



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **HB0005: Long-range building appropriations**

Primary Sponsor: **John Fitzpatrick**

Status: **As Introduced**

Included in the Executive Budget Needs to be included in HB 2 Significant Local Gov Impact

Significant Long-Term Impacts Technical Concerns Dedicated Revenue Form Attached

FISCAL SUMMARY

	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
Expenditures				
General Fund (01)	\$76,958,300	\$76,958,300	\$1,987,675	\$2,017,490
State Special Revenue (02)	\$58,066,944	\$58,066,944	\$427,004	\$433,409
Federal Special Revenue (03)	\$46,191,350	\$46,191,350	\$298,207	\$302,680
Authority Only	\$48,304,543	\$48,304,543	\$182,236	\$184,969
Capital Development Fund	\$198,657,500	\$198,657,500	\$0	\$0
Capital Land Grant	\$1,400,000	\$1,400,000	\$0	\$0
Major Repair Fund	\$21,657,500	\$21,657,500	\$0	\$0
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0
Capital Development Fund	\$75,000,000	\$75,000,000	\$0	\$0
Authority Only	\$0	\$0	\$0	\$0
Capital Land Grant	\$0	\$0	\$0	\$0
Major Repair Fund	\$0	\$0	\$0	\$0
Net Impact	(\$76,958,300)	(\$76,958,300)	(\$1,987,675)	(\$2,017,490)
General Fund Balance				

Description of fiscal impact

The long-range building program uses dedicated revenue from various sources to complete major repair and capital development projects for state-owned facilities for all agencies and the university system. Several state agencies also have dedicated revenue or are able to raise funds (e.g., the university system) for specific projects. Capital projects typically take multiple fiscal years to complete, and the appropriation authority is valid until projects are completed per 17-7-212, MCA.

FISCAL ANALYSIS

Assumptions

1. Major Repair is defined in 17-7-201(7), MCA.
2. Capital Development is defined in 17-7-201(2), MCA

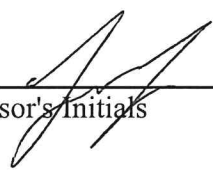
3. In order for new design or construction of capital development projects to occur, the legislature must estimate and appropriate major repair first per 17-7-222(1), MCA, as provided in 17-7-222(2), MCA.
4. Capital Development projects that result in a new facility as defined in 17-7-201(8), MCA, must be funded for program expansion or operations and maintenance or may not be authorized by the legislature unless as provided in 17-7-210, MCA.
5. Operations and Maintenance in Section 3(3) are the amounts for the 2025 biennium, as required and explained in assumption 4. Those amounts are split evenly for each year of the 2025 biennium in this fiscal note. The appropriations will be incorporated into agency base budgets in future biennia.
6. The major repair and capital development project appropriations and authorizations are valid until projects are completed in accordance 17-7-212, MCA. The funding in this fiscal note is shown as expenditures are anticipated occur but are subject to change.
7. Authority-only capital projects do not require an appropriation and are not shown as expenditures. These projects are funded from grants, donations, auxiliary funds, proprietary funds, university funds, or other non-state sources. However, they do require authorization of the legislature.
8. A 1.5% inflation factor is applied to FY 2028 and FY 2029 for operations and maintenance

Fiscal Analysis Table

	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
<u>Fiscal Impact</u>				
<u>Expenditures</u>				
Operating Expenses	\$2,873,637	\$2,873,637	\$2,895,122	\$2,938,548
Transfers	\$75,000,000	\$75,000,000	\$0	\$0
Capital Outlay	\$373,362,500	\$373,362,500	\$0	\$0
TOTAL Expenditures	\$451,236,137	\$451,236,137	\$2,895,122	\$2,938,548
<u>Funding of Expenditures</u>				
General Fund (01)	\$76,958,300	\$76,958,300	\$1,987,675	\$2,017,490
State Special Revenue (02)	\$58,066,944	\$58,066,944	\$427,004	\$433,409
Federal Special Revenue (03)	\$46,191,350	\$46,191,350	\$298,207	\$302,680
Other	\$0	\$0	\$0	\$0
Capital Land Grant	\$1,400,000	\$1,400,000	\$0	\$0
Capital Development Fund	\$198,657,500	\$198,657,500	\$0	\$0
Major Repair Fund	\$21,657,500	\$21,657,500	\$0	\$0
Authority Only	\$48,304,543	\$48,304,543	\$182,236	\$184,969
TOTAL Funding of Expenditures	\$451,236,137	\$451,236,137	\$2,895,122	\$2,938,548
<u>Revenues</u>				
Other	\$0	\$0	\$0	\$0
Capital Development Fund	\$75,000,000	\$75,000,000	\$0	\$0
TOTAL Revenues	\$75,000,000	\$75,000,000	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
General Fund (01)	(\$76,958,300)	(\$76,958,300)	(\$1,987,675)	(\$2,017,490)
State Special Revenue (02)	(\$58,066,944)	(\$58,066,944)	(\$427,004)	(\$433,409)
Federal Special Revenue (03)	(\$46,191,350)	(\$46,191,350)	(\$298,207)	(\$302,680)
Other	\$0	\$0	\$0	\$0
Capital Land Grant	(\$1,400,000)	(\$1,400,000)	\$0	\$0
Capital Development Fund	(\$123,657,500)	(\$123,657,500)	\$0	\$0
Major Repair Fund	(\$21,657,500)	(\$21,657,500)	\$0	\$0
Authority Only	(\$48,304,543)	(\$48,304,543)	(\$182,236)	(\$184,969)

Technical Concerns

1. Pg. 14, lines 8 & 10 need to be switched to read line 8 as 107,400 FSR and line 10 as 150,000 SSR. This update will bring SSR to 116,176,487 & FSR to 92,340,100.



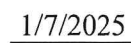
Sponsor's Initials



Date



Budget Director's Initials



Date