

5301 Department Of Environmental Quality							All Programs	
Legislative Adopted Budget								
L01 Budget Vers ion	Base	Approp	Budgeted	Budgeted	Biennium	Biennium	Biennial	Biennial
Budget Item	FY 2008	FY 2009	FY 2010	FY 2011	FY 2008-09	FY 2010-11	Change	Percent
Personal Services	21,024,452	23,309,232	25,705,304	25,981,712	44,333,684	51,687,016	7,353,332	16.6%
Operating Expenses	19,642,858	30,235,268	32,185,331	32,061,708	49,878,126	64,247,039	14,368,913	28.8%
Equipment & Intangible Assets	107,827	237,754	151,561	150,527	345,581	302,088	(43,493)	-12.6%
Capital Outlay	441,304	-	141,304	141,304	441,304	282,608	(158,696)	-36.0%
Grants	1,870,416	2,216,541	2,033,416	2,033,416	4,086,957	4,066,832	(20,125)	-0.5%
Benefits & Claims	-	-	-	-	-	-	-	0.0%
Transfers	-	-	-	-	-	-	-	0.0%
Debt Service	-	1,807	-	-	1,807	-	(1,807)	-100.0%
<b>Total Costs</b>	<b>43,086,857</b>	<b>56,000,602</b>	<b>60,216,916</b>	<b>60,368,667</b>	<b>99,087,459</b>	<b>120,585,583</b>	<b>21,498,124</b>	<b>21.7%</b>
General Fund	4,785,174	5,088,372	5,686,935	5,757,709	9,873,546	11,444,644	1,571,098	15.9%
State/other Special Rev. Funds	18,943,357	24,069,733	31,415,503	31,383,445	43,013,090	62,798,948	19,785,858	46.0%
Federal Spec. Rev. Funds	19,358,326	26,842,497	23,114,478	23,227,513	46,200,823	46,341,991	141,168	0.3%
Proprietary Funds	-	-	-	-	-	-	-	0.0%
<b>Total Funds</b>	<b>43,086,857</b>	<b>56,000,602</b>	<b>60,216,916</b>	<b>60,368,667</b>	<b>99,087,459</b>	<b>120,585,583</b>	<b>21,498,124</b>	<b>21.7%</b>

The following figure shows the spending reduction proposals by the executive for all programs. The description of each decision package follows the figure.

5301 Department Of Environmental Quality				All Programs		
Budget Reduction Percentages				-5.06%	0.00%	-2.52%
Executive Spending Reductions (Jan. 29, 2010)				General Fund	General Fund	General Fund
Decision Package				FY 2010	FY 2011	FY 2010-11
PL05017 General Fund Reduction from HB 645 January 2010				(287,885)	-	(287,885)
<b>Present Law Total</b>				<b>(287,885)</b>	<b>-</b>	<b>(287,885)</b>
<b>Total All Decision Packages</b>				<b>(287,885)</b>	<b>-</b>	<b>(287,885)</b>

PL  
5017

General Fund Reduction from HB 645 January 2010

This reduction is to General Fund reallocated due to American Recovery & Reinvestment Act (ARRA) funding, appropriated in HB 645. DEQ requested this funding for two temporary Open Cut permit writers and one temporary Water Protection Bureau permit writer in anticipation of additional need for gravel pits and water permits from ARRA projects for highway construction and infrastructure improvements. The increased activity has not yet materialized. This reduction will leave enough funds in FY 2011 to hire the three temporary positions and pay overtime to current staff or hire a fourth person if necessary. This cut will not have any negative impact to ARRA projects.

5603 Department Of Livestock						All Programs		
Legislative Adopted Budget								
L01 Budget Version	Base	Approp	Budgeted	Budgeted	Biennium	Biennium	Biennial	Biennial
Budget Item	FY 2008	FY 2009	FY 2010	FY 2011	FY 2008-09	FY 2010-11	Change	Percent
Personal Services	6,082,816	7,115,362	6,953,614	7,073,752	13,198,178	14,027,366	829,188	6.3%
Operating Expenses	3,142,130	2,916,152	3,989,164	4,128,025	6,058,282	8,117,189	2,058,907	34.0%
Equipment & Intangible Assets	70,052	107,513	223,028	209,778	177,565	432,806	255,241	143.8%
Benefits & Claims	-	-	600,000	450,000	-	1,050,000	1,050,000	0.0%
Transfers	-	163,800	-	-	163,800	-	(163,800)	-100.0%
Total Costs	9,294,998	10,302,827	11,765,806	11,861,555	19,597,825	23,627,361	4,029,536	20.6%
General Fund	1,065,499	1,162,620	1,778,283	1,380,968	2,228,119	3,159,251	931,132	41.8%
State/other Special Rev. Funds	6,781,645	7,507,746	8,180,255	8,662,995	14,289,391	16,843,250	2,553,859	17.9%
Federal Spec. Rev. Funds	1,447,854	1,632,461	1,807,268	1,817,592	3,080,315	3,624,860	544,545	17.7%
Total Funds	9,294,998	10,302,827	11,765,806	11,861,555	19,597,825	23,627,361	4,029,536	20.6%

The following figure shows the spending reduction proposals by the executive for all programs. The description of each decision package follows the figure.

5603 Department Of Livestock				All Programs		
Budget Reduction Percentages				-3.88%	0.00%	-2.19%
<i>Executive Spending Reductions (Jan. 29, 2010)</i>				General Fund	General Fund	General Fund
Decision Package				FY 2010	FY 2011	FY 2010-11
PL03001 5% General Fund Reduction Diagnostic Lab		(9,238)	-	(9,238)	(9,238)	-
PL04001 HB3 Supplemental Brucellosis- 5% GF Reduction		(59,810)	-	(59,810)	(59,810)	-
<b>Present Law Total</b>		<b>(69,048)</b>	<b>-</b>	<b>(69,048)</b>	<b>(69,048)</b>	<b>-</b>
<b>Total All Decision Packages</b>		<b>(69,048)</b>	<b>-</b>	<b>(69,048)</b>	<b>(69,048)</b>	<b>-</b>

PL  
3001  
5% General Fund Reduction Diagnostic Lab

The Diagnostic Lab will reduce general fund expenditures by \$9,238. This reduction will be made in the operational category of the Lab's HB2 authority. Specifically, supply expenditures have been less than anticipated. There will be no reduction in services at the Diagnostic Laboratory in Bozeman.

PL  
4001  
HB3 Supplemental Brucellosis- 5% GF Reduction

The Animal Health division will reduce \$59,810 in general fund expenditures from the supplemental appropriation made in House Bill 3. These funds were appropriated to fund the Brucellosis Action Plan (BAP). This savings of \$59,810 was realized by leaving one of the legislatively authorized BAP positions vacant due to foreseen budgetary pressures. There will be no reduction in services, in that the state of Montana received its class free status from USDA-APHIS in July 2009. As intended, the BAP expired six months after receiving that status.

5706 Dept Of Natural Resources & Conservatic							All Programs	
Legislative Adopted Budget								
L01 Budget Version	Base	Approp	Budgeted	Budgeted	Biennium	Biennium	Biennial	Biennial
Budget Item	FY 2008	FY 2009	FY 2010	FY 2011	FY 2008-09	FY 2010-11	Change	Percent
Personal Services	29,564,814	31,869,195	32,092,831	32,420,382	61,434,009	64,513,213	3,079,204	5.0%
Operating Expenses	13,078,619	14,135,948	19,188,408	19,227,521	27,214,567	38,415,929	11,201,362	41.2%
Equipment & Intangible Assets	1,217,708	1,118,448	1,527,076	1,535,026	2,336,156	3,062,102	725,946	31.1%
Capital Outlay	69,788	135,118	69,788	69,788	204,906	139,576	(65,330)	-31.9%
Local Assistance	-	200,000	200,000	200,000	200,000	400,000	200,000	100.0%
Grants	1,410,342	1,432,297	2,090,342	1,490,342	2,842,639	3,580,684	738,045	26.0%
Transfers	959,895	977,351	1,218,390	1,228,444	1,937,246	2,446,834	509,588	26.3%
Debt Service	387,283	476,504	478,067	478,067	863,787	956,134	92,347	10.7%
Total Costs	46,688,449	50,344,861	56,864,902	56,649,570	97,033,310	113,514,472	16,481,162	17.0%
General Fund	20,883,410	21,819,894	22,506,409	22,676,677	42,703,304	45,183,086	2,479,782	5.8%
State/other Special Rev. Funds	24,052,836	26,686,335	32,261,662	31,891,999	50,739,171	64,153,661	13,414,490	26.4%
Federal Spec. Rev. Funds	1,752,203	1,838,632	2,096,831	2,080,894	3,590,835	4,177,725	586,890	16.3%
Proprietary Funds	-	-	-	-	-	-	-	0.0%
Total Funds	46,688,449	50,344,861	56,864,902	56,649,570	97,033,310	113,514,472	16,481,162	17.0%

The following figure shows the spending reduction proposals by the executive for all programs. The description of each decision package follows the figure.

5706 Dept Of Natural Resources & Conservation				All Programs		
Budget Reduction Percentages				-1.85%	-3.16%	-2.51%
Executive Spending Reductions (Jan. 29, 2010)				General Fund	General Fund	General Fund
Decision Package	FY 2010	FY 2011	FY 2010-11	Total Funds	Total Funds	Total Funds
PL02101 Centralized Services Reduction	(114,107)	(11,290)	(125,397)	(114,107)	(11,290)	(125,397)
PL02401 Water Resources Personal Services Reduction	-	(123,760)	(123,760)	-	(123,760)	(123,760)
PL02403 Crown Managers' Partnership Adjustment	-	(5,000)	(5,000)	-	(5,000)	(5,000)
PL02404 Columbia River Hydro System Adjust	(5,000)	(10,000)	(15,000)	(5,000)	(10,000)	(15,000)
PL02501 RWRCC Vacancy Savings Reductions	(25,819)	-	(25,819)	(25,819)	-	(25,819)
PL03501 Forestry Operating Reductions	(120,000)	(371,274)	(491,274)	(120,000)	(371,274)	(491,274)
PL03520 TLMD Non-Trust Land Inventory Reduction	(3,056)	-	(3,056)	(3,056)	-	(3,056)
<b>Present Law Total</b>	<b>(267,982)</b>	<b>(521,324)</b>	<b>(789,306)</b>	<b>(267,982)</b>	<b>(521,324)</b>	<b>(789,306)</b>
NP02301 RDGP & RRGL Planning Grant Reductions	(30,000)	(30,000)	(60,000)	(30,000)	(30,000)	(60,000)
NP02302 ARRA Administration Reduction HB645	(14,264)	(14,264)	(28,528)	(14,264)	(14,264)	(28,528)
NP02402 State Water Plan Reduction	(103,915)	(152,085)	(256,000)	(103,915)	(152,085)	(256,000)
<b>New Proposal Total</b>	<b>(148,179)</b>	<b>(196,349)</b>	<b>(344,528)</b>	<b>(148,179)</b>	<b>(196,349)</b>	<b>(344,528)</b>
<b>Total All Decision Packages</b>	<b>(416,161)</b>	<b>(717,673)</b>	<b>(1,133,834)</b>	<b>(416,161)</b>	<b>(717,673)</b>	<b>(1,133,834)</b>

PL  
2101  
Centralized Services Reduction

Centralized Services proposes reducing FY09 general fund Carry Forward authority in the amount of \$100,000. Carry Forward had been approved to assist with a building project in Missoula and the project will be delayed. The Division will also reduce general fund fixed costs (payroll, SABHRS, DofA Rent, and work comp fees) in the amount of \$14,107. Computer replacements will be delayed to generate an additional \$11,290 in general fund savings. These reductions will have no impact

NP  
2301  
RDGP & RRGL Planning Grant Reductions

Planning Grants will be reduced in the Reclamation & Development Grant Program (RDGP) by \$40,000 and the Renewable Resource Grant and Loan Program (RRGL), by \$20,000. HB645 was authorized to transfer General Fund dollars to fund grant activities in both the RRGL and RDGP. It is anticipated the reduction in funding will likely reduce the general fund transfer to the grant program (02577). Planning Grants are used to prepare engineering and design alternatives as well as to estimate costs to complete the implementation and construction of projects. Minimum impact is expected.

NP  
2302  
ARRA Administration Reduction HB645

The Division would reduce Grant administration authority allocated in HB645 by \$28,528. With the reduction of Planning grants in DP2301 and cost saving measures (travel reduction, conference calls, training), the impacts should be minimal.

PL  
2401  
Water Resources Personal Services Reduction

The division proposes leaving positions vacant above the vacancy savings requirement to generate an additional \$104,760 in general fund savings. Staff is assuming the work of vacant positions to the degree possible, however, services to the public will be minimally delayed.

The Division also proposes utilizing the land lease state special revenue fund (\$6,000), Broadwater Dam state special revenue fund (\$7,000) and a federal Yellowstone Compact fund (\$6,000) for personal services to generate an additional general fund savings of \$19,000. There will be no impact with this change.

PL  
2403  
Crown Managers' Partnership Adjustment

DNRC has provided \$10,000 in general fund support towards a Memorandum of Understanding between the State of Montana and the Province of Alberta respecting the Crown Managers' Partnership. The partnership's goal is to work together to build a positive and productive working relationship on cross border issues within the Crown ecosystem. The division proposes splitting the annual cost with Trust Lands Management Division in 2011. This would save \$5,000 in General Fund in FY2011.

This reduction would have no impact.

PL  
2404  
Columbia River Hydro System Adjust

DNRC has provided \$10,000 in general fund a year towards a contract that the Northwest Power and

Conservation Council has to oversee operation of the Columbia River hydro system. The division proposes reducing the agreement in fiscal 2010 to \$5,000 and for the department to no longer be a party to the agreement in fiscal 2011. The division will continue to participate in discussions and provide technical support to efforts focused on the Columbia River system. This would save \$15,000 in General Fund. Impact is expected to be minimal.

NP

2402

State Water Plan Reduction

SB 303 amended 85-1-203 and required the department to update the state water plan to specifically address issues in the Yellowstone, Clark Fork and Missouri River basins. The legislature appropriated \$306,000 general fund and approved 1.00 FTE for this purpose.

The division requests a general fund reduction of \$256,000 and 1.00 FTE to help meet the 5% general fund reduction plan. The remaining \$50,820 appropriated will be used as part of a cost-share agreement with the US Geological Survey to develop a web-based application known as "StreamStats" for the state of Montana. Development of this application supports implementation of 85-1-203 because it will allow users to easily obtain streamflow statistics, drainage-basin characteristics, and other water resource related information for user-selected sites on streams.

The division recognizes the critical importance of an updated state water plan and will, therefore, continue to address the statutory requirements of updating the State Water Plan by the statutory deadline of 2015 through allocation of existing staff, cost-sharing, and grant opportunities. Although the division will continue to move forward on meeting the requirements of 85-1-203, expectations for the final product may have to be scaled back given available resources. The primary impact to water users, water managers and decision makers at all levels will be in the scope of information presented to evaluate water availability, manage risks associated with hydrologic variability, and plan for accommodating new demands on the state's water resources. The division will vigorously seek outside sources of funding (grants) to offset the impact of budget cuts. The division will also explore using contracted services to complete selected elements of 85-1-203.

PL

2501

RWRCC Vacancy Savings Reductions

The Reserved Water Right Compact Commission proposes leaving a position vacant to generate an additional \$25,819 in general fund savings. An attorney for Confederated Salish Kootenai Tribe (CSKT) negotiation will continue to be on loan from the Attorney General's office, so no impact is anticipated.

PL

3501

Forestry Operating Reductions

No mandatory services will be eliminated in Forestry; however, some may be minimally impacted. The indefinite delay in planned replacement of up to 4 wildland engines in the Fire program will minimally affect the level of preparedness for wildland fire protection services since additional engines were built in FY09 and FY10 from the Fire Suppression Account. Reduced travel and training budgets will insignificantly decrease wildland fire preparedness because use of video and teleconference will help to maintain coordination and training. Monitoring

and enforcement of the state's forest practices laws will not be significantly impacted. Reductions in PS achieved by holding key Fire and Forestry positions vacant for significant periods of time may result in minimal diminished effectiveness of some programs.

The Division also proposes reducing FY09 general fund Carry Forward authority in the amount of \$100,000.

PL

3520

TLMD Non-Trust Land Inventory Reduction

Trust Land Management Division proposes to increase the vacancy savings requirement in the Non-Trust Land Inventory Program by an additional 5% for FY 2010 only, which equates to approximately \$3,056. The Non-Trust Inventory program, utilizes one FTE to administer, research, identify other agency sales, as well as, facilitate transfers, sales, and exchanges of other agency lands. In addition to the non-trust duties, the FTE also works in the Real Estate Management Bureau on trust land issues. As a result of this change, the FTE in this program, will work additional hours in the Real Estate Management Bureau.

6201 Department Of Agriculture						All Programs		
Legislative Adopted Budget								
L01 Budget Version	Base	Approp	Budgeted	Budgeted	Biennium	Biennium	Biennial	Biennial
Budget Item	FY 2008	FY 2009	FY 2010	FY 2011	FY 2008-09	FY 2010-11	Change	Percent
Personal Services	5,137,987	6,156,419	6,498,695	6,547,046	11,294,406	13,045,741	1,751,335	15.5%
Operating Expenses	2,883,500	3,404,253	4,142,563	3,880,261	6,287,753	8,022,824	1,735,071	27.6%
Equipment & Intangible Assets	207,276	277,025	720,876	350,876	484,301	1,071,752	587,451	121.3%
Grants	4,482,273	4,659,119	6,301,228	6,304,978	9,141,392	12,606,206	3,464,814	37.9%
Benefits & Claims	-	-	-	-	-	-	-	0.0%
Transfers	-	-	65,000	65,000	-	130,000	130,000	0.0%
Debt Service	2,281	2,282	2,281	2,281	4,563	4,562	(1)	0.0%
Total Costs	12,713,317	14,499,098	17,730,643	17,150,442	27,212,415	34,881,085	7,668,670	28.2%
General Fund	781,165	910,664	1,389,954	1,354,080	1,691,829	2,744,034	1,052,205	62.2%
State/other Special Rev. Funds	9,343,877	10,489,602	13,329,544	12,788,587	19,833,479	26,118,131	6,284,652	31.7%
Federal Spec. Rev. Funds	2,195,170	2,638,954	2,397,146	2,390,235	4,834,124	4,787,381	(46,743)	-1.0%
Proprietary Funds	393,105	459,878	613,999	617,540	852,983	1,231,539	378,556	44.4%
Total Funds	12,713,317	14,499,098	17,730,643	17,150,442	27,212,415	34,881,085	7,668,670	28.2%

The following figure shows the spending reduction proposals by the executive for all programs. The description of each decision package follows the figure.

6201 Department Of Agriculture				All Programs		
Budget Reduction Percentages				-2.82%	-2.10%	-2.47%
Executive Spending Reductions (Jan. 29, 2010)				General Fund	General Fund	General Fund
Decision Package				FY 2010	FY 2011	FY 2010-11
NP01507 5% Reduction Proposal				(7,000)	(7,000)	(14,000)
NP05011 5% Reduction Proposal MKTG				(19,000)	(19,000)	(38,000)
NP05012 5% Reduction Proposal HB583				(2,500)	(2,500)	(5,000)
NP05013 5% Reduction Proposal (15-35-108)				(10,704)	-	(10,704)
<b>New Proposal Total</b>				<b>(39,204)</b>	<b>(28,500)</b>	<b>(67,704)</b>
<b>Total All Decision Packages</b>				<b>(39,204)</b>	<b>(28,500)</b>	<b>(67,704)</b>

## NP 1507 5% Reduction Proposal

A reduction of \$7,000 general fund each year of the biennium in the Central Services Division general operating expenditures. The \$7,000 reduction of operating expenditures in FY2011 includes a reduction of fixed cost charges by the Department of Administration of \$1,923. The service is permissive. Impact to the public should be minimal.

## NP 5011 5% Reduction Proposal MKTG

A reduction in travel, meeting expenses, and related overtime of \$19,000 general fund in each year of the biennium in the Agriculture Marketing and Business Development Bureau. The service is mandatory (80-11-101 through 80-11-104). The impact to the public should be minimal, and the reduction should not interfere with the Department's statutory requirement to meet its marketing duties.

NP

5012

5% Reduction Proposal HB583

A reduction in meeting expenditures of \$2,500 general fund each year of the biennium in the Food and Agricultural Development Program. The service is mandatory (80-11-901). The impact to the public should be minimal, and the reduction should not interfere with the Department's statutory requirement to promote Montana food and agricultural development.

NP

5013

5% Reduction Proposal (15-35-108)

A reduction in general operating expenditures of \$10,704 general fund in FY2010 in the Growth through Agriculture program. The service is mandatory (90-9-306). The impact to the public should be minimal, as this reduction does not decrease grants offered through the GTA program. The reduction for the remainder of FY2010 should not interfere with the Department's statutory requirement to strengthen and diversify Montana's agricultural industry.



5401 Department Of Transportation						All Programs		
Legislative Adopted Budget								
L01 Budget Version	Base	Approp	Budgeted	Budgeted	Biennium	Biennium	Biennial	Biennial
Budget Item	FY 2008	FY 2009	FY 2010	FY 2011	FY 2008-09	FY 2010-11	Change	Percent
Personal Services	129,928,240	142,044,054	136,031,299	137,323,108	271,972,294	273,354,407	1,382,113	0.5%
Operating Expenses	349,392,502	379,613,277	395,432,795	389,286,031	729,005,779	784,718,826	55,713,047	7.6%
Equipment & Intangible Assets	1,902,440	1,736,957	3,032,975	2,086,440	3,639,397	5,119,415	1,480,018	40.7%
Capital Outlay	15,979,768	12,870,929	15,979,768	15,979,768	28,850,697	31,959,536	3,108,839	10.8%
Local Assistance	447,116	407,684	447,116	447,116	854,800	894,232	39,432	4.6%
Grants	14,494,485	24,049,038	18,377,140	16,227,140	38,543,523	34,604,280	(3,939,243)	-10.2%
Transfers	13,701	10,283	13,701	13,701	23,984	27,402	3,418	14.3%
Debt Service	-	500	-	-	500	-	(500)	-100.0%
Total Costs	512,158,252	560,732,722	569,314,794	561,363,304	1,072,890,974	1,130,678,098	57,787,124	5.4%
General Fund	-	-	2,600,000	-	-	2,600,000	2,600,000	0.0%
State/other Special Rev. Funds	210,536,687	245,824,393	232,602,607	229,698,505	456,361,080	462,301,112	5,940,032	1.3%
Federal Spec. Rev. Funds	301,621,565	314,908,329	334,112,187	331,664,799	616,529,894	665,776,986	49,247,092	8.0%
Proprietary Funds	-	-	-	-	-	-	-	0.0%
Total Funds	512,158,252	560,732,722	569,314,794	561,363,304	1,072,890,974	1,130,678,098	57,787,124	5.4%

The following figure shows the spending reduction proposals by the executive for all programs. The description of each decision package follows the figure.

5401 Department Of Transportation						All Programs	
Budget Reduction Percentages							
		-5.00%		-5.00%			
Executive Spending Reductions (Jan. 29, 2010)		General Fund	General Fund	General Fund	Total Funds	Total Funds	Total Funds
Decision Package		FY 2010	FY 2011	FY 2010-11	FY 2010	FY 2011	FY 2010-11
NP01003 5% Reduction "Surface Transportation Litigation"		(130,000)	-	(130,000)	(130,000)	-	(130,000)
<b>New Proposal Total</b>		<b>(130,000)</b>	<b>-</b>	<b>(130,000)</b>	<b>(130,000)</b>	<b>-</b>	<b>(130,000)</b>
<b>Total All Decision Packages</b>		<b>(130,000)</b>	<b>-</b>	<b>(130,000)</b>	<b>(130,000)</b>	<b>-</b>	<b>(130,000)</b>

NP  
1003  
5% Reduction "Surface Transportation Litigation"

A 5% reduction of MDT's General funded "Surface Transportation Litigation" (Restricted/Biennial/OTO). This reduction is guided by 17-7-140 (1) (b), MCA; services funded under this budget are considered "permissive". The \$130,000 reduction of this budget will not affect ongoing efforts to analyze rail rate and service issues or the pursuit of legal remedies.