



FY 2025

REAL LOCAL BUDGETS



KEY POINTS:

- Over the last decade, major Montana local governments have grown their budgets faster than population growth plus inflation, burdening taxpayers with millions in excessive spending .
- *The FY 2025 Real Local Budgets* demonstrate the need for government spending restraint and an improved budget process to protect taxpayers.
- City and county officials should focus on holding the growth of expenditures to less than population growth plus inflation to ensure that the cost of government stays within the bounds of the average taxpayers' ability to pay for it.

The Need for Fiscal Spending Limits

The growth of the economy, as measured by Montana's population growth plus inflation, provides a measuring stick for fiscal responsibility by accounting for potential changes in economic conditions indicating the demand for government services and the cost of providing them.

This benchmark also helps account for more people and higher wages, which, combined, provide resources for the average taxpayers' ability to pay to fund government expenditures.¹

Montana leaders have pointed to the growth of population growth plus inflation as the fairest measure for government growth.²

Excessive Spending Burdens Taxpayers

Montana's Constitution requires that all local governments balance their budgets. County and city budgets are paid for primarily by taxpayers through a combination of fees, assessments, and property taxation.

Excessive spending that grows beyond the rate of economic growth, as measured by population growth plus inflation, requires governments to raise additional revenues resulting in a higher tax burden.

¹ <https://www.vanceginn.com/letpeopleprosper/responsible-state-budgets-across-the-us>

² <https://montanafreepress.org/2020/12/18/has-the-state-budget-grown-too-fast/>

The FY 2025 Real Local Budgets

Frontier Institute partnered with economist Wesley Davenport to put together an analysis of budgets for Montana's eight most populous Counties and Cities compared to the metric of population growth plus inflation over the last decade.

The table below shows the overall growth of spending in each county and city budget compared with population growth plus inflation from fiscal year 2015-2024.

According to Federal Reserve Economic Data, the combined growth rate of Montana's population plus inflation for the last decade is 47.8%. The average county budget increase is 34% over population growth plus inflation, while the average city budget increase is 61% over.

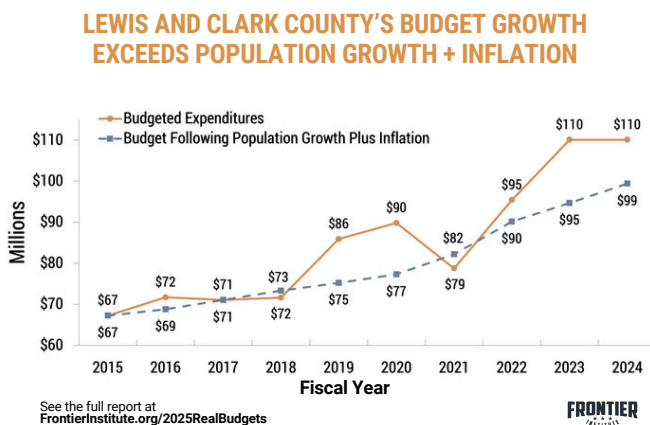
Tracking Trends: FY 2015-2024		
	Budget Growth	Spending Increase Over Pop + Inflation (+/-)
City		
Kalispell	209.4%	161.57%
Bozeman	188.7%	140.85%
Hamilton	132.0%	84.15%
Missoula	77.3%	29.47%
Helena	62.5%	14.68%
Great Falls	52.8%	5.04%
Billings	35.9%	-11.88%
County		
Missoula	155.2%	107.4%
Gallatin	124.7%	76.9%
Ravalli	106.6%	58.8%
Yellowstone	69.3%	21.5%
Lewis & Clark	63.7%	15.9%
Cascade	43.2%	-4.6%
Flathead	23.9%	-23.9%
Butte + Silver Bow	6.1%	-41.7%

Helena & Lewis & Clark County

Figures 1 and 2 show the growth of Helena and Lewis & Clark County's budgets from FY 2015 to FY 2024 compared to population growth plus inflation over the same time period.

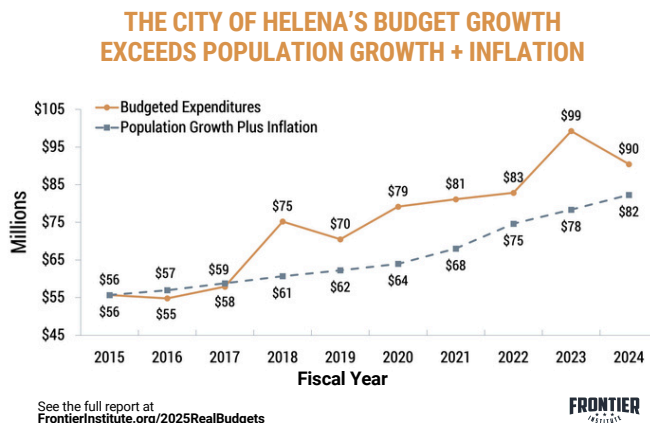
Since FY 2015, Lewis & Clark County's budget has grown 8.12% faster than the growth of the economy, as measured by population growth plus inflation:

Figure 1.



Since FY 2015, the City of Helena's budget has grown 9.93% faster than the growth of the economy, as measured by population growth plus inflation:

Figure 2.

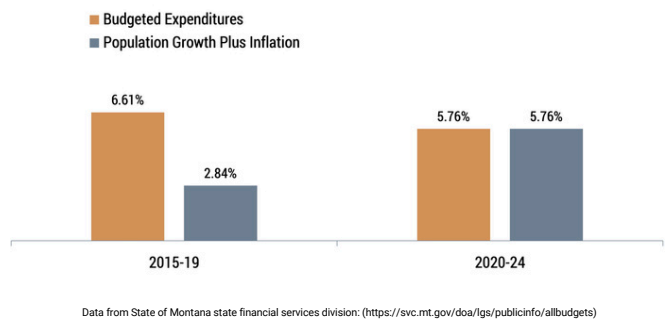


Figures 3 and 4 show the average annual budget growth for Helena and Lewis & Clark County.

Lewis & Clark County's average annual budget growth has slowed since 2019:

Figure 3.

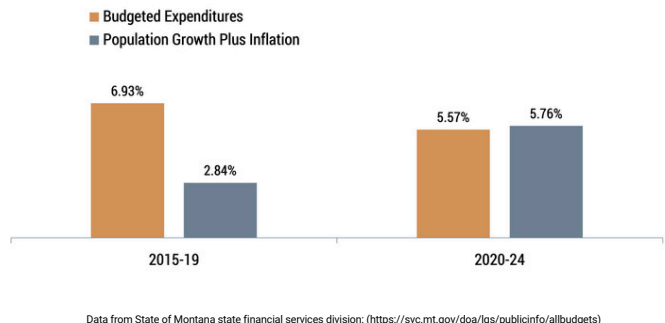
LEWIS AND CLARK COUNTY'S AVERAGE BUDGET GROWTH HAS SLOWED SINCE 2019



The City of Helena's average annual budget growth has slowed since 2019:

Figure 4.

THE CITY OF HELENA'S AVERAGE BUDGET GROWTH HAS SLOWED SINCE 2019

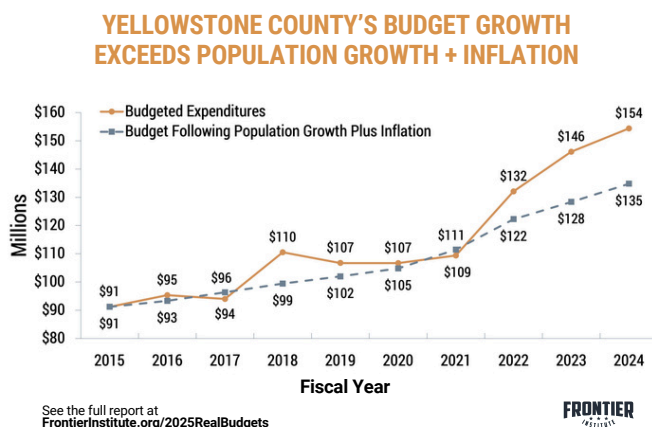


Billings & Yellowstone County

Figures 5 and 6 show the growth of Billings and Yellowstone County's budgets from FY 2015 to FY 2024 compared to population growth plus inflation over the same time period.

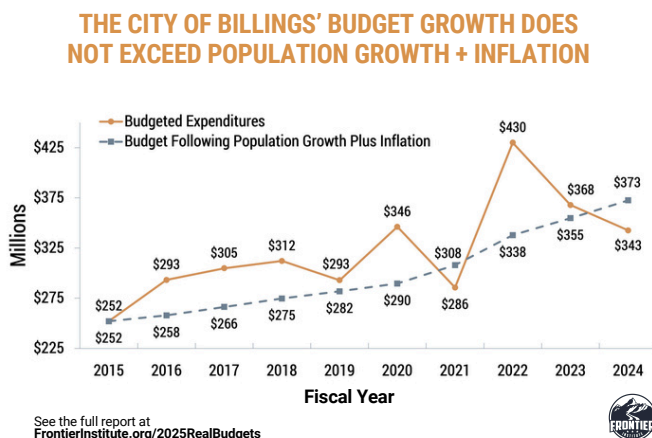
Since FY 2015, Yellowstone County's budget has grown 14.54% faster than the growth of the economy, as measured by population growth plus inflation:

Figure 5.



Since FY 2015, the City of Billings' budget has grown 8.04% slower than the growth of the economy, as measured by population growth plus inflation:

Figure 6.

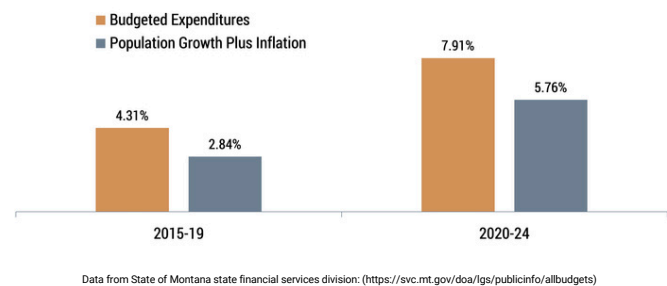


Figures 7 and 8 show the average annual budget growth for Billings and Yellowstone County.

Yellowstone County's average annual budget growth has accelerated since 2019:

Figure 7.

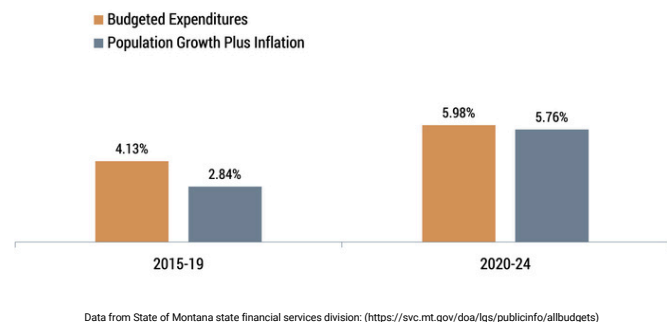
YELLOWSTONE COUNTY'S AVERAGE BUDGET GROWTH HAS ACCELERATED SINCE 2019



The City of Billings' average annual budget growth has accelerated since 2019:

Figure 8.

THE CITY OF BILLINGS' AVERAGE BUDGET GROWTH HAS ACCELERATED SINCE 2019

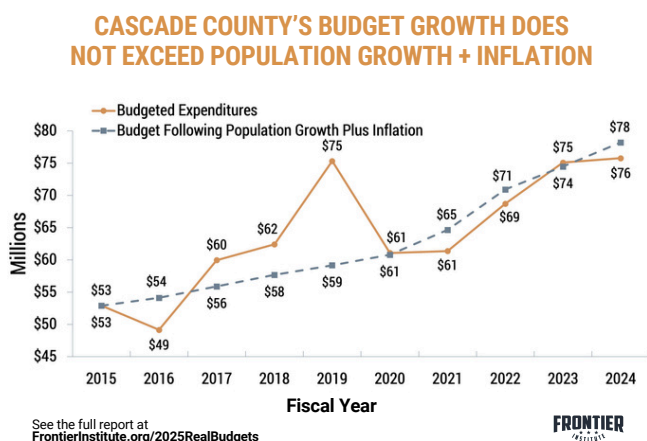


Great Falls & Cascade County

Figures 9 and 10 show the growth of the City of Great Falls and Cascade County's budgets from FY 2015 to FY 2024 compared to population growth plus inflation over the same time period.

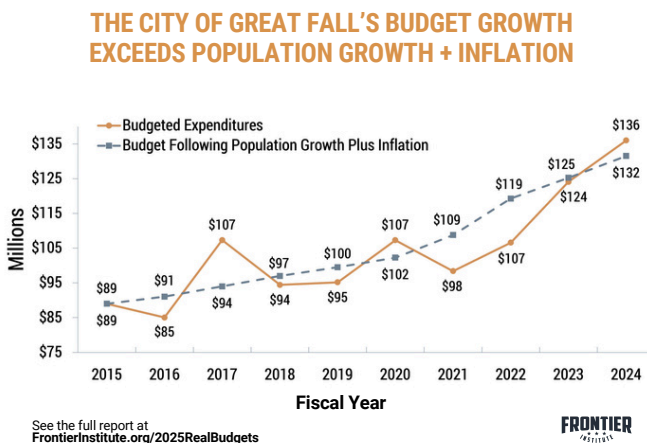
Since FY 2015, Cascade County's budget has grown 3.11% slower than the growth of the economy, as measured by population growth plus inflation:

Figure 9.



Since FY 2015, the City of Great Falls' budget has grown 3.41% faster than the growth of the economy, as measured by population growth plus inflation:

Figure 10.

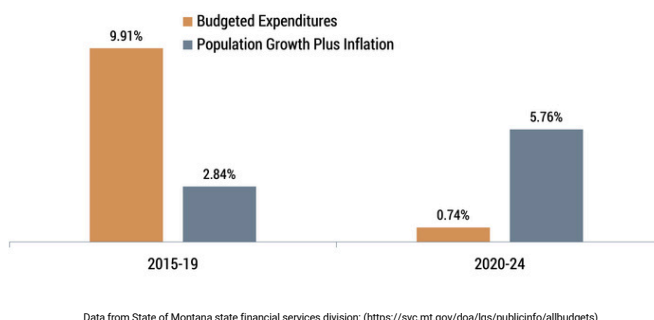


Figures 11 and 12 show the average annual budget growth for Great Falls and Cascade County.

Cascade County's average annual budget growth has slowed since 2019:

Figure 11.

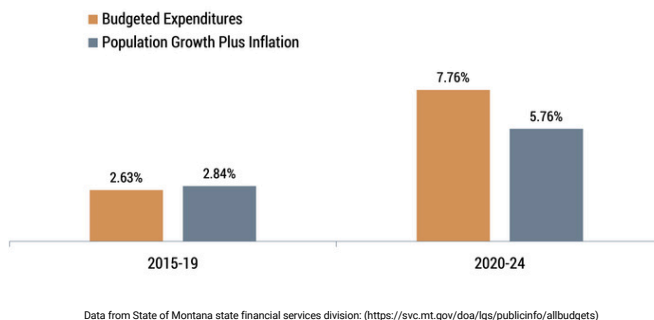
CASCADE COUNTY'S AVERAGE BUDGET GROWTH HAS SLOWED SINCE 2019



The City of Great Falls' average annual budget growth has accelerated since 2019, but remains below population growth plus inflation:

Figure 12.

THE CITY OF GREAT FALLS' AVERAGE BUDGET GROWTH HAS ACCELERATED SINCE 2019



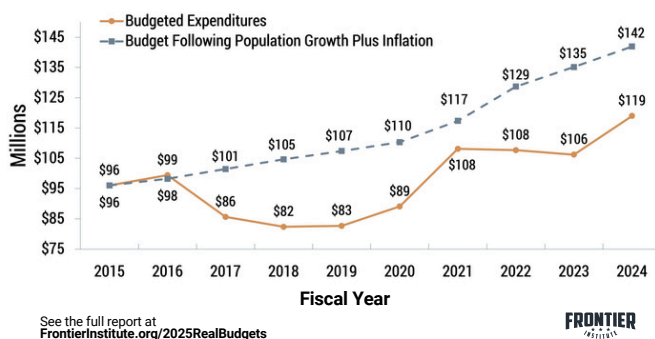
Kalispell & Flathead County

Figures 13 and 14 show the growth of Kalispell and Flathead County's budgets from FY 2015 to FY 2024 compared to population growth plus inflation over the same time period.

Since FY 2015, Flathead County's budget has grown 16.16% slower than the growth of the economy as measured by population growth plus inflation:

Figure 13.

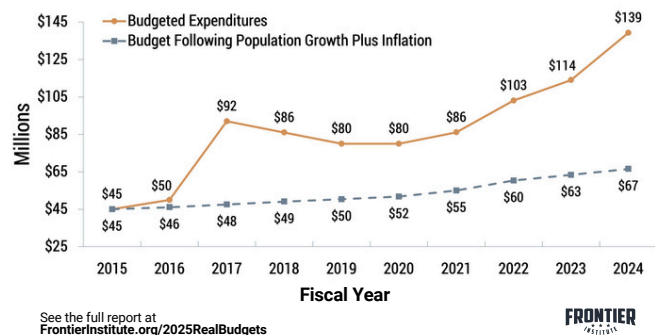
FLATHEAD COUNTY'S BUDGET GROWTH DOES NOT EXCEED POPULATION GROWTH + INFLATION



Since FY 2015, the City of Kalispell's budget has grown 109.3% faster than the growth of the economy, as measured by population growth plus inflation:

Figure 14.

THE CITY OF KALISPELL'S BUDGET GROWTH EXCEEDS POPULATION GROWTH + INFLATION

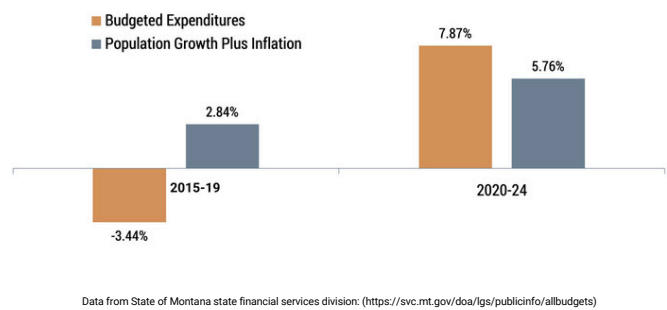


Figures 15 and 16 show the average annual budget growth for Kalispell and Flathead County.

Flathead County's average annual budget growth has accelerated since 2019:

Figure 15.

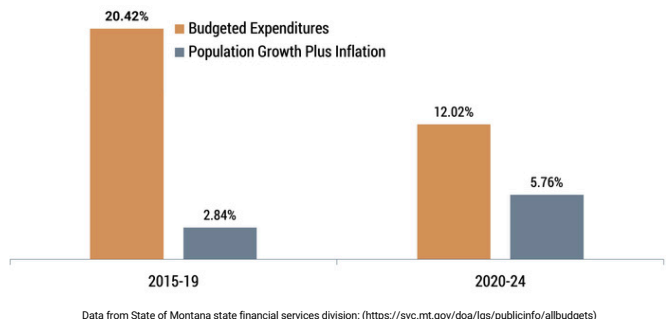
FLATHEAD COUNTY'S AVERAGE BUDGET GROWTH HAS ACCELERATED SINCE 2019



The City of Kalispell's average annual budget growth has slowed since 2019:

Figure 16.

THE CITY OF KALISPELL'S AVERAGE BUDGET GROWTH HAS DECLINED SINCE 2019

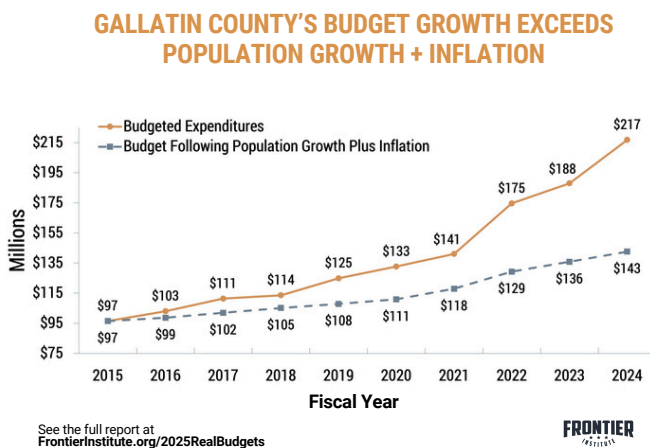


Bozeman & Gallatin County

Figures 17 and 18 show the growth of Bozeman and Gallatin County's budgets from FY 2015 to FY 2024 compared to population growth plus inflation over the same time period.

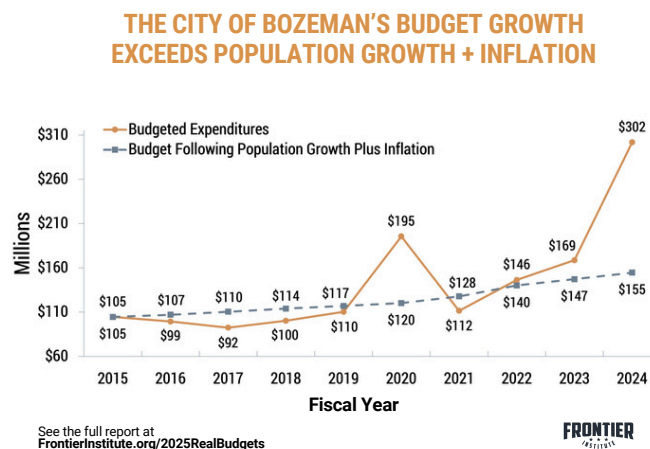
Since FY 2015, Gallatin County's budget has grown 52.01% faster than the growth of the economy as measured by population growth plus inflation:

Figure 17.



Since FY 2015, the City of Bozeman's budget has grown 95.03% faster than the growth of the economy, as measured by population growth plus inflation:

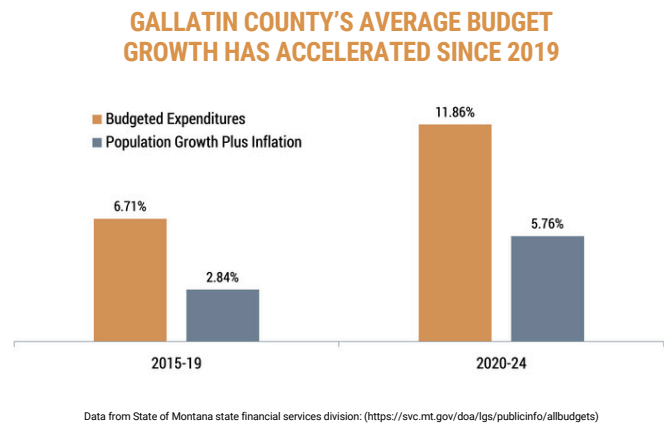
Figure 18.



Figures 19 and 20 show the average annual budget growth for Bozeman and Gallatin County.

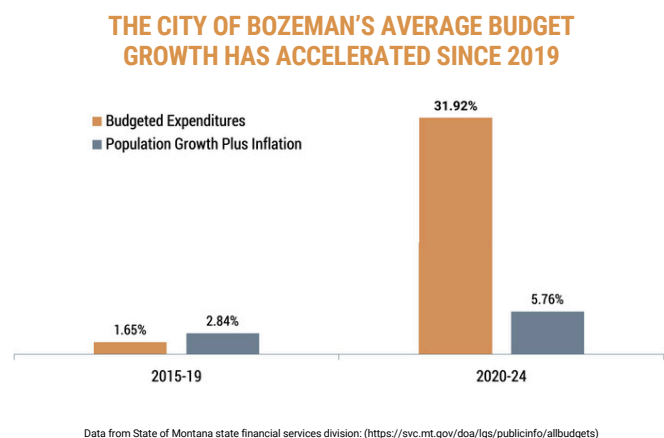
Gallatin County's average annual budget growth has accelerated since 2019:

Figure 19.



The City of Bozeman's average annual budget growth has accelerated since 2019:

Figure 20.



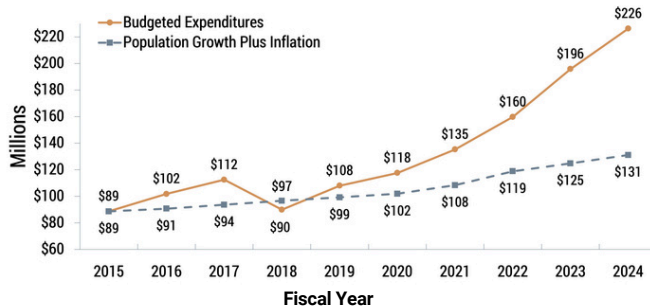
Missoula & Missoula County

Figures 21 and 22 show the growth of The City of Missoula and Missoula County's budgets from FY 2015 to FY 2024 compared to population growth plus inflation over the same time period.

Since FY 2015, Missoula County's budget has grown 72.67% faster than the growth of the economy as measured by population growth plus inflation:

Figure 21.

MISSOULA COUNTY'S BUDGET GROWTH EXCEEDS POPULATION GROWTH + INFLATION



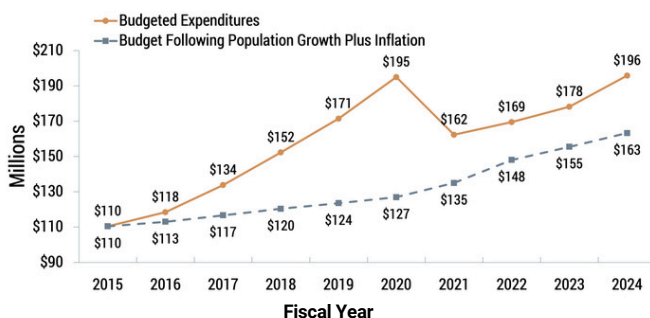
See the full report at [FrontierInstitute.org/2025RealBudgets](https://frontierinstitute.org/2025RealBudgets)

***Note:** Summary totals broken down by census fund category for FY 15-23 were not made available by Missoula County. FY's 15-23 instead utilized LFD data showing actual expenditures rather than adopted budgets, or were manually approximated from the city's available documents.

Since FY 2015, the City of Missoula's budget has grown 19.94% faster than the growth of the economy, as measured by population growth plus inflation:

Figure 22.

THE CITY OF MISSOULA'S BUDGET GROWTH EXCEEDS POPULATION GROWTH + INFLATION



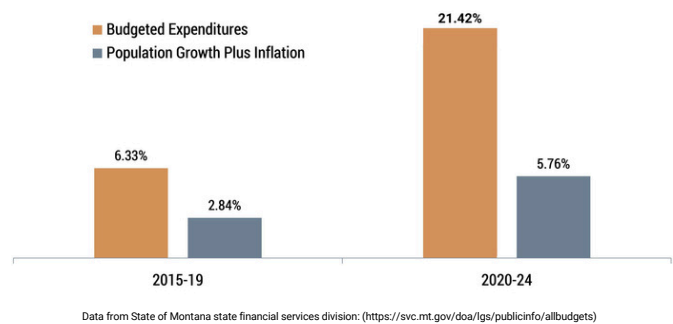
See the full report at [FrontierInstitute.org/2025RealBudgets](https://frontierinstitute.org/2025RealBudgets)

Figures 23 and 24 show the average annual budget growth for Missoula and Missoula County.

Missoula County's average annual budget growth has accelerated since 2019:

Figure 23.

MISSOULA COUNTY'S AVERAGE BUDGET GROWTH HAS ACCELERATED SINCE 2019

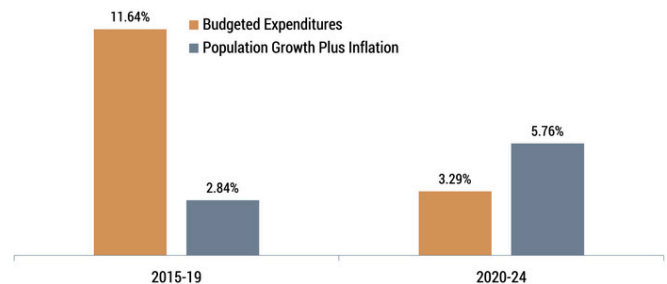


Data from State of Montana state financial services division: (<https://svc.mt.gov/doi/lgs/publicinfo/allbudgets>)

The City of Missoula's average annual budget growth has declined since 2019:

Figure 24.

THE CITY OF MISSOULA'S AVERAGE BUDGET GROWTH HAS DECLINED SINCE 2019



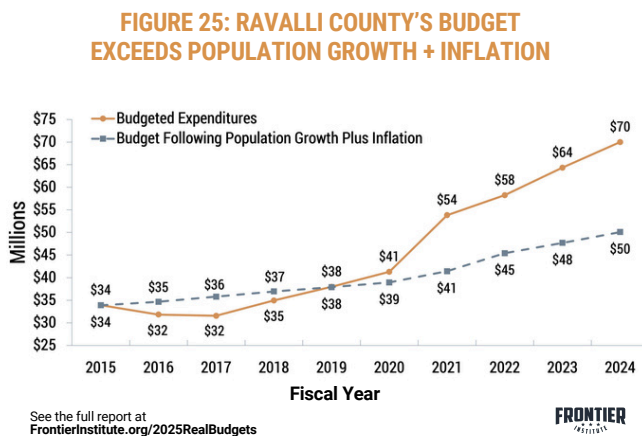
Data from State of Montana state financial services division: (<https://svc.mt.gov/doi/lgs/publicinfo/allbudgets>)

Hamilton & Ravalli County

Figures 25 and 26 show the growth of The City of Hamilton and Ravalli County's budgets from FY 2015 to FY 2024 compared to population growth plus inflation over the same time period.

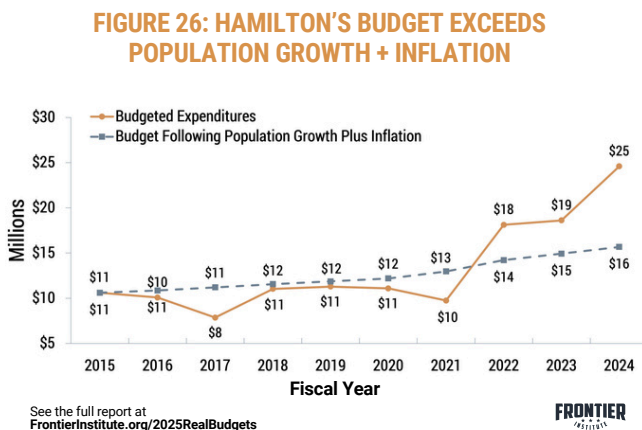
Since FY 2015, Ravalli County's budget has grown 39.81% faster than the growth of the economy as measured by population growth plus inflation:

Figure 25.



Since FY 2015, the City of Hamilton's budget has grown 56.93% faster than the growth of the economy, as measured by population growth plus inflation:

Figure 26.

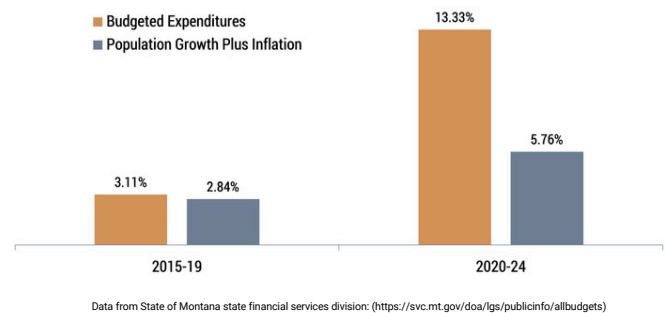


Figures 27 and 28 show the average annual budget growth for Hamilton and Ravalli County.

Ravalli County's average annual budget growth has accelerated since 2019:

Figure 27.

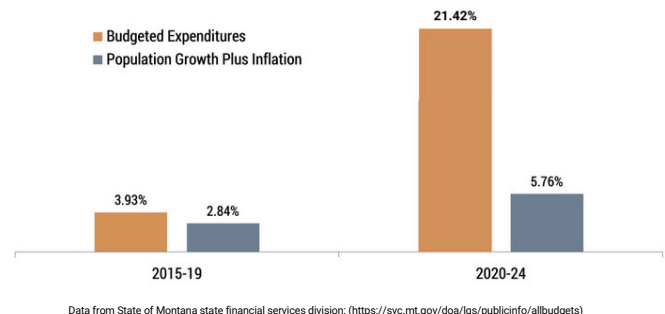
RAVALLI COUNTY'S AVERAGE BUDGET GROWTH HAS ACCELERATED SINCE 2019



The City of Hamilton's average annual budget growth has accelerated since 2019:

Figure 28.

THE CITY OF HAMILTON'S AVERAGE BUDGET GROWTH HAS ACCELERATED SINCE 2019



Butte-Silver Bow

Figure 29 shows the growth of Butte-Silver Bow's budget from FY 2015 to FY 2024 compared to population growth plus inflation over the same time period.

Since FY 2015, Butte-Silver Bow's budget has grown 28.22% slower than the growth of the economy as measured by population growth plus inflation:

Figure 29.

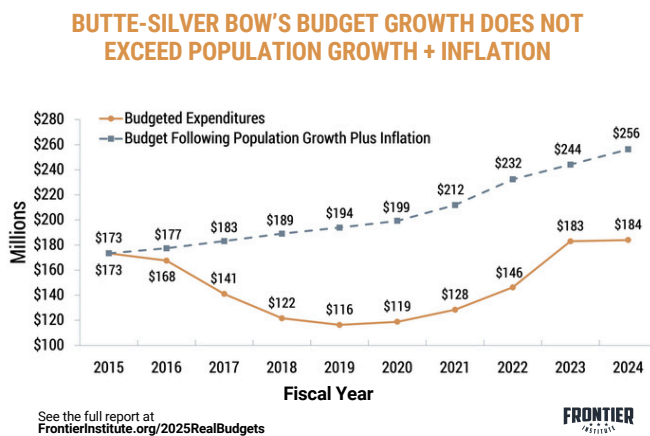
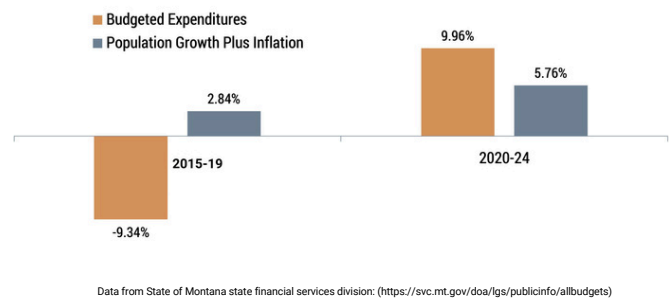


Figure 30 shows the average annual budget growth for Butte-Silver Bow.

Butte-Silver Bow's average annual budget growth has accelerated since 2019:

Figure 30.

BUTTE-SILVER BOW'S AVERAGE BUDGET GROWTH HAS ACCELERATED SINCE 2019



Notes on Methodology

To calculate budget totals for each fiscal year, authors utilized the Montana Legislative Fiscal Division's comprehensive methodology³ to total local government budgets while addressing aspects that can cause expenditures to appear larger than if simply summed up such as transfers and internal service funds.

Montana population growth and CPI metrics were provided by Federal Reserve Economic Data.^{4 5}

³ <https://leg.mt.gov/content/Publications/fiscal/2025-Biennium/Special-Topics/Local-Government-Data-Tool-Tutorial.pdf>

⁴ <https://fred.stlouisfed.org/series/MTPOP>

⁵ <https://fred.stlouisfed.org/graph/?g=H9v0>

Conclusion

Many major local government budgets have grown faster than taxpayers' ability to pay for it over the last 10 years. Limiting local governments' budget growth, and even reducing it as many families have done with their budgets when faced with rising costs, will provide more opportunities to provide tax relief. Local government officials should focus on holding the growth of budgeted expenditures to less than population growth plus inflation to ensure that the cost of government stays within the bounds of the average taxpayers' ability to pay for it.

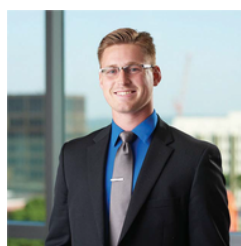
Authors



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Kendall Cotton is the President and CEO of the Frontier Institute. He developed his passion for serving his community

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