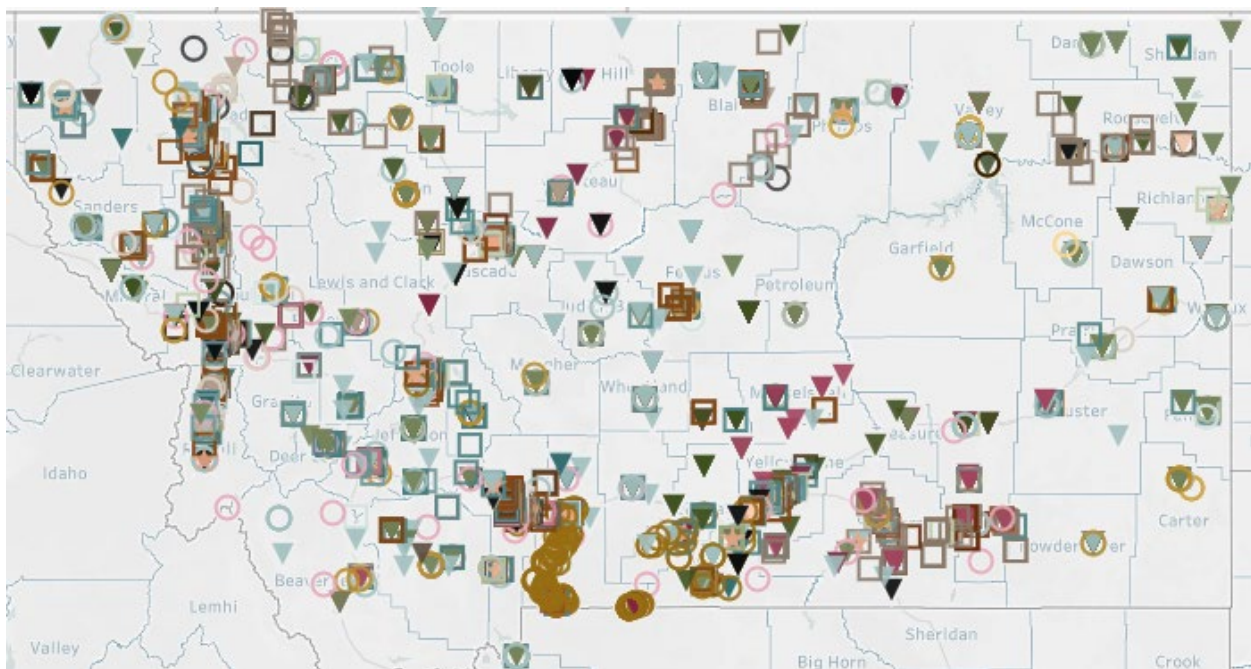
This rigorous analysis will build evidence regarding Montana’s housing and land use reforms were effective and inform future opportunities to improve Montana’s, as well as other states, housing and land use issues.

In addition to determining whether the reforms achieved the desired outcomes, this study can also identify if there was a positive return on these investments. Completing a cost-benefit analysis will provide critical information for future reforms and incorporate evidence for making future decisions. Providing implementation oversight may also provide an opportunity to refine these reforms throughout the period of performance of this grant funding to meet communities where they are at, and ensure improvements are sustainable.

ii. What is your geographic scope? (5 points)

CTAP offers statewide services. CTAP staff work with local governments and the public on long-range planning issues and assist in the development and adoption process of land use plans and regulations. CTAP staff also provides legal guidance and professional insight on planning topics such as subdivision regulations, zoning, and annexations. They assist developers, surveyors, engineers, and planners to interpret statute and understand case law governing land use planning in Montana. Staff review plans and regulations to ensure compliance with statute, programmatic requirements, and to encourage professional best practices, while also conducting research regarding local or statewide land use planning issues or questions.

The map below provides visual representation of the project, grants, and loans funded by Commerce across Montana. As you can see, Commerce supports Montana communities statewide.



Source: Montana Department of Commerce, Funded Projects

iii. Who are your key stakeholders? How are you engaging them? (5 points)

Our proposed activities further support the recommendations made by Montana’s Housing Taskforce. The housing taskforce members were appointed by the Governor and included state and local elected officials, state agencies, state boards, councils, and commissions, housing-related professional associations, advisory groups, and researchers, among others. Commerce works closely with the housing task force and the proposed activities in this application will provide the taskforce data and outcome reporting that will further support their work. The Housing Taskforce held 25 public meetings starting in July of 2022 and going through December of 2022 in which the public was invited to comment and provide feedback on proposed solutions.

In addition, Commerce collaborated with members of Montana’s Housing Taskforce, the Department of Environmental Quality, the Department of Natural Resources Conservation, and the Montana Disaster and Emergency Services agency during the development of this proposal. Commerce published our proposed application on October 3, 2023, for 15 days at COMDEV.MT.GOV/PROGRAMS-AND-BOARDS/PRO-HOUSING and held the required public hearing on October 18, 2023. In addition, Commerce emailed the invitation to the public hearing to our interested parties via an email blast. The summary of comments received, and our responses, are in Attachment A.

iv. How does your proposal align with requirements to affirmatively further fair housing? (5 points)

Commerce is issuing a Request for Proposal (RFP) to address the U.S. Department of Housing and Urban Development’s proposed rulemaking. As summarized on HUD’s website, “On February 9, 2023, HUD published in the Federal Register a Notice of Proposed Rulemaking (NPRM) entitled “Affirmatively Furthering Fair Housing”. Although not final and subject to change, the proposed rule would faithfully implement the Fair Housing Act’s statutory mandate to affirmatively further fair housing (“AFFH”), which “directs HUD to ensure that [the Department] and its program participants proactively take meaningful actions to overcome patterns of segregation, promote fair housing choice, eliminate disparities in opportunities, and foster inclusive communities free from discrimination. The selected Offeror will act as directed by Commerce to help Commerce to develop an Equity Plan and/or Analysis of Impediments to Fair Housing Choice in accordance with all applicable AFFH guidance that becomes effective, including the Notice of Proposed Rulemaking (NPRM) and any subsequent AFFH Final Rule to be released by HUD.

Historically the goal of planning is to maximize the health, safety, and economic wellbeing of all people living in all communities. Planning helps create communities of lasting value with a shared long-term vision. Planning is most successful when it is inclusive and reflects the comprehensive values of an entire community. Planners work with residents and elected officials to help guide the layout of an entire community. One of the greatest challenges is imagining what can and should happen in a community over the long-term 10, 15 and 20 years into the future. This includes responding to what hasn’t been working, thinking about how a community should grow and change, and what it should offer its residents.

While long-range plans tackle a broad vision for a community, communities can use effective zoning laws and general planning standards to influence elements of the built environment to

promote wellbeing. Land use reform is only one aspect of one goal of AFFH, and on its own it will not integrate areas by race, ethnicity, and socioeconomic status; however, land use reform can enable integration that is prohibited today. Information sharing and emphasis on place-based goals for equity, such as distribution of parks and public amenities are equally important.

Local land development patterns and zoning policies directly affect many of the critical factors that shape a community's health – such as the availability and affordability of housing, walkability, levels of crime, and access to services. Comprehensive planning includes supporting zoning code reform to ensure communities can provide residents with greater housing at lower costs. CTAP staff, specifically the Housing Planners, can help communities understand the value of overhauling outdated local and state codes that set parking minimums, restrict multi-family housing options in certain areas, and prohibiting innovative solutions like accessory dwelling units (ADUs) are problematic and take time to educate communities about. As mentioned above, the Housing Planners can also take the lead helping communities with fair housing plans by developing a Fair Housing Toolkit, as well as also develop a Pathways to Removing Obstacles to Housing (PRO Housing) guidebook for Montana's communities.

Montana's Consolidated Plan (ConPlan) is submitted to the U.S. Department of Housing and Urban Development every five years. The ConPlan helps Montana assess affordable housing and community development needs to determine funding priorities and program structure under HUD's formula block grant programs. Throughout the preparation and development of the ConPlan, Commerce hosts several focus groups, including meetings with key stakeholders, to receive guidance from communities about the priority focus areas for HUD funding. In addition, online and paper surveys have been distributed. During public meetings, in person and virtually, Commerce staff receive public comments and respond to them accordingly. Public comments are also received during virtual public hearings held for the Consolidated Annual Performance Evaluation Report and the Annual Action Plan. Notices about all virtual and in-person public hearings are distributed through print mail and our listserv.

Lastly, most Commerce grantees are required to provide participation opportunities for the public as part of Commerce-administered grant programs. CTAP staff provide technical assistance to grantees on how to conduct public meetings and facilitate public participation processes to ensure that they are accessible and meaningful. Examples include holding multiple meetings during different times of the day to accommodate people who may not be able to attend a mid-day or evening meeting, holding meetings in non-traditional locations to include underserved communities, using a combination of internet-based and paper surveys and canvassing for responses in non-traditional locations such as outside grocery stores. CTAP provides technical assistance to local governments and planning boards for public participation related to land use planning and regulation including comprehensive planning, zoning and subdivision regulations and infrastructure planning.

v. What are your budget and timeline proposals? (5 points)

Minimum Award

If Commerce were awarded less than our request, we would have to consider hiring only one (1) Housing Planner or forgo or change the scope of the long-term study. Important work could still

be accomplished, but it would impair our capacity to get it done following the proposed timelines. This would then result in delays in either the PRO Housing Guidebook, the Fair Housing Toolkit, or both. Additionally, Commerce would potentially need to change the scope of the long-term study so that it isn't throughout the period of performance for this grant opportunity, which would impair our ability to affirmatively speak to the evidence of the effectiveness of the housing reform as this type of reform takes time to implement, and time to really see its full benefits.

Proposed Budgets

To determine the budget for the long-term study, Commerce looked at projects of similar scope, and took into consideration feedback received during the comment period. As projected the long-term study will cost just over \$100,000 per year. Therefore, Commerce is requesting \$100,000 per year and will fund any additional cost that may occur.

Activity: Commission a Long-Term Study			
Milestone	Subtasks	Start Date	End Date
Contract Executed for Long-Term Study	Prepare RFP	02/01/2024	03/31/204
	Approvals/RFP issued	04/04/2024	04/10/2024
	Public announcement period	04/11/2024	05/09/2024
	Evaluation and negotiation	04/20/2024	07/05/2024
	Internal reviews	07/06/2024	07/10/2024
	Award Process	07/11/2024	07/21/2024
1 st Biennium Report – Preliminary Study	Complete Study Activities	07/22/2024	12/30/2024
2 nd Biennium Report – Interim	Complete Study Activities	01/01/2025	12/30/2026
3 rd Biennium Report – Final	Complete Study Activities	01/01/2027	09/30/2029

Continued on next page.

To determine the budget for the expansion of the CTAP program, Commerce looked at how the program is currently budgeted and administered. Using conservative current program trends and known cost rates, Commerce extrapolated a total budget with a 2% yearly escalation for COLA inflation.

Activity: Expand the Community Technical Assistance Program				
Implementation	Milestone	Subtasks	Start Date	End Date
Provide guidance, model documents, and assistance to communities.	Hire two (2) new Housing Planners	Recruit	02/01/2024	03/31/2024
		Onboarding	04/01/2024	04/30/2024
		Staff training	05/01/2024	09/30/2029
	Support local implementation of current and future reforms and regulations	Catalogue and analyze reforms & regulations	05/01/2024	09/30/2029
		Incorporate into the Community Planning Platform (CPP)	09/01/2024	09/30/2029
		Provide community trainings and technical assistance	09/01/2024	09/30/2024
	Develop a Pathways to Removing Obstacles to Housing (PRO) Housing Guidebook	Gather and analyze data	07/01/2024	03/31/2024
		Conduct public engagement and stakeholder meetings	04/01/2024	07/31/2024
		Develop Guidebook Goals and Objectives	08/01/2024	10/31/2025
		Gather public comment and finalize	11/01/2025	11/30/2025
		Provide community trainings and technical assistance	12/01/2025	09/30/2029
	Develop Fair Housing Toolkit	Collaborate with Montana Housing and stake holders to analyze Montana’s fair housing landscape.	07/01/2024	03/31/2025
		Collaborate with Montana Housing and stakeholders to establish Montana’s fair housing goals.	04/01/2025	07/31/2025
		Gather public comment and finalize	11/01/2025	11/30/2025
		Provide community trainings and technical assistance	12/01/2025	09/30/2025

Exhibit F: Leverage

Montana Department of Commerce, State of Montana

d. LEVERAGE (Maximum 10 points)

i. Are you leveraging other funding or non-financial contributions? (10 points)

House Bill 819 (Section 22)

The Montana Department of Commerce (Commerce) is leveraging **\$889,815**, in State General Fund dollars allocated during the 2023 Montana Legislative Session in House Bill 819. These funds may be used to:

- (a) provide planning grants to local governments and tribal governments for planning and zoning reforms to increase housing supply; and
- (b) cover administration costs of the grant program.

A copy of House Bill 819 is provided to represent the valid, accurate, and firmly committed leveraging of this funding.

Montana Historic Preservation Grant Program

The Montana Historic Preservation Grant (MHPG) Program is a state-funded program created by the Legislature in 2019. The MHPG Program supports the preservation of Montana’s historic structures, sites, societies, and museums, contributing to the maintenance and demonstrating the economic impact of historical resources throughout the state.

During the PRO Housing grant period, the MHPG Program is providing **\$4,641,163.00** in grant funding for the preservation and adaptive re-use of historic structures to provide housing or to provide amenities that serve low-to-moderate income persons in the following projects:

Project (State Biennium)	Funding
Homeword Lenox Flats (2025)	\$100,000.00
Homeword Oulette (2025)	\$100,000.00
Homeword Acme (2025)	\$100,000.00
Ringling Commons (2025)	\$141,773.00
Petroleum County Courthouse (2025)	\$498,720.00
Banker State Building (2025)	\$160,000.00
Kelly Block (2025)	\$500,000.00
Red Lodge Area Community Foundation (2025)	\$367,578.00
Hockaday Museum of Art (2025)	\$31,000.00
Community Health Care Center, Inc. dba Alluvion Health (2025)	\$400,000.00

Paris Gibson Square Museum of Art (2025)	\$255,904.00
Stillwater County Courthouse (2025)	\$500,000.00
Miles City Convent Keepers Community Center (2025)	\$119,688.00
Joliet Town Hall (2025)	\$83,000.00
Deer Lodge City Hall (2025)	\$283,500.00
Blackfoot Spiritual and Heritage Center (2025)	\$500,000.00
Bighorn Valley Health Center dba One Health, Milligan Building (2025)	\$500,000.00
Total Funding	\$4,641,163.00

HB 12 (2023) are provided to represent the valid, accurate, and firmly committed leveraging for this funding.

Community Planning Platform (CPP)

The Community MT Division within Commerce is working to create a Community Planning Platform (CPP), a single online location that will enable users to access the necessary data for community and economic development planning including housing. The CPP will be launched sometime next year with future enhancements to follow. We intend for this platform to continue to evolve over the years with more tools and data useful to communities as they address housing issues. Working across State government, Commerce is leveraging new technology to draw relevant data from thousands of locations into a single platform that will put all this information at Montanan’s fingertips. Commerce received a \$1 million grant from the Federal Economic Development Association which it will leverage **\$600,000** to increase the ability of the Commerce to assist communities assessing housing needs, identifying opportunities for the development and redevelopment of housing, and planning to meet housing demand across Montana in the years and decades ahead.

A copy of the award notification is provided to represent the valid, accurate, and firmly committed leveraging for this funding.

In addition, Commerce is leveraging staff time committed to this project for a combined leverage funding of **\$6,698,503.76**, which is 171% of our total proposed funds requested. Commerce believes this leveraged funding will greatly enhance the effectiveness of our proposed activities.

Commerce put forth the following hours to complete the Pathways to Removing Obstacles to Housing application which is not included in our submitted budget.

In Kind Application Staff Time

Name	Role	Hours (est)	Hourly Salary	Total
Melissa Higgins, Housing Program Executive	Primary Author, Project Manager	240	\$48.20	\$11,000
Galen Steffens, Community MT, Division Administrator	Secondary Author, Support	30	\$52.67	\$1,580.10
Mary Craige,	Secondary Author, Support	15	\$47.82	\$717.30
Cody Ferguson	Secondary Author, Support	20	\$37.67	\$793.40
Erika Cooney	Compliance, Budget, Forms	20	\$36.24	\$724.80
Judy Clay	Accountant	5	\$37.68	\$188.40
Cheryl Cohen	First Review	2	\$54.13	\$108.26
Mandy Rambo	Final Review	2	\$56.50	\$113.00
Total				\$15,225.26

Exhibit E: Capacity

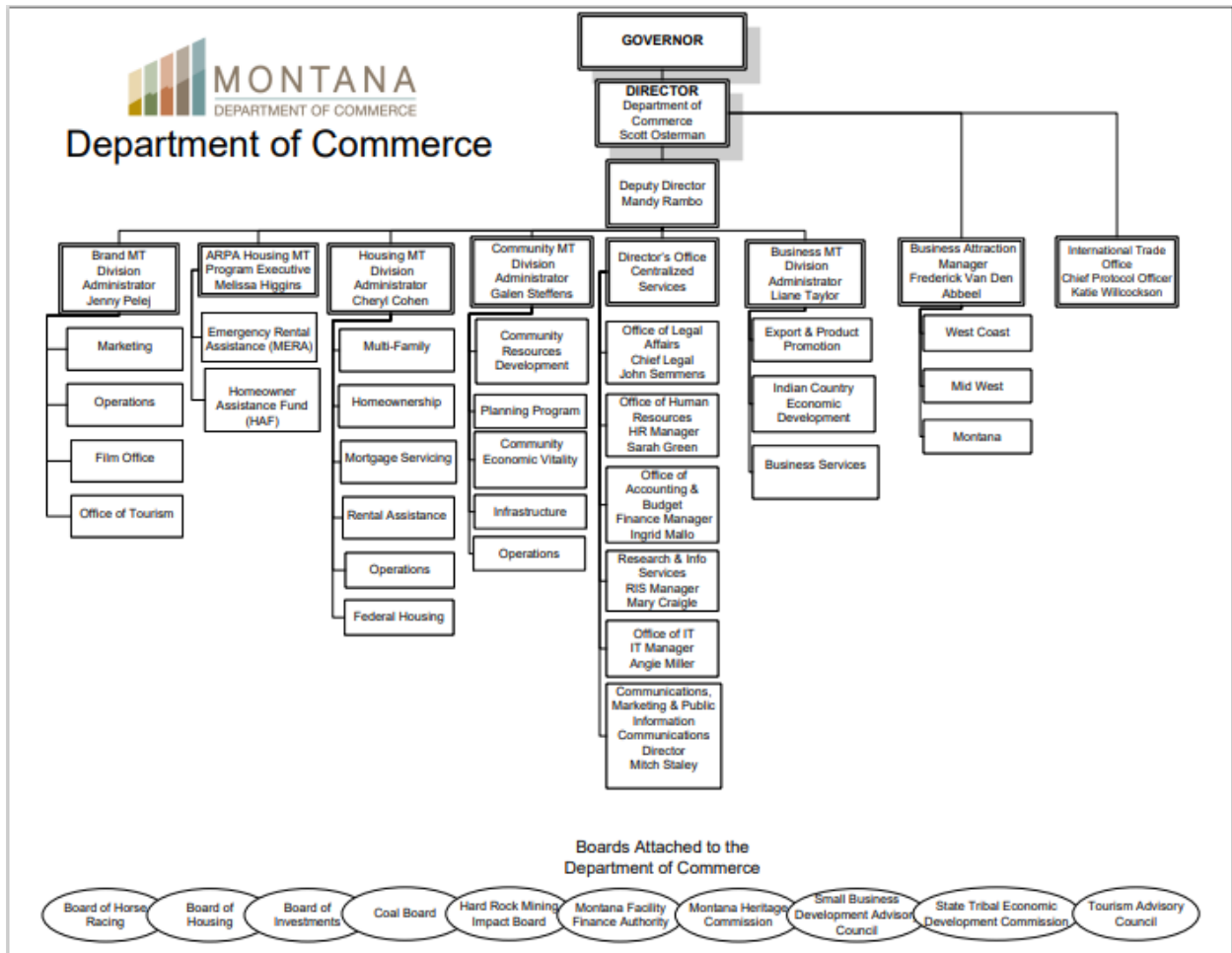
Montana Department of Commerce, State of Montana

c. CAPACITY (Maximum 10 points)

The Montana Department of Commerce (Commerce), State of Montana, will be responsible for leading the implementation of these proposed activities. Commerce effectively and efficiently delivers programs and resources through technical assistance, funding/investments, training/consulting, promotion, research, reporting, and outreach to provide affordable housing, create sustainable business and economic growth to enhance community vitality to benefit the citizens of Montana. Melissa Higgins, Housing Program Executive with Commerce, authored this grant application in coordination with:

- Cheryl Cohen, Administrator, Montana Housing Division, Commerce;
- Galen Steffens, Administrator, Community MT Division, Commerce;
- Mary Craige, Bureau Chief, Research and Information Services Division, Commerce;
- Cody Ferguson, Community Resource Development Manager, Community MT Division, Commerce;
- Erika Cooney, Compliance Specialist, Montana Housing Division, Commerce; and
- Mandy Rambo, Deputy Director, Commerce.

The Director of Commerce, Scott Osterman, reports directly to Montana’s Governor, providing the leadership capacity and legal authority to effectively implement this proposal.



Timely Implementation

The funding requested with this grant opportunity will, in part, support the expansion of the current Community Technical Assistance Program (CTAP) program managed by the Community MT Division. Therefore, all relevant project management, quality assurance, financial and procurement, and internal control capacity to quickly launch this project is already in place. CTAP currently has professional planners, planning and outreach specialists, staff attorney, and licensed engineers to support this work. In addition, Commerce has an Accounting and Fiscal Division which provides support for all fiscal, contracts, and procurement activities. The Community MT Division adheres to the Montana Department of Commerce's Internal Control Plan. This process includes segregating duties, supervising internal control systems, documenting transactions, authorizing transactions, controlling access to resources (such as physical, monetary, personnel, and information), and ensuring that employees adhere to the code of ethics.

Commerce has extensive experience at issuing Requests for Proposal, therefore, it would be able to stand up the contract for the long-term study within a six-month period, dependent upon receiving adequate bids. Additionally, the Montana University System has possible options to assist with the project.

Experience

Commerce has extensive experience in managing federal and state funding sources and coordinating with contractors, funders, subrecipients, community stakeholders, and other government agencies relating to housing and community planning as outlined below:

Examples of Coordination and Collaboration

- Outreach to counties, incorporated cities, and towns;
- Coordination with not-for-Profit organizations and associations such as NeighborWorks Montana, Montana Landlord Association, Montana Association of Counties, Montana League of Cities and Towns, Montana's Continuum of Care, and Montana Legal Services Association;
- Collaboration with other state/federal departments such as the Montana Disaster and Emergency Services within the Montana Department of Military Affairs, Department of Health and Human Services, Department of Natural Resources and Conservation, Department of Environmental Quality, and the Governor's Office;
- Recent examples include:
 - CTAP collaborating and coordinating with the Department of Natural Resources and Conservation to provide technical assistance to more than 200 Montana communities to help them access water and wastewater infrastructure funding provided by the American Rescue Plan Act;
 - CTAP collaborating coordinating with the Department of Environmental Quality to inventory more than 600 rural water systems for the presence of lead in drinking water service lines and remove lead where it is found using funding from the Infrastructure Investment and Jobs Act.

In addition, Montana Housing hosts the Housing Coordination Team (HCT), a group of public, private, and nonprofit organizations across the state working collaboratively to meet the need for

affordable homes for all Montanans. HCT meetings include training opportunities on a wide range of topics and are an opportunity to share best practices, brainstorm creative solutions, provide organization updates, and notify members of upcoming funding opportunities. Recent HCT presentations have included subject matter experts on brownfields grants, emerging energy assistance programs and proposed green building design standards for the Low-Income Housing Tax Credit Qualified Allocation Plan. Commerce is scheduled to present this NOFO application to the HCT on October 12, 2023.

Community MT within Commerce currently manages CTAP providing professional planning assistance to communities across Montana in support of sound land use and development. CTAP assists communities in everything from the development of long-range plans to interpretation of statute to guidance on grant applications and review of technical documents. This assistance is provided at no cost to communities statewide. The areas of expertise in the current CTAP program include:

- Long range community planning
- Subdivision regulations and review
- Zoning regulations and administration
- Drinking water and wastewater treatment systems
- Transportation: bridges, streets/roads, multi-modal
- Stormwater management
- Planning best practices and tools of the trade
- Exemption review and certificates of survey

With this funding, CTAP would add to its team two (2) additional full-time planners specializing in housing.

Community MT Programs

In addition to managing the CTAP program, Community MT also manages the following programs:

Montana Main Street Program - The Montana Main Street Program, established in 2005 and currently serving thirty-seven communities across the state, is a collaborative effort between the Community MT Division and the Montana Office of Tourism at the Montana Department of Commerce. The program helps communities strengthen and preserve their historic downtown commercial districts by focusing on economic development, urban revitalization, and historic preservation through long-range planning, organization, design, and promotion.

Community Development Block Grant (CDBG) Program - Montana's CDBG Economic Development program is designed to stimulate economic development activity by assisting Montana's private sector to create or retain jobs for low- to moderate-income Montanans, specifically, this includes individuals earning less than 80% of the area median income.

Montana Historic Preservation Program - The Montana Historic Preservation Grant (MHPG) Program is a state-funded program created in 2019 as a result of Senate Bill 338, Sections 1 through 17. The MHPG Program is designed to support public or private entities with the preservation of historic sites, historical societies, or history museums through grant funding.

Montana Coal Endowment Program - The Montana Coal Endowment Program (MCEP) is a state-funded program that is designed to help address the "affordability" of local infrastructure projects by providing grants to lower the cost of constructing public facilities.

Community Development Block Grant (CDBG) Program - Montana's CDBG Public and Community Facilities grants help local governments fund construction or rehabilitation of infrastructure and facilities that primarily benefit low- to moderate-income (LMI) Montanans, i.e., individuals earning less than 80% of the area median income.

Montana Housing Programs

Commerce's Montana Housing Division is partnering with the Community MT Division for this grant application and its implementation. The Montana Housing Division also has extensive experience in applying for, implementing, and managing large scale federal and state programs as outlined below.

Community Development Block Grant (CDBG) Housing - Helps local governments fund new construction or rehabilitation of single-family or multi-family housing projects that benefit low- to moderate-income (LMI) Montanans, i.e., households earning less than 80% of the area median income. CDBG offers two distinct types of housing grants, the annual CDBG Competitive Housing grant and the open, CDBG Noncompetitive Housing grant.

Community Development Block Grant (CDBG) CARES - Through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the State of Montana, Department of Commerce was awarded Community Development Block Grant funds (CDBG CARES) to support communities as they respond to the impacts of the COVID-19 pandemic.

HOME Program - The Home Investment Partnerships Program (HOME) Program is a federal block grant program directed by the U.S. Department of Housing and Urban Development (HUD) and is designed to create affordable housing for low-income households.

HOME-ARP - The HOME Investment Partnerships American Rescue Plan Program (HOME-ARP) is a federal block grant administered through HOME that provides funding for reducing homelessness and increasing housing stability. Montana's State allocation of HOME-ARP funds is provided by HUD, and the Montana Department of Commerce grants these funds to eligible applicants undertaking eligible activities.

Emergency Shelter Facility Grant (ESFG) Program - The Emergency Shelter Facility Grant (ESFG) Program is a one-time funding opportunity authorized by House Bill 5 of the 68th Legislative Session to award grant funding to nonprofit corporations that provide emergency shelter for the homeless. The objective of the ESFG Program is to increase the inventory of and improve access to emergency shelter for the homeless, as defined in these guidelines.

Housing Trust Fund - The Housing Trust Fund Program (HTF) is an affordable housing production program that will complement existing federal, State, and local efforts to increase the supply of decent, safe, and sanitary affordable housing for extremely low income (ELI) households, including special needs households, homeless households, and those at risk of homelessness.

Montana Board of Housing Programs

In addition to the above-mentioned experience, the Montana Board of Housing is attached to Commerce. The Montana Board of Housing's purpose is to support the development of safe, accessible, and affordable homes for individuals and families in Montana. The board does this by partnering with organizations that provide affordable homes in Montana, issuing tax-exempt bonds, allocating federal Low-Income Housing Tax Credits, and administering federal housing programs. The board provides policy direction for all of Montana Housing's programs, except for the rental assistance programs. The Montana Board of Housing was created under the Montana Housing Act of 1975 and is comprised of seven members appointed by the governor and confirmed by the state senate. Examples include:

Multifamily Development - The Montana Board of Housing offers financing options for the development of affordable multifamily rental homes. Board staff monitor all properties during the commitment period, to ensure that those properties comply with federal and state requirements.

Housing Credits - The federal Low-Income Housing Tax Credit is available under Section 42 of the Internal Revenue Code. The Board allocates Montana's housing tax credits through a competitive process.

Coal Trust Multifamily Homes Program - The Montana Legislature passed HB819 during the 2023 session. The bill allows for the use of \$65 million of Coal Trust funds to be invested in loans to projects providing multifamily rental homes.

Multifamily Loan Program - Permanent financing for multifamily rental homes. Loans may be insured or noninsured depending on security of asset.

Conduit Bond Program - Conduit Bonds are issued, for the purpose of financing a mortgage loan made to a sponsor of a multifamily housing project located in the State of Montana for the construction, acquisition, or rehabilitation of a Project which incorporates the use of low-income housing tax credits.

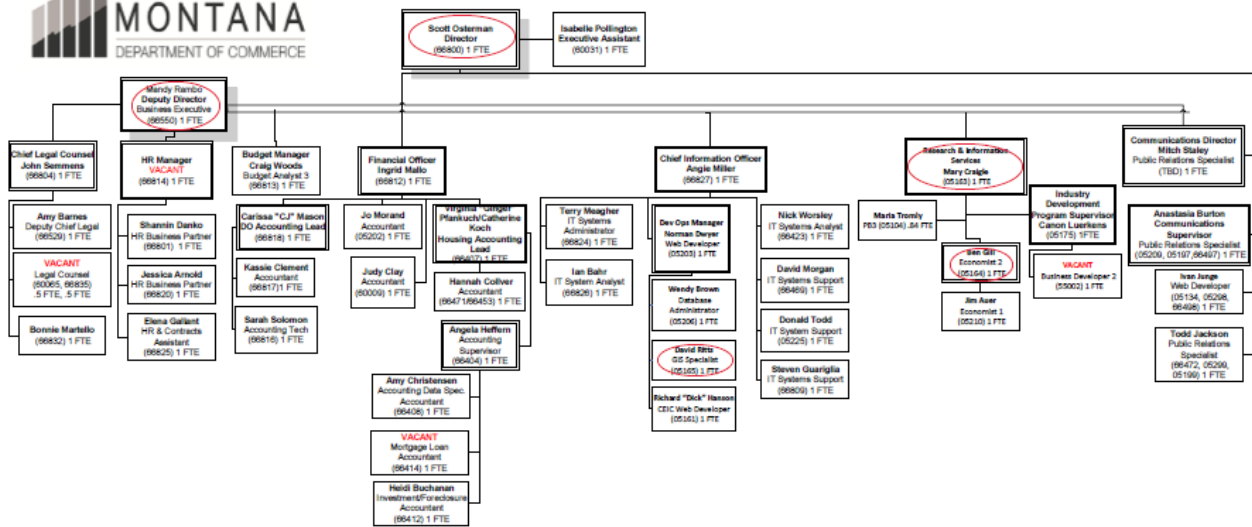
Housing Montana Fund (HMF) - The Montana Legislature established the HMF during the 1999 session. It is a revolving loan fund that is to be used for eligible activities. Eligible activities include matching funds, bridge financing, acquisition of existing housing stock, preconstruction technical assistance, acquisition of land for housing developments, land banking, and land trusts; and short-term, site-based housing vouchers for needy individuals.

Staffing Plans

This application is being submitted in collaboration with multiple division's within Commerce that includes the Director's office, Community MT, Montana Housing, and ARPA Housing. Below are the organizational charts for each of those divisions with the individual's circled in red who are part of the PRO Housing team.

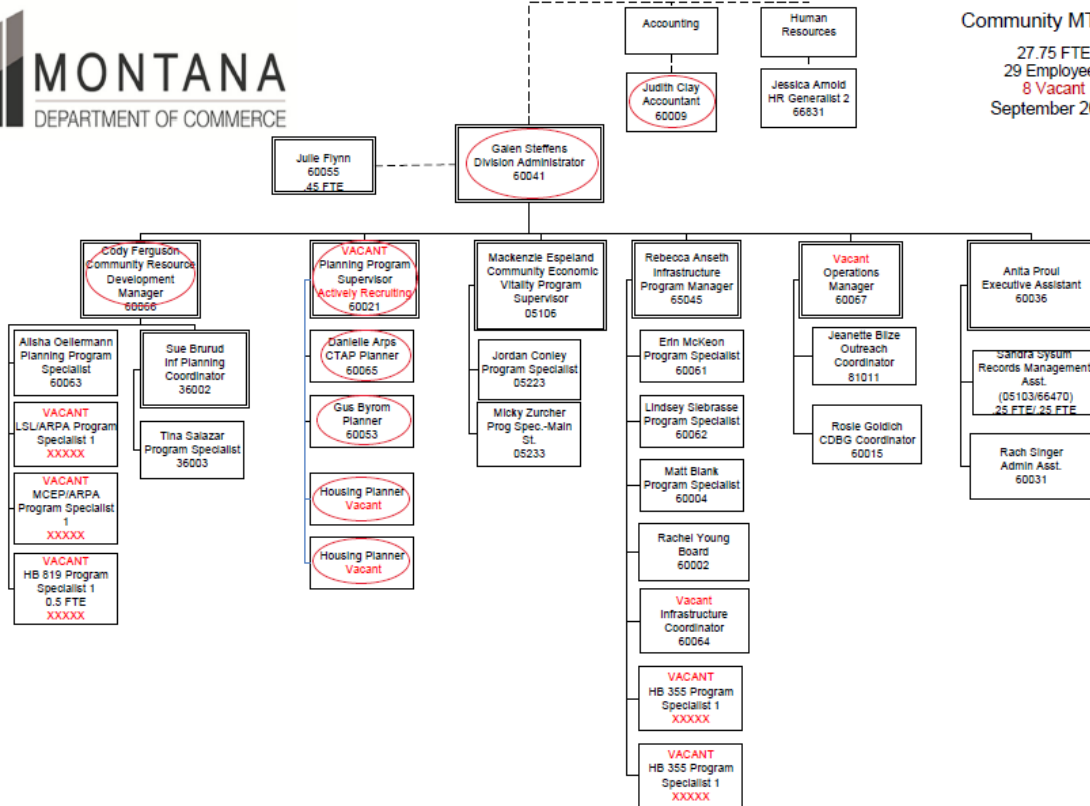


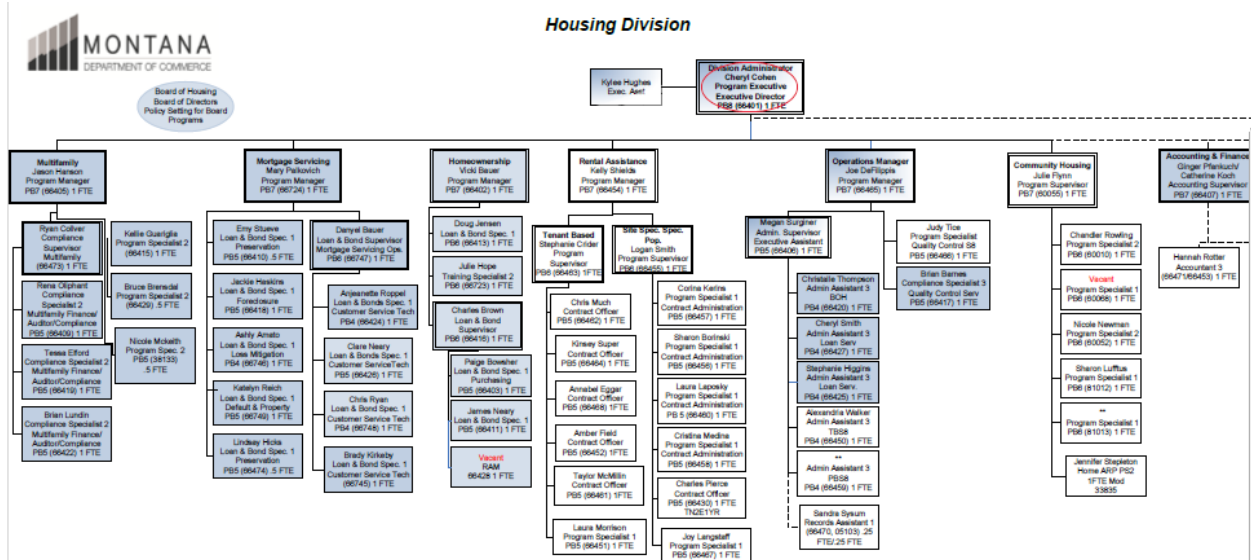
Director's Office



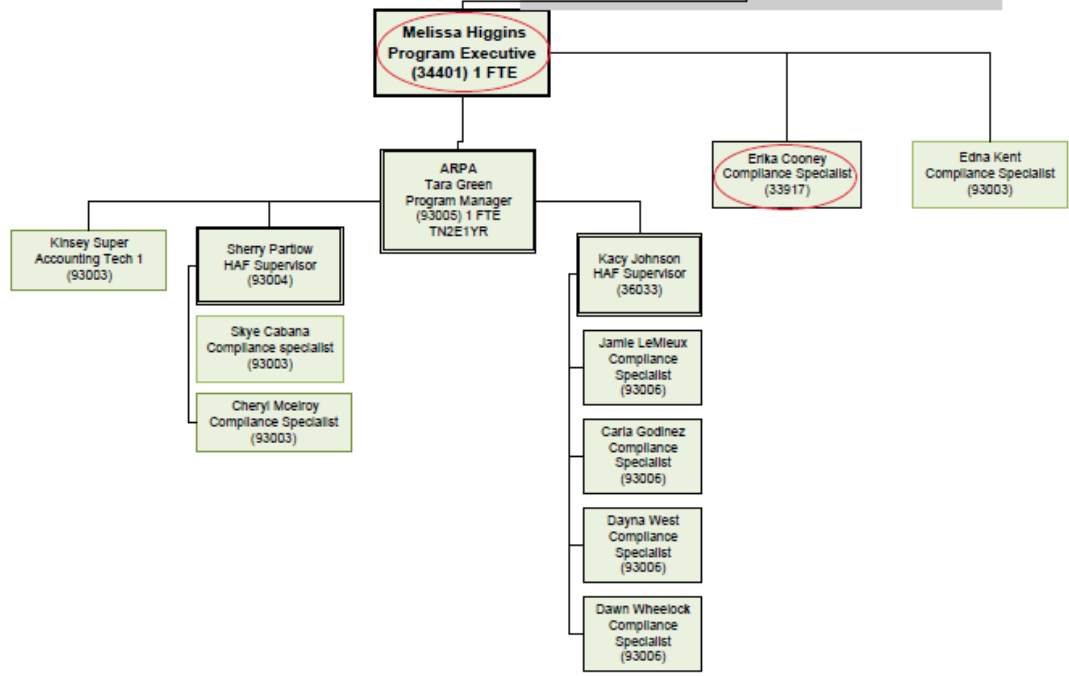
Community MT Division

27.75 FTE
29 Employees
8 Vacant
September 2023





ARPA Housing



Civil Rights and Fair Housing Issues

Commerce, in the delivery of housing related activities, such as mortgage servicing and rental assistance programs, and administration of federal funds for housing activities, is required to comply with all applicable federal, state, and local laws, rules, and requirements, including the following specific nondiscrimination and equal opportunity laws:

- Federal Fair Housing Act

- The Americans with Disabilities Act of 1990 (ADA)
- Montana Code Annotated §49-2-305 Montana Human Rights Act
- Age Discrimination Act of 1975
- Title VI of the Civil Rights Act of 1964
- Section 504 of the Rehabilitation Act of 1973

Commerce, through its employees and contracted third parties that engage in housing activities on behalf of the Department, is committed to ensure that the letter and spirit of the Federal Fair Housing Act and Montana Fair Housing laws are followed by respecting the diversity and differences within our customer base. As a requirement of receiving federal funds for housing activities, the State must submit certification of affirmatively furthering fair housing to the Department of Housing and Urban Development (HUD). This certification has three elements:

- Completion of an Analysis of Impediments to Fair Housing Choice in Montana (AI),
- Actions taken to overcome the effects of any impediments identified, and
- Maintenance of records reflecting the actions taken in response to the analysis.

During the development of the Analysis of Impediments and the Consolidated Plan, Commerce conducted a Fair Housing Survey and a Housing and Community Development Survey. The survey responses are provided on our website at [AnalysisImpediments.pdf \(mt.gov\)](#). Demographic, economic, and housing information collected is from the Census Bureau, the Bureau of Economic Analysis, the Bureau of Labor Statistics, and other sources. Data is used to analyze a broad range of socio-economic characteristics, including population growth, race, ethnicity, disability, employment, poverty, and housing trends.

Table 21 - Greater Need: Housing Cost Burdens

Housing Cost Burden	Less than or equal to 30%		Between 30% and 50%		Greater than 50%		Household has no/negative income (not computed)	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Jurisdiction as a whole	319,065	100%	62,695	100%	50,055	100%	4,235	100%
American Indian or Alaska Native	12,460	4%	2,500	4%	2,105	4%	630	15%
Asian	2,090	1%	345	1%	300	1%	30	1%
Black or African American	830	0%	295	0%	155	0%	25	1%
Pacific Islander	105	0%	45	0%	0	0%	20	0%
White	288,460	90%	55,750	89%	44,010	88%	3,125	74%
Other (including multiple races)	7,060	2%	1,470	2%	1,855	4%	195	5%
Hispanic	8,060	3%	2,290	4%	1,630	3%	210	5%

Data Source: 2016-2020 CHAS; Table 9

The largest non-white group in Montana is American Indian/Alaskan Native. This ethnic group is largely located on seven Indian reservations, but the population is disbursed throughout all areas of the state and has a significant presence in select urban centers (e.g., Billings). While needs vary across income categories and geographic locations for this group, data show that American Indians/Alaska Natives in the 30% AMI and below bracket experience disproportionately greater need in comparison to other racial groups.

Exhibit G: Long Term Effect

Montana Department of Commerce, State of Montana

e. LONG-TERM EFFECT (Maximum 10 points)

Expected Long-Term Effects

The Montana Department of Commerce's (Commerce) proposal seeks to enable the production and preservation of affordable housing units in the long term through a two-pronged approach:

- planning through the expansion the Community Technical Assistance Program (CTAP) by adding two (2) Housing Planners; and
- through a long-term study of past and current housing legislation.

Each of these activities will make significant impacts in removing barriers to the production and preservation of affordable housing in the near term and for years to come.

By building upon the capacity and expertise of CTAP and adding two (2) Housing Planners, Commerce will help Montana communities facing housing challenges better identify their present and future housing needs, opportunities for infill and redevelopment, and policy reforms that are barriers to the production and preservation of affordable housing. With their relatively small populations, most Montana communities lack the capacity to complete housing needs assessments and to plan for future planning needs without the assistance of a consultant.

CTAP was created to fill that capacity gap but has not had the resources to help more than a handful of communities each year. With the CTAP staff expansion proposed here with the addition of two (2) Housing Planners, CTAP can take the lead helping communities with fair housing plans by developing a Fair Housing Toolkit, as well as also develop a Pathways to Removing Obstacles to Housing (PRO Housing) guidebook for Montana's communities. CTAP will also provide guidance, model documents, and direct technical assistance to communities to identify current and projected housing needs, possible locations for infill and redevelopment, zoning and other land use policies that act as impediments to the production and preservation of affordable housing and reforms to address them.

This will have long-term effects in at least three significant ways:

- First, zoning regulations often last for decades—reforms that are made over the course of this grant will lay the policy groundwork to increase the production and preservation of affordable housing for years if not decades to come.
- Second, as Montana communities begin to meet their housing needs through sustainable planning, they will become more attractive for business development, their tax bases will grow, and they will more sustainable economically providing resources to support planning capacity to address future needs.
- Third, with the resources available to support planning, Montana communities will develop a culture of planning perpetuating a cycle of long-range planning and budgeting for housing and infrastructure that will make them more vibrant and resilient to change.

Through the increase capacity of real time data acquisition, Commerce will create long-term effects for the production and preservation of affordable housing by enhancing the capacity of Commerce and Montana communities to plan for housing needs. Real time data acquisition will give planners the most current, accurate information resulting in the most precise plans. Over the long-term, this will make it easier for the state and Montana communities to access the quality data they need to make planning and policy decisions so that they can stay nimble to adjust to

population and economic development trends that put pressure on affordable housing. As a result, the state and Montana communities will be better prepared for change and reduce the potential shocks from what feel like sudden crises in the housing market. This will benefit low- to moderate-income Montanans who feel fluctuations in the housing market most acutely and businesses that want to attract and retain their workforce.

Lastly, the Commerce is proposing to commission a long-term study of the effects of housing-related legislation to gather hard data on the efficacy of policy changes to meeting the needs of producing and preserving affordable housing. It is often said that “states are the laboratories of democracy” but with Commerce’s proposal, we will be taking this idea seriously. Long-term studies of the tangible outcomes of individual reforms can inform policymakers in Montana but also in predominantly rural but rapidly changing Western states and across the nation. This proposal has the potential to provide lessons in what policy reforms truly address the housing crisis and remove barriers to the production and preservation of affordable housing and which do not.

Measures of Success

Effectiveness: The public and private sectors have access to Commerce’s planning expertise to develop plans, feasibility studies, and projects that have a high impact on economic vitality in Montana communities.

Efficiency: The public and private sectors spend a reduced amount of time on effective housing and land use development planning.

Evidence: The creation of evidence for legislative reforms to evaluate housing policies and to assist other states who are considering housing and land use reform.

Commerce establishes Objectives, Goals, Strategies, and Measures (OGSM) as part of our common practice. The Community MT Division’s OGSMs are as follows:

Objective: Focus resources on completing transformational project that fosters vibrant and sustainable communities across Montana.

Goal: 75% of projects funded by division programs and completed in the 2025 biennium received proactive assistance.

Strategies: Customer Service and accountability.

Measures:

75% of participating communities are engaged in this initial prioritization.

75% of planning grant applications receive staff assistance prior to submission.

50% of funded plans are implemented within one year’s time.

50% of funded construction projects are completed within the original timelines and budgets.

Additional measures would include completion of a Pathways to Removing Obstacles to Housing (PRO) Housing Guidebook and Fair Housing Toolkit by December 1, 2025.

Funding from this grant opportunity will assist us in meeting these goals, specific to housing and land use, by providing additional resources, including two housing planners, capacity for real time data, and evidence of successful reforms.

Attachment A: Summary of Comments
Montana Department of Commerce, State of Montana

Summary of Citizen Participation and Consultation Process

The Montana Department of Commerce published the Pathways to Removing Obstacles to Housing application to our website on October 3, 2023, encouraging public comment. In addition, notification regarding the public hearing was sent to our extensive list of interested parties. A public hearing was held on October 18, 2023, below is a summary of comments received both in writing and verbally.

Written Comments

Comment:

Sara Hartley, CFM, State Hazard Mitigation Officer, Montana Department of Military Affairs, Disaster & Emergency Services

I had a moment to do a cursory review the PRO Housing Application, and I see that the application addresses barriers that can make it difficult to increase investment in resiliency, but is there anything that we can add to the application that will demonstrate Montana's commitment to investing in resiliency within the state, minimizing impacts during disaster events and expediting the recovery process?

Response: Montana is committed to investing in resiliency with the state, minimizing impacts during disaster events, and expediting the recovery process, therefore, the Department added details that reflect that commitment.

Comment:

Housing Coordinating Team meeting, 10/12/2023.

Julia Hope, NeighborWorks Montana

Jason Hanson, Multi-Family

Cheryl Cohen, Housing MT

Bruce Brendal, Multi-Family Housing

Kelly Guariglia, Multi-Family Housing

Sounds like it's an exciting opportunity.

Response: Commerce thanks them for their positive feedback.

Comment:

Kristen Rogers, PhD, Director, Research and Evaluation, University of Montana

To Whom It May Concern,

The University of Montana has been providing evaluation support for the Department of Commerce's State and Local Fiscal Recovery Funds (SLFRF) Affordable Housing Gap Financing Project and we have comments regarding the budget allocation for the evaluation component of the new HUD Community Planning and Development Project's Pathways to Removing Obstacles to Housing.

Specifically, in order to conduct a rigorous and comprehensive evaluation, the total budgeted amount should be increased. This is an extensive, multi-year, multi-site project that involves developing outcome measures; ongoing monitoring of Montana's housing industry; developing and implementing an evaluation methodology that investigates the effectiveness of any and all housing reforms; the impact of policy and/or political strategy changes on this project; and lastly, an extensive return-on-investment with cost-benefit analysis.

The current budgeted amount of \$30,000/year is only about 38% of one evaluator's/epidemiologist's time and in order to conduct this in-depth, rigorous study, it is our recommendation that a full-time (100% FTE), highly-trained staff person should undertake this work. We estimate that the budgeted amount should be, at a minimum, \$101,400 (salary + benefits) in the first year. Each subsequent year would increase at the state's cost-of-living raises (3-4%/year).

Kristen Rogers, PhD
Director, Research & Evaluation
University of Montana
CCFWD

Response: Commerce agrees with this comment and will increase the budget for the long-term study. Due to the increase in requested funding, we will also increase the amount we will leverage for this grant. Thank you.

Comment:

Sheila Rice, President, Trust Montana

Thank you for the opportunity to submit comments on the PRO application to HUD

In addition to studying the effects of HB 819, please expand the study to include the impact of the Coal Trust Homes Loans program passed by the Legislature in 2019.

Expand the study to include the housing not built because the Legislature did not pass all of the recommendations of the Governor's Housing Task Force

Include in the study an examination of the beneficiaries of the equity from the resale of limited equity homes purchased with assistance of the funding provided in HB819. What proportion of the increase in sale value went to 1) the seller; 2) the investor or 3) the CRO

Include in the study an examination of the subsidy retention of HB 819 funding if the homes have been land trust homes.

Thank you

Public Hearing Comments (clean verbatim)

Comment:

Sheila Rice, President, Trust Montana

I would encourage the study to not only look at the 2023 legislative changes but to include the prior coal tax loan program, which was funded in 19. Just because that's one of the first times that Montana has provided funding, in the form of loan or grants for housing, so I encourage that.

Secondly, I'd encourage a look and the Governor's task force recommendations and those that were not implemented. We, as in the housing community, are thankful for what the legislature passed in HB819 in 2023, but still do not have a source of capital that is state funded. We have loans but we don't have any capital and so the state tax credit, of course, would solve that issue. So, I encourage those two things be looked at as part of the study.

I love the idea of looking at the implementation of HB 819 and what happened, but I also think the Governor's task force made recommendations that were not implemented, and that lack of implementation is harming the development of housing for the workforce and lower income markets.

Response: Commerce will add language to expand the scope of the long-term study to be both retrospective as well as forward facing. Thank you.

Comment:

Tash Wisemiller, USDA Rural Development

I would like to make a few observations and comments, not necessarily in regards to the documents as they currently exist, but just as our work throughout rural Montana. So these comments may or may not be abundantly clear and obvious to everyone on this call, and maybe everyone in Montana. I just wanted to point out some commonalities of what we're seeing and hearing as we work with our partner communities.

So, of course, rural workforce housing issues are a big one. Again, this isn't surprising, and shouldn't be surprising, but things such as housing for teachers or other positions that are hard to recruit and retain in our rural communities due to housing issues and shortages. Secondly, I want to point out that the building environment that we see in rural communities includes vacant buildings, or vacant facilities, vacant historic buildings, these are, the building environment that can and should create housing units. So, things like the historic tax credit can and should be utilized not only at the federal level, but the state level to help catalyze such development throughout rural communities. I think tethered to that would also be state programs and making sure that the state program funds can and do address things like fire suppression and accessibility and code issues and making it clear that those are elements of redevelopment of historic properties to help those be usable and safe for housing development. Another plug for the dire needs of housing on our tribal communities and lands and working and partnering to assure that we are addressing statewide tribal housing needs and issues.

Those would be my comments again, probably clear and abundantly obvious to everyone on this call, and everyone whose put in the time at the Department of Commerce to put this application, I do appreciate and thank that team for its efforts for Montana, thank you.

Response: Commerce thanks you for your thoughtful response. Expanding CTAP, Commerce would be able to support rural and tribal communities statewide.

Comment:

Chad Rowe

We're trying to buy a piece of land to build 200 units, but we can't pay what the seller wants, how does this program help with that situation?

Response: While Commerce is not requesting funding for infrastructure, investing in long-term planning and the study of reforms put into place, could lend to that kind of support in the future.

Comment:

Jacob Cote

Can units created using PRO Housing grants be market rate or will development be required to incorporate income restriction?

Response: Commerce is not proposing using PRO Housing funds for the creation of infrastructure. The NOFO did state that the concentration was on low to moderate income individuals, particularly, those at or below 100% AMI.

Comment:

Emily Harris-Shears, City of Missoula, Community Development

I just wanted to appreciate the state-wide level and thoughtfulness of thinking about what barriers are impacting all of us from a state-wide perspective. I also want to just elevate what Sheila shared about looking at the opportunities that the governor's housing taskforce also offers in terms of non-statutory or non-legislative approaches as well, and then hopefully for future legislative sessions. New opportunities, but I think that that really makes sense to me from thinking about what the current barriers are and how those might be removed.

Response: Commerce thanks you for your thoughtful response and intends to expand the scope of the long-term study to have both a retrospective and forward-facing component.

Attachment B: Leverage Documentation
Montana Department of Commerce, State of Montana

FINANCIAL ASSISTANCE AWARD

GRANT COOPERATIVE AGREEMENT

FEDERAL AWARD ID NUMBER

ED22DEN3070009

PERIOD OF PERFORMANCE

11/01/2021-04/30/2024

STREET ADDRESS

301 SOUTH PARK

FEDERAL SHARE OF COST

\$1,000,000.00

CITY, STATE, ZIP CODE

HELENA MT 59601-6282

RECIPIENT SHARE OF COST

\$0.00

AUTHORITY

Economic Adjustment Assistance for Disaster Economic Recovery Under Sections 209 and 703 of the Public Works and Economic Development Act of 1965, as

TOTAL ESTIMATED COST

\$1,000,000.00

CFDA NO. AND NAME

11.307 Economic Adjustment Assistance

PROJECT TITLE

American Rescue Plan Act - Statewide Planning Awards

This Award Document (Form CD-450) signed by the Grants Officer constitutes an obligation of Federal funding. By signing this Form CD-450, the Recipient agrees to comply with the Award provisions checked below and attached. Upon acceptance by the Recipient, the Form CD-450 must be signed by an authorized representative of the Recipient and returned to the Grants Officer. If not signed and returned without modification by the Recipient within 30 days of receipt, the Grants Officer may unilaterally withdraw this Award offer and de-obligate the funds.

- DEPARTMENT OF COMMERCE FINANCIAL ASSISTANCE STANDARD TERMS AND CONDITIONS
- R & D AWARD
- FEDERAL-WIDE RESEARCH TERMS AND CONDITIONS, AS ADOPTED BY THE DEPT. OF COMMERCE
- BUREAU SPECIFIC ADMINISTRATIVE STANDARD AWARD CONDITIONS
- SPECIFIC AWARD CONDITIONS
- LINE ITEM BUDGET
- 2 CFR PART 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS, AS ADOPTED PURSUANT TO 2 CFR § 1327.101
- 48 CFR PART 31, CONTRACT COST PRINCIPLES AND PROCEDURES
- DEPARTMENT OF COMMERCE PRE-AWARD NOTIFICATION REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS (REF: 79 FR78390)
- MULTI-YEAR AWARD. PLEASE SEE THE MULTI-YEAR SPECIFIC AWARD CONDITION.
- OTHER(S):
EDA Specific Award Conditions

SIGNATURE OF DEPARTMENT OF COMMERCE GRANTS OFFICER

Angela Martinez

DATE

11/02/2021

PRINTED NAME, PRINTED TITLE AND SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL

Ingrid Mallo

DATE

11/12/2021

SPECIFIC AWARD CONDITIONS
U.S. DEPARTMENT OF COMMERCE
Economic Development Administration (EDA)

NON-CONSTRUCTION PROJECTS: Economic Adjustment Assistance
for Disaster Economic Recovery Under Sections 209 and 703 of the Public Works and
Economic Development Act of 1965, as amended, 42 U.S.C. §§ 3149 and 3233

PROJECT TITLE: American Rescue Plan Act Statewide Planning Awards.

1. **SCOPE OF WORK:** This EDA Award supports the work described in the approved final scope of work, which is incorporated by reference into this Award, as the *Authorized Scope of Work* (Attachment 1). All work on this project must be consistent with the *Authorized Scope of Work*, unless the Grants Officer has authorized a modification of the scope of work in writing through an amendment memorialized through execution of a Form CD-451.
2. **PROJECT CONTACT INFORMATION:** Contact information for the Recipient and key EDA staff with responsibilities for this award is contained in Attachment 2. The Recipient agrees to notify EDA promptly of any changes to the Recipient’s contact information.
3. **ADDITIONAL INCLUDED DOCUMENTS:** In addition to the regulations, documents, or authorities incorporated by reference on the Financial Assistance Award (Form CD-450), the following additional documents are hereby incorporated by reference into this Award:
 - The Recipient’s application, including any attachments, project descriptions, schedules, and subsequently submitted supplemental documentation
 - *Authorized Scope of Work* (Attachment 1)
 - *Project Contact Information* (Attachment 2)

Should there be a discrepancy among these documents, these Specific Award Conditions shall control.

4. **PROJECT DEVELOPMENT TIME SCHEDULE:** The Recipient agrees to the following Project Development Time Schedule:

Authorized Award End Date.....	30 months from the Date of Award
Submission of Final Project Progress Report	No later than 120 days from the Authorized Award End Date

Submission of Final Financial Documents (SF-425).....No later than 120 days from the
Authorized Award End Date

The Recipient shall diligently pursue the development and implementation of the project upon receipt of the EDA Award so as to ensure completion within this time schedule, and shall promptly notify EDA in writing of any event that could substantially delay meeting any of the time limits set forth above. The Recipient further acknowledges that failure to meet the Project Development Time Schedule may result in EDA pursuing remedies for non-compliance, potentially including termination of the Award, in accordance with the regulations set forth at 2 C.F.R. §§ 200.339–200.343.

5. PROJECT REPORTING AND FINANCIAL DISBURSEMENT INSTRUCTIONS:

A. AWARD DISBURSEMENTS: EDA will make disbursements using the Department of the Treasury’s Automated Standard Application for Payments (ASAP) system. The Recipient is required to furnish documentation required by ASAP. Complete information concerning the ASAP system may be obtained by visiting <https://www.fiscal.treasury.gov/asap/>.

To receive disbursements, the Recipient must submit a Form SF-270 “*Request for Advance or Reimbursement*” for the applicable period electronically to the Project Officer, who will review and process the request.

Prior to the initial disbursement, Recipients must complete the attached Form SF-3881, “ACH Vendor/Miscellaneous Payment Enrollment Form” and submit it to NOAA’s Accounting Office by emailing through secure/encrypted email to: edagrants@noaa.gov. The form must be completed by the respective parties (EDA, Recipient Bank, and Recipient) at the start of each new award.

EDA retains the right to change Recipients from Advance to Reimbursement or Agency Review status if the Grants Officer deems it necessary or prudent to ensure successful monitoring of Federal funds. In such cases, Recipients may be required to submit a complete Form SF-270, “*Request for Reimbursement*” for the applicable period electronically to the Project Officer, who will review and process the request.

B. REPORTS:

a. Project Progress Reports: The Recipient agrees to provide the Project Officer with project progress reports, communicating the important activities and accomplishments of the project, on a semi-annual basis for the periods ending **March 31** and **September 30**, or any portion thereof, for the entire project period.

Reports are due no later than one month following the end of the semi-annual period (April 30 and October 31).

Performance progress reports shall be submitted to EDA in an electronic format no later than the due date. Reports shall be in a clear format, not exceeding six pages, and shall:

- i. Provide a concise overview of the activities undertaken during the semi-annual reporting period;
- ii. Document accomplishments, benefits, and impacts of the project. The Recipient should identify activities that have led to specific outcomes, such as job creation/retention, private investment, increased regional collaboration, engagement with historically excluded groups or regions, enhanced regional capacity, or other positive economic development benefits;
- iii. Identify any upcoming or potential press events or opportunities for collaborative press engagements to highlight the benefits of the EDA investment;
- iv. Compare progress on the project with the targeted schedule, explaining any departures, identifying how those departures will be remedied, and projecting the course of work for the next semi-annual reporting period;
- v. Outline challenges impeding or that may impede progress on the project over the next semi-annual reporting period and identify ways to address those challenges;
- vi. Outline any areas in which EDA assistance is needed to support the project; and
- vii. Provide any other information that would be helpful for your EDA Project Officer to know.

Final Project Reports may be posted on EDA's website, used for promotional materials or policy reviews, or otherwise shared. Recipients should not include any copyrighted or other sensitive business information in these reports. There is no page limit for Final Project Reports; however, such reports should concisely communicate key project information and should:

- i. Provide a high-level overview of the activities undertaken;
- ii. Outline the specific regional need the project was designed to address and explain how the project addressed that need and advanced economic development;
- iii. Document the expected and actual economic benefits of the project as of the time the report is written;

- iv. Detail lessons learned during the project that may be of assistance to EDA or other communities undertaking similar efforts; and
- v. Provide any other information necessary to understand the project and its impacts.

b. *Financial Reports*: The Recipient shall submit a “*Federal Financial Report*” (Form SF-425 or any successor form) on a semi-annual basis for the periods ending **March 31** and **September 30**, or any portion thereof, for the entire project period. Form SF-425 and instructions for completing it are available at: <https://www.grants.gov/forms/post-award-reporting-forms.html>. Reports are due no later than one month following the end of the semi-annual period (April 30 and October 31).

A final Form SF-425 must be submitted no more than 120 calendar days after the Award End Date specified on the Form CD-450 (or any subsequently executed Form CD-451). Final Financial Reports should follow the instructions for submitting mid-term financial reports, but should ensure that all fields accurately reflect the total outlays for the entire project period and that all matching funds and program income (if applicable) are fully reported. **Determination of the final grant rate and final balances owed to the government will be determined based on the information on the final Form SF-425, so it is imperative that it be submitted in a timely and accurate manner.**

6. **ALLOWABLE COSTS AND AUTHORIZED BUDGET:** Total allowable costs will be determined after the final financial documents are submitted in accordance with the applicable authorities specified on the Financial Assistance Award (Form CD-450), including the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 C.F.R. part 200. The Recipient must submit a line item budget for EDA approval as part of its Grant Administration Plan (see Condition 16). Upon approval, the line item budget will be incorporated into these Specific Award Conditions as Attachment 3, *Authorized Budget*.
7. **FEDERAL SHARE:** The Federal Share of total allowable project cost for this Award is 100 percent. EDA will fund 100 percent of the total allowable project costs or the grant amount shown on the Financial Assistance Award (Form CD-450), whichever is less.
8. **REFUND CHECKS, INTEREST, OR UNUSED FUNDS:** If the Recipient needs to return money to EDA, it may use one of the following two methods:
 - i. The first is the pay.gov website, which allows the Recipient to pay EDA online. The Recipient will have the option to make a one-time payment or to set up an account to make regular payments.

- ii. The second is paper check conversion. All checks must be made payable to “Department of Commerce, Economic Development Administration” and include the award number and a description of no more than two words identifying the reason for the payment. A copy of the check should be provided to the EDA Project Officer. The check should be mailed to NOAA’s Accounting Office, which processes EDA’s accounting functions, at the following address:

U.S. Department of Commerce
National Oceanic and Atmospheric Administration
Finance Office, AOD, EDA Grants
20020 Century Boulevard
Germantown, MD 20874

When funds are remitted to EDA by check, the check will be converted into an electronic funds transfer (EFT) by using the account information on the check to debit the payor’s account electronically. The debit from the payor’s account will usually occur within 24 hours. EDA will not return the check; the original will be destroyed and a copy will be retained. If the EFT cannot be completed because of insufficient funds, EDA will charge a one-time fee of \$25.00, which will be collected by EFT.

9. **PLANNING COORDINATION:** In keeping with regional economic development principles, the Recipient should coordinate economic development planning and implementation projects with other economic development organizations active in the project area, especially EDA-funded recipients such as state and urban planning grantees, adjoining Economic Development Districts (EDDs), Indian Tribes, and University Centers (UCs).
10. **TECHNICAL ASSISTANCE TO BUSINESSES:** Any technical assistance offered to businesses under the EDA award shall be widely advertised and accessible to all potentially benefitting businesses, as is reasonably permitted by the EDA project *Authorized Scope of Work* and *Authorized Budget*. The Recipient shall maintain adequate documentation of any technical assistance offered and/or provided to benefitting businesses under the EDA award.
11. **PROCUREMENT:** The Recipient agrees that all procurement transactions shall be in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 C.F.R. §§ 200.317–200.327.
12. **NONRELOCATION:** By accepting this Award, the Recipient attests that EDA funding is not intended by the Recipient to assist efforts to induce the relocation or the movement of existing jobs from one region to another region in competition for those jobs. In the event that EDA determines that its assistance was used for such purposes, EDA reserves the right

to pursue appropriate enforcement actions, including suspension of disbursements, termination of the Award for convenience or cause (which may include the establishment of a debt requiring the Recipient to reimburse EDA), or disallowance of any costs attributable, directly or indirectly, to the relocation.

13. **PERFORMANCE MEASURES:** The Semi-Annual Program Outputs Questionnaire for EDA Grantees (Non-infrastructure programs) (Form ED-916) must be submitted by Recipient to EDA on a semi-annual basis during the period of performance of this Award, or as otherwise directed by EDA. EDA will provide Recipient with the first electronic Outputs Questionnaire approximately six months after the date the period of performance starts, as set forth in Form CD-450. EDA will then provide Recipient subsequent electronic Outputs Questionnaires approximately every six months thereafter through the end of the period of performance, or any portion thereof if applicable. Recipient must complete and submit to EDA each electronic Outputs Questionnaire within 30 days of receipt.

The Annual Capacity Outcomes Questionnaire for EDA Grantees Serving Clients (Non-Infrastructure Programs) (Form ED-917) or the Annual Capacity Outcomes Questionnaire for EDA Grantees not Serving Clients (Non-infrastructure programs) (Form ED-918) must be submitted by Recipient to EDA on an annual basis for five years, or as otherwise directed by EDA. If Recipient will directly serve clients (i.e. beneficiaries) under the Authorized Scope of Work, Recipient must submit Form ED-917; if Recipient will not directly serve clients under the Authorized Scope of Work, Recipient must submit Form ED-918. (Recipient should consult the project officer if Recipient is unsure whether activities in the Authorized Scope of Work constitute serving clients.) Recipient will automatically receive whichever Outcomes Questionnaire is most appropriate, as determined by the EDA project officer, for the Authorized Scope of Work. EDA will provide Recipient with the first electronic Outcomes Questionnaire approximately one year after the date the period of performance starts, as set forth in Form CD-450. EDA will then provide Recipient subsequent electronic Outcomes Questionnaires approximately every 12 months thereafter for a total of five years, notwithstanding the end of the period of performance. Recipient must complete and submit to EDA each Outcomes Questionnaire within 30 days of receipt.

EDA may revise or replace the Outputs Questionnaire and/or the Outcomes Questionnaire at any time during or following the period of performance of this Award. Recipient agrees to report on program performance measures and program outcomes in such form and at such intervals as may be prescribed by EDA in compliance with the Government Performance and Results Act (GPRA) of 1993 and the Government Performance and Results Modernization Act of 2010 (collectively, GPRA Reports). Recipient must collect sufficient data and retain sufficient documentation to enable Recipient to complete required GPRA Reports. Failure to submit to EDA required GPRA Reports might adversely impact

the ability of the Recipient to secure future funding from EDA.

- 14. STAFFING CHANGES:** The Recipient must submit a Staffing Plan for EDA approval as part of its Grant Administration Plan (see Conditions 16). Upon approval, the Staffing Plan will be incorporated into these Specific Award Conditions as Attachment 4. In the event of a change in the professional staff positions primarily funded with the EDA grant, the Recipient shall provide the name of the individual selected to fill the position to the Project Officer and a copy of his or her resume within 30 business days of the selection.
- 15. REAFFIRMATION OF APPLICATION:** Recipient acknowledges that Recipient's application for this Award may have been submitted to the Government and signed by Recipient, or by an authorized representative of Recipient, electronically. Regardless of the means by which Recipient submitted its application to the Government or whether Recipient or an authorized representative of Recipient submitted its application to the Government, the Recipient hereby reaffirms and states that:
- i. All data in the application and documents submitted with the application are true and correct as of the date the application was submitted and remain true and correct as of the date of this Award;
 - ii. The application was, as of the date of submission and the date of this Award, duly authorized as required by local law by the governing body of the Recipient; and
 - iii. Recipient has read, understood, and will comply with all terms of this Award, including the Assurances and Certifications submitted with, or attached to, the application.

The term "application" includes all documentation and any information provided to the Government as part of, and in furtherance to, the request for funding, including submissions made in response to information requested by the Government after submission of the initial application.

- 16. GRANT ADMINISTRATION PLAN:** Prior to the initial disbursement of Award funds, the Recipient shall provide to the Project Officer a Grant Administration Plan, not to exceed five pages, that outlines how the Recipient will implement the *Authorized Scope of Work*. The plan must include the following information:
- A. A list of tasks that Recipient will undertake to implement the *Authorized Scope of Work* at a sufficient level of detail to allow EDA to monitor Recipient's progress in implementing the project. The list of tasks must be consistent with the *Authorized Scope of Work* and the Project Narrative submitted as part of Recipient's application;

- B. The expected outputs and outcomes of the project;
- C. A completed Form SF-424A, "Budget Information - Non-Construction Programs" showing a line-item budget for performance of the award and a Budget Narrative that aligns with both Form SF-424A and the list of tasks;
- D. A Staffing Plan showing the individuals or positions that will charge time to the Award along with salary, percentage of effort, and estimated total amount each individual will charge to the Award; and
- E. A timeline for implementing the tasks identified.

Upon approval by EDA, the Grant Administration Plan shall be incorporated into and become an enforceable part of these Specific Award Conditions. The approved line item budget will become the *Authorized Budget* (Attachment 3), and the approved staffing plan will become the *Authorized Staffing Plan* (Attachment 4).

- 17. DUTY TO REFRAIN FROM EMPLOYING CERTAIN EDA EMPLOYEES:** For the two-year period beginning on the date the Grants Officer executes this Award, Recipient agrees that it will not employ, offer any office or employment to, or retain for professional services any person who, on the date the Grants Officer executes this Award or within the one-year period prior to that date: (a) served as an officer, attorney, agent, or employee of EDA; and (b) occupied a position or engaged in activities that the Assistant Secretary for Economic Development determines involved discretion with respect to the granting of financial assistance under the American Rescue Plan Act (Pub. L. 117-2).

This Specific Award Condition is not applicable if Recipient is an Indian Tribe, a State, county, city, or other political subdivision of a State, or a public institution of higher education.

The two-year period and associated restrictions referenced above also shall apply beginning on the date the Grants Officer executes any cost amendment to this Award that provides additional funds to Recipient.

- 18. WASTE, FRAUD AND ABUSE:** Consistent with 2 C.F.R. part 200, at EDA's direction, at any time(s) during the estimated useful life of the Project, Recipient's key personnel will take a training on preventing waste, fraud and abuse as provided by the Government. Key personnel include those responsible for managing the Recipient's finances and overseeing any contractors, sub-contractors or sub-grantees (for financial matters and/or general oversight related to this Project). EDA will provide instructions on when and how to take the training. Within sixty days of accepting the EDA Financial Assistance Award, the Recipient shall provide to the Project Officer all Certificates of Completion for the Waste, Fraud, and Abuse training. In the event there are co-recipients of this Award, the

obligations in the Specific Award Condition shall apply to all recipients whether or not designated in this Award as the Lead Recipient.

Further, Recipient will monitor award activities for common fraud schemes (hereinafter “Fraud Schemes”), such as but not limited to:

- false claims for materials and labor,
- bribes related to the acquisition of materials and labor,
- product substitution,
- mismarking or mislabeling on products and materials, and
- time and materials overcharging.

Should Recipient detect any Fraud Schemes or any other suspicious activity, Recipient will contact the EDA staff listed above and the Department of Commerce, Office of Inspector General, as indicated at <https://www.oig.doc.gov/Pages/Contact-Us.aspx>, as soon as possible.

ATTACHMENT 1

Authorized Scope of Work for the Statewide Planning Program

The Scope of Work for this Award includes authorized activities to prevent, prepare for, and respond to the coronavirus (COVID-19) pandemic or respond to economic injury as a result of coronavirus. Such activities shall include one or more of the following pre-approved grant activities that shall focus on the economic development and recovery for the state:

- Developing economic development plans that identify new or existing industry clusters that would benefit from specific infrastructure, studies, and/or workforce investments to facilitate rapid expansion of such industry clusters. These plans may be designed specifically to facilitate future applications to EDA's ARPA Build Back Better Regional Challenge NOFO by, at a minimum, identifying projects that could promote the establishment or expansion of an industry clusters. For states negatively impacted by the downturn in the coal economy, EDA expects that the plans developed under this activity will specifically address the economic effects of the transition away from coal and expansion or creation of industry clusters to support affected communities.
- Bringing together potentially disparate existing local and regional plans, such as Comprehensive Economic Development Strategies (CEDS), or state and local plans under the Workforce Innovation and Opportunity Act (WIOA), into one holistic and inclusive state-wide plan or a plan that encompasses multiple regions within a state or across state lines including strengthening links between urban and rural areas. Any such plan should adhere to EDA's CEDS guidelines, take into account the needs of all populations, including Tribal, other indigenous communities, or other underserved communities, including rural communities and persistent poverty communities, and consider positive responses to current and long-term market dynamics driving the state's economic well-being and global competitiveness.
- Analyzing the needs of persistent poverty communities and formulating strategies to decrease disparities between these areas and more prosperous areas within a state.
- Facilitating coordination with Tribes or other indigenous communities regarding State, regional, or local planning efforts that intersect with the Tribes' interests and are supported by impacted Tribal communities.
- Hiring disaster recovery coordinators, including possibly extending the terms of disaster recovery coordinators hired by local Economic Development Districts pursuant to EDA's CARES Act funding.
- Supporting statewide broadband data collection and mapping efforts and developing statewide broadband deployment and technical assistance plans.
- Conducting a statewide skills assessment and analysis to help inform workforce development and training needs based on employers' demand for skills, including

coordination with the state labor market information agency and the state workforce development board.

- Cataloging state innovation and entrepreneurship assets including mechanisms to access capital and equity financing to support business development and expansion and gaps in access to capital for underserved rural and urban communities.
- Undertaking a statewide supply chain and logistics assessment to increase efficiencies.
- Identifying state assets and economic resources and developing action plans that will benefit the state's economy in a regional and global marketplace.
- Other related activities as approved in writing by EDA.

ATTACHMENT 2

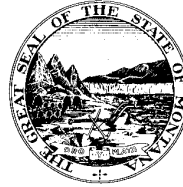
Project Contact Information

RECIPIENT INFORMATION:

Mary Craigle Bureau Chief Phone: (406) 841-2715 Email: mary.craigle@mt.gov	Montana Department of Commerce 301 S. Park Helena, MT 59620-0501
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EDA INFORMATION:

EDA Project Team	Roles and Responsibilities
Angela B. Martinez Regional Director Phone: 303-844-3909 Email: amartinez@eda.gov	<u>Grants Officer</u> : Authorized to award, amend, suspend, and terminate financial assistance awards.
Jeff Burton Administrative Director Phone: 303-844-4704 Email: jburton@eda.gov	<u>Program Officer</u> : Oversees the programmatic aspects of this Award.
Jane Reimer Community Planner Phone: 303-844-4090 Email: jreimer@eda.gov	<u>Project Officer</u> : Responsible for day-to-day administration of this Award; liaises with Recipient and receives all reports and payment requests.



AN ACT APPROPRIATING MONEY TO VARIOUS STATE AGENCIES FOR THE BIENNIUM ENDING JUNE 30, 2025; AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Short title.** [This act] may be cited as "The General Appropriations Act of 2023".

NEW SECTION. **Section 2. First level expenditures.** The agency and program appropriation tables in the legislative fiscal analyst narrative accompanying this bill, showing first level expenditures and funding for the 2025 biennium, are adopted as legislative intent.

NEW SECTION. **Section 3. Severability.** If any section, subsection, sentence, clause, or phrase of [this act] is for any reason held unconstitutional, the decision does not affect the validity of the remaining portions of [this act].

NEW SECTION. **Section 4. Appropriation control.** An appropriation item designated "Biennial" may be spent in either year of the biennium. An appropriation item designated "Restricted" may be used during the biennium only for the purpose designated by its title and as presented to the Legislature. An appropriation item designated "One Time Only" or "OTO" may not be included in the present law base for the 2027 biennium. The Office of Budget and Program Planning shall establish a separate appropriation on the statewide accounting, budgeting, and human resource system for any item designated "Biennial", "Restricted", "One Time Only", or "OTO". The Office of Budget and Program Planning shall establish at least one appropriation on the statewide accounting, budgeting, and human resource system for any appropriation that appears as a separate line item in [this act].

NEW SECTION. **Section 5. Appropriation Control.** The Office of Budget and Program Planning shall establish a separate appropriation on the statewide accounting, budgeting, and human resource system for the funding included in each Executive Branch agency's budget to pay fixed cost allocations for the State Information Technology Services Division of the Department of Administration. The appropriations must be designated as restricted.

NEW SECTION. **Section 6. Program definition.** As used in [this act], "program", which has the same meaning as defined in 17-7-102, is consistent with the management and accountability structure established on the statewide accounting, budgeting, and human resource system, and is identified as a major subdivision of an agency ordinally numbered with an Arabic numeral.

NEW SECTION. **Section 7. Personal services funding -- 2027 biennium.** (1) Except as provided in subsection (2), present law and new proposal funding budget requests for the 2025 biennium submitted under Title 17, chapter 7, part 1, by each Executive, Judicial, and Legislative Branch agency must include funding of first level personal services separate from funding of other expenditures. The funding of first level personal services by fund or equivalent for each fiscal year must be shown at the fourth reporting level or equivalent in the budget request for the 2027 biennium submitted by November 1 to the legislative fiscal analyst by the Office of Budget and Program Planning.

(2) The provisions of subsection (1) do not apply to the Montana University System.

NEW SECTION. **Section 8. Totals not appropriations.** The totals shown in [this act] are for informational purposes only and are not appropriations.

NEW SECTION. **Section 9. Effective date.** [This act] is effective July 1, 2023.

NEW SECTION. **Section 10. Appropriations.** The following money is appropriated for the respective fiscal years:

	<u>Fiscal 2024</u>					<u>Fiscal 2025</u>						
	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>
A. GENERAL GOVERNMENT												
LEGISLATIVE BRANCH (11040)												
1.	Legislative Services Division (20)											
	14,915,523	249,523	0	0	0	15,165,046	15,192,840	51,028	0	0	0	15,243,868
	a. Session Financial Automation Project (Restricted/OTO)											
	1,196,250	0	0	0	0	1,196,250	1,030,750	0	0	0	0	1,030,750
	b. Legal Services (Biennial/OTO)											
	25,000	0	0	0	0	25,000	25,000	0	0	0	0	25,000
2.	Legislative Committees and Activities (21)											
	1,868,192	0	0	0	0	1,868,192	1,133,601	0	0	0	0	1,133,601
3.	Fiscal Analysis and Review (27)											
	3,246,888	0	0	0	0	3,246,888	3,324,747	0	0	0	0	3,324,747
	a. Pension Actuarial Analysis (OTO)											
	65,000	0	0	0	0	65,000	50,000	0	0	0	0	50,000
4.	Audit and Examination (28)											
	3,443,101	2,177,842	0	0	0	5,620,943	3,442,886	2,175,742	0	0	0	5,618,628
<hr/>												
Total	24,759,954	2,427,365	0	0	0	27,187,319	24,199,824	2,226,770	0	0	0	26,426,594

All appropriations for the Legislative Branch are biennial.

The Legislative Services Division includes a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund.

Unspent appropriations in HB 2 for the Session Financial Automation Project must be transferred into the Legislative Branch reserve account defined in 5-11-407 by June 30, 2025.

Audit and Examination includes general fund appropriations of \$125,396 in FY 2024 and \$125,396 in FY 2025 and state special revenue reductions of \$185,854 in FY 2024 and \$185,854 in FY 2025. The increase in general fund and reduction of state special revenue is contingent on the passage and approval of HB 132.

It is the intent of the Legislature that, absent clear evidence that the Pension Actuarial Analysis contract has not been sufficiently utilized at the end of the 2025 biennium, the same



General Fund	State Special Revenue	Fiscal 2024			Total	General Fund	State Special Revenue	Fiscal 2025			Total
		Federal Special Revenue	Proprietary	Other				Federal Special Revenue	Proprietary	Other	

funding, adjusted for inflation, be included as one-time-only in the Legislative Fiscal Division's budget request for the 2027 biennium. It is the intent of the Legislature that the 2025 Legislature evaluate the results of the actuarial analyses utilized during the 2025 biennium.

It is the intent of the Legislature that the Legislative Services Division report to the General Government Interim Budget Committee at each quarterly meeting during the interim on its progress in hiring FTE that were requested as new proposals and that received personal services appropriations in the 2025 biennium. It is the intent of the Legislature that the Legislative Services Division report to the General Government Interim Budget Committee at each quarterly meeting during the interim on its expenditures from its new Legal Services and information technology projects appropriations in the 2025 biennium.

If HB 260 is not passed and approved with at least one additional personal staff for the Speaker of the House of Representatives and at least one additional personal staff for the President of the Senate, Legislative Committees and Activities is reduced by \$226,592 general fund in FY 2024 and \$113,296 general fund in FY 2025.

CONSUMER COUNSEL (11120)

1.	Administration Program (01)	0	1,576,369	0	0	0	1,576,369	0	1,592,613	0	0	0	1,592,613
	a. Caseload Contingency (Restricted/Biennial/OTO)	0	150,000	0	0	0	150,000	0	150,000	0	0	0	150,000
Total		0	1,726,369	0	0	0	1,726,369	0	1,742,613	0	0	0	1,742,613

The Administration Program includes a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund.

GOVERNOR'S OFFICE (31010)

1.	Executive Office Program (01)	3,394,695	0	0	0	0	3,394,695	3,404,013	0	0	0	0	3,404,013
2.	Executive Residence Operations Program (02)	49,093	0	0	0	0	49,093	129,740	0	0	0	0	129,740
3.	Office of Budget and Program Planning (04)	3,226,292	0	0	0	0	3,226,292	3,238,363	0	0	0	0	3,238,363



	<u>Fiscal 2024</u>					<u>Fiscal 2025</u>						
	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>
a. Legislative Audit (Restricted/Biennial)	91,807	0	0	0	0	91,807	0	0	0	0	0	0
4. Office of Indian Affairs (05)	206,851	50,000	0	0	0	256,851	208,058	50,000	0	0	0	258,058
5. Mental Disabilities Board of Visitors (20)	475,632	0	0	0	0	475,632	477,109	0	0	0	0	477,109
Total	7,444,370	50,000	0	0	0	7,494,370	7,457,283	50,000	0	0	0	7,507,283

The Executive Office Program, Executive Residence Operations Program, Office of Budget and Program Planning, Office of Indian Affairs, and Mental Disabilities Board of Visitors include a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund.

COMMISSIONER OF POLITICAL PRACTICES (32020)

1. Administration Program (01)	870,426	0	0	0	0	870,426	875,311	0	0	0	0	875,311
a. Legislative Audit (Restricted/Biennial)	22,392	0	0	0	0	22,392	0	0	0	0	0	0
Total	892,818	0	0	0	0	892,818	875,311	0	0	0	0	875,311

The Administration Program includes a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund.

If HB 132 is passed and approved by the Legislature, Legislative Audit is void.

The Commissioner of Political Practices includes an increase in general fund of \$6,560 in FY 2024 and \$8,173 in FY 2025. The increase was provided to offset inflationary impacts.

If HB 774 is passed and approved, the Commissioner of Political Practices is increased by \$90,170 general fund in FY 2024 and \$84,570 general fund in FY 2025, and the Commissioner of Political Practices may increase full-time equivalent positions authorized in HB 2 by 1.50 FTE in FY 2024 and 1.50 FTE in FY 2025.

	<u>Fiscal 2024</u>					<u>Fiscal 2025</u>						
	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>
OFFICE OF THE STATE AUDITOR (34010)												
1.	Central Management Division (01)											
	0	2,241,966	0	0	0	2,241,966	0	2,249,550	0	0	0	2,249,550
a.	Legislative Audit (Restricted/Biennial)											
	0	13,944	0	0	0	13,944	0	0	0	0	0	0
2.	Insurance Program Division (03)											
	0	15,565,325	34,100,000	0	0	49,665,325	0	15,601,501	34,100,000	0	0	49,701,501
a.	Legislative Audit (Restricted/Biennial)											
	0	40,088	0	0	0	40,088	0	0	0	0	0	0
b.	Captive Regulatory Fund (OTO)											
	0	50,000	0	0	0	50,000	0	150,000	0	0	0	150,000
c.	Exams Bureau (OTO)											
	0	220,000	0	0	0	220,000	0	320,000	0	0	0	320,000
d.	Market Conduct Exams (OTO)											
	0	1,000,000	0	0	0	1,000,000	0	1,000,000	0	0	0	1,000,000
e.	HB 291 Defrayal Benefit Mandated Costs (Restricted)											
	20,000	0	0	0	0	20,000	20,000	0	0	0	0	20,000
3.	Securities Program Division (04)											
	0	1,490,670	0	0	0	1,490,670	0	1,500,162	0	0	0	1,500,162
a.	Legislative Audit (Restricted/Biennial)											
	0	10,457	0	0	0	10,457	0	0	0	0	0	0
b.	Case Management Software (Biennial/OTO)											
	0	100,000	0	0	0	100,000	0	0	0	0	0	0
<hr/>												
Total	20,000	20,732,450	34,100,000	0	0	54,852,450	20,000	20,821,213	34,100,000	0	0	54,941,213

The Central Management Division, Insurance Program Division, and Securities Program Division include a one-time-only reduction in FY 2024 and FY 2025 for a suspension of

General Fund	State Special Revenue	Fiscal 2024				Total	General Fund	State Special Revenue	Fiscal 2025			Total
		Federal Special Revenue	Proprietary	Other	Federal Special Revenue				Proprietary	Other		

insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund.

If HB 62 is passed and approved, the State Auditor's Office is increased by \$3,840 state special revenue in FY 2024 and \$3,840 state special revenue in FY 2025.

If HB 758 is passed and approved, the State Auditor's Office is increased by \$4,852,080 general fund in FY 2024 and \$9,704,160 general fund in FY 2025. Appropriations are restricted to the purposes included in the bill.

If HB 808 is passed and approved, the State Auditor's Office is increased by \$3,840 state special revenue in FY 2024 and \$3,840 state special revenue in FY 2025.

If HB 836 is passed and approved, the State Auditor's Office is increased by \$5,020 state special revenue in FY 2024 and \$4,000 state special revenue in FY 2025.

If SB 516 is passed and approved, the State Auditor's Office is increased by \$137,393 general fund in FY 2025.

DEPARTMENT OF REVENUE (58010)

1.	Director's Office (01)	7,680,670	369,744	0	174,714	0	8,225,128	7,733,676	371,403	0	178,203	0	8,283,282
	a. Legislative Audit (Restricted/Biennial)	206,007	0	0	0	0	206,007	0	0	0	0	0	0
	b. SB 212 Funding Reappraisal Information to Taxpayers (Biennial)	12,500	0	0	0	0	12,500	12,500	0	0	0	0	12,500
2.	Technology Services Division (02)	9,520,440	166,656	0	264,490	0	9,951,586	9,653,605	166,639	0	264,439	0	10,084,683
	a. TSD Staff Overtime for GenTax Upgrade (Restricted/Biennial/OTO)	100,000	0	0	0	0	100,000	0	0	0	0	0	0
3.	Alcoholic Beverage Control Division (03)	0	0	0	3,247,185	0	3,247,185	0	0	0	3,255,586	0	3,255,586
	a. ABCD Overtime (Restricted/Biennial/OTO)	0	0	0	75,000	0	75,000	0	0	0	75,000	0	75,000
	b. ABCD Termination Payout (Restricted/Biennial/OTO)	0	0	0	60,000	0	60,000	0	0	0	60,000	0	60,000
4.	Cannabis Control Division (04)	0	3,836,127	0	0	0	3,836,127	0	3,859,593	0	0	0	3,859,593

	<u>Fiscal 2024</u>					<u>Fiscal 2025</u>						
	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>
a. CCD Contract Increase (Restricted)	0	1,125,400	0	0	0	1,125,400	0	1,625,400	0	0	0	1,625,400
5. Information Management and Collections Division (05)	6,714,658	146,610	0	16,896	0	6,878,164	6,763,949	146,597	0	16,890	0	6,927,436
6. Business and Income Taxes Division (07)	11,319,221	766,460	502,175	0	0	12,587,856	11,358,503	763,290	502,287	0	0	12,624,080
7. Property Assessment Division (08)	24,574,178	17,276	0	0	0	24,591,454	24,733,662	17,276	0	0	0	24,750,938
Total	60,127,674	6,428,273	502,175	3,838,285	0	70,896,407	60,255,895	6,950,198	502,287	3,850,118	0	71,558,498

Alcoholic Beverage Control Division proprietary funds necessary to maintain adequate inventories, pay freight charges, and transfer profits and taxes to appropriate accounts are appropriated from the liquor enterprise fund to the department in the amounts not to exceed \$220 million in FY 2024 and \$220 million in FY 2025. These costs are used to maintain adequate inventories necessary to meet statutory requirements, pay freight charges, and transfer profits and taxes to appropriate accounts.

The department is appropriated \$2 million in the general fund each year of the 2025 biennium for payments to local governing bodies to 15-1-402(6)(d). Local governments may request partial reimbursement of protested taxes from the general fund if the final assessed value of a centrally assessed or industrial property is reduced less than 75% of the initial assessed value after resolution of an appeal.

Pursuant to 16-12-111, the Cannabis Control Division is appropriated an amount not to exceed \$81 million in FY 2024 and \$91.1 million in FY 2025 for transfers of cannabis revenue to other state special revenue funds and the general fund.

The Director's Office, Technology Services Division, Alcoholic Beverage Control Division, Information Management and Collections Division, Business and Income Taxes Division, and Property Assessment Division include a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund.

If both HB 2 and HB 128 are passed and approved, then [section 30] of HB 128 is void.

The Director's Office includes an increase in general fund of \$56,099 in FY 2024 and \$70,505 in FY 2025, state special revenue of \$7,726 in FY 2024 and \$8,633 in FY 2025, and proprietary funds of \$18,955 in FY 2024 and \$22,453 in FY 2025. The increase was provided to offset inflationary impacts. The agency may allocate this increase in funding among programs when developing 2025 biennium operating plans.

If HB 189 is passed and approved, the Department of Revenue is increased by \$77,132 general fund in FY 2024 and \$50,348 general fund in FY 2025, and the Department of Revenue

General Fund	State Special Revenue	Fiscal 2024				Total	General Fund	State Special Revenue	Fiscal 2025			Total
		Federal Special Revenue	Proprietary	Other	Federal Special Revenue				Proprietary	Other		

may increase full-time equivalent positions authorized in HB 2 by 1.00 FTE in FY 2024 and 0.50 FTE in FY 2025.

If HB 192 is passed and approved, the Department of Revenue is increased by \$692,617 state special revenue in ~~FY 2025~~ FY 2024, and the Department of Revenue may increase full-time equivalent positions authorized in HB 2 by 6.00 FTE in ~~FY 2025~~ FY 2024.

If HB 223 is passed and approved, the Department of Revenue is increased by \$75,354 general fund in FY 2024 and \$2,380 general fund in FY 2025, and the Department of Revenue may increase full-time equivalent positions authorized in HB 2 by 1.00 FTE in FY 2024.

If HB 828 is passed and approved, the Department of Revenue is increased by \$548,347 general fund in FY 2024 and \$96,793 general fund in FY 2025, and the Department of Revenue may increase full-time equivalent positions authorized in HB 2 by 1.00 FTE in FY 2024 and 1.00 FTE in FY 2025.

If HB 906 is passed and approved, the Department of Revenue is increased by \$2,164,196 general fund in FY 2024 and \$153,915 general fund in FY 2025, and the Department of Revenue may increase full-time equivalent positions authorized in HB 2 by 27.00 FTE in FY 2024 and 2.00 FTE in FY 2025.

If HB 943 is passed and approved, the Department of Revenue is increased by \$67,384 general fund in FY 2024 and \$65,338 general fund in FY 2025, and the Department of Revenue may increase full-time equivalent positions authorized in HB 2 by 1.00 FTE in FY 2024 and 1.00 FTE in FY 2025.

If HB 948 is passed and approved, the Department of Revenue is increased by \$213,139 state special revenue in FY 2024 and \$210,231 state special revenue in FY 2025, and the Department of Revenue may increase full-time equivalent positions authorized in HB 2 by 2.00 FTE in FY 2024 and 2.00 FTE in FY 2025.

If SB 14 is passed and approved, the Department of Revenue is increased by \$405,328 general fund in FY 2024 and \$196,460 general fund in FY 2025, and the Department of Revenue may increase full-time equivalent positions authorized in HB 2 by 2.00 FTE in FY 2024 and 2.00 FTE in FY 2025.

If SB 529 is passed and approved, the Department of Revenue is increased by \$93,347 general fund in FY 2024 and \$91,793 general fund in FY 2025, and the Department of Revenue may increase full-time equivalent positions authorized in HB 2 by 1.00 FTE in FY 2024 and 1.00 FTE in FY 2025.

If SB 555 is passed and approved, the Department of Revenue is increased by \$94,651 general fund in FY 2025, and the Department of Revenue may increase full-time equivalent positions authorized in HB 2 by 1.00 FTE in FY 2025.

If SB 530 is passed and approved, the Department of Revenue is increased by \$6,000 general fund in FY 2024.

DEPARTMENT OF ADMINISTRATION (61010)

1.	Director's Office (01)	32,048,674	0	12,707	0	0	32,061,381	33,746,779	0	12,707	0	0	33,759,486
	a. Establish the Office of Public Info Requests (OTO)	202,319	0	0	0	0	202,319	0	0	0	0	0	0
2.	Governor Elect Program (02)												

	<u>Fiscal 2024</u>					<u>Fiscal 2025</u>						
	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>
	0	0	0	0	0	0	0	0	0	0	0	0
a. Governor Elect Appropriation (OTO)	0	0	0	0	0	0	75,000	0	0	0	0	75,000
3. State Financial Services Division (03)	3,267,250	224,642	5,828	80,374	0	3,578,094	3,289,445	232,245	5,828	80,370	0	3,607,888
a. Legislative Audit (Restricted/Biennial)	0	309	0	0	0	309	0	0	0	0	0	0
4. Architecture and Engineering Division (04)	0	2,701,215	0	0	0	2,701,215	0	2,668,787	0	0	0	2,668,787
a. Legislative Audit (Restricted/Biennial)	0	3,756	0	0	0	3,756	0	0	0	0	0	0
5. Banking and Financial Institutions Division (14)	0	4,702,702	0	0	0	4,702,702	0	4,726,521	0	0	0	4,726,521
a. Legislative Audit (Restricted/Biennial)	0	7,300	0	0	0	7,300	0	0	0	0	0	0
6. Montana State Lottery (15)	0	0	0	6,347,328	0	6,347,328	0	0	0	6,334,942	0	6,334,942
a. Legislative Audit (Restricted/Biennial)	0	0	0	149,492	0	149,492	0	0	0	0	0	0
7. State Human Resources Division (23)	2,157,275	0	0	0	0	2,157,275	2,169,811	0	0	0	0	2,169,811
8. Montana Tax Appeal Board (37)	713,904	0	0	0	0	713,904	715,773	0	0	0	0	715,773
Total	38,389,422	7,639,924	18,535	6,577,194	0	52,625,075	39,996,808	7,627,553	18,535	6,415,312	0	54,058,208

The Director's Office, State Financial Services Division, Architecture and Engineering Division, Banking and Financial Institutions Division, Montana State Lottery, State Human



General Fund	State Special Revenue	Fiscal 2024				Total	General Fund	State Special Revenue	Fiscal 2025				Total
		Federal Special Revenue	Proprietary	Other	Federal Special Revenue				Proprietary	Other			

Resources Division, and Montana Tax Appeal Board include a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund.

The State Financial Services Division includes an increase in general fund of \$41,499 in FY 2024 and \$51,589 in FY 2025 and state special revenue of \$26,270 in FY 2024 and \$32,615 in FY 2025. The Montana State Lottery includes an increase in proprietary funds of \$34,205 in FY 2024 and \$39,562 in FY 2025. The increases were provided to offset inflationary impacts. The Department of Administration may allocate these increases in funding among programs when developing 2025 biennium plans.

If HB 314 is passed and approved, the Department of Administration is increased by \$1,000 proprietary funds in FY 2024 and \$1,000 proprietary funds in FY 2025.

If SB 11 is passed and approved, the Department of Administration is increased by \$907,600 general fund in FY 2024 and \$62,000 general fund in FY 2025.

DEPARTMENT OF COMMERCE (65010)

1.	Business Montana Division (51)	3,009,547	2,430,502	856,771	0	0	6,296,820	3,018,221	2,431,132	857,896	0	0	6,307,249
	a. Legislative Audit (Restricted/Biennial)	4,742	459	1,920	0	0	7,121	0	0	0	0	0	0
2.	Brand Montana Division (52)	0	289,792	0	0	0	289,792	0	291,415	0	0	0	291,415
	a. Legislative Audit (Restricted/Biennial)	0	54,255	0	0	0	54,255	0	0	0	0	0	0
3.	Community Montana Division (60)	1,409,498	4,817,886	8,189,097	0	0	14,416,481	1,408,576	4,823,989	8,191,259	0	0	14,423,824
	a. Legislative Audit (Restricted/Biennial)	4,808	5,877	4,114	0	0	14,799	0	0	0	0	0	0
4.	Housing Montana Division (74)	0	0	10,086,606	0	0	10,086,606	0	0	10,088,654	0	0	10,088,654
	a. Legislative Audit (Restricted/Biennial)	0	0	8,553	0	0	8,553	0	0	0	0	0	0
5.	Board of Horseracing (78)	0	203,237	0	0	0	203,237	0	203,989	0	0	0	203,989



	<u>Fiscal 2024</u>					<u>Fiscal 2025</u>						
	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>
a. Legislative Audit (Restricted/Biennial)	0	532	0	0	0	532	0	0	0	0	0	0
b. Board of Horseracing Funding (Biennial)	250,000	0	0	0	0	250,000	250,000	0	0	0	0	250,000
6. Montana Heritage Commission (80)	0	2,442,567	0	0	0	2,442,567	0	2,456,641	0	0	0	2,456,641
a. Legislative Audit (Restricted/Biennial)	0	3,956	0	0	0	3,956	0	0	0	0	0	0
7. Director's Office (81)	721,192	31,078	608,508	0	0	1,360,778	727,973	36,382	610,854	0	0	1,375,209
a. Legislative Audit (Restricted/Biennial)	578	0	0	0	0	578	0	0	0	0	0	0
Total	5,400,365	10,280,141	19,755,569	0	0	35,436,075	5,404,770	10,243,548	19,748,663	0	0	35,396,981

The Director's Office, Business Montana Division, Community Montana Division, Housing Montana Division, and Montana Heritage Commission include a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund.

The Director's Office includes an increase in general fund of \$19,831 in FY 2024 and \$23,207 in FY 2025, state special revenue of \$22,103 in FY 2024 and \$27,407 in FY 2025, and federal special revenue of \$8,508 in FY 2024 and \$10,854 in FY 2025. The increase was provided to offset inflationary impacts. The agency may allocate this increase in funding among programs when developing 2025 biennium operating plans.

If HB 19 is passed and approved, the Department of Commerce is increased by \$59,661 general fund in FY 2024 and \$56,361 general fund in FY 2025.

If HB 355 is passed and approved, the Department of Commerce is increased by \$473,370 general fund in FY 2024 and \$457,695 general fund in FY 2025, and the Department of Commerce may increase full-time equivalent positions authorized in HB 2 by 4.75 FTE in FY 2024 and 4.75 FTE in FY 2025.

If HB 819 is passed and approved, the Department of Commerce is increased by \$56,235 one-time-only general fund in FY 2024 and \$53,950 one-time-only general fund in FY 2025, and the Department of Commerce may increase full-time equivalent positions authorized in HB 2 by 0.50 FTE in FY 2024 and 0.50 FTE in FY 2025.

If SB 522 is passed and approved, the Department of Commerce is decreased by \$75,505 state special revenue in FY 2024 and \$81,258 state special revenue in FY 2025.

If HB 898 is passed and approved, the Department of Commerce is increased by \$53,888 state special revenue in FY 2024, and the Department of Commerce may increase full-time

	<u>Fiscal 2024</u>					<u>Fiscal 2025</u>						
	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>
equivalent positions authorized in HB 2 by 0.50 FTE in FY 2024.												
If HB 314 is passed and approved, the Department of Commerce is increased by \$1,250 state special revenue in FY 2024 and \$1,250 state special revenue in FY 2025.												
DEPARTMENT OF LABOR AND INDUSTRY (66020)												
1.	Workforce Services Division (01)											
	271,895	13,000,331	15,784,056	0	0	29,056,282	271,895	13,078,914	15,834,659	0	0	29,185,468
2.	Unemployment Insurance Division (02)											
	0	6,615,975	11,924,680	0	0	18,540,655	0	6,923,414	11,692,861	0	0	18,616,275
3.	Commissioner's Office/Centralized Services Division (03)											
	316,850	780,255	562,875	0	0	1,659,980	324,021	808,745	583,724	0	0	1,716,490
4.	Employment Standards Division (05)											
	1,723,143	33,098,913	1,251,766	0	0	36,073,822	1,734,959	33,347,166	1,258,450	0	0	36,340,575
a.	Weights and Measures Equipment Request (OTO)											
	0	2,300,000	0	0	0	2,300,000	0	0	0	0	0	0
5.	Montana Community Services Division (07)											
	152,187	12,388	4,004,411	0	0	4,168,986	153,707	12,388	4,007,085	0	0	4,173,180
a.	OCS General Fund Match (OTO)											
	102,648	0	0	0	0	102,648	57,551	0	0	0	0	57,551
6.	Workers' Compensation Court (09)											
	0	830,137	0	0	0	830,137	0	833,552	0	0	0	833,552
<hr/>												
Total	2,566,723	56,637,999	33,527,788	0	0	92,732,510	2,542,133	55,004,179	33,376,779	0	0	90,923,091

The Workforce Services Division, Unemployment Insurance Division, Employment Standards Division, and Workers' Compensation Court include a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund.

If HB 292 is passed and approved, state special revenue appropriation in the Employment Standards Division is reduced by \$277,942 in FY 2024 and \$387,833 in FY 2025.

If SB 53 is not passed and approved, the Weights and Measures Equipment Request is void.

General Fund	State Special Revenue	Fiscal 2024			Total	General Fund	State Special Revenue	Fiscal 2025			Total
		Federal Special Revenue	Proprietary	Other				Federal Special Revenue	Proprietary	Other	

The Commissioner's Office/Centralized Services Division includes an increase in general fund of \$2,685 in FY 2024 and \$3,367 in FY 2025, state special revenue of \$108,901 in FY 2024 and \$133,042 in FY 2025, and federal special revenue of \$2,115 in FY 2024 and \$3,068 in FY 2025. The increase was provided to offset inflationary impacts. The agency may allocate this increase in funding among programs when developing 2025 biennium operating plans.

If HB 87 is passed and approved, the Department of Labor and Industry is increased by \$21,400 state special revenue in FY 2024 and \$21,400 state special revenue in FY 2025.

If SB 450 is passed and approved, the Department of Labor and Industry is increased by \$212,499 general fund in FY 2024 and \$207,576 general fund in FY 2025, and the Department of Labor and Industry may increase full-time equivalent positions authorized in HB 2 by 2.00 FTE in FY 2024 and 2.00 FTE in FY 2025.

If SB 284 is passed and approved, the Department of Labor and Industry is increased by \$20,220 state special revenue in FY 2024.

If SB 454 is passed and approved, the Department of Labor and Industry is decreased by \$3,025 state special revenue in FY 2024 and \$3,025 state special revenue in FY 2025.

If HB 314 is passed and approved, the Department of Labor and Industry is increased by \$9,500 general fund, \$3,000 state special revenue, and \$13,350 federal special revenue in FY 2024 and \$9,500 general fund, \$3,000 state special revenue, and \$13,350 federal special revenue in FY 2025.

DEPARTMENT OF MILITARY AFFAIRS (67010)

1.	Director's Office (01)	1,113,109	0	871,803	0	0	1,984,912	1,124,655	0	930,562	0	0	2,055,217
	a. Legislative Audit (Restricted/Biennial)	10,447	0	0	0	0	10,447	0	0	0	0	0	0
	b. DO Server Replacements (Restricted/OTO)	25,000	0	0	0	0	25,000	0	0	0	0	0	0
2.	Montana Youth Challenge Program (02)	1,304,678	0	4,083,676	0	0	5,388,354	1,314,392	0	4,112,821	0	0	5,427,213
	a. Legislative Audit (Restricted/Biennial)	2,389	0	7,166	0	0	9,555	0	0	0	0	0	0
3.	National Guard Scholarship Program (03) (Biennial)	207,362	0	0	0	0	207,362	207,362	0	0	0	0	207,362
	a. National Guard Scholarship Increase (Biennial)	42,638	0	0	0	0	42,638	42,638	0	0	0	0	42,638
4.	STARBASE Program (04)												

	Fiscal 2024					Fiscal 2025						
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	0	0	1,150,250	0	0	1,150,250	0	0	1,160,732	0	0	1,160,732
a.	Legislative Audit (Restricted/Biennial)											
	0	0	1,945	0	0	1,945	0	0	0	0	0	0
5.	Army National Guard Program (12)											
	1,861,210	420	18,668,584	0	0	20,530,214	1,920,168	420	19,043,370	0	0	20,963,958
a.	Legislative Audit (Restricted/Biennial)											
	4,375	0	48,786	0	0	53,161	0	0	0	0	0	0
b.	ARNG Contract Service Cost Increase (Restricted)											
	135,000	0	135,000	0	0	270,000	135,000	0	135,000	0	0	270,000
6.	Air National Guard Program (13)											
	399,356	0	5,559,311	0	0	5,958,667	404,058	0	5,595,118	0	0	5,999,176
a.	Legislative Audit (Restricted/Biennial)											
	1,983	0	5,950	0	0	7,933	0	0	0	0	0	0
7.	Disaster and Emergency Services Division (21)											
	1,747,581	136,756	16,366,097	0	0	18,250,434	1,751,704	136,756	16,380,779	0	0	18,269,239
a.	Legislative Audit (Restricted/Biennial)											
	8,378	0	8,378	0	0	16,756	0	0	0	0	0	0
b.	DES Disaster Preparedness Operating Adjustment (Restricted)											
	50,000	0	50,000	0	0	100,000	50,000	0	50,000	0	0	100,000
c.	DES 24/7 Duty Officer Program (Restricted)											
	45,000	0	0	0	0	45,000	45,000	0	0	0	0	45,000
8.	Veterans' Affairs Program (31)											
	9,330	3,553,585	0	0	0	3,562,915	10,927	3,443,581	0	0	0	3,454,508
a.	Legislative Audit (Restricted/Biennial)											
	0	7,685	0	0	0	7,685	0	0	0	0	0	0
b.	VA Columbia Falls Cemetery Operations (Restricted)											
	0	0	0	0	0	0	0	148,048	0	0	0	148,048

	<u>Fiscal 2024</u>					<u>Fiscal 2025</u>						
	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>
Total	6,967,836	3,698,446	46,956,946	0	0	57,623,228	7,005,904	3,728,805	47,408,382	0	0	58,143,091

The Director's Office, Montana Youth Challenge Program, STARBASE Program, Army National Guard Program, Air National Guard Program, Disaster and Emergency Services Division, and Veterans' Affairs Program include a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund.

It is the intent of the Legislature that the National Guard Scholarship Program does not expend more than its 2025 biennial appropriation.

If SB 442 is not passed and approved, state special revenue appropriation in the Veterans' Affairs Program is reduced by \$2,716,991 in FY 2024 and \$2,607,815 in FY 2025 and general fund is increased by \$1,504,891 in FY 2024 and \$1,631,015 in FY 2025.

If HB 81 is not passed and approved, VA Columbia Falls Cemetery Operations is void.

The Director's Office includes an increase in general fund of \$55,816 in FY 2024 and \$63,246 in FY 2025 and federal special revenue of \$236,014 in FY 2024 and \$294,034 in FY 2025. The increase was provided to offset inflationary impacts. The agency may allocate this increase in funding among programs when developing 2025 biennium operating plans.

If HB 669 is passed and approved and provides for an appropriation to the Veterans' Affairs Program of at least \$5 million from the general fund in the 2025 biennium, then all HB 2 general fund appropriation authority is void and HB 2 state special revenue authority will be reduced to \$844,279 in FY 2024 and \$983,814 in FY 2025 in the Veterans' Affairs Program.

If HB 298 is passed and approved, the Department of Military Affairs is decreased by \$1,544 state special revenue in FY 2024 and \$1,544 state special revenue in FY 2025.

If HB 839 is passed and approved, the Department of Military Affairs may increase full-time equivalent positions authorized in HB 2 by 1.00 FTE in FY 2025.

TOTAL SECTION A

146,569,162	109,620,967	134,861,013	10,415,479	0	401,466,621	147,757,928	108,394,879	135,154,646	10,265,430	0	401,572,883
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	<u>Fiscal 2024</u>					<u>Fiscal 2025</u>					<u>Total</u>	
	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>		
B. DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES												
DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES (69010)												
1.	Disability Employment and Transitions Division (01)											
	6,435,017	988,133	22,401,965	0	0	29,825,115	6,499,552	994,640	22,665,014	0	0	30,159,206
a.	Independent Living Svc. for the Older Blind Program (Restricted)											
	100,000	0	0	0	0	100,000	100,000	0	0	0	0	100,000
2.	Human and Community Services Division (02)											
	25,558,339	2,050,001	261,793,082	0	0	289,401,422	25,641,679	2,057,416	261,954,504	0	0	289,653,599
a.	Increase Funding to Entities That Advocate for Children in Legal Settings (Restricted/Biennial/OTO)											
	0	0	500,000	0	0	500,000	0	0	500,000	0	0	500,000
3.	Child and Family Services Division (03)											
	65,064,152	1,541,584	46,909,414	0	0	113,515,150	67,369,428	1,541,584	50,362,987	0	0	119,273,999
4.	Director's Office (04)											
	5,158,178	1,523,293	6,625,494	0	0	13,306,965	5,484,896	1,594,300	7,068,710	0	0	14,147,906
a.	Non-Medicaid Provider Rate Increase for Studied Providers (Biennial)											
	1,401,535	0	746,268	0	0	2,147,803	0	0	0	0	0	0
5.	Child Support Services Division (05)											
	3,327,668	363,312	7,910,060	0	0	11,601,040	3,349,346	363,312	7,952,140	0	0	11,664,798
6.	Business and Financial Services Division (06)											
	3,818,132	1,552,209	6,485,030	0	0	11,855,371	3,784,427	1,550,173	6,434,263	0	0	11,768,863
a.	Legislative Audit (Restricted/Biennial)											
	275,691	9,673	198,304	0	0	483,668	0	0	0	0	0	0
7.	Public Health and Safety Division (07)											
	3,217,533	14,120,660	22,383,021	0	0	39,721,214	3,238,964	14,144,634	22,492,847	0	0	39,876,445
8.	Office of Inspector General (08)											
	2,726,875	930,105	5,991,756	0	0	9,648,736	2,738,595	940,491	6,025,387	0	0	9,704,473
9.	Technology Services Division (09)											



	Fiscal 2024					Fiscal 2025						
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	24,760,151	2,288,343	46,322,827	0	0	73,371,321	25,396,794	2,302,705	47,981,890	0	0	75,681,389
10. Behavioral Health and Developmental Disabilities (10)												
	128,733,401	38,429,329	354,623,323	0	0	521,786,053	135,972,151	40,706,824	378,564,039	0	0	555,243,014
a. Medicaid Provider Rate Increase for Studied Providers (Restricted)												
	2,801,387	0	5,518,409	0	0	8,319,796	3,201,585	0	6,306,753	0	0	9,508,338
11. Health Resources Division (11)												
	250,363,803	134,354,309	1,367,192,448	0	0	1,751,910,560	249,388,073	146,317,246	1,404,752,345	0	0	1,800,457,664
a. Medicaid Provider Rate Increase for Inpatient Non-Critical Access Hospital Services												
	1,445,123	0	5,162,989	0	0	6,608,112	2,951,308	0	10,529,241	0	0	13,480,549
b. Medicaid Provider Rate Increase for Studied Providers (Restricted)												
	116,261	0	229,020	0	0	345,281	132,869	0	261,737	0	0	394,606
12. Medicaid and Health Services Management (12)												
	1,275,051	27,189	3,773,226	0	0	5,075,466	1,297,536	28,978	3,803,940	0	0	5,130,454
13. Operations Services Division (16)												
	230,578	621,254	524,327	0	0	1,376,159	238,102	622,796	529,481	0	0	1,390,379
14. Senior and Long-Term Care Division (22)												
	94,385,113	32,412,264	238,751,396	0	0	365,548,773	105,189,940	32,403,172	262,082,676	0	0	399,675,788
a. Medicaid Provider Rate Increase for Studied Providers (Restricted)												
	4,082,353	0	8,041,764	0	0	12,124,117	4,665,546	0	9,190,587	0	0	13,856,133
15. Early Childhood and Family Support Division (25)												
	12,418,986	4,221,162	68,182,940	0	0	84,823,088	12,673,351	4,218,259	68,263,670	0	0	85,155,280
a. Appropriate Tobacco Settlement SSR for Home Visiting (OTO)												
	0	125,000	375,000	0	0	500,000	0	250,000	750,000	0	0	1,000,000
b. Increase Funding for Child-Care Subsidies (Biennial/OTO)												
	500,000	0	0	0	0	500,000	500,000	0	0	0	0	500,000
c. Increase TANF Block Grant Transfer to Child Care (Restricted)												
	0	0	668,390	0	0	668,390	0	0	668,390	0	0	668,390

	<u>Fiscal 2024</u>					<u>Fiscal 2025</u>						
	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>
16. Health Care Facilities (33)	64,821,615	20,475,153	16,829,961	0	0	102,126,729	65,167,782	20,609,100	17,434,755	0	0	103,211,637
a. Facility Operations - Contract and State Staff (Restricted/OTO)	30,000,000	0	0	0	0	30,000,000	20,000,000	0	0	0	0	20,000,000
b. Facility Operations - CMS Compliance and Recertification (Restricted/Biennial/OTO)	6,114,500	0	0	0	0	6,114,500	0	0	0	0	0	0
Total	739,131,442	256,032,973	2,498,140,414	0	0	3,493,304,829	744,981,924	270,645,630	2,596,575,356	0	0	3,612,202,910

The Disability Employment and Transitions Division (DETD) is appropriated \$775,000 of state special revenue from the Montana Telecommunications Access Program (MTAP) during each year of the 2025 biennium to cover a contingent Federal Communications Commission mandate that would require states to provide both video and Internet protocol relay services for people with severe hearing, mobility, or speech impairments.

The Business and Financial Services Division and the Health Care Facilities Division include a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund.

The line item for Independent Living Svc. for the Older Blind Program is restricted to expenditures on benefits and claims.

The line item for Increase TANF Block Grant Transfer to Child Care is restricted to expenditures on child-care subsidies.

The Legislature intends that the Department of Public Health and Human Services increase the child support pass-through for eligible Temporary Assistance for Needy Families (TANF) populations from \$100 to \$200 monthly.

The line item for Increase Funding for Child-Care Subsidies on a biennial and one-time-only basis is restricted to expenditures on child-care subsidies.

Medicaid provider rate increases for nursing homes in FY 2025 are conditional on facility participation in Department of Public Health and Human Services efforts to collect quality and performance data.

The Legislature intends that all funding available and appropriated for child-care subsidies be expended only on child-care subsidies.

The refinance adopted for Medicaid expansion hospital utilization fees in the Health Resources Division is void, the appropriation of state special revenue from hospital utilization fees is increased by \$839,331 in each year of the biennium, and the appropriation of the Tobacco Health and Medicaid Initiatives fund is decreased by \$839,331 in each year of the biennium.

The line item Increase Funding to Entities That Advocate for Children in Legal Settings is restricted to grants for the specified types of entities. The Department of Public Health and Human Services shall submit a written report on the use of this funding prior to the end of FY 2025 to the Health and Human Services Interim Budget Committee.

The line item for Medicaid Provider Rate Increase for Inpatient Non-Critical Access Hospital Services is contingent on the Department of Public Health and Human Services' evaluation

<u>Fiscal 2024</u>					<u>Fiscal 2025</u>						
<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>

of the Upper Payment Limit payment methodology, including but not limited to how Medicaid rate increases impact the Upper Payment Limit, the integrity of the cost-to-charge ratio calculation, allowable reportable hospital costs, and alternative Upper Payment Limit calculation methods. The department shall also require hospitals to provide evidence annually of how the Upper Payment Limit payments impact efficiency, economy, quality of care, and access. The department may additionally assess graduated penalties to hospitals with high outlier cost-to-charge ratios.

If HB 648 is passed and approved, the appropriation for Increase Funding for Child-Care Subsidies (Biennial/OTO) is void and the appropriation for Increase TANF Block Grant Transfer to Child Care (Restricted) is void.

The appropriation for Facility Operations - CMS Compliance and Recertification is restricted to expenditures supporting compliance with Centers for Medicare and Medicaid Services (CMS) requirements at the Montana Mental Health Nursing Care Center or expenditures supporting CMS recertification at the Montana State Hospital.

The appropriation for Facility Operations - Contract and State Staff is restricted to expenditures in the Health Care Facilities Division.

The Director's Office includes an increase in general fund of \$1,052,627 in FY 2024 and \$1,340,249 in FY 2025, an increase in state special revenue of \$373,112 in FY 2024 and \$441,340 in FY 2025, and an increase of federal special revenue of \$1,417,329 in FY 2024 and \$1,834,159 in FY 2025. The increase was provided to offset inflationary impacts. The agency may allocate this increase in funding among programs when developing 2025 biennium operating plans.

If HB 29 is passed and approved, the Department of Public Health and Human Services is increased by \$91,397 general fund in FY 2024 and \$1,174,544 general fund in FY 2025.

If HB 37 is passed and approved, the Department of Public Health and Human Services is increased by \$167,641 general fund and \$207,526 federal special revenue in FY 2024 and \$148,140 general fund and \$199,168 federal special revenue in FY 2025.

If HB 147 is passed and approved, the Department of Public Health and Human Services is increased by \$20,011 general fund and \$43,288 federal special revenue in FY 2024 and \$6,000 general fund and \$18,000 federal special revenue in FY 2025.

If HB 218 is passed and approved, the Department of Public Health and Human Services is increased by \$3,406 state special revenue in FY 2024 and \$3,406 state special revenue in FY 2025.

If HB 449 is passed and approved, the Department of Public Health and Human Services is increased by \$90,345 general fund and \$159,988 federal special revenue in FY 2024 and \$179,639 general fund and \$321,027 federal special revenue in FY 2025.

If HB 544 is passed and approved, the Department of Public Health and Human Services is increased by \$183,340 general fund and \$493,598 federal special revenue in FY 2024 and \$189,094 general fund and \$506,625 federal special revenue in FY 2025.

If HB 619 is passed and approved, the Department of Public Health and Human Services is increased by \$25,200 federal special revenue in FY 2024 and \$25,200 federal special revenue in FY 2025.

If HB 648 is passed and approved, the Department of Public Health and Human Services is increased by \$144,408 general fund in FY 2024 and \$144,408 general fund in FY 2025.

If HB 655 is passed and approved, the Department of Public Health and Human Services is increased by \$8,147 general fund and \$21,529 federal special revenue in FY 2024 and \$9,080 general fund and \$24,166 federal special revenue in FY 2025.

		<u>Fiscal 2024</u>				<u>Fiscal 2025</u>					
<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>

If HB 828 is passed and approved, the Department of Public Health and Human Services is increased by \$466,558 general fund and \$45,000 federal special revenue in FY 2024 and \$13,697 general fund and \$45,000 federal special revenue in FY 2025.

If HB 862 is passed and approved, the Department of Public Health and Human Services is decreased by \$283,969 general fund in FY 2024 and \$306,164 general fund in FY 2025.

If SB 148 is passed and approved, the Department of Public Health and Human Services is increased by \$178,870 federal special revenue in FY 2024 and \$178,870 federal special revenue in FY 2025.

If SB 296 is passed and approved, the Department of Public Health and Human Services is decreased by \$446,698 general fund and increased by \$2,454,862 federal special revenue in FY 2024 and decreased by \$965,286 general fund and increased by \$5,022,895 federal special revenue in FY 2025, and the Department of Public Health and Human Services may increase full-time equivalent positions authorized in HB 2 by 1.00 FTE in FY 2024 and 1.00 FTE in FY 2025.

If SB 516 is passed and approved, the Department of Public Health and Human Services is increased by 46,969 general fund, \$15,800 state special revenue, and \$129,827 federal special revenue in FY 2024 and \$79,078 general fund, \$15,800 state special revenue, and \$250,068 federal special revenue in FY 2025, and the Department of Public Health and Human Services may increase full-time equivalent positions authorized in HB 2 by 0.50 FTE in FY 2024 and 0.50 FTE in FY 2025.

If HB 922 is passed and approved, the Department of Public Health and Human Services is increased by \$78,000 as one-time-only federal special revenue in FY 2024 and \$39,000 as one-time-only federal special revenue in FY 2025.

If HB 83 is passed and approved, the Child and Family Services Division is decreased by \$86,250 general fund, \$63,376 state special revenue, and \$592,459 federal special revenue in FY 2025.

The line item Medicaid Provider Rate Increase for Studied Providers is restricted to benefits and claims.

TOTAL SECTION B

739,131,442	256,032,973	2,498,140,414	0	0	3,493,304,829	744,981,924	270,645,630	2,596,575,356	0	0	3,612,202,910
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		<u>Fiscal 2024</u>						<u>Fiscal 2025</u>					
<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>		
C. NATURAL RESOURCES AND TRANSPORTATION													
DEPARTMENT OF FISH, WILDLIFE, AND PARKS (52010)													
1.	Technology Services Division (01)												
	0	7,608,323	167,895	0	0	7,776,218	0	7,635,257	167,895	0	0	7,803,152	
2.	Fisheries Division (03)												
	0	11,308,102	11,737,446	0	0	23,045,548	0	11,386,933	11,796,879	0	0	23,183,812	
3.	Enforcement Division (04)												
	0	12,554,043	1,546,227	0	0	14,100,270	0	12,647,268	1,547,523	0	0	14,194,791	
a.	Culvert Bear Traps (Biennial/OTO)												
	0	130,000	0	0	0	130,000	0	0	0	0	0	0	
4.	Wildlife Division (05)												
	0	8,078,850	11,389,424	0	0	19,468,274	0	8,107,354	11,482,080	0	0	19,589,434	
5.	Parks and Outdoor Recreation Division (06)												
	0	20,382,982	11,962,661	0	0	32,345,643	0	20,459,715	11,961,792	0	0	32,421,507	
a.	Fishing Access, Weed Control, and Riparian Habitat (Restricted/Biennial/OTO)												
	0	150,000	0	0	0	150,000	0	150,000	0	0	0	150,000	
b.	Fishing and Water Access Sites (Restricted/Biennial/OTO)												
	0	200,000	0	0	0	200,000	0	200,000	0	0	0	200,000	
6.	Communication and Education Division (08)												
	0	4,253,296	995,775	0	0	5,249,071	0	4,280,561	995,751	0	0	5,276,312	
7.	Administration Division (09)												
	0	22,413,794	1,813,538	0	0	24,227,332	0	22,611,050	1,848,987	0	0	24,460,037	
a.	Legislative Audit (Restricted/Biennial)												
	0	125,395	0	0	0	125,395	0	0	0	0	0	0	
b.	Instream Flow (Restricted/Biennial)												
	0	100,000	0	0	0	100,000	0	100,000	0	0	0	100,000	
c.	Angling Economic Impact Analysis (Restricted/Biennial/OTO)												

General Fund	State Special Revenue	Fiscal 2024				Total	General Fund	State Special Revenue	Fiscal 2025				Total
		Federal Special Revenue	Proprietary	Other	Federal Special Revenue				Proprietary	Other			
0	100,000	0	0	0	100,000	0	100,000	0	0	0	0	100,000	
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Total													
0	87,404,785	39,612,966	0	0	127,017,751	0	87,678,138	39,800,907	0	0	0	127,479,045	

If SB 58 is not passed and approved, HB 2 state special revenue is increased by \$2.0 million and federal revenue is decreased by \$9.0 million in each year of the biennium.

For Fishing Access, Weed Control, and Riparian Habitat, the Department of Fish, Wildlife, and Parks will report to the Environmental Quality Council; and the Joint Interim Budget Committee for Natural Resources and Transportation by the first day of December of each year of the 2025 biennium on the actual habitat enhanced and the actual areas treated for weeds.

The Department of Fish, Wildlife, and Parks will provide the completed Angling Economic Impact Analysis to the Environmental Quality Council; and the Joint Interim Budget Committee for Natural Resources and Transportation by the last day of September 2025.

It is the intent of the Legislature to consider the 2027 biennium budget for the Parks and Outdoor Recreation Division in the Department of Fish, Wildlife, and Parks from zero to the full recommended budget. The department shall explain the necessity of each reporting level (RL4) of the program budget, including the base budget for the budget submission for the 2027 biennium budget.

If HB 5 does not include funding for the Miles City Train Depot project, then state special revenue for the Parks and Outdoor Recreation Division is reduced by \$192,162 in FY 2024 and \$187,254 in FY 2025.

If SB 295 is not passed and approved, HB 2 state special revenue in the Wildlife Division is reduced by \$184,626 in FY 2024 and \$179,544 in FY 2025.

The Parks and Outdoor Recreation Division is authorized to decrease federal special revenue and increase the Hunting Access state special revenue established in 87-1-290 by a like amount if federal funds appropriated for block management expansion are not available.

The Administration Division includes an increase in state special revenue of \$509,433 in FY 2024 and \$596,916 in FY 2025 and an increase of federal special revenue of \$120,355 in FY 2024 and \$141,532 in FY 2025. The increase was provided to offset inflationary impacts. The agency may allocate this increase in funding among programs when developing 2025 biennium operating plans.

If HB 243 is passed and approved, the Department of Fish, Wildlife, and Parks is increased by \$40,168 state special revenue and \$102,504 federal special revenue in FY 2024 and \$60,707 state special revenue and \$182,120 federal special revenue in FY 2025, and the Department of Fish, Wildlife, and Parks may increase full-time equivalent positions authorized in HB 2 by 1.00 FTE in FY 2024 and 1.00 FTE in FY 2025.

If SB 533 is passed and approved, the Department of Fish, Wildlife, and Parks is increased by \$118,674 state special revenue in FY 2024 and \$64,674 state special revenue in FY 2025, and the Department of Fish, Wildlife, and Parks may increase full-time equivalent positions authorized in HB 2 by 1.00 FTE in FY 2024 and 1.00 FTE in FY 2025.

If SB 281 is passed and approved, the Department of Fish, Wildlife, and Parks is increased by \$50,625 state special revenue in FY 2024.

If SB 298 is passed and approved, the Department of Fish, Wildlife, and Parks is increased by \$64,994 state special revenue in FY 2024 and \$1,600 state special revenue in FY 2025

	<u>Fiscal 2024</u>					<u>Fiscal 2025</u>						
	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>
and \$43,519 as one-time-only state special revenue in FY 2025.												
DEPARTMENT OF ENVIRONMENTAL QUALITY (53010)												
1.	Central Management Program (10)											
	1,099,442	2,670,374	1,059,274	0	0	4,829,090	1,144,147	2,697,479	1,101,352	0	0	4,942,978
2.	Water Quality Division (20)											
	2,639,611	7,936,819	7,980,678	0	0	18,557,108	2,645,836	7,978,114	8,030,656	0	0	18,654,606
	a. Subdivision FTE (OTO)											
	439,136	0	0	0	0	439,136	413,825	0	0	0	0	413,825
3.	Waste Management and Remediation Division (40)											
	417,947	11,952,463	10,812,349	0	0	23,182,759	435,153	12,004,298	10,889,610	0	0	23,329,061
4.	Air, Energy, and Mining Division (50)											
	1,897,025	9,402,834	5,054,041	0	0	16,353,900	1,908,550	9,459,482	5,087,460	0	0	16,455,492
5.	Libby Asbestos Superfund Oversight Committee (80)											
	0	486,580	0	0	0	486,580	0	488,686	0	0	0	488,686
6.	Petroleum Tank Release Compensation Board (90)											
	0	851,702	0	0	0	851,702	0	857,972	0	0	0	857,972
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Total	6,493,161	33,300,772	24,906,342	0	0	64,700,275	6,547,511	33,486,031	25,109,078	0	0	65,142,620

The Water Quality Division is authorized to decrease federal special revenue and increase state special revenue in the drinking water and/or water pollution control revolving loan programs by a like amount within the administration account when the amount of federal capitalization funds has been expended or when federal funds and bond proceeds will be used for other program purposes.

If the Carpenter/Snow Creek or the Barker/Hughesville national priority list sites are approved for federal superfund funding by the Environmental Protection Agency, the Department of Environmental Quality is appropriated \$2.2 million in state special revenue from the Comprehensive Environmental Response, Compensation, and Liability Act bond proceeds account for the 2025 biennium.

The Central Management Program includes an increase in general fund of \$71,286 in FY 2024 and \$91,238 in FY 2025, an increase in state special revenue of \$83,840 in FY 2024

	<u>Fiscal 2024</u>					<u>Fiscal 2025</u>						
	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>
and \$109,147 in FY 2025, and an increase of federal special revenue of \$143,937 in FY 2024 and \$186,015 in FY 2025. The increase was provided to offset inflationary impacts. The agency may allocate this increase in funding among programs when developing 2025 biennium operating plans.												
If HB 364 is passed and approved, the Department of Environmental Quality is increased by 86,400 state special revenue in FY 2024 and \$92,800 state special revenue in FY 2025, and the Department of Environmental Quality may increase full-time equivalent positions authorized in HB 2 by 1.00 FTE in FY 2024 and 1.00 FTE in FY 2025.												
DEPARTMENT OF TRANSPORTATION (54010)												
1. General Operations Program (01) (Biennial)	0	31,032,328	1,560,704	0	0	32,593,032	0	31,157,766	1,564,689	0	0	32,722,455
a. Legislative Audit (Restricted/Biennial)	0	219,442	0	0	0	219,442	0	0	0	0	0	0
b. 5G Cellular Network (OTO)	0	175,000	0	0	0	175,000	0	175,000	0	0	0	175,000
2. Highways and Engineering Program (02) (Biennial)	0	100,182,722	544,701,156	0	0	644,883,878	0	107,972,026	593,460,168	0	0	701,432,194
3. Maintenance Program (03) (Biennial)	0	154,404,747	11,831,043	0	0	166,235,790	0	155,289,274	11,341,296	0	0	166,630,570
a. CARES Act II Maintenance Projects (OTO)	0	0	3,520,000	0	0	3,520,000	0	0	0	0	0	0
4. Motor Carrier Services Division (22) (Biennial)	0	9,777,505	4,896,999	0	0	14,674,504	0	9,836,777	4,918,410	0	0	14,755,187
5. Aeronautics Program (40) (Biennial)	0	1,899,948	1,380,336	0	0	3,280,284	0	1,911,226	1,385,542	0	0	3,296,768
a. Bonanza A36 Engine Replacement (Biennial/OTO)	0	85,000	0	0	0	85,000	0	0	0	0	0	0
6. Rail, Transit, and Planning Division (50) (Biennial)	0	11,730,951	36,263,876	0	0	47,994,827	0	11,816,639	37,310,255	0	0	49,126,894

General Fund	Fiscal 2024					Fiscal 2025						
	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	
Total	0	309,507,643	604,154,114	0	0	913,661,757	0	318,158,708	649,980,360	0	0	968,139,068

The department may adjust appropriations between state special revenue and federal special revenue funds if the total state special revenue authority by program is not increased by more than 10% of the total appropriations established by the Legislature.

All appropriations in the Department of Transportation are biennial.

The General Operations Program, motor pool program, equipment program, and Aeronautics Program include a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund.

The Highways and Engineering Program includes an increase in state special revenue of \$2,403,577 in FY 2024 and \$3,050,838 in FY 2025 and federal special revenue of \$5,071,822 in FY 2024 and \$6,722,361 in FY 2025. The increase was provided to offset inflationary impacts. The agency may allocate this increase in funding among programs when developing 2025 biennium operating plans.

If HB 55 is passed and approved, the Department of Transportation is increased by \$331,988 state special revenue in FY 2024 and \$140,845 state special revenue in FY 2025, and the Department of Transportation may increase full-time equivalent positions authorized in HB 2 by 3.00 FTE in FY 2024 and 1.50 FTE in FY 2025.

If HB 904 is passed and approved, the Department of Transportation is increased by \$200,000 state special revenue in FY 2024 and \$300,000 state special revenue in FY 2025.

If SB 47 is passed and approved, the Department of Transportation is increased by \$300,000 state special revenue in FY 2024 and \$300,000 state special revenue in FY 2025.

If SB 160 is passed and approved, the Department of Transportation is increased by \$358,962 state special revenue in FY 2024.

If SB 536 is passed and approved, the Department of Transportation is increased by \$100,010,980 state special revenue in FY 2024.

DEPARTMENT OF LIVESTOCK (56030)

1. Centralized Services Division (01)	296,535	2,161,168	0	0	0	2,457,703	295,386	2,168,317	0	0	0	2,463,703
a. Legislative Audit (Restricted/Biennial)	0	58,219	0	0	0	58,219	0	0	0	0	0	0
2. Animal Health Division (04)	3,692,444	2,417,200	2,296,135	0	0	8,405,779	3,716,193	2,428,733	2,308,504	0	0	8,453,430
a. MVDL Lab Equipment Purchase (Restricted/Biennial/OTO)	0	236,951	0	0	0	236,951	0	0	0	0	0	0
b. Vet Truck Purchase (Restricted/Biennial/OTO)												

	<u>Fiscal 2024</u>					<u>Fiscal 2025</u>						
	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>
	0	50,000	0	0	0	50,000	0	0	0	0	0	0
3. Brands Enforcement Division (06)	0	4,636,775	0	0	0	4,636,775	0	4,656,876	0	0	0	4,656,876
a. Brands Equipment Upgrades (Restricted/Biennial/OTO)	0	180,000	0	0	0	180,000	0	0	0	0	0	0
Total	3,988,979	9,740,313	2,296,135	0	0	16,025,427	4,011,579	9,253,926	2,308,504	0	0	15,574,009
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION (57060)												
1. Director's Office (21)	5,081,858	3,971,327	14,124	0	0	9,067,309	5,339,949	4,202,314	15,423	0	0	9,557,686
a. Legislative Audit (Restricted/Biennial)	93,282	72,419	0	0	0	165,701	0	0	0	0	0	0
b. Weather Modification Feasibility Study (Restricted/Biennial/OTO)	125,000	25,000	0	0	0	150,000	125,000	25,000	0	0	0	150,000
2. Oil and Gas Conservation Division (22)	0	2,167,589	107,879	0	0	2,275,468	0	2,178,731	107,879	0	0	2,286,610
3. Conservation and Resource Development Division (23)	1,895,929	9,659,081	308,286	0	0	11,863,296	1,917,755	9,683,376	308,286	0	0	11,909,417
a. Conservation District Augment (Restricted/Biennial/OTO)	0	750,000	0	0	0	750,000	0	1,500,000	0	0	0	1,500,000
b. Regional Water Authority Administration (OTO)	0	141,923	0	0	0	141,923	0	141,923	0	0	0	141,923
c. CARDD Infrastructure (Restricted/OTO)	75,000	75,000	0	0	0	150,000	75,000	75,000	0	0	0	150,000
4. Water Resources Division (24)												

	Fiscal 2024					Fiscal 2025						
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	12,889,794	9,002,167	286,345	0	0	22,178,306	12,852,161	9,099,460	288,655	0	0	22,240,276
a.	CSKT-Montana Compact Implementation (Restricted)											
	100,000	0	0	0	0	100,000	100,000	0	0	0	0	100,000
b.	WRD Montana Stream Gage Network Support (OTO)											
	831,598	0	0	0	0	831,598	629,453	0	0	0	0	629,453
c.	WRD Safety and Reliability of State Projects (OTO)											
	68,000	68,000	0	0	0	136,000	63,000	63,000	0	0	0	126,000
d.	WRD Willow Creek Rehab (Restricted/OTO)											
	500,000	0	0	0	0	500,000	500,000	0	0	0	0	500,000
e.	Open ET (OTO)											
	296,000	0	0	0	0	296,000	176,000	0	0	0	0	176,000
5.	Forestry and Trust Lands Divisions (35)											
	15,467,282	20,881,780	1,398,735	0	0	37,747,797	15,532,523	21,249,086	1,400,129	0	0	38,181,738
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Total	37,423,743	46,814,286	2,115,369	0	0	86,353,398	37,310,841	48,217,890	2,120,372	0	0	87,649,103

During the 2025 biennium, the Department of Natural Resources and Conservation is authorized to decrease federal special revenue in the water pollution control and/or drinking water revolving fund loan programs and increase state special revenue by a like amount within administration accounts when the amount of federal Environmental Protection Agency CAP grant funds allocated for administration of the grant have been expended or federal funds and bond proceeds will be used for other program purposes as authorized in law providing for the distribution of funds.

During the 2025 biennium, up to \$1,500,000 of funds currently in or to be deposited in the Department of Natural Resources and Conservation Indirects state special revenue account is appropriated to the department for indirect pool expenditures.

During the 2025 biennium, up to \$600,000 from the loan loss reserve account of the private loan program established in 85-1-603 is appropriated to the department for the purchase of prior liens on property held as loan security as provided in 85-1-615.

During the 2025 biennium, up to \$1 million of funds currently in or to be deposited in the Broadwater replacement and renewal account is appropriated to the department for repairing or replacing equipment at the Broadwater hydropower facility.

During the 2025 biennium, up to \$1,500,000 of funds currently in or to be deposited in the state project hydropower earnings account is appropriated to the department for the purpose

<u>Fiscal 2024</u>						<u>Fiscal 2025</u>					
<u>General</u> <u>Fund</u>	<u>State</u> <u>Special</u> <u>Revenue</u>	<u>Federal</u> <u>Special</u> <u>Revenue</u>	<u>Propri-</u> <u>etary</u>	<u>Other</u>	<u>Total</u>	<u>General</u> <u>Fund</u>	<u>State</u> <u>Special</u> <u>Revenue</u>	<u>Federal</u> <u>Special</u> <u>Revenue</u>	<u>Propri-</u> <u>etary</u>	<u>Other</u>	<u>Total</u>

of repairing, improving, or rehabilitating department state water projects.

During the 2025 biennium, up to \$100,000 of interest earned on the Broadwater water users account is appropriated to the department for the purpose of repair, improvement, or rehabilitation of the Broadwater-Missouri diversion project.

During the 2025 biennium, up to \$1 million of funds currently in or to be deposited in the contract timber harvest account is appropriated to the department for contract harvesting, a tool to improve forest health and generate revenue for trust beneficiaries.

During the 2025 biennium, up to \$150,000 of funds in the Trust Administration and Forest Improvement accounts are appropriated to the department for road maintenance on state trust lands due to damage from erosion, public use, flooding, and/or post fire or other natural disaster restoration.

During the 2025 biennium, up to \$100,000 of funds currently in or to be deposited in the Trust Administration account are appropriated to the department for agriculture and grazing management infrastructure on state trust lands and unexpected or emergency repair or replacement due to damage from public use, flooding, fire, or other natural disasters.

If HB 10 does not include an appropriation to the Department of Natural Resources and Conservation for the Financial Management System, then HB 2 general fund appropriation for the Financial Management System in the Director's Office is reduced by \$199,853 in FY 2025 and state special revenue is reduced by \$155,147 in FY 2025.

Prior to December in each year of the 2025 biennium, the Department of Natural Resources and Conservation will report to the Water Policy Interim Committee on the progress of the weather modification feasibility study.

During the 2025 biennium, up to \$3 million of earnings transferred from the conservation district fund created in HB 321 are appropriated from the conservation district account authorized in 76-15-106 for the purpose authorized in 76-15-502.

The Director's Office includes an increase in general fund of \$190,566 in FY 2024 and \$233,158 in FY 2025, an increase in state special revenue of \$239,942 in FY 2024 and \$303,694 in FY 2025, and an increase of federal special revenue of \$14,124 in FY 2024 and \$15,423 in FY 2025. The increase was provided to offset inflationary impacts. The agency may allocate this increase in funding among programs when developing 2025 biennium operating plans.

DEPARTMENT OF AGRICULTURE (62010)

1. Central Management Division (15)

289,733	1,537,133	256,050	143,715	0	2,226,631	286,658	1,554,006	251,254	144,202	0	2,236,120
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a. Legislative Audit (Restricted/Biennial)

0	55,532	0	0	0	55,532	0	0	0	0	0	0
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2. Agricultural Sciences Division (30)

391,829	8,993,781	1,058,618	0	0	10,444,228	392,455	9,034,443	1,062,948	0	0	10,489,846
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a. Chromatography Instrument (OTO)



	<u>Fiscal 2024</u>					<u>Fiscal 2025</u>						
	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>
	0	100,000	0	0	0	100,000	0	0	0	0	0	0
b. Hemp Program Resources (OTO)	125,000	0	0	0	0	125,000	125,000	0	0	0	0	125,000
c. Lab Combustion Analyzer (OTO)	0	86,000	0	0	0	86,000	0	0	0	0	0	0
3. Agricultural Development Division (50)	489,997	6,973,970	273,928	302,431	0	8,040,326	493,142	6,976,151	275,672	303,388	0	8,048,353
a. Hail Insurance System HB 10 (OTO)	0	0	0	50,000	0	50,000	0	0	0	0	0	0
b. State Grain Lab Resources (OTO)	250,000	0	0	0	0	250,000	250,000	0	0	0	0	250,000

Total	1,546,559	17,746,416	1,588,596	496,146	0	21,377,717	1,547,255	17,564,600	1,589,874	447,590	0	21,149,319
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If HB 10 does not include an appropriation to the Department of Agriculture for the Commodity Assessment System, then HB 2 state special revenue appropriation for the Commodity Assessment System in the Agricultural Development Division is reduced by \$20,000 in FY 2024 and \$20,000 in FY 2025.

The Central Management Division includes an increase in general fund of \$7,402 in FY 2024 and \$8,953 in FY 2025. The increase was provided to offset inflationary impacts. The agency may allocate this increase in funding among programs when developing 2025 biennium operating plans.

TOTAL SECTION C	49,452,442	504,514,215	674,673,522	496,146	0	1,229,136,325	49,417,186	514,359,293	720,909,095	447,590	0	1,285,133,164
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	<u>Fiscal 2024</u>					<u>Fiscal 2025</u>						
	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>
D. CORRECTIONS AND PUBLIC SAFETY												
JUDICIARY (21100)												
1.	Supreme Court Operations (01)											
	19,570,772	825,271	307,398	0	0	20,703,441	19,719,262	826,152	307,945	0	0	20,853,359
a.	Legislative Audit (Restricted/Biennial)											
	58,219	0	0	0	0	58,219	0	0	0	0	0	0
b.	Funding for Expiring Drug Courts (Restricted)											
	0	405,746	0	0	0	405,746	0	857,335	0	0	0	857,335
c.	CPC Evaluations (Restricted/Biennial/OTO)											
	0	100,000	0	0	0	100,000	0	0	0	0	0	0
d.	Continued Family Mediation (Restricted/Biennial/OTO)											
	300,000	0	0	0	0	300,000	300,000	0	0	0	0	300,000
e.	Pretrial Program (OTO)											
	843,848	0	0	0	0	843,848	843,971	0	0	0	0	843,971
2.	Law Library (03)											
	925,971	0	0	0	0	925,971	928,223	0	0	0	0	928,223
3.	District Court Operations (04)											
	33,162,769	753,963	0	0	0	33,916,732	33,296,448	754,551	0	0	0	34,050,999
4.	Water Courts Supervision (05)											
	1,042,457	1,522,235	0	0	0	2,564,692	1,049,547	1,529,284	0	0	0	2,578,831
5.	Clerk of Court (06)											
	613,676	0	0	0	0	613,676	616,733	0	0	0	0	616,733
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Total	56,517,712	3,607,215	307,398	0	0	60,432,325	56,754,184	3,967,322	307,945	0	0	61,029,451

The Supreme Court Operations program includes a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund.



General Fund	State Special Revenue	Fiscal 2024			Total	General Fund	State Special Revenue	Fiscal 2025			Total
		Federal Special Revenue	Proprietary	Other				Federal Special Revenue	Proprietary	Other	

Funding for Expiring Drug Courts is to be fully funded through opioid abatement funds received from the State of Montana v. McKinsey & Company, Inc. lawsuit.

Appropriations in CPC Evaluations may be used by the Judicial Branch to implement the Correctional Institute of Cincinnati correctional program checklist to perform evaluations on Montana drug courts.

Supreme Court Operations includes an increase in general fund of \$74,130 in FY 2024 and \$88,376 in FY 2025. The increase was provided to offset inflationary impacts. The Judicial Branch may allocate this increase in funding among programs when developing 2025 biennium operating plans.

If HB 16 is passed and approved, the Judicial Branch is increased by \$70,692 federal special revenue in FY 2024 and \$67,892 federal special revenue in FY 2025.

If HB 500 is passed and approved, the Judicial Branch is increased by \$184,965 general fund and decreased by \$184,965 state special revenue in FY 2024 and is increased by \$184,965 general fund and decreased by \$184,965 state special revenue in FY 2025.

If HB 722 is passed and approved, the Judicial Branch is increased by \$71,928 general fund in FY 2024 and \$69,345 general fund in FY 2025, and the Judicial Branch may increase full-time equivalent positions authorized in HB 2 by 1.00 FTE in FY 2024 and 1.00 FTE in FY 2025.

If SB 224 is passed and approved, the Judicial Branch is increased by \$52,000 general fund in FY 2024.

If SB 250 is passed and approved, the Judicial Branch is increased by \$7,563 general fund in FY 2024.

DEPARTMENT OF JUSTICE (41100)

1. Legal Services Division (01)

8,204,181	981,128	222,293	0	0	9,407,602	8,229,670	983,493	222,283	0	0	9,435,446
a. Litigation Funding (Restricted/Biennial/OTO)											
1,000,000	0	0	0	0	1,000,000	1,000,000	0	0	0	0	1,000,000
b. Natural Resource Damage Program Cont. (Restricted/Biennial/OTO)											
500,000	0	0	0	0	500,000	500,000	0	0	0	0	500,000
c. State Attorney's Office Prosecution Enhancement (Restricted/OTO)											
117,140	0	0	0	0	117,140	117,533	0	0	0	0	117,533

2. Montana Highway Patrol (03)

1,520,397	46,798,604	0	0	0	48,319,001	1,520,443	46,974,764	0	0	0	48,495,207
a. Equipment (Restricted/Biennial/OTO)											
0	400,000	0	0	0	400,000	0	400,000	0	0	0	400,000
b. MHP Camera System (Biennial)											



	<u>Fiscal 2024</u>					<u>Fiscal 2025</u>						
	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>
	0	700,000	0	0	0	700,000	0	700,000	0	0	0	700,000
3. Justice Information Technology Services Division (04)												
	5,167,806	875,877	2,663	10,792	0	6,057,138	5,205,209	875,835	2,663	10,792	0	6,094,499
a. Firewalls (Restricted/Biennial/OTO)												
	90,000	0	0	0	0	90,000	0	0	0	0	0	0
b. Server Replacement (Restricted/Biennial/OTO)												
	2,000,000	0	0	0	0	2,000,000	0	0	0	0	0	0
4. Division of Criminal Investigation (05)												
	11,403,500	8,030,516	1,115,540	1,919	0	20,551,475	11,257,180	8,107,631	1,120,371	2,361	0	20,487,543
a. Human Trafficking Agents and Victim Advocate (Restricted)												
	317,678	0	0	0	0	317,678	229,509	0	0	0	0	229,509
b. DCI Enhancements to Combat Crime (Restricted)												
	224,917	0	0	0	0	224,917	215,528	0	0	0	0	215,528
5. Gambling Control Division (07)												
	0	3,076,010	0	1,399,966	0	4,475,976	0	3,087,944	0	1,405,872	0	4,493,816
6. Forensic Science Division (08)												
	6,366,689	1,778,591	0	0	0	8,145,280	6,406,135	1,778,507	0	0	0	8,184,642
7. Motor Vehicle Division (09)												
	7,819,832	15,116,711	0	554,208	0	23,490,751	7,859,804	15,205,564	0	554,208	0	23,619,576
a. FAST Annual Maintenance Costs (Restricted)												
	0	2,550,000	0	0	0	2,550,000	0	2,550,000	0	0	0	2,550,000
8. Central Services Division (10)												
	2,065,728	884,382	0	37,677	0	2,987,787	2,076,987	884,349	0	37,676	0	2,999,012
a. Legislative Audit (Restricted/Biennial)												
	103,003	0	0	0	0	103,003	0	0	0	0	0	0
9. Board of Crime Control (21)												
	1,843,113	289,396	13,607,102	0	0	15,739,611	1,938,847	352,864	14,200,854	0	0	16,492,565



	<u>Fiscal 2024</u>					<u>Fiscal 2025</u>						
	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>
a. Increase Authority for Victim Services (OTO)	2,000,000	0	0	0	0	2,000,000	2,000,000	0	0	0	0	2,000,000
Total	50,743,984	81,481,215	14,947,598	2,004,562	0	149,177,359	48,556,845	81,900,951	15,546,171	2,010,909	0	148,014,876

All pass-through grant authority in the Board of Crime Control is biennial.

All remaining pass-through grant appropriations for the Board of Crime Control, up to \$100,000 in general fund money, \$180,000 in state special revenue, and \$7.0 million in federal funds, including reversions, for the 2023 biennium are authorized to continue and are appropriated in FY 2024 and FY 2025.

The Legal Services Division, Montana Highway Patrol, Justice Information Technology Services Division, Division of Criminal Investigation, Gambling Control Division, Forensic Science Division, Motor Vehicle Division, and Central Services Division include a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund.

The funding for the new position of the State Attorney's Office Prosecution Enhancement is restricted to ensure that the Department of Justice meets its statutory responsibilities under 41-3-210 and to prosecute child sexual abuse cases.

The DCI Enhancements to Combat Crime provides two new positions. One must be a computer crime investigator and one an elder justice criminal investigator.

In each year of the 2025 biennium, the FAST annual maintenance costs must be funded with \$1.55 million from the Motor Vehicle Division Administration account provided in 61-3-112 and \$1.0 million from the Motor Vehicle Information Technology System account provided in 61-3-550.

If HB 697 is passed and approved with a condition that makes the Montana Public Safety Officer Standards and Training Council an administratively attached entity in the Department of Justice, then the following must occur: the Division of Criminal Investigation is reduced by \$135,266 general fund and \$459,497 state special funds in FY 2024 and \$135,266 general fund and \$460,881 state special funds in FY 2025; the Department of Justice shall reduce full-time equivalent positions authorized in HB 2 by 3.00 FTE; there is appropriated to the Department of Justice to the credit of the Montana Public Safety Officer Standards and Training Council \$594,763 in FY 2024 and \$596,147 in FY 2025 from the Department of Justice account established in 44-10-204; and the Montana Public Safety Officer Standards and Training Council may increase full-time equivalent positions authorized in HB 2 by 3.00 FTE.

The Division of Criminal Investigation includes an increase in general fund of \$159,512 in FY 2024 and \$180,866 in FY 2025, an increase in state special revenue of \$275,511 in FY 2024 and \$315,752 in FY 2025, an increase in federal special revenue of \$5,075 in FY 2024 and \$6,066 in FY 2025, and an increase in proprietary funding of \$1,919 in FY 2024 and \$2,361 in FY 2025. The increase was provided to offset inflationary impacts. The Department of Justice may allocate this increase in funding among programs when developing 2025 biennium operating plans.

If HB 60 is passed and approved, the Department of Justice is increased by \$3,718 general fund in FY 2024.

If HB 174 is passed and approved, the Department of Justice is increased by \$226,155 general fund in FY 2024 and \$226,155 general fund in FY 2025.

General Fund	Fiscal 2024					Total	Fiscal 2025					Total
	State Special Revenue	Federal Special Revenue	Proprietary	Other	General Fund		State Special Revenue	Federal Special Revenue	Proprietary	Other		

If HB 314 is passed and approved, the Department of Justice is increased by \$100 general fund, \$11,900 state special revenue, and \$2,000 federal special revenue in FY 2024 and \$100 general fund, \$11,900 state special revenue, and \$2,000 federal special revenue in FY 2025.

If HB 402 is passed and approved, the Department of Justice is increased by \$75,000 general fund in FY 2024.

If HB 457 is passed and approved, the Department of Justice is increased by \$90,000 general fund in FY 2024 and \$90,000 general fund in FY 2025.

If HB 580 is passed and approved, the Department of Justice is increased by \$4,702 general fund and \$8,400 state special revenue in FY 2024 and \$4,702 general fund and \$8,400 state special revenue in FY 2025.

If SB 11 is passed and approved, the Montana Board of Crime Control is increased by \$76,646 general fund in FY 2024 and \$63,846 general fund in FY 2025, and the Montana Board of Crime Control may increase full-time equivalent positions 0.50 FTE in FY 2024 and 0.50 FTE in FY 2025.

If SB 13 is passed and approved, the Department of Justice is increased by \$36,000 state special revenue in FY 2024 and \$36,000 state special revenue in FY 2025.

If SB 160 is passed and approved, the Department of Justice is increased by \$3,000,000 general fund in FY 2024 and \$3,000,000 general fund in FY 2025, and the Department of Justice may increase full-time equivalent positions authorized in HB 2 by 1.00 FTE in FY 2024 and 1.00 FTE in FY 2025.

If SB 250 is passed and approved, the Department of Justice is increased by \$112,708 general fund in FY 2024 and \$57,412 general fund in FY 2025.

If SB 522 is passed and approved, the Department of Justice is increased by \$75,505 state special revenue in FY 2024 and \$81,258 state special revenue in FY 2025.

If SB 538 is passed and approved, the Department of Justice is increased by \$22,200 state special revenue in FY 2024 and \$22,200 state special revenue in FY 2025.

PUBLIC SERVICE COMMISSION (42010)

1. Public Service Regulation Program (01)

0	4,839,263	273,691	0	0	5,112,954	0	4,869,603	273,691	0	0	5,143,294
a.	Legislative Audit (Restricted/Biennial)										
0	40,306	0	0	0	40,306	0	0	0	0	0	0
b.	Software Modernization Project (REDDI) (Biennial)										
0	170,000	0	0	0	170,000	0	138,000	0	0	0	138,000
c.	Retirement Payouts (Restricted/Biennial/OTO)										
0	80,225	0	0	0	80,225	0	0	0	0	0	0

Total

0	5,129,794	273,691	0	0	5,403,485	0	5,007,603	273,691	0	0	5,281,294
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<u>General Fund</u>	<u>State Special Revenue</u>	<u>Fiscal 2024</u>			<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Fiscal 2025</u>			<u>Total</u>
		<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>				<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	

The Public Service Regulation Program includes a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund.

OFFICE OF STATE PUBLIC DEFENDER (61080)

1. Public Defender Division (01) (Biennial)

27,175,858	0	0	0	0	27,175,858	27,299,313	0	0	0	0	27,299,313
a. Yellowstone County - Continue Funding (Restricted/Biennial/OTO)											
750,000	0	0	0	0	750,000	750,000	0	0	0	0	750,000
b. Extend and Enhance OPD Case Mgmt System (Biennial/OTO)											
175,000	0	0	0	0	175,000	175,000	0	0	0	0	175,000
c. Additional Authority for Contracted Defenders (Restricted/Biennial/OTO)											
150,000	0	0	0	0	150,000	150,000	0	0	0	0	150,000
d. Funding to Reduce Necessary Attorney Gap (Restricted)											
604,971	0	0	0	0	604,971	609,148	0	0	0	0	609,148

2. Appellate Defender Division (02) (Biennial)

2,639,657	0	0	0	0	2,639,657	2,659,318	0	0	0	0	2,659,318
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3. Conflict Defender Division (03) (Biennial)

9,509,731	0	0	0	0	9,509,731	9,625,164	0	0	0	0	9,625,164
a. Additional Authority for Contracted Defenders (Restricted/Biennial/OTO)											
150,000	0	0	0	0	150,000	150,000	0	0	0	0	150,000

4. Central Services Division (04) (Biennial)

4,562,332	0	0	0	0	4,562,332	4,659,639	0	0	0	0	4,659,639
a. Legislative Audit (Restricted/Biennial)											
69,415	0	0	0	0	69,415	0	0	0	0	0	0
b. Annual Meetings (Restricted/OTO)											
75,000	0	0	0	0	75,000	75,000	0	0	0	0	75,000
c. Consistent Computer Hardware Replacement Funding (Restricted/OTO)											



General Fund	State Special Revenue	Fiscal 2024				Total	General Fund	State Special Revenue	Fiscal 2025				Total
		Federal Special Revenue	Proprietary	Other	Federal Special Revenue				Proprietary	Other			
50,000	0	0	0	0	50,000	50,000	0	0	0	0	0	50,000	
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Total													
45,911,964	0	0	0	0	45,911,964	46,202,582	0	0	0	0	0	46,202,582	

The Central Services Division includes a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund.

It is the intent of the Legislature that the appropriations for Additional Authority for Contracted Defenders will not be utilized for contractors eligible and qualified to provide defendants with adequate counsel in cases in which the state has indicated it will seek the death penalty without attempting to fully staff cases with employees.

The appropriation for Funding to Reduce Necessary Attorney Gap is restricted by the requirement that all management personnel who are members of the Montana Bar, except the director and division administrators, perform at least 25% of the average caseload of line attorneys.

If HB 132 is passed and approved by the Legislature, Legislative Audit is void.

The Conflict Defender Division includes an increase in general fund of \$87,533 in FY 2024 and \$112,620 in FY 2025. The increase was provided to offset inflationary impacts. The Office of State Public Defender may allocate this increase in funding among programs when developing 2025 biennium operating plans.

If HB 37 is passed and approved and SB 148 is not passed and approved, the Office of State Public Defender is increased by \$618,341 general fund in FY 2024 and \$618,341 general fund in FY 2025. If SB 148 is passed and approved and HB 37 is not passed and approved, the Office of State Public Defender is increased by \$407,590 general fund in FY 2024 and \$407,590 general fund in FY 2025. If both HB 37 and SB 148 are passed and approved, the Office of State Public Defender is increased by \$618,341 general fund in FY 2024 and \$618,341 general fund in FY 2025..

If HB 38 is passed and approved, the Office of State Public Defender is increased by \$19,135 general fund in FY 2024 and \$19,135 general fund in FY 2025.

If HB 111 is passed and approved, the Office of State Public Defender is reduced by \$19,620 general fund in FY 2024 and \$19,620 general fund in FY 2025.

If HB 112 is passed and approved, the Office of State Public Defender is increased by \$3,692 general fund in FY 2024 and \$3,692 general fund in FY 2025.

If HB 555 is passed and approved, the Office of State Public Defender is increased by \$31,428 general fund in FY 2024.

If SB 11 is passed and approved, the Office of State Public Defender is increased by \$1,250 general fund in FY 2024 and \$1,250 general fund in FY 2025.

If SB 13 is passed and approved, the Office of State Public Defender is increased by \$10,000 general fund in FY 2024 and \$10,000 general fund in FY 2025.

If SB 19 is passed and approved, the Office of State Public Defender is increased by \$95,850 general fund in FY 2024 and \$95,850 general fund in FY 2025.

If SB 469 is passed and approved, the Office of State Public Defender is increased by \$262,416 general fund in FY 2024 and \$262,416 general fund in FY 2025.

DEPARTMENT OF CORRECTIONS (64010)



	<u>Fiscal 2024</u>					<u>Fiscal 2025</u>						
	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>
1. Director's Office/Central Services Division (01) (Biennial)	14,394,340	512,263	0	118,803	0	15,025,406	14,445,708	510,706	0	119,201	0	15,075,615
a. Legislative Audit (Restricted/Biennial)	134,352	0	0	0	0	134,352	0	0	0	0	0	0
2. Public Safety Division (02) (Biennial)	134,565,497	1,799,099	0	0	0	136,364,596	136,243,577	1,799,093	0	0	0	138,042,670
a. Equipment/IT Upgrades (Restricted/OTO)	290,700	0	0	0	0	290,700	0	0	0	0	0	0
b. Vehicle Replacement (Restricted/OTO)	495,000	0	0	0	0	495,000	0	0	0	0	0	0
c. Prior Session Staffing Correction (OTO)	858,150	0	0	0	0	858,150	853,714	0	0	0	0	853,714
d. Additional Authority for Correctional Officers (Restricted/OTO)	1,250,000	0	0	0	0	1,250,000	1,250,000	0	0	0	0	1,250,000
3. Rehabilitations and Programs Division (03) (Biennial)	91,182,742	4,833,643	0	0	0	96,016,385	96,194,061	4,833,602	0	0	0	101,027,663
a. Efficiencies in Community Corrections (Restricted/OTO)	1,000,000	0	0	0	0	1,000,000	1,000,000	0	0	0	0	1,000,000
b. DOC Supplemental Option 1 (Restricted/OTO)	1,467,861	0	0	0	0	1,467,861	1,636,266	0	0	0	0	1,636,266
4. Board of Pardons and Parole (04)	1,216,210	0	0	0	0	1,216,210	1,217,173	0	0	0	0	1,217,173
a. ACA Accreditation (Restricted/Biennial/OTO)	15,000	0	0	0	0	15,000	15,000	0	0	0	0	15,000
Total	246,869,852	7,145,005	0	118,803	0	254,133,660	252,855,499	7,143,401	0	119,201	0	260,118,101



<u>Fiscal 2024</u>					<u>Fiscal 2025</u>						
<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>

All appropriations for the Director's Office/Central Services Division, the Public Safety Division, and the Rehabilitations and Programs Division are biennial.

The Director's Office/Central Services Division includes a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund.

Appropriations for Vehicle Replacement may be used by the Department of Corrections only to purchase the following vehicles for operation at the Montana State Prison: eight new security vehicles, one new cargo van, and one new gator vehicle.

Appropriations for Equipment/IT upgrades may be used by the Department of Corrections only to purchase the following items: one mini excavator, one manlift, additional security cameras, one warehouse forklift, one emergency generator for the Montana State Prison high side kitchen, and one security utility vehicle.

Appropriations in Efficiencies in Community Corrections may be used by the Department of Corrections to expand nonresidential capacity by moving offenders that are suitable and appropriate to be moved into the community from pre-release beds.

Appropriations in DOC Supplemental Option 1 may be utilized by the Department of Corrections to expand capacity within community corrections providers.

Appropriations in ACA Accreditation are contingent on the Montana Board of Pardons and Parole first receiving its correctional certification through the American Correctional Association.

Appropriations in Additional Authority for Correctional Officers may be used only after the Department of Corrections has fully expended all personal services appropriated for the purpose of paying correctional officers in the amount of \$67,692,715 for the 2025 biennium.

The Public Safety Division includes an increase in general fund of \$1,034,160 in FY 2024 and \$1,290,984 in FY 2025 and an increase in state special revenue of \$6,749 in FY 2024 and \$6,743 in FY 2025. The increase was provided to offset inflationary impacts. The Department of Corrections may allocate this increase in funding among programs when developing 2025 biennium operating plans.

If HB 15 is passed and approved, the Department of Corrections is increased by \$1,034 general fund in FY 2024 and \$2,211 general fund in FY 2025.

If HB 174 is passed and approved, the Department of Corrections is increased by \$1,363,752 general fund in FY 2024 and \$1,363,752 general fund in FY 2025.

If HB 398 is passed and approved, the Department of Corrections is increased by \$273,708 general fund in FY 2024 and \$265,308 general fund in FY 2025, and the Department of Corrections may increase full-time equivalent positions authorized in HB 2 by 3.00 FTE in FY 2024 and 3.00 FTE in FY 2025.

If HB 500 is passed and approved, the Department of Corrections is increased by \$34,120 general fund and decreased by \$71,796 state special revenue in FY 2024 and is increased by \$34,120 general fund and decreased by \$71,796 state special revenue in FY 2025, and the Department of Corrections must decrease full-time equivalent positions authorized in HB 2 by 0.50 FTE in FY 2024 and 0.50 FTE in FY 2025.

If HB 541 is passed and approved, the Department of Corrections is increased by \$15,000 one-time-only state special revenue in FY 2024.

TOTAL SECTION D

<u>Fiscal 2024</u>						<u>Fiscal 2025</u>					
<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>
400,043,512	97,363,229	15,528,687	2,123,365	0	515,058,793	404,369,110	98,019,277	16,127,807	2,130,110	0	520,646,304

	<u>Fiscal 2024</u>					<u>Fiscal 2025</u>						
	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>
E. EDUCATION												
OFFICE OF SUPERINTENDENT OF PUBLIC INSTRUCTION (35010)												
1.	OPI Administration (06)											
	9,773,869	309,981	17,578,041	0	0	27,661,891	9,847,881	311,859	17,734,621	0	0	27,894,361
a.	Audiology (Restricted/OTO)											
	333,692	0	0	0	0	333,692	0	0	0	0	0	0
b.	MT Indian Language Preservation (Restricted/Biennial)											
	750,000	0	0	0	0	750,000	750,000	0	0	0	0	750,000
c.	Montana Digital Academy (Restricted)											
	2,077,863	0	0	0	0	2,077,863	2,125,737	0	0	0	0	2,125,737
d.	Teacher Licensure System (Restricted/Biennial)											
	0	166,348	0	0	0	166,348	0	166,333	0	0	0	166,333
2.	Distribution to Public Schools (09)											
	0	750,000	155,735,391	0	0	156,485,391	0	750,000	155,735,391	0	0	156,485,391
a.	K-12 BASE Aid (Restricted/Biennial)											
	453,098,087	426,054,000	0	0	0	879,152,087	494,822,497	435,529,000	0	0	0	930,351,497
b.	CTE CTSO (Restricted/Biennial)											
	553,000	0	0	0	0	553,000	553,000	0	0	0	0	553,000
c.	CTE State Match (Restricted/Biennial)											
	1,500,000	0	0	0	0	1,500,000	1,500,000	0	0	0	0	1,500,000
d.	At-Risk Student Payment (Restricted/Biennial)											
	6,032,369	0	0	0	0	6,032,369	6,213,340	0	0	0	0	6,213,340
e.	Transportation (Restricted/Biennial)											
	11,998,552	0	0	0	0	11,998,552	11,998,552	0	0	0	0	11,998,552
f.	State Tuition Payments (Restricted/Biennial)											
	259,926	0	0	0	0	259,926	259,926	0	0	0	0	259,926
g.	Indian Language Immersion (Restricted/Biennial)											

General Fund	Fiscal 2024					Total	Fiscal 2025					Total
	State Special Revenue	Federal Special Revenue	Proprietary	Other	General Fund		State Special Revenue	Federal Special Revenue	Proprietary	Other		
96,970	0	0	0	0	96,970	96,970	0	0	0	0	96,970	
h.	School Food (Restricted/Biennial)											
687,954	0	0	0	0	687,954	695,954	0	0	0	0	695,954	
i.	In-State Treatment (Restricted/Biennial)											
1,152,212	0	0	0	0	1,152,212	1,161,555	0	0	0	0	1,161,555	
j.	Gifted and Talented (Restricted/Biennial)											
350,000	0	0	0	0	350,000	350,000	0	0	0	0	350,000	
k.	Advancing Agricultural Education (Restricted/Biennial)											
151,960	0	0	0	0	151,960	151,960	0	0	0	0	151,960	
l.	Transformational Learning (Restricted/Biennial)											
2,349,017	0	0	0	0	2,349,017	2,412,614	0	0	0	0	2,412,614	
m.	Advanced Opportunities (Restricted/Biennial)											
3,699,487	0	0	0	0	3,699,487	3,799,646	0	0	0	0	3,799,646	
n.	School Safety Grants (Restricted/Biennial)											
100,000	0	0	0	0	100,000	100,000	0	0	0	0	100,000	
o.	Coal MT (Restricted/Biennial)											
1,693,274	0	0	0	0	1,693,274	1,693,274	0	0	0	0	1,693,274	
p.	Major Maintenance Aid (Restricted)											
10,270,000	1,828,464	0	0	0	12,098,464	10,578,100	1,570,176	0	0	0	12,148,276	
q.	Recruitment and Retention (Restricted/Biennial)											
500,000	0	0	0	0	500,000	500,000	0	0	0	0	500,000	
r.	National Board Certification (Restricted/Biennial)											
178,940	0	0	0	0	178,940	178,588	0	0	0	0	178,588	
s.	Debt Service Assistance (Restricted)											
0	15,000,000	0	0	0	15,000,000	0	15,000,000	0	0	0	15,000,000	
t.	Adult Basic Education (Restricted/Biennial)											
525,000	0	0	0	0	525,000	525,000	0	0	0	0	525,000	

	<u>Fiscal 2024</u>					<u>Fiscal 2025</u>						
	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>
Total	508,132,172	444,108,793	173,313,432	0	0	1,125,554,397	550,314,594	453,327,368	173,470,012	0	0	1,177,111,974

All revenue up to \$1.5 million in the state traffic education account for distribution to schools under the provisions of 20-7-506 and 61-5-121 is appropriated for the 2025 biennium as provided in Title 20, chapter 7, part 5.

All appropriations for federal special revenue appropriations in OPI Administration and in Distribution to Public Schools are biennial. All general fund appropriations in Distribution to Public Schools are biennial except for major maintenance aid and debt service assistance.

OPI Administration includes a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund.

OPI Administration includes general fund operating expenses reductions of \$166,348 in FY 2024 and \$166,333 in FY 2025. If HB 403 is not passed and approved, the reduction of general fund and the appropriation for Teacher Licensure System are void and the appropriations for OPI Administration are increased by \$166,348 in general fund operating expenses in FY 2024 and \$166,333 in general fund in FY 2025. If HB 403 is passed and approved, the appropriation for Teacher Licensure System is increased by \$8,889 state special revenue operating expenses in FY 2024 and increased by \$188,904 state special revenue operating expenses in FY 2025.

If HB 257 is passed and approved, the appropriation for Advanced Opportunities is void.

If HB 587 is passed and approved, K-12 BASE Aid is increased by \$36,458,256 general fund local assistance in FY 2025. If HB 587 is not passed and approved, K-12 BASE Aid is increased by \$426,054,000 general fund local assistance in FY 2024 and \$435,529,000 general fund local assistance in FY 2025 and is decreased by \$426,054,000 state special revenue local assistance in FY 2024 and \$435,529,000 state special revenue local assistance in FY 2025.

If HB 818 is passed and approved and contains an appropriation for Major Maintenance Aid and Debt Service Assistance, the appropriations for Major Maintenance Aid and Debt Service Assistance are void.

If HB 346 is passed and approved, the appropriations for OPI Administration are decreased by \$32,000 general fund local assistance in FY 2024 and decreased by \$32,000 general fund local assistance in FY 2025.

OPI Administration includes an increase in general fund of \$54,933 in FY 2024 and \$71,349 in FY 2025, an increase in state special revenue of \$1,213 in FY 2024 and \$1,600 in FY 2025, and an increase in federal special revenue of \$110,154 in FY 2024 and \$143,330 in FY 2025. The increase was provided to offset inflationary impacts. The agency may allocate this increase in funding among programs when developing 2025 biennium operating plans.

If HB 36 is passed and approved, K-12 BASE Aid is increased by \$60,288 general fund local assistance in FY 2024 and \$299,696 general fund local assistance in FY 2025.

If HB 171 is passed and approved, OPI Administration is increased by \$81,300 general fund in FY 2024 and \$78,500 general fund in FY 2025; State Tuition Payments are decreased by \$199,015 general fund in FY 2025; In-State Treatment is increased by \$1,845,330 general fund in each fiscal year of the biennium; and the Office of Public Instruction may increase full-time

Fiscal 2024						Fiscal 2025					
<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>

equivalent positions authorized in HB 2 by 1.00 FTE in FY 2024 and 1.00 FTE in FY 2025.

If HB 212 is passed and approved, K-12 BASE Aid is increased by \$2,745,568 general fund local assistance in FY 2025.

If HB 352 is passed and approved, OPI Administration is increased by \$153,748 general fund in FY 2024 and \$148,148 general fund in FY 2025, and the Office of Public Instruction may increase full-time equivalent positions authorized in HB 2 by 2.00 FTE in FY 2024 and 2.00 FTE in FY 2025.

If HB 393 is passed and approved, OPI Administration is increased by \$17,544 general fund in FY 2024 and \$25,241 general fund in FY 2025, and the Office of Public Instruction may increase full-time equivalent positions authorized in HB 2 by 1.00 FTE in FY 2024 and 1.00 FTE in FY 2025.

If HB 396 is passed and approved, K-12 BASE Aid is increased by \$1,977,675 general fund local assistance in FY 2024 and \$2,199,656 general fund local assistance in FY 2025.

If HB 549 is passed and approved, K-12 BASE Aid is increased by \$816,893 general fund local assistance in FY 2025.

If HB 562 is passed and approved, K-12 BASE Aid is increased by \$424,542 general fund local assistance in FY 2025.

If HB 588 is passed and approved, K-12 BASE Aid is increased by \$209,361 general fund local assistance in FY 2025.

If HB 774 is passed and approved, K-12 BASE Aid is increased by \$4,738,597 general fund local assistance in FY 2025.

If SB 70 is passed and approved, Recruitment and Retention is increased by \$103,000 general fund in FY 2024 and \$166,000 general fund in FY 2025.

BOARD OF PUBLIC EDUCATION (51010)

1. Administration Program (01)

423,618	0	0	0	0	423,618	426,643	0	0	0	0	426,643
a. Legislative Audit (Restricted/Biennial)											
20,153	0	0	0	0	20,153	0	0	0	0	0	0

Total

443,771	0	0	0	0	443,771	426,643	0	0	0	0	426,643
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The Administration Program includes a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund.

The Administration Program includes general fund appropriations of \$166,348 in FY 2024 and \$166,333 in FY 2025 and state special revenue reductions of \$166,348 in FY 2024 and \$166,333 in FY 2025. The increase in general fund and reduction of state special revenue is contingent on the passage and approval of HB 403.

If HB 132 is passed and approved by the Legislature, Legislative Audit is void.

The Administration Program includes an increase in general fund of \$1,778 in FY 2024 and \$2,257 in FY 2025. The increase was provided to offset inflationary impacts. The agency

	<u>Fiscal 2024</u>					<u>Fiscal 2025</u>					<u>Total</u>	
	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>		
MONTANA SCHOOL FOR THE DEAF AND BLIND (51130)												
1. Administration Program (01)	676,007	3,394	0	0	0	679,401	678,052	3,394	0	0	0	681,446
a. Legislative Audit (Restricted/Biennial)	29,110	0	0	0	0	29,110	0	0	0	0	0	0
2. General Services Program (02)	575,394	0	0	0	0	575,394	574,981	0	0	0	0	574,981
3. Student Services Program (03)	1,904,401	0	34,729	0	0	1,939,130	1,912,594	0	34,729	0	0	1,947,323
4. Education Program (04)	5,634,704	289,863	159,587	0	0	6,084,154	5,625,749	289,863	159,587	0	0	6,075,199
Total	8,819,616	293,257	194,316	0	0	9,307,189	8,791,376	293,257	194,316	0	0	9,278,949

The Administration Program and General Services Program include a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund.

If HB 132 is passed and approved by the Legislature, Legislative Audit is void.

If HB 15 is passed and approved, the Montana School For the Deaf and Blind is increased by \$2,388 general fund in FY 2024 and \$5,105 general fund in FY 2025.

MONTANA ARTS COUNCIL (51140)

1. Promotion of the Arts (01)	604,683	215,886	782,008	0	0	1,602,577	605,840	216,633	783,735	0	0	1,606,208
a. Legislative Audit (Restricted/Biennial)	31,349	0	0	0	0	31,349	0	0	0	0	0	0

	<u>Fiscal 2024</u>					<u>Fiscal 2025</u>						
	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>
Total	636,032	215,886	782,008	0	0	1,633,926	605,840	216,633	783,735	0	0	1,606,208

All HB 2 federal funding appropriations for the Montana Arts Council are biennial appropriations.

Promotion of the Arts includes a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund.

If HB 132 is passed and approved by the Legislature, Legislative Audit is void.

If HB 314 is passed and approved, the Montana Arts Council is increased by \$2,750 general fund and \$2,750 federal special revenue in FY 2024 and \$2,750 general fund and \$2,750 federal special revenue in FY 2025.

MONTANA STATE LIBRARY COMMISSION (51150)

1. Statewide Library Resources (01)

3,127,536	2,973,109	1,496,515	0	0	7,597,160	3,175,143	2,978,502	1,498,326	0	0	7,651,971	
a. Legislative Audit (Restricted/Biennial)												
29,110	0	0	0	0	29,110	0	0	0	0	0	0	
b. Real Time Network (Restricted/OTO)												
0	500,000	0	0	0	500,000	0	500,000	0	0	0	500,000	
c. Hot Spot Program (OTO)												
0	400,000	0	0	0	400,000	0	400,000	0	0	0	400,000	

Total	3,156,646	3,873,109	1,496,515	0	0	8,526,270	3,175,143	3,878,502	1,498,326	0	0	8,551,971
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Statewide Library Resources includes a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund.

If HB 314 is passed and approved, the Montana State Library Commission is increased by \$2,100 general fund in FY 2024 and \$2,100 general fund in FY 2025.

If HB 132 is passed and approved by the Legislature, Legislative Audit is void.

	<u>Fiscal 2024</u>					<u>Fiscal 2025</u>						
	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>
MONTANA HISTORICAL SOCIETY (51170)												
1.	Administration Program (01)											
	1,480,201	498,787	129,188	294,412	0	2,402,588	1,280,945	1,154,651	129,921	327,986	0	2,893,503
	a. Legislative Audit (Restricted/Biennial)											
	49,262	0	0	0	0	49,262	0	0	0	0	0	0
	b. Temporary Location Rent and Moving Costs (Restricted/OTO)											
	134,823	0	0	0	0	134,823	107,535	0	0	0	0	107,535
2.	Research Center (02)											
	1,362,903	342,272	0	35,213	0	1,740,388	1,101,112	762,665	0	35,208	0	1,898,985
	a. Legislative Archive Costs (Restricted/Biennial/OTO)											
	0	48,000	0	0	0	48,000	0	0	0	0	0	0
3.	Museum Program (03)											
	636,495	733,760	0	3,079	0	1,373,334	387,217	1,142,129	0	3,079	0	1,532,425
	a. Military Equipment Moving and Storage (Restricted/Biennial/OTO)											
	25,000	0	0	0	0	25,000	0	0	0	0	0	0
4.	Publications Program (04)											
	254,525	0	0	351,306	0	605,831	255,730	0	0	374,935	0	630,665
5.	Education Program (05)											
	296,027	292,089	0	26,868	0	614,984	297,564	361,506	0	26,980	0	686,050
6.	Historic Preservation Program (06)											
	61,218	0	823,694	196,705	0	1,081,617	61,608	0	827,970	224,533	0	1,114,111
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Total	4,300,454	1,914,908	952,882	907,583	0	8,075,827	3,491,711	3,420,951	957,891	992,721	0	8,863,274

The Administration Program includes a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund.

If HB 132 is passed and approved by the Legislature, Legislative Audit is void.

	<u>Fiscal 2024</u>					<u>Fiscal 2025</u>						
	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>
COMMISSIONER OF HIGHER EDUCATION (51020)												
1.	OCHE Administration Program (01)											
	3,767,763	0	0	723,465	0	4,491,228	3,790,759	0	0	723,465	0	4,514,224
	a. Legislative Audit (Restricted/Biennial)											
	71,655	0	0	0	0	71,655	0	0	0	0	0	0
	b. Seamless System (Restricted/OTO)											
	1,500,000	0	0	0	0	1,500,000	1,500,000	0	0	0	0	1,500,000
	c. MUS Sprint Degree (Restricted/OTO)											
	1,000,000	0	0	0	0	1,000,000	1,000,000	0	0	0	0	1,000,000
	d. One-Two-Free Program (Restricted/OTO)											
	0	0	0	0	0	0	1,400,000	0	0	0	0	1,400,000
2.	Student Assistance Program (02)											
	12,629,244	360,542	0	0	0	12,989,786	13,609,660	364,220	0	0	0	13,973,880
3.	Community College Assistance (04)											
	15,361,411	0	0	0	0	15,361,411	16,421,848	0	0	0	0	16,421,848
	a. Community College Audit Costs (Restricted/Biennial)											
	178,100	0	0	0	0	178,100	0	0	0	0	0	0
4.	Educational Outreach and Diversity (06)											
	142,706	0	9,486,998	0	0	9,629,704	144,745	0	9,510,468	0	0	9,655,213
5.	Workforce Development Program (08)											
	103,077	0	6,344,706	0	0	6,447,783	103,048	0	6,344,340	0	0	6,447,388
6.	Appropriation Distribution (09)											
	188,695,015	33,627,425	0	0	0	222,322,440	190,592,897	33,027,425	0	0	0	223,620,322
	a. Legislative Audit (Restricted/Biennial)											
	626,978	0	0	0	0	626,978	0	0	0	0	0	0
7.	Research and Development Agencies (10)											
	32,608,384	819,968	0	0	0	33,428,352	32,763,282	819,968	0	0	0	33,583,250

	<u>Fiscal 2024</u>					<u>Fiscal 2025</u>						
	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>
a. MAES Seed Lab (Restricted)	100,000	0	0	0	0	100,000	100,000	0	0	0	0	100,000
b. MAES Wool Lab (Restricted)	55,000	0	0	0	0	55,000	55,000	0	0	0	0	55,000
c. MBMG Data Preservation (Restricted)	0	300,000	0	0	0	300,000	0	300,000	0	0	0	300,000
d. MAES (Restricted)	300,000	0	0	0	0	300,000	300,000	0	0	0	0	300,000
e. Precision Agriculture (Restricted)	300,000	0	0	0	0	300,000	300,000	0	0	0	0	300,000
8. Tribal College Assistance Program (11)	918,400	0	0	0	0	918,400	918,400	0	0	0	0	918,400
a. HiSET to Tribal Colleges (Restricted/OTO)	100,000	0	0	0	0	100,000	100,000	0	0	0	0	100,000
9. Guaranteed Student Loan (12)	0	0	2,380,996	0	0	2,380,996	0	0	2,390,871	0	0	2,390,871
10. Board of Regents Administration (13)	68,652	0	0	0	0	68,652	68,977	0	0	0	0	68,977
Total	258,526,385	35,107,935	18,212,700	723,465	0	312,570,485	263,168,616	34,511,613	18,245,679	723,465	0	316,649,373

Items designated as OCHE Administration Program, Student Assistance Program, Educational Outreach and Diversity, Workforce Development Program, Appropriation Distribution, Guaranteed Student Loan, and Board of Regents Administration are designated as biennial appropriations.

General fund money, state and federal special revenue, and proprietary fund revenue appropriated to the Board of Regents are included in all Montana University System programs. All other public funds received by units of the Montana University System (other than plant funds appropriated in HB 5 relating to long-range building) are appropriated to the Board of Regents and may be expended under the provisions of 17-7-138(2). The Board of Regents shall allocate the appropriations to individual University System units, as defined in 17-7-102(15), according to board policy.

<u>Fiscal 2024</u>					<u>Fiscal 2025</u>						
<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Propri- etary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Propri- etary</u>	<u>Other</u>	<u>Total</u>

The Montana University System, except for the Office of the Commissioner of Higher Education and the community colleges, shall provide the Office of Budget and Program Planning and the Legislative Fiscal Division Banner access to the entire University System's information system, except for information pertaining to individual students and individual employees that is protected by Article II, sections 9 and 10, of the Montana Constitution, 20-25-515, or the Family Educational Rights and Privacy Act of 1974, 20 U.S. C. 1232g.

The Montana University System shall provide the electronic data required for entering human resource data for the current unrestricted operating funds into the internet budgeting and reporting system. The salary and benefit data provided must reflect approved Board of Regents operating budgets.

The community college FTE decrease funding factor is \$3,125 for FY 2024 and \$3,125 for FY 2025. The community college FTE increase funding factor is \$6,250 for FY 2024 and \$6,250 for FY 2025. The community college weighting factors for the 2025 biennium are 1.50 for CTE FTE, 1.00 for general education FTE, 0.50 for early college FTE, and 0.25 for concurrent enrollment FTE.

The commissioner may adjust the funding distribution between community colleges based on actual enrollment.

The general fund appropriation for Community College Assistance is calculated to fund education in the community colleges for an estimated 1,865 resident FTE in FY 2024 and 1,951 in FY 2025. If total weighted resident FTE student enrollment in the community colleges is greater than the estimated number for the biennium, the community colleges must receive a reimbursement for the underpayment from the community college FTE adjustment account. If actual resident FTE student enrollment is less than the estimated numbers for the biennium, the community colleges shall pay a fee equal to the overpayment amount to be deposited in the FTE adjustment account in accordance with 20-15-328.

Funding to be transferred to the state energy conservation program debt service account for energy improvements are as follows: Transferred funding for each year of the biennium to retire bonded projects are MSU Northern -- \$16,200 in FY 2024 and \$16,200 in FY 2025, MSU Billings -- \$45,519 in both FY 2024 and FY 2025, MSU Great Falls -- \$86,500 in FY 2024 and \$80,000 for FY 2025. Funding to be transferred for each year of the biennium for state energy revolving projects are MSU Billings -- \$55,323, MSU Northern -- \$69,099, and Miles Community College -- \$23,553. Montana State University transfers are \$254,753 in FY 2024 and \$253,822 in FY 2025.

Total audit costs are estimated to be \$178,000 for the community colleges for the biennium. Audit costs charged to the community colleges for the biennium may not exceed \$58,100 for Flathead Valley Community College, \$55,000 for Miles Community College, and \$65,000 for Dawson Community College. Total audit costs for the Office of Commissioner of Higher Education and the Board of Regents is \$71,655, UM - Missoula is \$313,489, and MSU - Bozeman is \$313,489.

OCHE Administration Program, Appropriation Distribution, and Research and Development Agencies include a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund.

If HB 482 is passed and approved, the Commissioner of Higher Education is increased by \$56,132 general fund in FY 2024 and \$115,631 general fund in FY 2025.

If HB 833 is passed and approved, the Commissioner of Higher Education is increased by \$35,000 general fund in FY 2025 and \$15,000 one-time-only general fund in FY 2025.

If HB 314 is passed and approved, the Commissioner of Higher Education is increased by \$5,600 general fund in FY 2024 and \$5,600 general fund in FY 2025.

TOTAL SECTION E

<u>Fiscal 2024</u>					<u>Fiscal 2025</u>						
<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Proprietary</u>	<u>Other</u>	<u>Total</u>
784,015,076	485,513,888	194,951,853	1,631,048	0	1,466,111,865	829,973,923	495,648,324	195,149,959	1,716,186	0	1,522,488,392
TOTAL STATE FUNDING											
2,119,211,634	1,453,045,272	3,518,155,489	14,666,038	0	7,105,078,433	2,176,500,071	1,487,067,403	3,663,916,863	14,559,316	0	7,342,043,653

NEW SECTION. Section 11. Rates. Internal service fund type fees and charges established by the Legislature for the 2025 biennium in compliance with 17-7-123(1)(f)(ii) are as follows:

	<u>Fiscal 2024</u>	<u>Fiscal 2025</u>
DEPARTMENT OF REVENUE-- 5801		
1. Information Management and Collections Division		
Delinquent Account Collection Fee (maximum percent of amount collected)	5.00%	4.75%
DEPARTMENT OF ADMINISTRATION -- 6101		
1. Director's Office		
a. Management Services		
Total Allocation of Costs	\$1,723,224	\$1,723,224
Portion of unit for HR charges per FTE of user programs	\$1,265	\$1,265
b. Chief Data Office		
Total Allocation Costs	\$500,000	\$500,000
2. State Financial Services Division		
a. SABHRS Finance and Budget Bureau		
SABHRS Services Fee (total allocation of costs)	\$4,793,865	\$4,570,860
b. Warrant Writer		
Mailer	\$0.88432	\$0.88432
Nonmailer	\$0.38241	\$0.38241
Emergency	\$14.34045	\$14.34045
Duplicates	\$9.56030	\$9.56030
Payroll-Printed Warrants	\$0.16126	\$0.16126
Externals		
University System	\$0.12907	\$0.12907

Direct Deposit

Direct Deposit - Mailer	\$1.05163	\$1.05163
Direct Deposit - No Advice Printed	\$0.14340	\$0.14340

Unemployment Insurance

Mailer - Print Only	\$0.12564	\$0.12564
Direct Deposit - No Advice Printed	\$0.03162	\$0.03162

3. General Services Division

a. Facilities Management Bureau

Office Rent (per sq. ft.)	\$11.415	\$11.421
Nonoffice Rent (per sq. ft.)	\$7.599	\$7.605
Grounds Maintenance (per sq. ft. - only one building)	\$0.615	\$0.615
Project Management - In-house	15%	15%
Project Management - Consultation	Actual Cost	Actual Cost
State Employee Access ID Card	Actual Cost	Actual Cost

b. Print and Mail Services

Internal Printing

Impression Cost	Cost + 25%	Cost + 25%
Large Format Color	Cost + 25%	Cost + 25%
Ink	Cost + 25%	Cost + 25%
Bindery Work	Cost + 25%	Cost + 25%
Variable Data Printing	Cost + 25%	Cost + 25%
Pick and Pack Fulfilment	\$1.00	\$1.00
Overtime	\$30.00	\$30.00
Desktop	\$75.00	\$75.00

Scan	Cost + 25%	Cost + 25%
IT Programming	\$95.00	\$95.00
File Transfer	\$25.00	\$25.00
Mainframe Printing	\$0.071	\$0.071
Warrant Printing	\$0.300	\$0.300
CD/DVD Duplicating	Cost + 25%	Cost + 25%
Prepress Work	Cost + 25%	Cost + 25%
Inventory Mark Up	20.00%	20.00%
External Printing		
Percent of Invoice Mark Up	8.80%	8.80%
Managed Print		
Percent of Invoice Mark Up	15.9%	15.9%
Mail Preparation		
Tabbing	\$0.023	\$0.023
Labeling	\$0.023	\$0.023
Ink Jet	\$0.036	\$0.036
Inserting	\$0.045	\$0.045
Waymark	\$0.069	\$0.069
Permit Mailings	\$0.069	\$0.069
Mail Operations		
Machinable	\$0.043	\$0.043
Nonmachinable	\$0.110	\$0.110
Seal Only	\$0.020	\$0.020
Postcards	\$0.070	\$0.070

Certified Mail	\$0.620	\$0.620
Registered Mail	\$0.614	\$0.614
International Mail	\$0.510	\$0.510
Flats	\$0.150	\$0.150
Priority	\$0.614	\$0.614
Express Mail	\$0.614	\$0.614
USPS Parcels	\$0.510	\$0.510
Insured Mail	\$0.614	\$0.614
Media Mail	\$0.320	\$0.320
Standard Mail	\$0.200	\$0.200
Postage Due	\$0.061	\$0.061
Fee Due	\$0.061	\$0.061
Tapes	\$0.245	\$0.245
Express Services	\$0.500	\$0.500
Mail Tracking	\$0.250	\$0.250
Cass Letters/Postcards	\$0.047	\$0.047
Cass Flats	\$0.100	\$0.100
Flat Sorter	\$0.500	\$0.500
Interagency Mail	\$365,550 yearly	\$365,550 yearly
Postal Contract (Capitol)	\$38,976 yearly	\$38,976 yearly

4. State Information Technology Services Division

Rates Maintained/Based on SITSD's Tech Budget Model

Operations of the Division

30-Day Working Capital Reserve

The 30-day working capital reserve used to establish State Information Technology Services Division rates for state agencies included in HB 2 must be based on personal services



of \$20,607,646 in FY 2024 and \$20,719,790 in FY 2025, operating expenses of \$45,622,433 in FY 2024 and \$45,518,444 in FY 2025, equipment and intangible assets of \$370,861 in FY 2024 and \$370,861 in FY 2025, and debt service of \$1,170,000 in FY 2024 and \$1,170,000 in FY 2025. The State Information Technology Services Division shall report to the Legislative Finance Committee at its June 2023 meeting on how it implemented the state agency rates for information technology services. The State Information Technology Services Division shall also report any adjustments to state agency rates for information technology or changes in appropriations of 5.0% or greater to each expenditure category at each subsequent meeting of the Legislative Finance Committee.

It is the intent of the Legislature that the State Information Technology Services Division work with the Office of Budget and Program Planning to identify and reduce 8.00 FTE across all state agencies in the 2025 biennium as part of the information technology security consolidation project. The executive budget for the 2027 biennium must include decision packages to remove these FTE from the applicable state agency. The State Information Technology Services Division shall report on FTE reduced and the agency in which reductions were made to the Legislative Finance Committee and the General Government Interim Budget Committee at each meeting during the interim.

5. Health Care and Benefits Division

a. Workers' Compensation Management Program

Administrative Fee	\$0.97	\$0.97
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6. State Human Resources Division

a. State Management Training Center (per FTE cost)

\$33.2965	\$33.2965
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b. Human Resources Information System Fee

Per payroll warrant advice per pay period	\$10.12	\$10.10
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7. Risk Management and Tort Defense

Auto Liability, Comprehensive, and Collision (total allocation to agencies)	\$1,820,313	\$1,820,313
Aviation (total allocation to agencies)	\$169,961	\$169,961
General Liability (total allocation to agencies)	\$13,151,738	\$13,151,738
Property/Miscellaneous (total allocations to agencies)	\$9,009,000	\$9,009,000

State agencies and universities will not be billed an insurance premium in the 2025 biennium by the Risk Management and Tort Defense Division due to an overage in the state insurance fund's reserves. Any insurance premium discounts that would have been realized in the 2025 biennium through participation in the Risk Management and Tort Defense Division's risk management/loss mitigation programs must be applied from each state agency's or university's insurance premium holiday savings in a reasonable manner to avoid programmatic and funding

shortfalls. The Risk Management and Tort Defense Division has the authority to bill state agencies and universities an insurance premium if the agency or university does not participate in risk management/loss mitigation activities during the 2025 biennium.

It is the intent of the Legislature that the settlements deposited in the Risk Management and Tort Defense Division's proprietary fund are not transferred for any purpose other than as directed in Title 2, chapter 9, parts 1 through 3.

DEPARTMENT OF COMMERCE -- 6501

1. Board of Investments

For the purposes of [this act], the Legislature defines "rates" as the total collections necessary to operate the Board of Investments as follows:

a. Administration Charge (total)	\$7,826,543	\$7,826,543
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2. Director's Office/Management Services

a. Management Services Indirect Charge Rate

State	13.47%	13.47%
Federal	13.47%	13.47%

DEPARTMENT OF LABOR AND INDUSTRY -- 6602

1. Centralized Services Division

a. Cost Allocation Plan	9.50%	9.50%
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b. Office of Legal Services (direct hourly rate)

Attorneys	\$132	\$132
Paralegals and Other Services	\$97	\$97

2. Technology Services Division

a. Application Services (per hour)	\$104	\$104
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b. Enterprise Services Rate (total amount allocated to divisions based on FTE)	\$3,098,763	\$3,104,826
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c. Direct Services Rate (pass through to divisions)	Actual Cost	Actual Cost
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DEPARTMENT OF FISH, WILDLIFE, AND PARKS -- 5201

1. Vehicle and Aircraft Rates

In the Department of Fish, Wildlife, and Parks motor pool program, if the price of gasoline goes above \$5.00 per gallon, tier two rates may be charged if approved by the Office of Budget and Program Planning. If the price of gasoline goes above \$5.50 per gallon, tier three rates may be charged if approved by the Office of Budget and Program Planning.

Per Hour Rates

a. Two-Place Single Engine	\$301.00	\$368.00
b. Four-Place Single Engine	\$301.00	\$308.00
c. Turbine Helicopters	\$926.00	\$942.00

Tier one

a. Class 210 (sedan)		
Per Day Assigned	\$14.13	\$14.14
Per Mile Operated	\$0.21	\$0.21
b. Class 310 (van)		
Per Day Assigned	\$8.16	\$8.18
Per Mile Operated	\$0.26	\$0.27
c. Class 410 (utility)		
Per Day Assigned	\$6.38	\$6.38
Per Mile Operated	\$0.29	\$0.29
d. Class 610 (1/2 ton pickup)		
Per Day Assigned	\$19.05	\$19.06
Per Mile Operated	\$0.37	\$0.38
e. Class 710 (3/4 ton pickup)		
Per Day Assigned	\$13.29	\$13.30
Per Mile Operated	\$0.47	\$0.48
f. Class 1 Ton		
Per Day Assigned	\$40.86	\$40.87

Per Mile Operated	\$0.45	\$0.45
Tier two (contingent \$5.00/gallon)		
a. Class 210 (sedan)		
Per Day Assigned	\$14.13	\$14.14
Per Mile Operated	\$0.22	\$0.23
b. Class 310 (van)		
Per Day Assigned	\$8.16	\$8.18
Per Mile Operated	\$0.28	\$0.29
c. Class 410 (utility)		
Per Day Assigned	\$6.38	\$6.38
Per Mile Operated	\$0.31	\$0.31
d. Class 610 (1/2 ton pickup)		
Per Day Assigned	\$19.05	\$19.06
Per Mile Operated	\$0.40	\$0.41
e. Class 710 (3/4 ton pickup)		
Per Day Assigned	\$13.29	\$13.30
Per Mile Operated	\$0.51	\$0.52
f. Class 1 Ton		
Per Day Assigned	\$40.86	\$40.87
Per Mile Operated	\$0.48	\$0.49
Tier three (contingent \$5.50/gallon)		
a. Class 210 (sedan)		
Per Day Assigned	\$14.13	\$14.14
Per Mile Operated	\$0.23	\$0.24

b. Class 310 (van)

Per Day Assigned	\$8.16	\$8.18
Per Mile Operated	\$0.30	\$0.31

c. Class 410 (utility)

Per Day Assigned	\$6.38	\$6.38
Per Mile Operated	\$0.33	\$0.34

d. Class 610 (1/2 ton pickup)

Per Day Assigned	\$19.05	\$19.06
Per Mile Operated	\$0.43	\$0.44

e. Class 710 (3/4 ton pickup)

Per Day Assigned	\$13.29	\$13.30
Per Mile Operated	\$0.55	\$0.56

f. Class 1 Ton

Per Day Assigned	\$40.86	\$40.87
Per Mile Operated	\$0.51	\$0.52

2. Proprietary Maintenance Rate

Per Hour	\$78.50	\$78.50
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DEPARTMENT OF ENVIRONMENTAL QUALITY -- 5301

Indirect Rate

a. Personal Services	24%	24%
b. Operating Expenditures	4%	4%

DEPARTMENT OF TRANSPORTATION -- 5401

1. State Motor Pool

In the state motor pool program, if the price of gasoline goes above \$4.39, tier two rates may be charged if approved by the Office of Budget and Program Planning. If the price of

gasoline goes above \$4.89, tier three rates may be charged if approved by the Office of Budget and Program Planning.

Tier one

a. Class 02 (small utilities)		
Per Hour Assigned	\$1.064	\$1.171
Per Mile Operated	\$0.199	\$0.200
b. Class 04 (large utilities)		
Per Hour Assigned	\$1.313	\$1.497
Per Mile Operated	\$0.286	\$0.288
c. Class 05 (hybrid sedans)		
Per Hour Assigned	\$0.933	\$1.013
Per Mile Operated	\$0.190	\$0.192
d. Class 06 (midsize compacts)		
Per Hour Assigned	\$0.999	\$1.089
Per Mile Operated	\$0.193	\$0.195
e. Class 07 (small pickups)		
Per Hour Assigned	\$0.415	\$0.428
Per Mile Operated	\$0.318	\$0.321
f. Class 11 (large pickups)		
Per Hour Assigned	\$1.407	\$1.505
Per Mile Operated	\$0.291	\$0.293
g. Class 12 (vans – all types)		
Per Hour Assigned	\$1.162	\$1.192
Per Mile Operated	\$0.239	\$0.241

Tier two (contingent \$4.39/gallon)

a. Class 02 (small utilities)		
Per Hour Assigned	\$1.064	\$1.171
Per Mile Operated	\$0.219	\$0.221
b. Class 04 (large utilities)		
Per Hour Assigned	\$1.313	\$1.497
Per Mile Operated	\$0.317	\$0.319
c. Class 05 (hybrid sedans)		
Per Hour Assigned	\$0.933	\$1.013
Per Mile Operated	\$0.209	\$0.211
d. Class 06 (midsize compacts)		
Per Hour Assigned	\$0.999	\$1.089
Per Mile Operated	\$0.214	\$0.215
e. Class 07 (small pickups)		
Per Hour Assigned	\$0.415	\$0.428
Per Mile Operated	\$0.350	\$0.353
f. Class 11 (large pickups)		
Per Hour Assigned	\$1.407	\$1.505
Per Mile Operated	\$0.323	\$0.324
g. Class 12 (vans – all types)		
Per Hour Assigned	\$1.162	\$1.192
Per Mile Operated	\$0.265	\$0.267
Tier three (contingent \$4.89/gallon)		
a. Class 02 (small utilities)		
Per Hour Assigned	\$1.064	\$1.171

Per Mile Operated	\$0.240	\$0.241
b. Class 04 (large utilities)		
Per Hour Assigned	\$1.313	\$1.497
Per Mile Operated	\$0.347	\$0.349
c. Class 05 (hybrid sedans)		
Per Hour Assigned	\$0.933	\$1.013
Per Mile Operated	\$0.227	\$0.229
d. Class 06 (midsize compacts)		
Per Hour Assigned	\$0.999	\$1.089
Per Mile Operated	\$0.234	\$0.235
e. Class 07 (small pickups)		
Per Hour Assigned	\$0.415	\$0.428
Per Mile Operated	\$0.382	\$0.385
f. Class 11 (large pickups)		
Per Hour Assigned	\$1.407	\$1.505
Per Mile Operated	\$0.355	\$0.356
g. Class 12 (vans – all types)		
Per Hour Assigned	\$1.162	\$1.192
Per Mile Operated	\$0.292	\$0.293
2. Equipment Program		
All of Program Operations		60-day working capital reserve
3. King Air Beechcraft		
Per Hour	\$1,348.11	\$1,362.39

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION -- 5706

1. Air Operations Program

a. Bell UH-1H	\$1,860	\$1,860
b. Bell Jet Ranger	\$525	\$525
c. Cessna 180 Series	\$210	\$210

DEPARTMENT OF JUSTICE -- 4110

1. Agency Legal Services

a. Attorney (per hour)	\$121.00	\$121.00
b. Investigator (per hour)	\$71.00	\$71.00

DEPARTMENT OF CORRECTIONS -- 6401

1. Labor Charge for Motor Vehicle Maintenance (per hour)	\$30.00	\$30.00
2. Supply Fee as a Percentage of Actual Costs of Parts	10%	10%
3. Cook/Chill Rate -- Hot/Cold Base Tray Price (no delivery)	\$2.55	\$2.65
4. Cook/Chill Rate -- Hot Base Tray Price	\$1.44	\$1.70
5. Delivery Charge Per Mile	\$0.50	\$0.50
6. Delivery Charge Per Hour	\$35.00	\$35.00
7. Spoilage Percentage All Customers	5%	5%
8. Detention Center Trays	\$3.38	\$3.73
9. Accessory Package	\$0.20	\$0.20
10. Overhead Charge		
a. Montana State Hospital	6%	6%
b. Montana State Prison	94%	94%
c. Treasure State Correctional Training	0%	0%
11. Base Laundry Price per pound	\$0.68	\$0.68
Delivery Charge per pound		

a. Riverside Youth Correctional Facility	\$0.05	\$0.05
b. Montana Law Enforcement Academy	\$0.15	\$0.15
c. Montana Chemical Dependency Corp.	\$0.04	\$0.04
d. START Program	\$0.01	\$0.01
e. University of Montana per shared round trip	\$67.50	\$67.50
f. Montana Development Center	\$0	\$0
g. Montana State Hospital	\$0	\$0

OFFICE OF PUBLIC INSTRUCTION -- 3501

1. OPI Indirect Cost Pool

a. Unrestricted Rate	17%	17%
b. Restricted Rate	17%	17%

MONTANA STATE LIBRARY -- 5115

1. Natural Resource Information and Geographical Information Systems Rate	\$398,698	\$398,698
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- END -

HOUSE BILL NO. 2

INTRODUCED BY L. JONES, B. KEENAN

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

AN ACT APPROPRIATING MONEY TO VARIOUS STATE AGENCIES FOR THE BIENNIUM ENDING JUNE 30, 2025; AND PROVIDING AN EFFECTIVE DATE.

CHAPTER # _____

HOUSE BILL NO. 2

INTRODUCED BY L. JONES, B. KEENAN

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

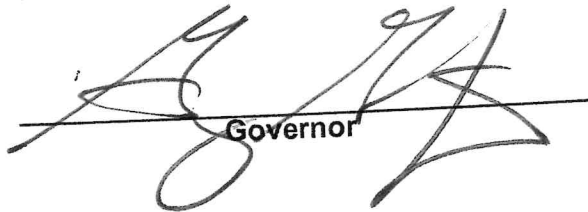
AN ACT APPROPRIATING MONEY TO VARIOUS STATE AGENCIES FOR THE BIENNIUM ENDING JUNE 30, 2025; AND PROVIDING AN EFFECTIVE DATE.

STATE OF MONTANA
FILED

Secretary of State

By _____

This bill was received by the Governor
this 13 day
of June, 2023.
By Kelly Brady
Approved June 14, 2023


Governor



AN ACT APPROPRIATING MONEY FROM THE HISTORIC PRESERVATION GRANT PROGRAM ACCOUNT TO THE DEPARTMENT OF COMMERCE FOR HISTORIC PRESERVATION PROJECTS; AUTHORIZING GRANTS FROM THE HISTORIC PRESERVATION GRANT PROGRAM ACCOUNT; PLACING CONDITIONS ON GRANTS AND FUNDS; PROVIDING AN APPROPRIATION; AMENDING SECTIONS 22-3-1305 AND 22-3-1306, MCA; AMENDING SECTION 1(2), CHAPTER 467, LAWS OF 2021; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 22-3-1305, MCA, is amended to read:

"22-3-1305. Historic preservation grant program -- proposals -- recommendations. (1) There is a historic preservation grant program established within the department of commerce. A Except as provided in subsection (6), a person, association, or representative of a governing unit seeking a historic preservation grant under this section must submit a grant proposal to the department by March 1 of the year preceding the convening of a regular legislative session.

(2) The department shall review all proposals for historic preservation grants in consultation with the tourism advisory council and the state historical preservation office before they are submitted to the legislature.

(3) Consistent with the rules adopted in accordance with 22-3-1306, the department shall make recommendations to the legislature on each proposal submitted to the department.

(4) The department's recommendations to the legislature are advisory.

(5) The department shall present its recommendations to the appropriations committee of the legislature by the 15th day of a regular legislative session.

(6) The legislature may appropriate funds for a qualifying historic preservation grant in addition to

those recommended by the department of commerce."

Section 2. Section 22-3-1306, MCA, is amended to read:

"22-3-1306. Priorities for funding -- rulemaking. (1) The department of commerce shall make recommendations for grants awarded under the historic preservation grant program to ~~public or private~~ eligible entities for the preservation of historic sites, historical societies, or history museums in the state.

(2) Projects funded under this section must provide that a significant portion of the facility be open to public access and use. Projects that confer only a private benefit are not eligible.

(3) The recommendations must be based on competitive criteria created by the department, as guided by the legislature. The criteria may include:

(a) the degree of economic stimulus or economic activity, including job creation and work creation for Montana contractors and service workers;

(b) the purpose of the project, including whether it provides features that establish or enhance security, climate control, or fire protection for museums or address infrastructure, maintenance, or building code issues;

(c) the timing of the project, including access to matching funds, if needed, and approval of permits so that work can be completed without delay;

(d) the historic or heritage value related to the state of Montana;

(e) the successful track record or experience of the organization directing the project; ~~and~~

(f) the expected ongoing economic benefit to the state as a result of the project completion;

(g) the degree of local contribution to the project; and

(h) the anticipated public benefit, including the extent the site or building will be open to the public and the degree of immediate facility use after project completion.

~~(2)~~(4) The department of commerce shall adopt rules necessary to implement the historic preservation grant program. In adopting rules, the department shall look to the rules adopted for the Montana coal endowment program, the cultural and aesthetic grant program, and other similar state programs. To the extent feasible, the department shall make the rules compatible with those other programs."

Section 3. Section 1(2), Chapter 467, Laws of 2021, is amended to strike the following projects and appropriations:

"4	The People's Center in Pablo Confederated Salish and Kootenai Tribes	\$50,600"
"12	O'Fallon Historical Museum in Baker Fallon County	\$298,657"
"16	Blaine County Museum in Chinook Blaine County Museum	\$60,240"

Section 4. Appropriation for Montana historic grant program. (1) There is appropriated to the department of commerce \$11,368,044 for the biennium beginning July 1, 2023, from the historic preservation grant program account established in 22-3-1307 to finance projects authorized in subsection (2).

(2) The following projects and applicants are authorized for grants in ranked order:

Rank	Project/Applicant	Grant Amount
1	Harlowton Roundhouse Harlowton, City of	\$400,000
2	Fort Peck Theatre Fort Peck Fine Arts Council	\$500,000
3	Baker State Bank Building Southeastern Montana Area Revitalization Team (SMART)	\$160,000
4	Petroleum County Courthouse Petroleum County	\$498,720
5	Milligan Building Bighorn Valley Health Center, Inc. dba One Health	\$500,000
6	Ringling Church The Ringling Commons, LLC	\$141,773
7	National Museum of Forest Service History National Museum of Forest Service History	\$300,000

8	Historic Teslow Grain Elevator	
	Project49	\$392,277
8	A.D. Whitcomb Garage	
	Buses of Yellowstone Preservation Trust, Inc.	\$136,366
10	Havre Beneath the Streets	
	Havre Beneath the Streets	\$359,672
11	Hockaday Museum of Art	
	Hockaday Museum of Art	\$31,000
11	Historical Museum at Fort Missoula	
	Friends of the Historical Museum at Fort Missoula	\$175,200
13	Shelby Town Hall	
	Shelby, City of	\$5,600
14	Coggswell-Taylor House	
	Montana Heritage Commission – Coggswell/Taylor House	\$141,250
15	Rocky Mountain Building	
	Community Health Care Center, Inc. dba Alluvion Health	\$400,000
15	The History Museum	
	Cascade County Historical Society dba The History Museum	\$340,000
15	Copper Village Museum and Arts Center	
	Copper Village Museum and Arts Center	\$235,000
18	Historic Hotel Libby	
	Friends of Historic Hotel Libby	\$173,659
18	Roosevelt Center	
	Red Lodge Area Community Foundation	\$367,578
20	Kelly Block Building	
	75 Park Street LLC	\$500,000
20	Montana Club	
	Original Montana Club Cooperative Association	\$90,040

20	Charles Krug House	
	Sonja Maxwell	\$116,000
23	Edwards & McLellan Block	
	SGS Properties, LLC	\$221,590
25	Hickman House	
	Montana Heritage Commission – Hickman House	\$161,201
25	Paris Gibson Square Museum of Art	
	Paris Gibson Square Museum of Art	\$300,979
25	Billings Depot	
	Billings Depot, Inc.	\$414,400
28	Babcock Theatre	
	Cine Billings dba Art House Cinema	\$236,000
29	Wheeler Cabin	
	Glacier National Park Conservancy	\$493,200
29	Blackfoot Spiritual & Heritage Center	
	Blackfeet Tribe	\$500,000
30	Stillwater County Courthouse	
	Stillwater County	\$500,000
30	Waite House	
	Yogo Mansion LLC	\$270,000
33	Moss Mansion	
	Billings Preservation Society	\$500,000
34	Ouellette Place	
	Homeward, Inc. (Ouellette Place)	\$100,000
34	Acme Building	
	Homeward, Inc. (Acme Historic Hotel)	\$100,000
36	Great Falls Civic Center	
	Great Falls, City of	\$250,000

37	Miles City Convent Keepers Community Center	
	Miles City Convent Keepers	\$119,688
38	Lenox Flats Building	
	Homeward, Inc. (Lenox Flats)	\$100,000
38	Miles City Elks Lodge #537	
	Miles City Elks Lodge #537	\$200,000
40	Daly Mansion	
	Daly Mansion Preservation Trust	\$100,000
40	Garfield County Museum	
	Garfield County	\$400,000
43	Deer Lodge City Hall	
	Deer Lodge, City of	\$283,500
45	Joliet Town Hall and Courthouse	
	Joliet, Town of	\$83,000
47	Miracle of America Museum	
	Miracle of America Museum	\$70,351

(3) Funding for the projects in subsection (2) will be provided in the order of priority as long as there are sufficient funds available from the amount that was deposited into the historic preservation grant program account during the biennium beginning July 1, 2023. The funds in this subsection must be awarded for the projects and in amounts not to exceed the amounts set out in subsection (2) subject to the conditions set forth in [section 7]. However, any of the projects listed in subsection (2) that have not completed the conditions described in [section 7(1)] by September 1, 2024, must be reviewed by the next regular legislature to determine if the authorized grant should be withdrawn.

(4) If sufficient funds are available, this section constitutes a valid obligation of funds to the grant projects listed in subsection (2) for purposes of encumbering the funds in the historic preservation grant program account established in 22-3-1307 for the biennium beginning July 1, 2023, pursuant to 17-7-302. A grant recipient's entitlement to receive funds is dependent on the grant recipient's compliance with the conditions described in [section 7] and on the availability of funds.

(5) The legislature, pursuant to 22-3-1305, authorizes the grants for the projects listed in subsection (2).

(6) (a) Except as provided in subsection (6)(b), a grant recipient shall enter into a definitive, binding contract with a qualified contractor to construct the project prior to September 30 of the even-numbered year preceding the next regularly scheduled legislative session. If the grant recipient fails to meet the deadline, any obligation to the grant recipient will cease, and the funds will revert to the historic preservation grant program account established in 22-3-1307 for use in the next biennium.

(b) A grant recipient who fails to meet the contract deadline for either of the following reasons may request one 2-year extension, during which the project must be placed under contract or any obligation to the grant will cease:

- (i) the project was damaged by fire or another form of casualty; or
- (ii) the grant recipient failed to find a qualified contractor to construct the project and diligently pursued all reasonable avenues to find a qualified contractor.

(7) Grant recipients shall complete all of the conditions described in [section 7(1)] by September 30, 2026, or any obligation to the grant recipient will cease.

Section 5. Supplemental appropriations. In the event that the total cost of a project exceeds the amount of the grant and matching funds, the grant recipient is fully responsible for funding the cost overrun. A supplemental appropriation may not be granted to complete the project.

Section 6. Approval of grants -- completion of biennial appropriation. (1) The legislature, pursuant to 22-3-1305, authorizes grants for the projects identified in [section 4(2)].

(2) The authorization of these grants completes a biennial appropriation from the historic preservation grant program account established in 22-3-1307.

(3) Grants to entities from prior bienniums are reauthorized for completion of contract work.

Section 7. Condition of grants -- disbursement of funds. (1) The disbursement of grant funds for the projects specified in [section 4(2)] is subject to completion of the following conditions:

(a) The grant recipient shall document that other matching funds required for the completion of the project are firmly committed.

(b) The grant recipient must have a project management plan that is approved by the department of commerce.

(c) The grant recipient must be in compliance with the auditing and reporting requirements provided for in 2-7-503 and have established a financial accounting system that the department can reasonably ensure conforms to generally accepted accounting principles. Tribal governments shall comply with auditing and reporting requirements provided for in 2 CFR 200.

(d) The grant recipient shall satisfactorily comply with any conditions described in the application (project) summaries section of the Montana historic preservation grant program 2025 biennium report to the 68th legislature.

(e) The grant recipient shall satisfy other specific requirements considered necessary by the department of commerce to accomplish the purpose of the project as evidenced by the application to the department.

(f) The grant recipient shall execute a grant agreement with the department of commerce.

(2) Recipients of Montana historic preservation grant program funds are subject to the requirements of the department of commerce as described in the most recent edition of the Montana Historic Preservation Grant Program Project Administration Manual adopted by the department through the administrative rulemaking process.

Section 8. Other powers and duties of the department of commerce. (1) The department of commerce must disburse grant funds on a reimbursement basis as grant recipients incur eligible project expenses.

(2) If actual project expenses are lower than the projected expense of the project, the department may, at its discretion, reduce the amount of grant funds provided to grant recipients in proportion to all other project funding sources.

Section 9. Notification to tribal governments. The secretary of state shall send a copy of [this act]

to each federally recognized tribal government in Montana.

Section 10. Effective date. [This act] is effective July 1, 2023.

Section 11. Termination. [Section 1] terminates June 30, 2025.

- END -

I hereby certify that the within bill,
HB 12, originated in the House.

Chief Clerk of the House

Speaker of the House

Signed this _____ day
of _____, 2023.

President of the Senate

Signed this _____ day
of _____, 2023.

HOUSE BILL NO. 12

INTRODUCED BY M. HOPKINS

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

AN ACT APPROPRIATING MONEY FROM THE HISTORIC PRESERVATION GRANT PROGRAM ACCOUNT TO THE DEPARTMENT OF COMMERCE FOR HISTORIC PRESERVATION PROJECTS; AUTHORIZING GRANTS FROM THE HISTORIC PRESERVATION GRANT PROGRAM ACCOUNT; PLACING CONDITIONS ON GRANTS AND FUNDS; PROVIDING AN APPROPRIATION; AMENDING SECTIONS 22-3-1305 AND 22-3-1306, MCA; AMENDING SECTION 1(2), CHAPTER 467, LAWS OF 2021; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE.

CHAPTER # _____

HOUSE BILL NO. 12

INTRODUCED BY M. HOPKINS

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

AN ACT APPROPRIATING MONEY FROM THE HISTORIC PRESERVATION GRANT PROGRAM ACCOUNT TO THE DEPARTMENT OF COMMERCE FOR HISTORIC PRESERVATION PROJECTS; AUTHORIZING GRANTS FROM THE HISTORIC PRESERVATION GRANT PROGRAM ACCOUNT; PLACING CONDITIONS ON GRANTS AND FUNDS; PROVIDING AN APPROPRIATION; AMENDING SECTIONS 22-3-1305 AND 22-3-1306, MCA; AMENDING SECTION 1(2), CHAPTER 467, LAWS OF 2021; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE.

STATE OF MONTANA
FILED

Secretary of State

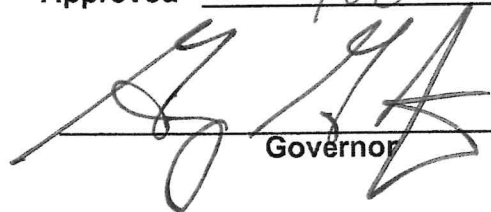
By _____

This bill was received by the Governor

this 12 day
of May, 2023.

By Kelly Brady

Approved May 22, 2023


Governor



AN ACT PROVIDING FOR THE MONTANA COMMUNITY REINVESTMENT PLAN; PROVIDING FOR ATTAINABLE WORKFORCE HOUSING; PROVIDING FOR DISTRIBUTION OF FUNDS TO COMMUNITY REINVESTMENT ORGANIZATIONS; PROVIDING FOR COMMUNITY REINVESTMENT ORGANIZATION REQUIREMENTS; PROVIDING FOR STATE WORKFORCE HOUSING INCENTIVE REVOLVING ACCOUNTS; CREATING THE MONTANA HOUSING INFRASTRUCTURE REVOLVING ACCOUNT IN THE STATE SPECIAL REVENUE FUND TYPE; PROVIDING FOR DUTIES FOR THE BOARD OF INVESTMENTS AND THE GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT; PROVIDING ELIGIBILITY REQUIREMENTS FOR THE USE OF FUNDS; PROVIDING FOR DEED RESTRICTIONS; PROVIDING FOR PLANNING GRANTS FROM THE DEPARTMENT OF COMMERCE; AUTHORIZING ADDITIONAL FUNDING FOR LOW-INCOME AND MODERATE-INCOME HOUSING LOANS FROM THE PERMANENT COAL TAX TRUST FUND; AMENDING TERMS OF LOANS; PROVIDING ADDITIONAL FUNDING FOR STATE WORKFORCE HOUSING; PROVIDING DEFINITIONS; PROVIDING FOR TRANSFERS OF FUNDS; PROVIDING APPROPRIATIONS; AMENDING SECTIONS 17-6-308 AND 90-6-137, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

WHEREAS, the availability of attainable workforce housing is critical to the well-being of individuals, communities, businesses, and organizations of all sizes, and the economy at large; and

WHEREAS, access to attainable workforce housing provides greater opportunities to realize the American dream, allows for more robust job creation, promotes a stronger economy, and is essential to ensuring our residents and future generations are able to live, work, and raise their families in the state; and

WHEREAS, driven by a shortage of housing supply, the state faces a crisis of attainable workforce housing that poses substantial challenges to hardworking Montanans, employers, communities, and the state's economic health; and

WHEREAS, between 2010 and 2020, the state's population growth of 9.6% outpaced the state's

housing unit growth of 6.6%, and a substantial factor contributing to tight housing supply has been underbuilding of entry-level homes, which are in high demand but low supply; and

WHEREAS, it is in the public interest of our state, our communities, and our people to find solutions to the tight supply of attainable workforce housing; and

WHEREAS, the health and stability of the state is directly dependent on the health and stability of local economic regions that are struggling due to an inadequate workforce, which is creating concerns for negative, long-term consequences; and

WHEREAS, a diverse, capable workforce is essential to retain the economic vitality and prosperity of the state within the global marketplace; and

WHEREAS, the Montana Community Reinvestment Plan Act may generate 500 attainable workforce housing dwellings allowing qualified individuals to achieve homeownership.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Short title. [Sections 1 through 8] may be cited as the "Montana Community Reinvestment Plan Act".

Section 2. Purpose. The legislature finds and declares the purpose of the Montana community reinvestment plan act is to begin to address housing needs and offer a regional, community-based solution to creating affordable, attainable workforce housing infrastructure in the state.

Section 3. Definitions. As used in [sections 1 through 8], the following definitions apply:

(1) "Attainable workforce housing" means housing of a cost that an eligible household would spend no more than 30% of gross monthly income for a mortgage payment, property taxes, and insurance.

(2) "Community reinvestment organization" means the regional entity or entities established in [section 6] or a certified regional development corporation, a certified development corporation, a community housing development organization, an economic development association, or a community development financial institution.

(3) "Community reinvestment organization revolving account" or "CRO revolving account" means a restricted account established by each community reinvestment organization.

(4) "Eligible household" means a household earning between 60% and 140% of median household income for the county in which the person resides or the state, whichever is less.

(5) "Montana community reinvestment plan account" means the account in the state special revenue fund and any subaccounts established pursuant to [section 5].

(6) "Program" means the Montana community reinvestment plan.

Section 4. Montana community reinvestment plan. There is a Montana community reinvestment plan that enables regional community reinvestment organizations to reduce the cost of housing to an affordable range for Montana's workforce. The program creates a deed-restricted housing inventory that becomes attainable workforce housing infrastructure for employers, employees, and entire communities by distributing money to community reinvestment organizations that invest the funds by buying down the costs of mortgages for eligible households.

Section 5. Montana community reinvestment plan account. (1) There is an account in the state special revenue fund established by 17-2-102 known as the Montana community reinvestment plan account. The purpose of the account is to fund the establishment of affordable, attainable workforce housing infrastructure in the state.

(2) Money in the account must be distributed by the governor's office of economic development to community reinvestment organizations based on the percentage of the combined county gross domestic product within the regional boundaries of the organization to that of the state gross domestic product.

Section 6. Community reinvestment organizations. (1) A community reinvestment organization meeting the requirements of [section 7] may be established no later than December 31, 2024.

(2) There may be a maximum of 16 community reinvestment organizations in the state.

(3) The geographic boundaries of each community reinvestment organization must be similar to the boundaries determined by the department of commerce for certified regional development corporations

provided for in 90-1-116. Regions not included in the described boundaries may establish community reinvestment organizations up to the maximum number allowed in subsection (2). The certified regional development corporation may choose to create and manage a region's community reinvestment organization but is not required to serve as that region's community reinvestment organization.

(4) Counties that are not within the boundaries of an existing certified regional development corporation region may participate in a neighboring community reinvestment organization or create a community reinvestment organization that includes one or more counties not within an existing certified regional development corporation subject to the limit provided in subsection (2).

(5) Each county wishing to participate in the program shall make an affirmative decision to participate by joining a community reinvestment organization. Counties that do not join a community reinvestment organization are ineligible to participate in the program. A county may only participate in one community reinvestment organization.

(6) A participating county is encouraged to enact local ordinances that provide for an expedited development and construction review process with priority for attainable workforce housing.

(7) To be certified by the chief business development officer provided for in 2-15-219, a community reinvestment organization shall provide the information required by the chief business development officer and [section 7] by January 15, 2025.

Section 7. Community reinvestment organization requirements. (1) A community reinvestment organization shall meet the requirements of this section.

(2) A community reinvestment organization must be established as a federally recognized charitable organization under 26 U.S.C. 501(c)(3), (c)(4), or (c)(6).

(3) (a) Each community reinvestment organization shall create a CRO revolving account for the deposit and distribution of funds to participating counties within the community reinvestment organization's region.

(b) Community reinvestment organizations shall deposit into the CRO revolving account an equal amount of funds as those deposited from the Montana community reinvestment plan account prior to any plan dollars being used to buy down attainable workforce housing. Community reinvestment organization matching

fund options include but are not limited to the use of the employer pool, local government investments, and the utilization of volume cap bonds.

(4) (a) Money in a CRO revolving account must be used as follows:

(i) 95% or more must be distributed to participating counties to be used to assist eligible households in purchasing attainable workforce housing as provided in this section; and

(ii) 5% or less must be dedicated to startup and administrative costs of the community reinvestment organization and may be used to create a foreclosure mitigation set-aside fund.

(b) Money in a CRO revolving account may not be used for preconstruction, development, or construction-related purposes.

(c) If a county elects not to participate in the program under [sections 1 through 8], the money allocated to that county must be distributed proportionally to the remaining counties participating in the program within the same region as the nonparticipating county.

(6) An incorporated city, consolidated city-county, or county may contribute funds to its regional CRO revolving account as an optional local government investment.

(7) Money used from the CRO revolving account to assist an eligible household may not exceed 30% of the total purchase price.

(8) Housing purchased using money from the CRO revolving account must have a deed limitation restricting the equitable value to the eligible household. The rate of appreciation on the deed-restricted home may not be greater than 1% a year.

(9) A community reinvestment organization must coordinate local employer participation in a statewide employer pool.

(10) A community reinvestment organization is encouraged to develop policies to support homeowners buying out the deed restriction so the revolving account can be utilized to buy down the cost of additional homes for other eligible households.

Section 8. State workforce housing incentive to community reinvestment organizations. (1) A community reinvestment organization established in [section 6] that contains communities in the county that have a population of 15,000 or less and are located within a 30-mile radius of a state-owned facility that houses

at least 100 state inmates or behavioral health patients is eligible to apply for funds from the appropriation provided for in [section 20].

(2) (a) The governor's office of economic development shall allocate funds to applying and qualifying counties within community reinvestment organizations proportionally to the average number of state inmates or behavioral health patients in that state-owned facility in the fiscal year beginning July 1, 2021, and the number of employees in that county that work in the state-owned facilities that serve those inmates or patients.

(b) The department of commerce and the board of investments shall assist the governor's office of economic development in the distribution of funds pursuant to this section.

(3) Each community reinvestment organization that receives state workforce housing incentive funds shall create a state workforce housing CRO revolving account for the deposit and distribution of funds to qualifying and participating counties within the community reinvestment organization's region.

(4) (a) Money in a state workforce housing CRO revolving account must be used as follows:

(i) 95% or more must be distributed to qualifying and participating counties to be used to assist eligible households in purchasing attainable workforce housing as provided in this section; and

(ii) 5% or less must be dedicated to startup and administrative costs of the community reinvestment organization and may be used to create a foreclosure mitigation set-aside fund to be held locally.

(b) Money in a state workforce housing CRO revolving account may not be used for preconstruction, development, or construction-related purposes.

(c) If a county elects not to participate in the program under [sections 1 through 9], the money allocated to that county must be distributed proportionally to the remaining counties qualifying and participating in the program within the same region as the nonparticipating county.

(5) An incorporated city, consolidated city-county, or county may contribute funds to its state workforce housing CRO revolving account as an optional local government investment or may receive matching funds from the workforce housing appropriation in [section 15].

(6) Money used from the state workforce housing CRO revolving account to assist an eligible household may not exceed 30% of the total purchase price.

(7) (a) Housing purchased using money from the state workforce housing CRO revolving account

must have a deed limitation restricting the equitable value to the eligible household. The rate of appreciation on the deed-restricted home may not be greater than 1% a year.

(b) Housing purchased using money from the state workforce housing CRO revolving account must have a deed limitation restriction to ensure that a resident of the housing is employed at a state-owned facility that, on an annual average, houses at least 100 state inmates or behavioral health patients and the state-owned facility is located in a county that has a population that does not exceed 15,000 inhabitants.

(8) A community reinvestment organization is encouraged to develop policies to support homeowners buying out the deed restriction so the revolving account can be utilized to buy down the cost of additional homes for other eligible households.

Section 9. Use of state trust lands for attainable housing. Where state trust lands are in close proximity to cities, towns, or communities:

(1) the department of natural resources and conservation shall undertake an evaluation of whether the lands could be made available for use as land for potential development of attainable workforce housing as a part of the Montana community reinvestment plan; and

(2) each community reinvestment organization shall consider the use of state lands to support critical public employee services, including attainable workforce housing as part of the Montana community reinvestment plan.

Section 10. Montana housing infrastructure revolving loan fund account. (1) There is a Montana housing infrastructure revolving loan fund account within the state special revenue fund type established in 17-2-102 to the credit of the board of investments. Money deposited in the account established in this section must be invested by the board of investments as provided by law.

(2) The principal of the account may only be appropriated by a vote of two-thirds of the members of each house of the legislature.

Section 11. Purpose. The purpose of the loans made and the bonds or other securities issued and purchased pursuant to [sections 10 through 14] are:

- (1) to increase home ownership and provide more long-term rental opportunity;
- (2) to increase housing supply and offer diverse housing types to meet the needs of population growth; and
- (3) to create partnerships between the state, local governments, private sector developers, and applicants for residential development to finance necessary infrastructure for housing.

Section 12. Terms. The total amount of loans made to an entity for an infrastructure project pursuant to [section 14(1)] may not exceed:

- (1) \$1 million; or
- (2) 50% of the projected project cost.

Section 13. Eligibility -- priority. (1) For the costs of an infrastructure project to be eligible to be paid by the proceeds of a loan or bonds or other securities of an eligible government unit as defined in 17-5-1604, the infrastructure project must provide for residential development at a minimum gross density of 10 units for each acre.

(2) Lending of at least \$7 million of available funds must be prioritized to counties that have a population of less than 15,000 inhabitants that are located within a 30-mile radius of a state-owned facility that, on an annual average, houses at least 100 state inmates or behavioral health patients, and the state-owned facility is located in a county that has a population that does not exceed 15,000 inhabitants.

Section 14. Financing -- deed restrictions. (1) The board of investments may make loans from the account established in [section 10] to an eligible government unit as defined in 17-5-1604 or an applicant for residential development to cover the costs of demolition or expanding or extending water, wastewater, storm water, street, road, curb, gutter, and sidewalk infrastructure to serve new or rehabilitated residential development.

(2) The board of investments may purchase up to 50% of a bond or other security issued in accordance with state law by an eligible government unit as defined in 17-5-1604 to cover all or a portion of costs of expanding or extending water, wastewater, storm water, street, road, curb, gutter, and sidewalk

infrastructure to serve new or rehabilitated residential development at an interest rate to be determined by the board of investments as an investment of the account established in [section 10].

(3) The board of investments shall:

(a) establish the terms and conditions of the loan, including the interest rate of the loan, with a term not to exceed 20 years;

(b) if an eligible government unit is the entity seeking a loan or issuing a bond or other security, require that the eligible government unit waive all impact fees for the developer or the amount of impact fees up to the amount of the loan or bond or other security, whichever amount is smaller;

(c) if an applicant for residential development is the entity seeking a loan, require that the applicant pay all impact fees due to the local government or the amount of impact fees up to the amount of the loan, whichever amount is smaller; and

(d) set policy requiring that housing built using infrastructure funded in part by a security pursuant to this section must provide for provisions to preserve long-term affordability of the housing that runs with the property for the term of the security.

(4) The board of investments shall include the amounts loaned and the status of all loans in the report required in 17-5-1650.

Section 15. Workforce housing appropriations -- eligible uses of funds. (1) There is appropriated \$12 million from the general fund to the board of investments for the biennium beginning July 1, 2023. The purpose of the funds is to advance the construction or purchase of workforce housing of employees who work at state-owned facilities that house state inmates or behavioral health patients.

(2) Funds must be distributed to assist those who work and are living in counties that have a population of less than 15,000 inhabitants that are located within a 30-mile radius of a state-owned facility that, on an annual average, houses at least 100 state inmates or behavioral health patients, and the state-owned facility is located in a county that has a population that does not exceed 15,000 inhabitants. The distribution must be made pro rata based on the annual average state-owned facility population for the fiscal year beginning July 1, 2021, and the number of workers residing in each eligible county.

(3) Eligible uses of the funds include:

- (a) buying down construction costs on employee housing;
- (b) providing matching funds required pursuant to the state workforce housing community reinvestment organization revolving loan fund;
- (c) providing loans for up to 50% of the projected project cost of an eligible infrastructure project pursuant to [section 13];
- (d) providing funds to discount housing costs to employees who work in state-owned facilities that house, on an annual average, at least 100 state inmates or behavioral health patients, and the state-owned facility is located in a county that has a population that does not exceed 15,000 inhabitants; or
- (e) acquiring through construction or purchase housing for employees of those state-owned facilities with the intention of the housing to be privately owned within 10 years of purchase or construction unless private ownership is considered a security risk by the department of public health and human services or the department of corrections.

Section 16. Section 17-6-308, MCA, is amended to read:

"17-6-308. Authorized investments. (1) Except as provided in subsections (2) through (8) of this section and subject to the provisions of 17-6-201, the Montana permanent coal tax trust fund must be invested as authorized by rules adopted by the board.

(2) The board may make loans from the permanent coal tax trust fund to the capital reserve account created pursuant to 17-5-1515 to establish balances or restore deficiencies in the account. The board may agree in connection with the issuance of bonds or notes secured by the account or fund to make the loans. Loans must be on terms and conditions determined by the board and must be repaid from revenue realized from the exercise of the board's powers under 17-5-1501 through 17-5-1518 and 17-5-1521 through 17-5-1529, subject to the prior pledge of the revenue to the bonds and notes.

(3) The board shall manage the seed capital and research and development loan portfolios created by the former Montana board of science and technology development. The board shall establish an appropriate repayment schedule for all outstanding research and development loans made to the university system. The board is the successor in interest to all agreements, contracts, loans, notes, or other instruments entered into by the Montana board of science and technology development as part of the seed capital and

research and development loan portfolios, except agreements, contracts, loans, notes, or other instruments funded with coal tax permanent trust funds. The board shall administer the agreements, contracts, loans, notes, or other instruments funded with coal tax permanent trust funds. As loans made by the former Montana board of science and technology development are repaid, the board shall deposit the proceeds or loans made from the coal severance tax trust fund in the coal severance tax permanent fund until all investments are paid back with 7% interest.

(4) The board shall allow the Montana facility finance authority to administer \$15 million of the permanent coal tax trust fund for capital projects. Until the authority makes a loan pursuant to the provisions of Title 90, chapter 7, the funds under its administration must be invested by the board pursuant to the provisions of 17-6-201. As loans for capital projects made pursuant to this subsection are repaid, the principal and interest payments on the loans must be deposited in the coal severance tax permanent fund until all principal and interest have been repaid. The board and the authority shall calculate the amount of the interest charge. Individual loan amounts may not exceed 10% of the amount administered under this subsection.

(5) The board shall allow the board of housing to administer \$50 million of the permanent coal tax trust fund for the purposes of the Montana veterans' home loan mortgage program provided for in Title 90, chapter 6, part 6.

(6) The board shall allow the board of housing to administer ~~\$45~~ \$65 million of the permanent coal tax trust fund for the purpose of providing loans for the development and preservation of homes and apartments to assist low-income and moderate-income persons with meeting their basic housing needs pursuant to 90-6-137.

(7) (a) Subject to subsections (7)(b) and (7)(c), the board may make working capital loans from the permanent coal tax trust fund to an owner of a coal-fired generating unit.

(b) Loans may be provided in accordance with subsection (7)(a) to an owner to finance:

(i) the everyday operations and required maintenance of a coal-fired generating unit of which an owner has a shared interest;

(ii) the purchase of an additional interest in a coal-fired generating unit of which an owner has a shared interest;

(iii) the purchase of coal to use at a coal-fired generating unit or improvements necessary to utilize

coal from a different source at a coal-fired generating unit. When considering loan requests made under this subsection (7)(b)(iii), the board shall give preference to requests that allow for utilization of coal resources located in Montana or allow for improvements to utilize coal resources located in Montana that are determined to be economically feasible.

(iv) the purchase of electric transmission lines and associated facilities of a design capacity of 500 kilovolts or more primarily used to transmit electricity generated by a coal-fired resource;

(v) costs related to decommissioning and remediation of a coal-fired generating unit or affected property to meet applicable legal obligations as defined in 75-8-103; or

(vi) any combination of subsections (7)(b)(i) through (7)(b)(v).

(c) The board may charge a working capital loan application fee of up to \$500.

(8) The board may make loans from the permanent coal tax trust fund to a city, town, county, or consolidated city-county government impacted by the closure of a coal-fired generating unit to secure and maintain existing infrastructure.

(9) The board shall adopt rules to allow a nonprofit corporation to apply for economic assistance. The rules must recognize that different criteria may be needed for nonprofit corporations than for for-profit corporations.

(10) All repayments of proceeds pursuant to subsection (3) of investments made from the coal severance tax trust fund must be deposited in the coal severance tax permanent fund."

Section 17. Section 90-6-137, MCA, is amended to read:

"90-6-137. Alternate funding source for housing loans -- use of coal tax trust fund money. (1)

The board of investments shall allow the board of housing to administer ~~\$45-~~\$65 million of the coal tax trust fund for the purpose of providing loans for the development and preservation of homes and apartments to assist eligible low-income and moderate-income applicants. Until the board uses money in the coal tax trust fund to loan to a qualified applicant pursuant to this part, the money under the administration of the board must remain invested by the board of investments.

(2) While a loan made from the coal tax trust fund pursuant to this section is repaid, the principal payments on the loan must be deposited in the coal tax trust fund until all of the principal of the loan is repaid.

Interest received on a loan may be used by the board, in amounts determined by the board in accordance with 90-6-136, to pay for the servicing of a loan and for reasonable costs of the board for administering the program. After payment of associated expenses, interest received on the loan must be deposited into the coal tax trust fund.

(3) (a) Money from the coal tax trust fund must be used for the purposes identified in 90-6-134(3) and (4).

(b) Loans made pursuant to this section must meet the following requirements:

(i) Projects funded with the loans must be multifamily rental housing projects that provide low-income and moderate-income housing.

(ii) The loan must be in the first lien position and may not exceed 95% of total development costs.

(iii) The minimum interest rate charged on a loan pursuant to this section is no less than 0.5% below the current coal trust fund investment performance, and all loans combined must at least average the current coal trust investment performance~~0.5% less than the interest rate charged for a loan funded by the housing Montana fund provided for in 90-6-133.~~

(iv) The board and the loan recipient shall each pay half of loan servicing fees.

(v) Projects funded with the loans must be subject to property taxes, except those located on tribal lands.

(4) Money from the coal tax trust fund may not be used to replace existing or available sources of funding for eligible activities.

(5) Funds administered by the board from the coal tax trust fund may not be used to pay the expenses of any other program or service administered by the board.

(6) A multifamily rental housing project eligible to receive a loan under this section may include the development or preservation of a mobile home park as defined in 70-33-103."

Section 18. Transfer of funds. (1) By August 15, 2023, the state treasurer shall transfer \$50 million from the general fund to the Montana community reinvestment plan account provided for in [section 5].

(2) By August 15, 2023, the state treasurer shall transfer \$106 million from the general fund to the account established in [section 10].

Section 19. Appropriation. (1) There is appropriated one-time-only \$50 million from the Montana community investment plan account provided for in [section 5] to the department of commerce for the biennium beginning July 1, 2023.

(2) The appropriation must be used as provided in [section 5].

Section 20. Appropriations. There is appropriated \$6 million from the general fund to the governor's office of economic development for the biennium beginning July 1, 2023, for the purposes in [section 8].

Section 21. Notification to tribal governments. The secretary of state shall send a copy of [this act] to each federally recognized tribal government in Montana.

Section 22. Appropriation -- eligible uses. There is appropriated \$1 million from the general fund to the department of commerce for the biennium beginning July 1, 2023.

(2) Appropriated funds may only be used to:

(a) provide planning grants to local governments and tribal governments for planning and zoning reforms to increase housing supply; and

(b) cover administration costs of the grant program.

Section 23. Codification instruction. [Sections 1 through 9] are intended to be codified as an integral part of Title 90, and the provisions of Title 90 apply to [sections 1 through 9].

(2) [Sections 10 through 14] are intended to be codified as an integral part of Title 17, chapter 6, and the provisions of Title 17, chapter 6, apply to [sections 10 through 14].

Section 24. Coordination instruction. If both House Bill No. 199 and [this act] are passed and approved, then the references in [this act] to "chief business development officer" in [section 6(7)] must be changed to "chief economic development officer".

Section 25. Effective date. [This act] is effective on passage and approval.

- END -

I hereby certify that the within bill,
HB 819, originated in the House.

Chief Clerk of the House

Speaker of the House

Signed this _____ day
of _____, 2023.

President of the Senate

Signed this _____ day
of _____, 2023.

HOUSE BILL NO. 819

INTRODUCED BY P. GREEN, F. SMITH, J. READ, E. MCCLAFFERTY, M. CAFERRO, S. STEWART PEREGOY, L. JONES, R. LYNCH, D. LOGE, R. FITZGERALD, F. ANDERSON, C. KNUDSEN, S. VINTON, T. WELCH, E. BOLDMAN, S. MORIGEAU, J. SMALL, J. GROSS, M. HOPKINS, J. ELLSWORTH, N. DURAM, J. DOOLING, D. HARVEY, E. KERR-CARPENTER, K. BOGNER, J. KASSMIER, D. BEDEY, L. BREWSTER, K. ZOLNIKOV, S. GIST, M. MALONE, E. STAFMAN, A. BUCKLEY, J. GILLETTE, K. WALSH, M. BERTOGLIO, S. O'BRIEN, M. YAKAWICH, T. BROCKMAN, G. PARRY, E. MATTHEWS, G. NIKOLAKAKOS, P. TUSS, D. BAUM, B. BARKER, J. LYNCH, L. SMITH, M. ROMANO, J. KARLEN, B. CARTER, Z. ZEPHYR, N. HASTINGS

AN ACT PROVIDING FOR THE MONTANA COMMUNITY REINVESTMENT PLAN; PROVIDING FOR ATTAINABLE WORKFORCE HOUSING; PROVIDING FOR DISTRIBUTION OF FUNDS TO COMMUNITY REINVESTMENT ORGANIZATIONS; PROVIDING FOR COMMUNITY REINVESTMENT ORGANIZATION REQUIREMENTS; PROVIDING FOR STATE WORKFORCE HOUSING INCENTIVE REVOLVING ACCOUNTS; CREATING THE MONTANA HOUSING INFRASTRUCTURE REVOLVING ACCOUNT IN THE STATE SPECIAL REVENUE FUND TYPE; PROVIDING FOR DUTIES FOR THE BOARD OF INVESTMENTS AND THE GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT; PROVIDING ELIGIBILITY REQUIREMENTS FOR THE USE OF FUNDS; PROVIDING FOR DEED RESTRICTIONS; PROVIDING FOR PLANNING GRANTS FROM THE DEPARTMENT OF COMMERCE; AUTHORIZING ADDITIONAL FUNDING FOR LOW-INCOME AND MODERATE-INCOME HOUSING LOANS FROM THE PERMANENT COAL TAX TRUST FUND; AMENDING TERMS OF LOANS; PROVIDING ADDITIONAL FUNDING FOR STATE WORKFORCE HOUSING; PROVIDING DEFINITIONS; PROVIDING FOR TRANSFERS OF FUNDS; PROVIDING APPROPRIATIONS; AMENDING SECTIONS 17-6-308 AND 90-6-137, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

CHAPTER # _____

HOUSE BILL NO. 819

INTRODUCED BY P. GREEN, F. SMITH, J. READ, E. MCCLAFFERTY, M. CAFERRO, S. STEWART PEREGOY, L. JONES, R. LYNCH, D. LOGE, R. FITZGERALD, F. ANDERSON, C. KNUDSEN, S. VINTON, T. WELCH, E. BOLDMAN, S. MORIGEAU, J. SMALL, J. GROSS, M. HOPKINS, J. ELLSWORTH, N. DURAM, J. DOOLING, D. HARVEY, E. KERR-CARPENTER, K. BOGNER, J. KASSMIER, D. BEDEY, L. BREWSTER, K. ZOLNIKOV, S. GIST, M. MALONE, E. STAFMAN, A. BUCKLEY, J. GILLETTE, K. WALSH, M. BERTOGLIO, S. O'BRIEN, M. YAKAWICH, T. BROCKMAN, G. PARRY, E. MATTHEWS, G. NIKOLAKAKOS, P. TUSS, D. BAUM, B. BARKER, J. LYNCH, L. SMITH, M. ROMANO, J. KARLEN, B. CARTER, Z. ZEPHYR, N. HASTINGS

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STATE OF MONTANA
FILED

Secretary of State

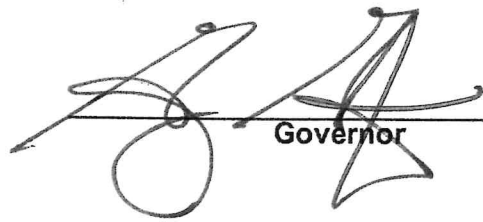
By _____

This bill was received by the Governor

this 13 day
of June, 2023.

By Kelly Brady

Approved June 13, 2023


Governor

Attachment C: Certification
Montana Department of Commerce, State of Montana

Appendix B -- Certifications

Applicants to the PRO Housing program must use this Appendix to certify their compliance with various requirements. Applicants should complete the certifications relevant to them and submit them with their application. Please note that all applicants must complete the lobbying certification.

PRO HOUSING CERTIFICATIONS FOR STATE APPLICANTS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the State certifies that:

Affirmatively Further Fair Housing -- The State will affirmatively further fair housing.

The Uniform Relocation and Real Property Acquisition Policies Act of 1970, as amended (URA), and Residential Anti-displacement and Relocation Assistance Plan (RARAP) -- It will comply with the acquisition and relocation requirements of the URA (42 U.S.C. 4601-4655) and implementing regulations at 49 CFR Part 24. It has in effect and is following a RARAP as required under 24 CFR Part 42 in connection with any activity assisted with funding under either the Community Development Block Grant or HOME programs.

Anti-Lobbying --To the best of the State's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraphs 1 and 2 of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of State -- The submission of the PRO Housing application is authorized under State law and the State possesses the legal authority to carry out the programs under the consolidated plan for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan -- The housing activities to be undertaken PRO Housing funds are consistent with the strategic plan in the State's consolidated plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR Part 75.

Build America, Buy America (BABA) – It will comply with Title IX, Subpart A of the Infrastructure Investment and Jobs Act of 2021 (41 U.S.C. 8301 et seq.).

Public Participation -- It is in full compliance with the PRO Housing streamlined public participation requirements found in Section VI.E of the PRO Housing NOFO and each unit of general local government that receives assistance from the State is in full compliance with the same.

Consultation with Local Governments --

1. It has consulted with affected units of local government in the non-entitlement area of the State in determining the method of distribution of funding, if applicable;
2. It engages in or will engage in planning for community development activities;
3. It provides or will provide technical assistance to units of local government in connection with community development programs; and
4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

Local Needs Identification – It will require each unit of general local government to be funded to identify its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.

Community Development Plan -- Its consolidated plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objective of the CDBG program (i.e., the development of viable urban communities, by providing decent housing and expanding economic opportunities, primarily for persons of low and moderate income) and requirements of 24 CFR parts 91 and 570.

Use of Funds -- It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with PRO Housing funds, it has developed its proposal so as to give maximum feasible priority to activities which benefit low- and moderate-income families or aid in the prevention or elimination of slums or blight. The proposal may also include activities which the grantee certifies are designed to meet other community development needs having particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available (see Optional PRO Housing Certification).
2. Overall Benefit. The aggregate use of PRO Housing funds shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons.
3. Special Assessments. It will not attempt to recover any capital costs of public improvements assisted with PRO Housing funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if PRO Housing funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with

PRO Housing funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than PRO Housing funds. In addition, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than PRO Housing funds if the jurisdiction certifies that it lacks PRO Housing funds to cover the assessment.

Excessive Force -- It will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.

Compliance with Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601-3619) and implementing regulations.

Lead-Based Paint -- Its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K and R; and EPA's lead-based paint rules (e.g., Repair, Renovation and Painting; Pre-Renovation Education; and Lead Training and Certification (40 CFR part 745)).

Compliance with RFRA -- The grant will be conducted and administered in conformity with the requirements of the Religious Freedom Restoration Act (42 U.S.C. 2000bb) and 24 CFR 5.109, allowing the full and fair participation of faith-based entities.

Environmental Review -- It will comply with environmental review procedures and requirements at 24 CFR parts 50 and 58.

Compliance with Laws -- It will comply with applicable laws.

DocuSigned by: <i>Mandy Rambo</i> D79E9C4A0F42480...	10/2/2023
Signature of Authorized Official	Date
Deputy Director	Montana Department of Commerce

Title

Attachment D: Budget
Montana Department of Commerce, State of Montana

Grant Application Detailed Budget Worksheet

(Exp. 08/31/2011)

Name and Address of Applicant:	State of Montana Department of Commerce 301 S. Park Ave Helena, MT 59620-0528	Public reporting burden for this collection of information is estimated to average 3 hours 12 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. Information collected will provide proposed budget data for multiple programs. HUD will use this information in the selection of applicants. Response to this request for information is required in order to receive the benefits to be derived. The information requested does not lend itself to confidentiality.
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Category **Detailed Description of Budget (for full grant period)**

1. Personnel (Direct Labor)	Estimated Hours	Rate per Hour	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Position or Individual											
Housing Planner	11960	\$38.87	\$464,885.20	\$439,405.45	\$25,480			\$25,479.75			
Housing Planner	11960	\$38.87	\$464,885.20	\$439,405.45	\$25,480			\$25,479.75			
Housing Program Executive	5980	\$51.97	\$310,780.60	\$310,780.60							
Compliance Specialist	1196	\$39.12	\$46,787.52	\$46,787.52							
Planning Program Manager	1196	\$43.13	\$51,583.48		\$51,583.48			\$51,583.48			
Planner	1794	\$36.79	\$66,001.26		\$66,001.26			\$66,001.26			
Planner	1794	\$48.52	\$87,044.88	\$87,044.88							
Division Administrator	598	\$56.79	\$33,960.42	\$10,188.13	\$23,772.29			\$23,772.29			
CDBG Coordinator	598	\$37.32	\$22,317.36	\$22,317.36							
Outreach Coordinator	598	\$37.32	\$22,317.36	\$22,317.36							
Resource Development Program Manager	598	\$42.77	\$25,576.46	\$6,394.12	\$19,182.34			\$19,182.34			
MHPG Program Specialist	598	\$30.34	\$18,143.32		\$18,143.32			\$18,143.32			
Commerce Attorney	598	\$53.55	\$32,022.90	\$32,022.90							
GIS	598	\$38.85	\$23,232.30	\$23,232.30							
Economist	598	\$38.85	\$23,232.30	\$23,232.30							
RIS Bureau Chief	598	\$51.56	\$30,832.88	\$30,832.88							
MH Executive Director/Administrator	241.5	\$58.35	\$14,091.53	\$14,091.53							
Total Direct Labor Cost			\$1,737,695	\$1,508,053	\$229,642	\$0	\$0	\$229,642	\$0	\$0	\$0

2. Fringe Benefits	Rate (%)	Base	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Total Direct Labor Cost	17.00%	\$1,737,695	\$295,408.15	\$256,368.97	\$39,039.17			\$39,039.17			
Insurance \$1054 p/month p/person	17	\$72,726.00	\$1,236,342	\$895,847.00	\$340,495.00			\$340,495.00			
			\$0								
			\$0								
			\$0								
			\$0								
Total Fringe Benefits Cost			\$1,531,750	\$1,152,216	\$379,534	\$0	\$0	\$379,534	\$0	\$0	\$0

3. Travel											
3a. Transportation - Local Private Vehicle	Mileage	Rate per Mile	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
3 Remote staff commute to Office. 2 trips per month.	113,160	\$0.701	\$79,311.32	\$52,874.21	\$26,437.11			\$26,437.11			
			\$0								
			\$0								
			\$0								

			\$0								
			\$0								
Subtotal - Trans - Local Private Vehicle			\$79,311	\$52,874	\$26,437	\$0	\$0	\$26,437	\$0	\$0	\$0

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Grant Application Detailed Budget Worksheet

Detailed Description of Budget

3b. Transportation - Airfare (show destination)	Trips	Fare	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
			\$0								
			\$0								
			\$0								
			\$0								
			\$0								
Subtotal - Transportation - Airfare			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3c. Transportation - Other	Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
			\$0								
			\$0								
			\$0								
			\$0								
			\$0								
Subtotal - Transportation - Other			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3d. Per Diem or Subsistence (indicate location)	Days	Rate per Day	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Motor Pool	414	\$35.64	\$14,758.17	\$14,758.17							
			\$0								
			\$0								
			\$0								
			\$0								
Subtotal - Per Diem or Subsistence			\$14,758	\$14,758	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Travel Cost			\$94,069	\$67,632	\$26,437	\$0	\$0	\$26,437	\$0	\$0	\$0
4. Equipment (Only items over \$5,000 Depreciated value)	Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
			\$0								
			\$0								
			\$0								
			\$0								
Total Equipment Cost			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Detailed Description of Budget

5. Supplies and Materials (Items under \$5,000 Depreciated Value)											
5a. Consumable Supplies	Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
			\$0								
			\$0								
			\$0								
			\$0								
			\$0								
			\$0								
			\$0								
Subtotal - Consumable Supplies			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5b. Non-Consumable Materials	Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Laptop	2	\$3,000.00	\$6,000	\$ 6,000.00							
Chair	2	\$600.00	\$1,200	\$ 1,200.00							
Ergonomic Desk Set-up	2	\$1,500.00	\$3,000	\$ 3,000.00							
			\$0	\$ -							
			\$0	\$ -							
			\$0	\$ -							
Subtotal - Non-Consumable Materials			\$10,200	\$10,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Supplies and Materials Cost			\$10,200	\$10,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6. Consultants (Type)	Days	Rate per Day	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
			\$0								
			\$0								
			\$0								
			\$0								
			\$0								
			\$0								
Total Consultants Cost			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7. Contracts and Sub-Grantees (List individually)	Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Other-TBD by Procurment Activity	6	\$100,000.00	\$600,000	\$ 600,000.00							
Grants to Local Governments and Tribal Governments	1	\$739,815.00	\$739,815		\$ 739,815.00			\$ 739,815.00			
The Montana Historic Preservation Grant (MHPG) Program	1	\$4,641,163.00	\$4,641,163		\$4,641,163.00			\$4,641,163.00			
Community Planning Platform (CPP)	1	\$600,000.00	\$600,000		\$ 600,000.00		\$ 600,000.00				
Total Subcontracts Cost			\$6,580,978	\$600,000	\$5,980,978	\$0	\$600,000	\$5,380,978	\$0	\$0	\$0

Detailed Description of Budget

8. Construction Costs											
	Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
8a. Administrative and legal expenses			\$0								
			\$0								
			\$0								
			\$0								
Subtotal - Administrative and legal expenses			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8b. Land, structures, rights-of way, appraisal, etc			\$0								
			\$0								
			\$0								
			\$0								
Subtotal - Land, structures, rights-of way, ...			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8c. Relocation expenses and payments			\$0								
			\$0								
			\$0								
			\$0								
Subtotal - Relocation expenses and payments			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8d. Architectural and engineering fees			\$0								
			\$0								
			\$0								
			\$0								
Subtotal - Architectural and engineering fees			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8e. Other architectural and engineering fees			\$0								
			\$0								
			\$0								
			\$0								
Subtotal - Other architectural and engineering fees			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Grant Application Detailed Budget Worksheet

Detailed Description of Budget

	Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
8f. Project inspection fees			\$0								
			\$0								
			\$0								
Subtotal - Project inspection fees			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8g. Site work			\$0								
			\$0								
			\$0								
Subtotal - Site work			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8h. Demolition and removal			\$0								
			\$0								
			\$0								
Subtotal - Demolition and removal			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8i. Construction			\$0								
			\$0								
			\$0								
Subtotal - Construction			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8j. Equipment			\$0								
			\$0								
			\$0								
Subtotal - Equipment			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8k. Contingencies			\$0								
			\$0								
			\$0								
Subtotal - Contingencies			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8l. Miscellaneous			\$0								
			\$0								
			\$0								
Subtotal - Miscellaneous			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Construction Costs			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Grant Application Detailed Budget Worksheet

Detailed Description of Budget

				HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
9. Other Direct Costs											
Item											
Software-Off the shelf & GIS	12	2500	\$30,000	\$30,000							
Badge	2	10	\$20		\$20			\$20			
Job Posting	1	600	\$600		\$600			\$600			
Fingerprinting	2	75	\$150		\$150			\$150			
Staff Training & Conferences	12	5000	\$60,000	\$60,000							
Staff Travel to Communities	1	131020.12	\$131,020	\$131,020							
Printing & Postage	1	6000	\$6,000	\$6,000							
			\$0								
			\$0								
			\$0								
			\$0								
			\$0								
Total Other Direct Costs			\$227,790	\$227,020	\$770	\$0	\$0	\$770	\$0	\$0	\$0
Subtotal of Direct Costs				\$10,182,483	\$3,565,121	\$6,617,361	\$0	\$600,000	\$6,017,361	\$0	\$0
10. Indirect Costs											
Type											
Indirect Costs FY24 Rate 13.32%		13.32%	\$3,269,445.12	\$435,490	\$ 354,347.80	\$ 81,142.29		\$ 81,142.29			
Approved by U.S. Dept. of the Interior. Changes Annually.											
Calculated based on Personnel Cost Base (Salaries and Benefits)											
Total Indirect Costs			\$435,490	\$354,348	\$81,142	\$0	\$0	\$81,142	\$0	\$0	\$0
Total Estimated Costs (Subtotal Direct + Total Indirect)				\$10,617,973	\$3,919,469	\$6,698,504	\$0	\$600,000	\$6,098,504	\$0	\$0

Grant Application Detailed Budget Worksheet

Detailed Description of Budget			
Analysis of Total Estimated Costs		Estimated Cost	Percent of Total
1	Personnel (Direct Labor)	\$ 1,737,694.97	16%
2	Fringe Benefits	\$ 1,531,750.15	14%
3	Travel	\$ 94,069.49	1%
4	Equipment	\$ -	0%
5	Supplies and Materials	\$ 10,200.00	0%
6	Consultants	\$ -	0%
7	Contracts and Sub-Grantees	\$ 6,580,978.00	62%
8	Construction	\$ -	0%
9	Other Direct Costs	\$ 227,790.12	2%
10	Indirect Costs	\$ 435,490.09	4%
	Total:	\$ 10,617,972.82	100%
	HUD Share:	\$ 3,919,469.04	
	Match: (as percentage of HUD Share)	\$ 6,698,503.76	171%

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