

EXHIBIT
 DATE 02/03/05
 HB 2

Subcommittee Action
 Coal Tax Shared Account

Component**	FY 2004 Actuals	FY 2006	FY 2007	Biennium	% of total
<u>Revenues</u>					
7.75 percent of Coal Tax Revenues	\$ 2,444,173	\$2,449,155	\$2,500,770	\$4,949,925	
<u>Expenditures</u>					
Commerce - Coal Board*/County Planning	\$ 348,253	\$1,655,916	\$88,249	\$1,744,165	35.2%
Montana State Library - Statewide Library Resources	375,327	403,741	403,742	807,483	16.3%
DNRC - Conservation Districts/Centralized Services	632,132	632,134	632,132	1,264,266	25.5%
Cons. District Bureau	47,716	47,715	47,715	95,431	1.9%
DNRC- Range Position	70,411	70,315	70,315	140,726	2.8%
DNRC - Salinity Control	25,000	25,000	25,000	50,000	1.0%
Agriculture - Growth Through Ag	440,306	477,405	477,252	954,657	19.3%

No action has been taken

Total \$ 1,796,018 \$3,312,323 \$1,744,405 \$5,056,728
 -\$106,803 -2%

*Coal Board grants are biennial.
 **Revenues are as estimated by the Revenue and Transportation Committee
 Expenditures are as requested in the executive budget
 Fund #02340, Authority: 15-35-108, MCA
 February 2, 2005

Agriculture - Growth Through Agriculture receives a statutory appropriation of \$1.25 million each year

	FY 2004	FY 2005
Authorized	1,250,000	1,250,000
Expended *	(1,086,608)	(410,309)
Balance	163,392	839,691

* 25 percent goes for personal services and operating expenses

Natural Resource Subcommittee

DP 6003 - CD Grants Adjustment HB0002 - The executive requests additional federal special revenue authority from the Community Development Block Grants of \$1.5 million each year for new construction grants. Additionally, the executive is proposing a biennial appropriation for the Coal Board for grants to local coal communities of \$927,093. Funding for the Coal Board grants comes from the Coal Severance Tax shared account.

DP 6013 - CD Administrative Costs Adjustments HB0002 - An increase in state special - and federal special revenue authority - is proposed for administrative costs increases for the following items:

- Restoration of per diem of \$2,500 per year
- Increase consultants and professional services of \$5,000 per year to retain professional architects and engineers. These professionals provide technical review of the public facility grant applications and annual updates outlining the state's community development needs, and the annual plan to expend federal grant funds as required by HUD to access CDBG funding
- Increased travel of \$5,250 for attendance in HUD training for CDBG staff in Washington D.C. and HUD's regional headquarters in Denver, Colorado
- Increased rent of \$2,451 in FY 2006 and \$3,709 in FY 2007. An increase of 2 percent a year required by the lease agreement
- Increased expenditures for agency indirect charges of \$100,000 per year

Coal Severance Tax shared account for the above DP is \$5,675 in FY 2006 and \$5,727 in FY 2007.

DP 2314 - Conservation Districts Financial Assistance-BI - The executive requests a \$95,431 biennial appropriation from shared coal severance tax for conservation district grants administrative support. This proposal would increase the department's conservation district administrative grant program by \$50,000 for the biennium and increase the conservation district grant program for projects and activities by \$45,431

DP 2324 Range Position - This request is to fund 1.0 FTE to provide support to the range resource program. This funding is for personal services and operations. This funding for this position was eliminated in the 2003 legislative session. The position has been temporarily funded from Growth through Ag dollars and temporary assistance by the National Resource Conservation Service (NRCS). The request is for \$ 70,500 per year of reclamation and development dollars

DP 2325 - Montana Salinity Control Association Funding - This request provides an increase of \$25,000 coal tax shared revenues to the Montana Salinity Control Association. The association has received support from the department since 1989. This addition would provide increased operating funds to procure equipment, provide hands-on educational programs and start new watershed projects.

DP 5020 - Montana Agriculture Development Council Grants - The executive requests additional state special revenue authority for investments and agricultural development projects in Montana. The Montana Agriculture Development Council may make investments in projects that have the ability to increase agricultural development and diversification in Montana. An increase

of \$67,877 for the 2007 biennium is requested and would be used to increase the funds available for additional grants within Montana. Funding is from the coal tax shared account.

Education Subcommittee

DP 2 - Library Federation Support - The executive recommends the use of the coal tax shared account to provide funding to the Library Federation program in the amount of \$56,703 over the biennium.