

Program Budget Comparison

The following table summarizes the total proposed budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Budget Fiscal 2016	Budget Fiscal 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	140.05	140.05	135.30	135.30	140.05	135.30	(4.75)	(3.39)%
Personal Services	9,431,146	9,774,740	10,251,338	10,252,582	19,205,886	20,503,920	1,298,034	6.76 %
Operating Expenses	4,481,589	2,747,998	5,332,925	5,206,075	7,229,587	10,539,000	3,309,413	45.78 %
Equipment & Intangible Assets	73,499	33,020	150,899	133,499	106,519	284,398	177,879	166.99 %
Transfers	21,591	7,500	21,591	21,591	29,091	43,182	14,091	48.44 %
Debt Service	547,816	612,692	745,275	738,704	1,160,508	1,483,979	323,471	27.87 %
Total Costs	\$14,555,641	\$13,175,950	\$16,502,028	\$16,352,451	\$27,731,591	\$32,854,479	\$5,122,888	18.47 %
General Fund	8,686,233	9,018,771	9,951,416	9,946,700	17,705,004	19,898,116	2,193,112	12.39 %
State/Other Special Rev. Funds	5,687,027	3,931,699	6,271,955	6,126,588	9,618,726	12,398,543	2,779,817	28.90 %
Federal Spec. Rev. Funds	182,381	225,480	278,657	279,163	407,861	557,820	149,959	36.77 %
Total Funds	\$14,555,641	\$13,175,950	\$16,502,028	\$16,352,451	\$27,731,591	\$32,854,479	\$5,122,888	18.47 %

Program Description

The Water Resources Division is responsible for many programs associated with the uses, development, and protection of Montana's water.

Responsibilities of the division include:

- Manage and maintain the state-owned dams, reservoirs, and canals
- Develop and recommend in-state, interstate, and international water policy to the director, Governor, and Legislature
- Administer the Dam Safety, Floodplain Management, and Water Management programs
- Provide support to the Board of Water Well Contractors
- Assist the Water Court with the adjudication of pre-July 1, 1973, water rights
- Administer applications for new water rights, changes in historic water rights, and ownership updates
- Maintain centralized water rights records

The division consists of an administration unit and five bureaus:

- Water Management Bureau
- Water Rights Bureau
- Water Adjudication Bureau
- State Water Projects Bureau
- Water Operations Bureau

The Compact Implementation unit is under the Water Management Bureau and will provide technical and legal support for implementation of approved water compacts for Indian tribes and federal agencies.

Program Highlights

**Water Resources Division
Major Budget Highlights**

The division proposes to increase the budget over the prior biennium due to:

- Global adjustments, including annualization of the 2015 biennium pay plan and full funding of positions
- Two new proposals for the following:
 - Surface water assessment and monitoring
 - State water project dam analysis
- Multiple other requests related to state water projects

Program Discussion -

Comparison of the 2015 Legislative Base and the 2015 Appropriation

The following highlights the differences between the FY 2015 appropriations as shown in the main table to the FY 2015 legislative appropriations used for purposes of the budget base.

FY 2015 Appropriation Transactions - Department of Natural Resources & Conservation						
Program	Legislative Appropriation	Legislative Approps	House OTO Adjustment	Operating Plan	Program Transfer	Total Executive Implementation
24 WATER RES DIV	13,159,937	129,700			(113,687)	13,175,950
Personal Services	9,872,064				(97,324)	9,774,740
Operating Expenses	2,634,661	129,700			(16,363)	2,747,998
Equipment & Assets	33,020					33,020
Transfers	7,500					7,500
Debt Service	612,692					612,692

The difference between the legislatively appropriated base and the executive implementation is due to a one-time-only appropriation for flood plain mapping and stream gaging as well as a program transfer that moved funding and FTE for the Flathead Basin Commission from the Water Resources Division to the Conservation and Resource Development Division.

Comparison of the 2014 Actual Expenditures to FY 2015 Legislative Appropriations

Actual FY 2014 expenditures of \$14,555,641 are \$1,395,704 above the FY 2015 Legislative appropriation of \$13,159,937. The 2013 Legislature provided funds for various water projects in FY 2014 that were not appropriated in FY 2015.

Funding

The following table shows proposed program funding by source from all sources of authority.

Natural Resources & Conservation, 24-Water Resources Division					
Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	19,898,116	0	0	19,898,116	60.56 %
02145 Broadwater O & M	1,100,755	0	0	1,100,755	8.88 %
02146 Broadwater Irrigation	0	0	0	0	0.00 %
02147 Broadwater R & R	0	0	0	0	0.00 %
02216 Water Storage St Sp Rev Acct	609,518	0	0	609,518	4.92 %
02351 Water Project Lands Lease Acct	119,438	0	0	119,438	0.96 %
02404 Water Project Loans	616,410	0	0	616,410	4.97 %
02430 Water Right Appropriation	1,027,512	0	0	1,027,512	8.29 %
02431 Water Adjudication	3,581,621	0	0	3,581,621	28.89 %
02470 State Project Hydro Earnings	4,921,569	0	0	4,921,569	39.69 %
02576 Natural Resources Operations SSR Fu	218,623	0	0	218,623	1.76 %
02694 Coal Bed Methane Protection	0	0	0	0	0.00 %
02825 Water Well Contractors	203,097	0	0	203,097	1.64 %
State Special Total	\$12,398,543	\$0	\$0	\$12,398,543	37.74 %
03034 Yellowstone Groundwater NPS	43,848	0	0	43,848	7.86 %
03094 FEMA Federal Grants	513,972	0	0	513,972	92.14 %
Federal Special Total	\$557,820	\$0	\$0	\$557,820	1.70 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$32,854,479	\$0	\$0	\$32,854,479	

The Water Resources Division is predominantly funded with general fund and state special revenue, with a minor amount of federal revenue. The largest state special revenue funding comes from funds set aside for water adjudication and income derived from state owned hydroelectric projects for repair and rehabilitation of state owned water projects.

LFD ISSUE	The Water Court in the Judicial Branch is the other entity that utilizes water adjudication funds. The executive has requested that a portion of the water adjudication funds in the Water Court be replaced with general fund. The Natural Resources and Transportation subcommittee may wish to coordinate its action on this budget request with that of the Judicial Branch, Law Enforcement, and Justice subcommittee.
------------------	---

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 Legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	9,001,876	9,001,876	18,003,752	90.48 %	13,159,937	13,159,937	26,319,874	80.11 %
PL Adjustments	856,140	874,824	1,730,964	8.70 %	2,973,691	2,937,514	5,911,205	17.99 %
New Proposals	93,400	70,000	163,400	0.82 %	368,400	255,000	623,400	1.90 %
Total Budget	\$9,951,416	\$9,946,700	\$19,898,116		\$16,502,028	\$16,352,451	\$32,854,479	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed by the executive. PSPL adjusts all personal services. LGPL provides for adjustments to other expenditures such as operating expenses. Each is discussed in the narrative that follows. Total funds in the Present Law Adjustments table do not include proprietary funds budgeted in House Bill 2.

Present Law Adjustments										
-----Fiscal 2016-----					-----Fiscal 2017-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 98 - LEG. Personal Services Present Law	0.00	492,384	(125,115)	12,005	379,274	0.00	493,313	(124,980)	12,185	380,518
DP 99 - LEG. Present Law	0.00	363,756	2,189,489	41,172	2,594,417	0.00	381,511	2,133,987	41,498	2,556,996
Grand Total All Present Law Adjustments	0.00	\$856,140	\$2,064,374	\$53,177	\$2,973,691	0.00	\$874,824	\$2,009,007	\$53,683	\$2,937,514

DP 98 - LEG. Personal Services Present Law -

The Personal Services Present Law Adjustments (PSPL) in the table below includes all present law adjustments related to personal services, including statewide present law personal services adjustments. This adjustment has been broken out by some of its component parts for a more detailed understanding of the adjustments. FY 2016 and FY 2017 contain the reductions in FTE made by the executive to implement the boilerplate language in HB 2.

Personal Services Present Law Adjustments					
FY 2016					
CP 98 PSPL Item	FTE	General Fund	State Special	Federal Special	Total Funds
State Share Health Insurance	135.30	\$49,815	\$15,272	\$668	\$65,756
Executive Implementation of 2015 Pay Increase		139,130	34,512	2,168	175,810
Fully Fund 2015 Legislatively Authorized FTE		121,804	62,624	8,428	192,856
Other		181,635	(237,524)	741	(55,148)
Personal Services Present Law Adjustments	135.30	\$492,384	(\$125,115)	\$12,005	\$379,274
FY 2017					
CP 98 PSPL Item	FTE	General Fund	State Special	Federal Special	Total Funds
State Share Health Insurance	135.30	\$49,815	\$15,272	\$668	\$65,756
Executive Implementation of 2015 Pay Increase		139,155	34,486	2,169	175,810
Fully Fund 2015 Legislatively Authorized FTE		121,804	62,624	8,428	192,856
Other		182,539	(237,362)	920	(53,904)
Personal Services Present Law Adjustments	135.30	\$493,313	(\$124,980)	\$12,185	\$380,518

The executive proposes to increase support to personal services by 3.8% in FY 2016 and 5.2% in FY 2017 in comparison to the FY 2015 legislatively appropriated budget of \$9,872,064. The increase is entirely due to the state share health insurance, the implementation of the HB 13 pay raises, and fully funding legislatively authorized FTE.

DP 99 - LEG. Present Law -

The LGPL adjustments above are primarily due to increases in consulting and professional services for various proposed projects.

New Proposals -

Total funds in the New Proposals table do not include proprietary funds budgeted in House Bill 2.

New Proposals	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2402402 - WRD Surface Water Assessment/Monitor	0.00	93,400	0	0	93,400	0.00	70,000	0	0	70,000
DP 2402407 - WRD State Water Project Dam Analysis	0.00	0	275,000	0	275,000	0.00	0	185,000	0	185,000
Total	0.00	\$93,400	\$275,000	\$0	\$368,400	0.00	\$70,000	\$185,000	\$0	\$255,000

DP 2402402 - WRD Surface Water Assessment/Monitor -

This budget request is for general fund to purchase equipment and pay operating expenses to establish a state-based surface water assessment and monitoring program. The hydrologic information provided by this program would be utilized by DNRC, other state agencies, and citizens who depend on real-time stream-flow measurement data to aid decision making and policy development.

DP 2402407 - WRD State Water Project Dam Analysis -

The budget includes state special revenue to conduct the analysis and design work for rehabilitation of several state water projects and inundation and loss of life analyses on three dams. The request includes \$370,000 to evaluate alternatives to rehabilitate Willow Creek Dam to meet existing dam safety criteria; \$20,000 for tower safety, engineering design and construction documents; and \$70,000 for inundation and loss of life analyses for Glacier, East Fork of Rock Creek, and Middle Creek Dams.

Language and Statutory Authority -

The Governor proposes the following language for inclusion in HB 2.

“During the 2017 biennium, up to \$1 million of funds currently in or to be deposited in the Broadwater replacement and renewal account is appropriated to the department for repairing or replacing equipment at the Broadwater hydropower facility.

During the 2017 biennium, up to \$100,000 of interest earned on the Broadwater water users account is appropriated to the department for the purpose of repair, improvement, or rehabilitation of the Broadwater-Missouri diversion project.

During the 2017 biennium, up to \$500,000 of funds currently in or to be deposited in the state project hydropower earnings account is appropriated for the purpose of repairing, improving, or rehabilitating department state water projects.”