



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2009 Biennium

<b>Bill #</b>	HB0411	<b>Title:</b>	Expand major facility siting act
<b>Primary Sponsor:</b>	Erickson, Ron	<b>Status:</b>	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<b>Expenditures:</b>				
General Fund	\$106,224	\$89,777	\$92,016	\$97,355
State Special Revenue	\$518,224	\$505,777	\$308,416	\$314,165
<b>Revenue:</b>				
State Special Revenue	\$518,224	\$505,777	\$308,416	\$314,165
<b>Net Impact-General Fund Balance</b>	(\$106,224)	(\$89,777)	(\$92,016)	(\$97,355)

### Description of Fiscal Impact:

A significant increase in project work would require 2.50 new FTEs and support expenses to meet statutory timelines for evaluation and processing of applications for new generating and coal conversion projects under the Major Facility Siting Act (MFSA).

## FISCAL ANALYSIS

### Assumptions:

#### **Department of Environmental Quality (DEQ)**

1. Permit applications will be received for the following types of plants: coal to liquids, coal to gas, or coal-fired generation.
2. Two new applications will be received in the 2009 biennium and one in the 2011 biennium.
3. As written, the bill will bring as many as three current non-MFSA projects under MFSA (the permitted Roundup generating plant now proposed to convert to a coal-to-liquids facility, the Highwood generation plant with a nearly complete final EIS, and the previously-permitted NorthWestern Energy gas-fired plant at Great Falls).
4. Current staff will be fully occupied with new transmission lines and existing commitments.
5. Two additional Pay Band 7 FTE will be required to round out a MFSA core team. Each will serve as a resource specialist (one social scientist and one with a background in the physical or engineering sciences) and each will serve as a project coordinator for at least one project.

6. An additional 0.50 FTE, Pay Band 4 administrative assistant will be necessary to support the MFSA program.
7. Personal services (salaries and benefits) costs are estimated to be: \$135,726 in FY 2008, \$135,726 in FY 2009, \$139,119 in FY 2010, and \$142,597 in FY 2011.
8. Routine operating expenses will be: \$78,723 in FY 2008, \$59,828 in FY 2009, \$61,313 in FY 2010 and \$68,922 in FY 2011, which includes supplies, communications, travel, education/training, an ArcMap License with Network and Grid software, and indirect costs. The costs for the first year are higher for office set up purposes.
9. Additional resource specialists needed to process applications (e.g., cultural resources, economist, air and water specialists) will be borrowed to the extent possible from other programs and paid for with a combination of existing program funds and filing fees. Additional cost for contractors for additional resources and to prepare the reports required by MFSA and Environmental Impact Statements necessary under the Montana Environmental Policy Act will average \$400,000 per project, but would be covered by application fees. This is anticipated to be an additional operating expense of \$400,000 in FY 2008, \$400,000 in FY 2009, \$200,000 in FY 2010 and \$200,000 in FY 2011.
10. One additional seat for a full ArcMap floating license along with Network and Grid software will be necessary. The equipment budget for this is \$10,000 in FY 2008.
11. One half of the expenditures for staffing and routine operating expenses are requested to be funded by the general fund. The second half of these routine expenses plus 100% of the contracted services will be covered by the applicant's filing fee.

	<b><u>FY 2008</u></b> <b><u>Difference</u></b>	<b><u>FY 2009</u></b> <b><u>Difference</u></b>	<b><u>FY 2010</u></b> <b><u>Difference</u></b>	<b><u>FY 2011</u></b> <b><u>Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
FTE	2.50	2.50	2.50	2.50
<b><u>Expenditures:</u></b>				
Personal Services	\$135,726	\$135,726	\$139,119	\$142,597
Operating Expenses	\$478,723	\$459,828	\$261,313	\$268,922
Equipment	\$10,000	\$0	\$0	\$0
<b>TOTAL Expenditures</b>	<b><u>\$624,449</u></b>	<b><u>\$595,554</u></b>	<b><u>\$400,432</u></b>	<b><u>\$411,519</u></b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$106,224	\$89,777	\$92,016	\$97,355
State Special Revenue (02)	\$518,224	\$505,777	\$308,416	\$314,165
<b>TOTAL Funding of Exp.</b>	<b><u>\$624,448</u></b>	<b><u>\$595,554</u></b>	<b><u>\$400,432</u></b>	<b><u>\$411,520</u></b>
<b><u>Revenues:</u></b>				
State Special Revenue (02)	\$518,224	\$505,777	\$308,416	\$314,165
<b>TOTAL Revenues</b>	<b><u>\$518,224</u></b>	<b><u>\$505,777</u></b>	<b><u>\$308,416</u></b>	<b><u>\$314,165</u></b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$106,224)	(\$89,777)	(\$92,016)	(\$97,355)
State Special Revenue (02)	\$0	\$0	\$0	\$0

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*Sponsor's Initials*

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*Date*

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*Budget Director's Initials*

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*Date*