

1 HOUSE BILL NO. 879

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10 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR A LEGISLATIVE STUDY OF THE IMPACT OF
11 FEDERAL DIRECTIVES ON MONTANA'S ECONOMY BY THE LEGISLATIVE FINANCE COMMITTEE;
12 PROVIDING AN APPROPRIATION; PROVIDING FOR CONTINGENT VOIDNESS; AND PROVIDING AN
13 EFFECTIVE DATE AND A TERMINATION DATE."

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15 WHEREAS, President Donald Trump was inaugurated as President of the United States on January
16 20, 2025; and

17 WHEREAS, since the day of his inauguration, President Trump and his executive appointees have
18 issued many directives through various means, including executive orders and the newly created Department of
19 Government Efficiency; and

20 WHEREAS, these directives have and will continue to have significant impacts on Montana's people,
21 businesses, governments, and landscapes; and

22 WHEREAS, these impacts may necessitate significant actions by Montana's executive and legislative
23 branches, as well as local governments, tribes, the Board of Regents, school districts, and universities,
24 including the replacement of lost funding, the development or modification of programs or structures that are
25 being reduced or eliminated through federal directives, the adjustment of budgets, and the provision of
26 assistance to the many Montanans who have lost their jobs as federal employees.

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

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2 **NEW SECTION. Section 1. Legislative finance committee study of economic impacts related to**3 **federal directives.** (1) For the 2025-2026 interim, the legislative finance committee provided for in 5-12-201
4 shall direct a study of federal directives made since January 20, 2025, and their impact on Montana citizens,
5 local, tribal, and state governments, institutions, and businesses.6 (2) The legislative finance committee may establish a subcommittee to complete its work in
7 accordance with this section. The presiding officer of the legislative finance committee shall appoint the
8 members of a subcommittee with equal representation from the majority and minority parties. The presiding
9 officer may also appoint ex officio members to a subcommittee provided they are equally represented from the
10 majority and minority parties.

11 (3) Any vacancies on a subcommittee must be filled in accordance with subsection (2).

12 (4) The committee may create additional bipartisan subcommittees to carry out the study or
13 request that an interim committee assist with the study, provided that the presiding officer of that interim
14 committee consents and ensures that the interim committee completes its assigned role in time to include its
15 findings with the reporting required by this section.16 (5) The committee shall complete its preliminary work and issue a written report of its findings and
17 recommendations by January 1, 2026. Copies of the report must be given to the governor, all state legislators,
18 each of the federally recognized tribal governments of the state, and to the members of Montana's
19 congressional delegation.20 (6) Additional meetings, research, and updates to the report required in subsection (5) may take
21 place after January 1, 2026. The final results of the study, including an updated report if applicable, must be
22 presented to the legislative finance committee before September 1, 2026. Copies of the final report must be
23 given to the governor, all state legislators, each of the federally recognized tribal governments of the state, and
24 to the members of Montana's congressional delegation.

25 (7) The legislative fiscal division shall provide administrative staff support and fiscal analysis.

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27 **NEW SECTION. Section 2. Requirements of study related to economic impacts of federal**28 **directives.** The legislative finance committee shall study the economic impacts of federal directives made since

January 20, 2025, on Montana citizens, local, tribal, and state governments, institutions, and businesses pursuant to [section 1], including but not limited to the following:

(1) the loss of federal funding from Montana's state budget as a result of executive orders, executive directives, actions of the department of government efficiency, and directives from the office of management and budget, which froze or halted many federal grants. This includes but is not limited to impacts on:

(a) state agency operations and budgets;

(b) the functioning of government resulting from the reduction of personnel due to the loss of federal grant money;

(c) sustaining programs by the state for local governments, health departments, food banks, school boards, and school districts, such as the elimination of the local foods for schools program, which provided grants to state school districts; and

(d) federal grants for infrastructure projects, including the reversal of prioritization of funds for fiber internet network access, primarily in rural communities, through the broadband equity, access, and deployment program grant of more than \$628 million in the state.

(2) the impact on the state's economy resulting from tariffs imposed on other nations, such as the 20% tariffs on all imports from China through executive orders of February 4 and March 4, 2025, the 25% tariff on many goods from Canada and Mexico through the executive order of March 8, 2025, the 25% tariff on all aluminum and steel, and the planned tariffs on agricultural products and foreign cars, as well as any retaliatory tariffs from other nations. The study must examine economic impacts on the state in relation to tariffs, including but not limited to:

(a) lost or reduced income tax revenue;

(b) lost or reduced sales of Montana products and the uncertainty about the future of sales, including impacts from the termination of certain United States agency for international development programs, as well as the impact on Montana businesses, farmers, and ranchers who sell their products and services overseas through those programs;

(c) the cost of products and services in the state, including the costs of home construction and the impact on housing inventory in the state;

1 (d) the economic ramifications on inflation; and

2 (e) the economic ramifications of supply issues.

3 (3) the impact of federal workforce reductions on Montana's government, government services,
4 businesses, taxation, and wages, including but not limited to:

5 (a) policy changes, cuts, and workforce reductions of more than 80,000 workers nationally at the
6 department of veterans affairs beginning in June 2025, following the 2,400 probationary employees dismissed
7 nationally in February 2025, and its impact on veterans' services, programs and benefits in the state;

8 (b) policy changes, cuts, and workforce reductions of approximately 3,400 employees nationally of
9 the United States forest service, including nearly 400 employees in the state, in relation to the state's ability to:

10 (i) properly maintain forests;

11 (ii) develop and manage timber and vegetation projects;

12 (iii) mitigate and respond to wildfires;

13 (iv) provide services for special use permittee holders, such as outfitters and guides, ski resort
14 owners, and cabin and resort owners, within the national forests;

15 (v) provide services for tourists, such as museum and visitor information center management,
16 campground maintenance, restroom maintenance, hazard tree removal, and potable water testing; and

17 (vi) support local economies that depend on national forest tourism;

18 (c) policy changes, cuts, and workforce reductions at the United States department of the interior
19 national park service and the resultant impact on Montana's parks and tourist economy, including but not limited
20 to:

21 (i) reduced tourism and its impacts on local Montana businesses surrounding the national parks;

22 (ii) reduction of visitor services and interpretive services at national park entrances and visitor
23 centers;

24 (iii) permit issuance for camping and backcountry trips;

25 (iv) outfitter and guide services;

26 (v) public safety, including trail maintenance and bear management; and

27 (vi) partnerships with emergency services for backcountry evacuations;

28 (d) policy changes, cuts, and workforce reductions at the United States department of the interior

1 bureau of land management, including but not limited to:

2 (i) limitations on the issuance of oil and gas renewable energy leases; and

3 (ii) the management of grazing permits in a timely and efficient manner;

4 (e) policy changes, cuts, and workforce reductions at the United States department of the interior
5 fish and wildlife service, including but not limited to:

6 (i) impacts on the federal government's ability to meet legal requirements to develop biological
7 opinions in a timely manner for natural resource projects on federal lands in the state; and

8 (ii) impacts on visitor and wildlife management projects at the state's 21 national wildlife refuges;

9 (f) policy changes, cuts, and workforce reductions at the internal revenue service, including but
10 not limited to:

11 (i) impacts on the tax refunds of Montana taxpayers, including the ability to receive timely tax
12 refunds;

13 (ii) access to internal revenue services offices and services that Montanans rely on; and

14 (iii) the enforcement of federal tax law that impacts Montana tax collections;

15 (g) policy changes, cuts of offices, and workforce reductions of approximately 50,000 employees
16 nationally of the social security administration and the impact on the ability of Montanans to receive services;

17 (h) policy changes, cuts of offices, workforce reductions, and the possible abolishment of the
18 department of education due to the executive order of March 20, 2025, as well as prior executive orders and
19 actions, including but not limited to:

20 (i) the potential cost to the state of \$64 million in Title 1 funding and additional amounts of
21 Individuals with Disabilities Education Act funding; and

22 (ii) the impact of cuts to the department of education civil rights division, which tracks student
23 achievement and supports programs for students with disabilities and fields thousands of complaints each year
24 from parents and students, including many students with special needs, whose access to education is often left
25 to the federal government to enforce;

26 (i) policy changes, cuts, and workforce reductions at the department of labor as high as 90%
27 nationally and the impact on the ability of Montanans to file and litigate equal employment opportunity claims;

28 (j) policy changes, cuts, and the termination of employees at the federal emergency management

1 agency who were involved in climate change mitigation and preparation for disasters;

2 (k) policy changes, cuts, and workforce reductions of more than 80% nationally at the office of
3 community planning and development and its impacts on Montana's housing crisis;

4 (l) policy changes, cuts, and workforce reductions at the department of defense and its impact on
5 jobs and spending in the state;

6 (m) policy changes, cuts, and workforce reductions of at least 2,000 employees nationally of the
7 department of energy and its impact on the state;

8 (n) policy changes, cuts, and workforce reductions at the small business administration and its
9 impact on small businesses in the state, such as those that depend on federal grant funds;

10 (o) policy changes, cuts, and workforce reductions at the consumer financial protection bureau,
11 including the possible abolishment of the agency and the economic and noneconomic impacts on Montanans
12 who have been victims of consumer fraud;

13 (p) policy changes, cuts, and workforce reductions at the national nuclear safety administration
14 and the impact on the safety of Montanans;

15 (q) impacts on the agricultural and livestock industries in the state, in addition to the tariffs
16 described in subsection (2), including but not limited to:

17 (i) the elimination of funding for the department of agriculture's local food purchase assistance
18 cooperative agreement and the local foods for schools program, which provided grants to state school districts
19 and food banks and created distribution hubs to buy produce, meat, fish, dairy, and other minimally processed
20 foods from local producers;

21 (ii) cuts and layoffs at the national oceanic and atmospheric administration and the impact on
22 Montana farmers and ranchers related to the administration's weather forecasting service; and

23 (iii) reductions in funding for the United States department of agriculture's rural energy for America
24 program;

25 (r) policy changes, cuts, and workforce reductions at the federal aviation administration and the
26 impact on the safety of air travel for Montanans and the operations of Montana's airports; and

27 (s) policy changes, cuts, and workforce reductions at the federal housing finance agency and the
28 department of housing and urban development, including the closing of the office of field policy and

1 management, which carried out duties, such as overseeing labor standards, ensuring fair housing practices,
2 and controlling lead hazards;

3 (4) the impact on universities, including but not limited to:

4 (a) freezes, funding reductions, and workforce reductions impacting the Montana university system
5 campuses, including but not limited to:

6 (i) enrollment numbers;

7 (ii) budgets; and

8 (iii) staff and faculty retention and hiring, including the availability of classes and services for
9 students;

10 (b) the ability to support graduate student research without federal grant support;

11 (c) secondary effects on Montana businesses that rely on the university system, whether small
12 businesses on or near campus or private companies that contract with universities for research and depend on
13 the use of university facilities and resources, such as labs and equipment;

14 (d) the impact on the management of federal loans for Montana's colleges and universities,
15 including the executive orders that reduced funding for Pell grants and other federal student aid programs, as
16 well as executive order 14235 of March 7, 2025, which limited who can qualify for public service loan
17 forgiveness;

18 (e) new restrictions from the department of education on federal student loans, such as capping
19 borrowing limits and tightening eligibility for income-driven repayment plans, which forces many students to
20 take on more private debt or reconsider their ability to attend college; and

21 (f) the loss of federal grants, such as the approximately \$5 million lost from the national institute
22 for health grant supporting research on opioid addiction, traumatic brain injuries, vaccine development,
23 infectious diseases, post-traumatic stress disorder, and physical and mental health in indigenous communities;

24 (5) impacts on tribal communities and the functioning of tribal governments in the state, including
25 but not limited to:

26 (a) potential changes to rules on tax treatment of tribal entities and industries;

27 (b) freezes of grants to the bureau of Indian affairs, the Indian housing block grant program, and
28 Indian health services; and

1 (c) the impact of the executive order of January 21, 2025, and other antidiversity, equity, and
2 inclusion directives on tribal groups as they apply for employment and on tribal small businesses that seek
3 federal contracting opportunities;

4 (6) impacts on the protection of Montana's environment as a result of policy changes, cuts, and
5 workforce reductions at the environmental protection agency, including but not limited to:

6 (a) the impact of reduced funding for federal clean energy and sustainability programs, including
7 initiatives aimed at expanding renewable energy infrastructure, improving energy efficiency, and reducing
8 carbon emissions;

9 (b) the defunding of programs supporting wind and solar development, climate resilience projects,
10 and electric vehicle infrastructure;

11 (c) the rolling back of environmental protections, including soot from smokestacks, emissions of
12 mercury, and the elimination of the agency's good neighbor rule, and the impact on the state's water and air
13 quality;

14 (d) the environmental protection agency's memo of March 12, 2025, stating that the agency will no
15 longer shut down any stage of energy production absent an imminent health threat, that no consideration may
16 be given to whether those affected by potential violations constitute minority or low-income populations, and,
17 because companies will no longer be held accountable for breaking the law, how that will impact the agency's
18 enforcement responsibilities;

19 (e) the agency no longer considering the cost of wildfires, storms, and other disasters that might be
20 made worse by pollution resulting from a particular policy; and

21 (f) the impact of accelerated climate change as a result of eliminating the agency's legal authority
22 to regulate carbon dioxide and other greenhouse gases by reconsidering decades of science that show global
23 warming is endangering humanity;

24 (7) impacts on the state's forests, including but not limited to:

25 (a) the executive order of March 1, 2025, intended to increase timber production and whether it will
26 result in meaningful increases in timber products available in the Montana wood products industry and in fuels
27 reduction work;

28 (b) the Montana department of natural resources and conservation's good neighbor authority

1 projects, both completed and planned, to determine whether or not they have increased fuels reduction efforts
2 in critical wildfire risk areas in accordance with the Montana forest action plan; and
3 (c) water quality and fish habitat due to soil depositions caused by new road building in forests and
4 destabilization of soils on harvested slopes;
5 (8) impacts on the health of Montanans, including but not limited to:
6 (a) changes to the implementation of the Affordable Care Act as a result of executive order 14148
7 of January 25, 2025, which rescinded executive order 14070 of April 5, 2022, that expanded the application of
8 the Affordable Care Act;
9 (b) changes to prescription drug costs for Montanans as a result of executive order 14148 of
10 January 20, 2025, which rescinded executive order 14087 of October 14, 2022, that sought to lower
11 prescription drug costs for medicare and medicaid recipients, eliminated a \$2 copayment cap on generic
12 medications for medicare beneficiaries, and terminated a pilot program that helped Montana's medicaid
13 programs afford expensive but life-saving cell and gene therapies;
14 (c) eliminating the ability of medicare to negotiate lower drug prices for treatments that are granted
15 accelerated approval by the food and drug administration; and
16 (d) the closure of offices and workforce reductions by as much as 50% nationally at the substance
17 abuse and mental health services administration, and its impact on:
18 (i) the state's suicide prevention lifeline, a part of the national suicide and crisis lifeline, which
19 fields thousands of calls;
20 (ii) funds directed to the state's treatment courts and data produced on substance use and mental
21 health issues;
22 (iii) the best-practice training and resources the substance abuse and mental health services
23 administration provides for nonprofits and state agencies; and
24 (iv) centers that provide opioid addiction prevention, treatment, and social services;
25 (e) cuts and workforce reductions of 5,200 employees nationally at the national institute of health
26 and the center for disease control and prevention and the impact on the health of Montanans; and
27 (f) policy changes, cuts, and workforce reductions at the environmental protection agency as
28 described in subsection (6), including respiratory problems from soot emissions that lead to premature deaths

1 and the effects of mercury, a neurotoxin;

2 (9) impact of cuts and policy changes on Montana nonprofits and their ability to provide services in
3 the state; and

4 (10) the ability of individual Montanans to provide for themselves and their families in the wake of
5 job losses and funding cuts resulting from recent federal directives, including the impact of income tax collection
6 and demands for public assistance.

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8 NEW SECTION. Section 3. Appropriation. There is appropriated \$215,000 from the general fund to
9 the legislative fiscal division for the biennium beginning July 1, 2025, for the purposes of conducting the study
10 as set forth in [sections 1 and 2].

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12 NEW SECTION. Section 4. Notification to tribal governments. The secretary of state shall send a
13 copy of [this act] to each federally recognized tribal government in Montana.

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15 NEW SECTION. Section 5. Contingent voidness. If [this act] is passed and approved and does not
16 contain an appropriation, then [this act] is void.

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18 NEW SECTION. Section 6. Effective date. [This act] is effective July 1, 2025.

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20 NEW SECTION. Section 7. Termination. [This act] terminates December 31, 2026.

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