



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **HB0879.01: Interim study bill on the impacts of federal actions on the state of Montana**

Primary Sponsor: Ed Stafman 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

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
Expenditures				
General Fund (01)	\$489,826	\$329,964	\$0	\$0
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
Net Impact	<u>(\$489,826)</u>	<u>(\$329,964)</u>	<u>\$0</u>	<u>\$0</u>
General Fund Balance				

Description of fiscal impact

HB 879 provides for a legislative study of the impact of federal directives on Montana's economy by the Legislative Finance Committee and provides an appropriation to the Legislative Fiscal Division. The fiscal impact to the Legislative Branch for the 2027 Biennium is \$819,790.

FISCAL ANALYSIS

Assumptions

Legislative Branch

1. HB 879 directs the Legislative Finance Committee (LFC) to study federal directives and their impact on Montana's economy.
2. LFC may establish a subcommittee and additional bipartisan subcommittees to complete the requirements of HB 879.
 - a. The presiding officer of the LFC is responsible for appointing subcommittee members.
 - b. HB 879 does not specify whether these members must be current LFC members, but for this fiscal note, it is assumed that subcommittee members will be members of the LFC.
3. HB 879 does not specify whether, or how, subcommittee members are compensated. For this fiscal note, it is assumed that legislative members will be compensated per 5-2-302, MCA.
4. It is unclear how many members will serve on either the primary subcommittee (Section 1(2)) or additional subcommittees (Section 1(4)).
 - a. For the purposes of this fiscal note, it is assumed that two members of the LFC will serve on each subcommittee.
 - b. It is also assumed that four subcommittees will be created and will meet prior to each of the quarterly LFC meetings for a total of six meetings.

5. The fiscal impact for legislative participation is \$189,367 for the 2027 biennium. This includes \$43,363 in FY 2026 and \$18,584 in FY 2027 for legislator salaries, \$81,552 in FY 2026 and \$34,951 in FY 2027 for legislator travel expenses, and \$7,642 in FY 2026 and \$3,275 in FY 2027 for other committee expenses.
6. HB 879 requires the Legislative Fiscal Division (LFD) to provide administrative support to the LFC.
 - a. It is assumed that an additional 2.00 FTE (1.00 fiscal analyst and 1.00 secretary) will be required to staff the additional subcommittee meetings. Salary and benefits for the fiscal analyst are estimated to be \$123,989 for FY 2026 and \$127,086 for FY 2027; salary and benefits for the secretary are estimated to be \$79,580 for FY 2026 and \$81,568 for FY 2027.
 - b. A one-time-only new employee office and computer equipment package (\$1,600 for each position) is included in FY 2026.
 - c. The fiscal impact for the 2027 Biennium is \$415,423.
7. For the purposes of this fiscal note, it is assumed that the \$215,000 appropriation (\$150,500 in FY 2026 and \$64,500 in FY 2027) will support a contracted economic analysis of selected components outlined in HB 879.
 - a. It is difficult to determine how much additional funding will be necessary to fully contract an economic analysis, but it is likely the contract will use the entire \$215,000 appropriation established in HB 879.
8. Many of the topics of this study are beyond the scope of the LFC and the LFD (See Technical Concerns). The work required in this bill will require a significant commitment of staff resources in the LFD and the Legislative Services Division in addition to staff work with interim committees, LFC time, interim committee time, and a contracted economic analysis.
9. HB 879 terminates December 31, 2026.
10. The fiscal impact to the Legislative Branch is \$819,790 for the 2027 Biennium.

Secretary of State's Office

11. HB 879 requires the Office of the Secretary of State to notify each federally recognized tribal government in Montana. While there may be a minimal fiscal impact, the office will absorb the costs associated with implementing this bill within the office's existing operating budget.

Fiscal Analysis Table

Legislative Branch				
	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
Fiscal Impact				
FTE	2.00	2.00	0.00	0.00
TOTAL Fiscal Impact	2.00	2.00	0.00	0.00
Expenditures				
Personal Services	\$246,932	\$227,238	\$0	\$0
Operating Expenses	\$242,894	\$102,726	\$0	\$0
TOTAL Expenditures	\$489,826	\$329,964	\$0	\$0
Funding of Expenditures				
General Fund (01)	\$489,826	\$329,964	\$0	\$0
TOTAL Funding of Expenditures	\$489,826	\$329,964	\$0	\$0
Revenues				
Net Impact to Fund Balance (Revenue minus Funding of Expenditures)				
General Fund (01)	(\$489,826)	(\$329,964)	\$0	\$0

Technical Concerns

1. Many of the topics of this study are beyond the scope of the Legislative Finance Committee and the Legislative Fiscal Division.

NOT SIGNED BY SPONSOR

Sponsor's Initials

Date



Budget Director's Initials

3/31/2025

Date