



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2025 Biennium

**Bill information:**

HB0005 - Long-range building appropriations (Hopkins, Mike )

**Status:** As Amended in House Committee

- Significant Local Gov Impact     
  Needs to be included in HB 2     
  Technical Concerns  
 Included in the Executive Budget     
  Significant Long-Term Impacts     
  Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>
<b>Expenditures:</b>				
General Fund	\$13,539,062	\$15,708,320	\$6,928,453	\$7,032,380
Major Repair	\$36,866,550	\$36,866,550	\$0	\$0
Capital Development	\$281,816,311	\$279,816,311	\$0	\$0
State Special Revenue	\$75,866,003	\$75,866,003	\$1,102,220	\$1,118,753
Federal Special Revenue	\$61,442,965	\$61,442,965	\$132,190	\$134,172
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
Txfr Capital Development to Major R	\$41,420,091	\$0	\$0	\$0
State Special Revenue	\$7,000,000	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>(\$13,539,062)</u>	<u>(\$15,708,320)</u>	<u>(\$6,928,453)</u>	<u>(\$7,032,380)</u>

**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

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*(continued)*

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 2026 and FY 2027 for operations and maintenance.

**Fiscal Note Request – As Amended in House Committee**

(continued)

	<b><u>FY 2024</u></b> <b><u>Difference</u></b>	<b><u>FY 2025</u></b> <b><u>Difference</u></b>	<b><u>FY 2026</u></b> <b><u>Difference</u></b>	<b><u>FY 2027</u></b> <b><u>Difference</u></b>
<b><u>Expenditures:</u></b>				
Transfer	\$7,000,000	\$0	\$0	\$0
Building O&M	\$8,042,229	\$8,042,229	\$8,162,862	\$8,285,305
Major Repair	\$43,237,040	\$43,237,040	\$0	\$0
Capital Development	\$406,038,622	\$406,038,622	\$0	\$0
Grants	\$4,163,000	\$4,163,000	\$0	\$0
Other	\$1,050,000	\$8,219,257	\$0	\$0
<b>TOTAL Expenditures</b>	<b>\$469,530,891</b>	<b>\$469,700,148</b>	<b>\$8,162,862</b>	<b>\$8,285,305</b>

<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$13,539,062	\$15,708,319	\$6,928,453	\$7,032,380
Major Repair (02)	\$36,866,550	\$36,866,550	\$0	\$0
Capital Development (03)	\$281,816,311	\$279,816,311	\$0	\$0
State Special Revenue (04)	\$75,866,003	\$75,866,003	\$1,102,220	\$1,118,753
Federal Special Revenue (05)	\$61,442,965	\$61,442,965	\$132,190	\$134,172
Other	\$0	\$0	\$0	\$0
<b>TOTAL Funding of Exp.</b>	<b>\$469,530,891</b>	<b>\$469,700,148</b>	<b>\$8,162,862</b>	<b>\$8,285,305</b>

<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
Major Repair (02)	\$41,420,091	\$0	\$0	\$0
State Special Revenue (04)	\$7,000,000	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<b>\$48,420,091</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$13,539,062)	(\$15,708,319)	(\$6,928,453)	(\$7,032,380)
Major Repair (02)	\$4,553,541	(\$36,866,550)	\$0	\$0
Capital Development (03)	(\$281,816,311)	(\$279,816,311)	\$0	\$0
State Special Revenue (04)	(\$68,866,003)	(\$75,866,003)	(\$1,102,220)	(\$1,118,753)
Federal Special Revenue (05)	(\$61,442,965)	(\$61,442,965)	(\$132,190)	(\$134,172)

**Technical Notes:**

- In the capital development section (Section 3), the \$15 million in authority only for the MSU Indoor Practice Facility does not have a corresponding amount identified for an operating & maintenance budget (O&M). Pursuant to 17-7-210 MCA, if the new facility requires state funding for O&M, the university will need an O&M appropriation amount needs to be specifically identified or the construction authorization is void.

<u>    MH    </u>	<u>    3/31/23    </u>	<u>    </u>	<u>    3-31-23    </u>
Sponsor's Initials	Date	Budget Director's Initials	Date