

### Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	207.14	207.14	197.64	197.64	207.14	197.64	(9.50)	(4.59)%
Personal Services	13,838,254	15,148,914	15,525,595	15,577,463	28,987,168	31,103,058	2,115,890	7.30 %
Operating Expenses	8,946,147	12,941,745	15,791,857	15,791,704	21,887,892	31,583,561	9,695,669	44.30 %
Equipment & Intangible Assets	124,965	101,740	101,740	101,740	226,705	203,480	(23,225)	(10.24)%
Grants	1,094,008	1,635,863	1,635,863	1,635,863	2,729,871	3,271,726	541,855	19.85 %
Transfers	23,294	26,036	23,034	23,034	49,330	46,068	(3,262)	(6.61)%
<b>Total Costs</b>	<b>\$24,026,668</b>	<b>\$29,854,298</b>	<b>\$33,078,089</b>	<b>\$33,129,804</b>	<b>\$53,880,966</b>	<b>\$66,207,893</b>	<b>\$12,326,927</b>	<b>22.88 %</b>
General Fund	1,829,563	1,897,482	1,938,564	1,927,545	3,727,045	3,866,109	139,064	3.73 %
State/Other Special Rev. Funds	15,653,156	20,765,486	24,744,080	24,828,519	36,418,642	49,572,599	13,153,957	36.12 %
Federal Spec. Rev. Funds	6,543,949	7,191,330	6,395,445	6,373,740	13,735,279	12,769,185	(966,094)	(7.03)%
<b>Total Funds</b>	<b>\$24,026,668</b>	<b>\$29,854,298</b>	<b>\$33,078,089</b>	<b>\$33,129,804</b>	<b>\$53,880,966</b>	<b>\$66,207,893</b>	<b>\$12,326,927</b>	<b>22.88 %</b>

### Program Description

The Permitting and Compliance Division administers all DEQ permitting and compliance activities based on 17 state regulatory and 5 related federal authorities. The division: 1) reviews and assesses environmental permit applications (coordinating with other state, local, and federal agencies) to determine control measures needed to ensure compliance with the law and to prevent land, water, and air conditions detrimental to public health welfare, safety, and the environment; 2) prepares supporting environmental documents under the Montana Environmental Policy Act and provides training and technical assistance when needed; 3) inspects to determine compliance with permit conditions, laws, and rules; and 4) when compliance problems are discovered, provides assistance to resolve the facility's compliance issues, and when necessary recommends formal enforcement actions to the Enforcement Division. Activities are organized in the Air Resources Management Bureau (air); Industrial Energy and Minerals Bureau (coal, uranium, opencut); Environmental Management Bureau (hard rock, facility siting); Public Water and Subdivision Bureau (public water supply, subdivision and operator certification); Water Protection Bureau (water discharge); and Waste and Underground Tank Management Bureau (solid waste, junk vehicles, septage pumpers, hazardous waste, asbestos, underground storage tanks).

### Program Highlights

<b>Permitting and Compliance Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• When compared to the 2015 biennium appropriations, the 2017 biennium appropriation increased program funding by 12.0% or \$7.1 million. Increases are due primarily to:               <ul style="list-style-type: none"> <li>◦ \$7.0 million in state special revenue funding for expanded use of the orphan share fund.</li> <li>◦ \$500,000 in general fund for water cleanup at Zortman/Landusky.</li> </ul> </li> </ul>

## Funding

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

Department of Environmental Quality, 50-Permitting & Compliance Division Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	3,866,109	0	0	3,866,109	5.84 %	
02036 Opencut Fees	588,432	0	0	588,432	1.19 %	
02054 UST-Installer Lic & Permit Acc	100,656	0	0	100,656	0.20 %	
02070 Hazardous Waste-CERCLA	835,946	0	0	835,946	1.69 %	
02075 UST Leak Prevention Program	348,366	0	0	348,366	0.70 %	
02096 Reclamation - Bond Forfeitures	208,092	0	0	208,092	0.42 %	
02138 Zort/Land Open Cut Bond Forfei	0	0	0	0	0.00 %	
02157 Solid Waste Management Fee	1,219,276	0	0	1,219,276	2.46 %	
02201 Air Quality-Operating Fees	8,210,801	0	0	8,210,801	16.56 %	
02202 Asbestos Control	548,276	0	0	548,276	1.11 %	
02204 Public Drinking Water	2,109,976	0	0	2,109,976	4.26 %	
02278 MPDES Permit Program	4,844,530	0	0	4,844,530	9.77 %	
02308 DNRC Grants Permit Cmpl Div	0	0	0	0	0.00 %	
02417 Orphan Share Transfers	0	0	0	0	0.00 %	
02418 Subdivision Plat Review	1,372,844	0	0	1,372,844	2.77 %	
02420 Bd of Cert For W&WW OP	298,924	0	0	298,924	0.60 %	
02421 Hazardous Waste Fees	486,732	0	0	486,732	0.98 %	
02428 Major Facility Siting	3,455,524	0	0	3,455,524	6.97 %	
02472 Orphan Share Fund	7,000,000	0	0	7,000,000	14.12 %	
02521 Pegasus Bankruptcy/Operations	1,462,642	0	0	1,462,642	2.95 %	
02576 Natural Resources Operations SSR Fu	4,055,710	0	0	4,055,710	8.18 %	
02579 Coal & Uranium Mine Account	523,848	0	0	523,848	1.06 %	
02845 Junk Vehicle Disposal	3,884,280	0	0	3,884,280	7.84 %	
02954 Septage Fees	138,760	0	0	138,760	0.28 %	
02988 Hard Rock Mining Reclamation	7,878,984	0	0	7,878,984	15.89 %	
<b>State Special Total</b>	<b>\$49,572,599</b>	<b>\$0</b>	<b>\$0</b>	<b>\$49,572,599</b>	<b>74.87 %</b>	
03028 UST Energy Policy Act Prov	62,276	0	0	62,276	0.49 %	
03067 DSL Federal Reclamation Grant	52,370	0	0	52,370	0.41 %	
03107 National Park Service - Yellowstone	45,494	0	0	45,494	0.36 %	
03152 DW SRF FY15 Grant	1,117,450	0	0	1,117,450	8.75 %	
03243 BLM-ARMB 9/30/16	91,414	0	0	91,414	0.72 %	
03262 EPA PPG	5,052,917	0	0	5,052,917	39.57 %	
03309 UST Leak Prevention Grant	784,000	0	0	784,000	6.14 %	
03325 PM 2.5 TO 3/31/09	816,208	0	0	816,208	6.39 %	
03326 BLM For Zortman & Landusky	744,926	0	0	744,926	5.83 %	
03430 DW SRF FY14 Grant	598,538	0	0	598,538	4.69 %	
03433 EPA PPG FY10-11	0	0	0	0	0.00 %	
03435 PM 2.5 Fiscal Year 2004	0	0	0	0	0.00 %	
03436 NPS 09 Staffing & Support	208,494	0	0	208,494	1.63 %	
03438 Brownsfield State Response	0	0	0	0	0.00 %	
03569 DW SRF FY16 Grant	20,020	0	0	20,020	0.16 %	
03574 DW SRF FY17 Grant	31,662	0	0	31,662	0.25 %	
03595 DW SRF FY13	0	0	0	0	0.00 %	
03691 Non Pt Source Staffing/Support	0	0	0	0	0.00 %	
03798 Homeland Water System Security	0	0	0	0	0.00 %	
03816 DOI OSM A&E GRANT	3,096,528	0	0	3,096,528	24.25 %	
03973 Brownfields Grants	46,888	0	0	46,888	0.37 %	
<b>Federal Special Total</b>	<b>\$12,769,185</b>	<b>\$0</b>	<b>\$0</b>	<b>\$12,769,185</b>	<b>19.29 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$66,207,893</b>	<b>\$0</b>	<b>\$0</b>	<b>\$66,207,893</b>		

The division is funded with general fund and a variety of state and federal special revenue sources. The general fund supports personal services and operating expenses.

State special revenue consists of forfeited hard rock reclamation bonds, fees collected for various activities such as air permits, junk vehicle fines, public water supply connections, and subdivision reviews. These funds are used to administer related permits and compliance operations in the division. The division also receives Resource Indemnity Trust (RIT) interest via the hazardous waste and natural resources operations funds. Federal special revenue sources include the Environmental Protection Agency (EPA) and the Bureau of Land Management (BLM).

### Budget Summary by Category

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

Budget Summary by Category								
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	1,897,482	1,897,482	3,794,964	98.16 %	29,486,784	29,486,784	58,973,568	89.07 %
PL Adjustments	(208,918)	(219,937)	(428,855)	(11.09)%	(203,918)	(152,203)	(356,121)	(0.54)%
New Proposals	250,000	250,000	500,000	12.93 %	3,795,223	3,795,223	7,590,446	11.46 %
<b>Total Budget</b>	<b>\$1,938,564</b>	<b>\$1,927,545</b>	<b>\$3,866,109</b>		<b>\$33,078,089</b>	<b>\$33,129,804</b>	<b>\$66,207,893</b>	

Present law adjustments for the program are negative due to operating adjustments adopted by the legislature.

### Present Law Adjustments

The "Present Law Adjustments" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

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 515 - State Share Health Insurance	0.00	8,340	60,700	27,013	96,053	0.00	8,340	60,700	27,013	96,053
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	13,324	197,693	109,007	320,024	0.00	13,324	197,693	109,007	320,024
DP 529 - Longevity and Other Adjustments	0.00	1,453	15,619	5,506	22,578	0.00	4,519	48,578	17,126	70,223
DP 550 - Motor Pool Adjustment	0.00	(998)	(10,726)	(3,781)	(15,505)	0.00	(1,008)	(10,832)	(3,818)	(15,658)
DP 570 - Other Personal Services Adjustments	0.00	(752,063)	3,548,008	(2,783,602)	12,343	0.00	(766,138)	3,599,594	(2,816,890)	16,566
DP 580 - Additional Operating Adjustments	0.00	521,026	(3,828,578)	1,849,972	(1,457,580)	0.00	521,026	(3,828,578)	1,849,972	(1,457,580)
DP 5000444 - Statewide 4% FTE Reduction - Program 50	(9.50)	0	0	0	0	(9.50)	0	0	0	0
DP 5005002 - Hard Rock Reclamation/MFSA Projects (Restricted/Biennial)	0.00	0	812,946	0	812,946	0.00	0	812,946	0	812,946
DP 5005004 - Leased Vehicle to Replace Owned Vehicle	0.00	0	5,223	0	5,223	0.00	0	5,223	0	5,223
<b>Grand Total All Present Law Adjustments</b>	<b>(9.50)</b>	<b>(\$208,918)</b>	<b>\$800,885</b>	<b>(\$795,885)</b>	<b>(\$203,918)</b>	<b>(9.50)</b>	<b>(\$219,937)</b>	<b>\$885,324</b>	<b>(\$817,590)</b>	<b>(\$152,203)</b>

\*\*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

### DP 515 - State Share Health Insurance -

The legislature provided appropriation authority for the state share of health insurance, as adopted by the 2013 Legislature.

DP 520 - Fully Fund 2015 Legislatively Authorized FTE -

The legislature provided appropriation authority to restore personal services funding to create a vacancy savings rate of zero.

DP 529 - Longevity and Other Adjustments -

The legislature adopted personal service adjustments for unemployment insurance, workers compensation rates, longevity, retirement, and health benefits.

DP 550 - Motor Pool Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 570 - Other Personal Services Adjustments -

The legislature adopted all other personal service cost adjustments, except the annualization of the 2015 biennium pay plan.

DP 580 - Additional Operating Adjustments -

The legislature adopted all other operating cost adjustments.

DP 5000444 - Statewide 4% FTE Reduction - Program 50 -

FY 2016 and FY 2017 contain any reductions in FTE made by the executive to implement the boilerplate language in HB 2. Though intended by the legislature, the FY 2014 and FY 2015 FTE levels do not reflect this language.

DP 5005002 - Hard Rock Reclamation/MFSA Projects (Restricted/Biennial) -

The legislature increased appropriations for projects administered under the Metal Mine Reclamation Act (MMRA) and Major Facility Siting Act Programs (MFSA).

DP 5005004 - Leased Vehicle to Replace Owned Vehicle -

The legislature appropriated funds for the department to replace two surplus, 15+ year old, agency-owned vehicles with one leased SUV.

**New Proposals**

The "New Proposals" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

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 5005005 - Lease Vehicle for Missoula Office	0.00	0	5,223	0	5,223	0.00	0	5,223	0	5,223
DP 5301001 - Orphan Share Expanded Usage (Restricted/Biennial/OTO)	0.00	0	3,500,000	0	3,500,000	0.00	0	3,500,000	0	3,500,000
DP 5301002 - Hazardous Waste/CERCLA Fees	0.00	0	40,000	0	40,000	0.00	0	40,000	0	40,000
DP 5301003 - Zortman/Landusky Additional (Restricted/OTO)	0.00	250,000	0	0	250,000	0.00	250,000	0	0	250,000
<b>Total</b>	<b>0.00</b>	<b>\$250,000</b>	<b>\$3,545,223</b>	<b>\$0</b>	<b>\$3,795,223</b>	<b>0.00</b>	<b>\$250,000</b>	<b>\$3,545,223</b>	<b>\$0</b>	<b>\$3,795,223</b>

\*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 5005005 - Lease Vehicle for Missoula Office -

The legislature appropriated funds for the department to lease a vehicle from the state motor pool rather renting from a private rental company in Missoula.

DP 5301001 - Orphan Share Expanded Usage (Restricted/Biennial/OTO) -

The legislature appropriated funds from the Orphan Share fund for expanded usage for projects detailed in SB96.

DP 5301002 - Hazardous Waste/CERCLA Fees -

The legislature approved additional authority for fees collected under administrative rules governing hazardous waste.

DP 5301003 - Zortman/Landusky Additional (Restricted/OTO) -

The legislature approved a restricted, one-time-only general fund appropriation for water treatment at Zortman/Landusky. Historically, BLM has made year-end funding available to support water treatment. If BLM funds are received, this general fund appropriation will be reduced by the like amount.