



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill information:

SB0232 – Revise state procurement laws related to entitles that are exempt from the RFP Process (Regier, Matt)

Status: As Introduced

- ☐ 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

	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$0	\$0	\$0
Other - Proprietary	Unable to Determine	Unable to Determine	Unable to Determine	Unable to Determine
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$0	\$0	\$0
Other - Proprietary	Unable to Determine	Unable to Determine	Unable to Determine	Unable to Determine
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: SB 232 modifies procurement laws to specifically apply them to the Board of Investments, while providing an exception for the purchase of securities. The bill also removes an exemption to the Montana University System (MUS). The fiscal impact of the bill cannot be determined with any degree of accuracy at this time.

FISCAL ANALYSIS

Assumptions:

Board of Investments

- The fiscal impacts of SB 232 cannot be determined with any level of certainty on the assets of the Board of Investments. Current assets under management as of 2/19/2025 are \$29,355,555,636.36. Changes to current management practices cannot be accurately determined given the significant number of variables present in a

mature investment portfolio (ie liquidity, reinvestment, horizon, market, concentration, credit, inflation, and longevity risks, etc).

2. For example, impacts caused by new processes which require administrative processes above prudent investment practices with non-exempted purchases or sales of 1% could cause a loss in excess of \$293 million.

Department of Administration

3. This bill modifies exemptions that under the Montana Procurement Act. This would not fiscally impact the Department of Administration, State Procurement Services Division (SPSD).

Office of the Commissioner of Higher Education

4. SB 232 could have a minimal fiscal impact on the MUS. The MUS is unable to quantify the volume of expenditures of the associated student organizations since historically they have not been required to follow the Montana Procurement Act.

NO SPONSOR SIGNATURE

2/27

Sponsor's Initials

Date

Budget Director's Initials

Date