

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	26.65	26.65	26.17	26.17	26.65	26.17	(0.48)	(1.80)%
Personal Services	1,902,347	1,978,033	2,095,910	2,096,025	3,880,380	4,191,935	311,555	8.03 %
Operating Expenses	1,774,026	2,088,752	4,052,135	2,976,213	3,862,778	7,028,348	3,165,570	81.95 %
Equipment & Intangible Assets	43,743	25,547	43,743	43,743	69,290	87,486	18,196	26.26 %
Local Assistance	2,558,090	5,000,000	3,058,090	3,058,090	7,558,090	6,116,180	(1,441,910)	(19.08)%
Grants	1,298,001	1,364,016	6,472,103	6,445,797	2,662,017	12,917,900	10,255,883	385.27 %
Benefits & Claims	0	200,000	200,000	200,000	200,000	400,000	200,000	100.00 %
Transfers	0	0	0	0	0	0	0	0.00 %
Total Costs	\$7,576,207	\$10,656,348	\$15,921,981	\$14,819,868	\$18,232,555	\$30,741,849	\$12,509,294	68.61 %
General Fund	1,018,319	1,052,113	6,791,282	6,779,316	2,070,432	13,570,598	11,500,166	555.45 %
State/Other Special Rev. Funds	6,290,180	9,312,875	8,836,203	7,744,605	15,603,055	16,580,808	977,753	6.27 %
Federal Spec. Rev. Funds	267,708	291,360	294,496	295,947	559,068	590,443	31,375	5.61 %
Total Funds	\$7,576,207	\$10,656,348	\$15,921,981	\$14,819,868	\$18,232,555	\$30,741,849	\$12,509,294	68.61 %

Program Description

The Conservation and Resource Development Division (CARDD) provides technical, administrative, financial and legal assistance to Montana's 58 conservation districts by administering the Conservation District Act, Montana Rangeland Resources Act, and the Natural Streambed and Land Preservation Act. The division also manages several loan and grant programs for local communities, local governments, state agencies, and private citizens. The programs include the state revolving fund, which at the end of FY 2014 included \$530 million loaned to communities for water and waste water systems, coal severance tax loans to governmental entities totaling \$42 million, and private loans for \$22 million. Grant programs administered by the division include the Reclamation Development, Renewable Resource, and Conservation District grant programs.

Program Highlights

Conservation and Resource Development Division Major Budget Highlights
<p>The Division's 2017 biennial budget increased over the 2015 biennium due primarily to:</p> <ul style="list-style-type: none"> • Establishing a Sage Grouse Conservation Fund with \$10 million in general fund over the biennium • Nearly \$1.1 million over the biennium in contracted services for sage grouse conservation • \$1 million in state special revenue in FY 2016 for the Jefferson Slough • Numerous continuing CAARD projects statewide

Funding

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

57060 - Natural Resources and Conservation23-Conservation & Resource Development Division

Natural Resources and Conservation, 23-Conservation & Resource Development Division						
Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	13,570,598	0	0	13,570,598	44.14 %	
02015 TSEP Regional Water System	1,943,998	0	0	1,943,998	11.72 %	
02052 Rangeland Improvement Loans	172,790	0	0	172,790	1.04 %	
02107 Environmental Contingency RIT	0	0	0	0	0.00 %	
02145 Broadwater O & M	0	0	0	0	0.00 %	
02298 GO Bond Proceeds 2010H	0	0	0	0	0.00 %	
02316 GO94B/Ban 93D Admin	50,467	0	0	50,467	0.30 %	
02340 Coal Sev. Tax Shared SSR	4,806,563	0	0	4,806,563	28.99 %	
02351 Water Project Lands Lease Acct	0	0	0	0	0.00 %	
02430 Water Right Appropriation	0	0	0	0	0.00 %	
02431 Water Adjudication	0	0	0	0	0.00 %	
02432 Oil & Gas ERA	1,386,480	0	0	1,386,480	8.36 %	
02433 Grazing District Fees	51,855	0	0	51,855	0.31 %	
02470 State Project Hydro Earnings	0	0	0	0	0.00 %	
02490 Drinking Water Investment	400,000	0	0	400,000	2.41 %	
02491 Drinking Water Spec Admin Cost	0	0	0	0	0.00 %	
02576 Natural Resources Operations SSR Fu	480,000	0	0	480,000	2.89 %	
02621 CST 09A BAN Proceeds Exempt	0	0	0	0	0.00 %	
02622 CST 09B BAN Proceeds Taxable	0	0	0	0	0.00 %	
02685 CST 12A BAN PROCEEDS-EXEMPT	0	0	0	0	0.00 %	
02686 CST 12B BAN PROCEEDS-TAXABLE	0	0	0	0	0.00 %	
02694 Coal Bed Methane Protection	950,000	0	0	950,000	5.73 %	
02825 Water Well Contractors	0	0	0	0	0.00 %	
02910 CST 14A BAN Proceeds (Exmp)	0	0	0	0	0.00 %	
02950 GO 2013E WW SRF Proceeds	0	0	0	0	0.00 %	
02967 GO 2013E Bond Proceeds Taxable	0	0	0	0	0.00 %	
02971 SRF GO BOND 2000F TAX NPS/RCB	5,938,655	0	0	5,938,655	35.82 %	
02845 Junk Vehicle Fund	400,000	0	0	400,000	2.41 %	
State Special Total	\$16,580,808	\$0	\$0	\$16,580,808	53.94 %	
03034 Yellowstone Groundwater NPS	0	0	0	0	0.00 %	
03094 FEMA Federal Grants	0	0	0	0	0.00 %	
03149 WPC SRF FY06 GRANT	0	0	0	0	0.00 %	
03152 DW SRF FY15 Grant	306,391	0	0	306,391	51.89 %	
03245 WPC SRF 11 Grant	6,673	0	0	6,673	1.13 %	
03409 WPC SRF FY10 GRANT	256,298	0	0	256,298	43.41 %	
03430 DW SRF FY14 Grant	0	0	0	0	0.00 %	
03457 WPC SRF 05/08 Grant	7,204	0	0	7,204	1.22 %	
03569 DW SRF FY16 Grant	6,673	0	0	6,673	1.13 %	
03574 DW SRF FY17 Grant	7,204	0	0	7,204	1.22 %	
Federal Special Total	\$590,443	\$0	\$0	\$590,443	1.92 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$30,741,849	\$0	\$0	\$30,741,849		

The general fund and state special revenue funds represent 44% and 54% respectively of this program's funding with federal special revenue funding the remaining 2%.

Budget Summary by Category

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

57060 - Natural Resources and Conservation23-Conservation & Resource Development Division

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	1,035,808	1,035,808	2,071,616	15.27 %	10,096,661	10,096,661	20,193,322	65.69 %
PL Adjustments	96,097	84,221	180,318	1.33 %	(610,551)	(583,247)	(1,193,798)	(3.88)%
New Proposals	5,659,377	5,659,287	11,318,664	83.41 %	6,435,871	5,306,454	11,742,325	38.20 %
Total Budget	\$6,791,282	\$6,779,316	\$13,570,598		\$15,921,981	\$14,819,868	\$30,741,849	

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	8,464	4,011	0	12,475	0.00	8,489	3,986	0	12,475
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	6,375	23,582	6,906	36,863	0.00	6,375	23,582	6,906	36,863
DP 525 - Fixed Cost Adjustments	0.00	13,375	21,920	0	35,295	0.00	20,494	31,651	0	52,145
DP 527 - Inflation/Deflation Adjustments	0.00	(4,513)	(9,920)	0	(14,433)	0.00	(2,725)	(6,138)	0	(8,863)
DP 529 - Longevity and Other Adjustments	0.00	98,644	46,746	0	145,390	0.00	95,478	44,832	0	140,310
DP 532 - General Liability Insurance Rate Adjustment	0.00	(833)	(120)	0	(953)	0.00	(833)	(120)	0	(953)
DP 550 - Motor Pool Rate Adjustment	0.00	(205)	(336)	0	(541)	0.00	(216)	(333)	0	(549)
DP 570 - Additional Operating Adjustments	0.00	(144,005)	(2,425,822)	6,906	(2,562,921)	0.00	(143,699)	(2,426,128)	6,906	(2,562,921)
DP 580 - Additional Personal Services Adjustments	0.00	(1,772)	(7,328)	(722)	(9,822)	0.00	(819)	(3,385)	(333)	(4,537)
DP 999901 - Coal Shared Account Adjustment	0.00	0	0	0	0	0.00	0	21,187	0	21,187
DP 2102111 - Non-Helena Rent	0.00	3,265	1,017	814	5,096	0.00	2,634	1,368	1,094	5,096
DP 2300444 - Statewide 4% FTE Reduction-Program 23	(0.98)	0	0	0	0	(0.98)	0	0	0	0
DP 2302301 - CARDD Operating adjustments	0.00	50,302	15,666	12,532	78,500	0.00	32,043	16,643	13,314	62,000
DP 2302303 - CARDD Conservation District Administration (BIEN)	0.00	50,000	200,000	0	250,000	0.00	50,000	200,000	0	250,000
DP 2302304 - CARDD Conservation District 223 Program (BIEN)	0.00	0	250,000	0	250,000	0.00	0	250,000	0	250,000
DP 2302306 - CARDD Regional Water Administration	0.00	0	297,500	0	297,500	0.00	0	297,500	0	297,500
DP 2302307 - CARDD Loan Appropriation	0.00	0	500,000	0	500,000	0.00	0	500,000	0	500,000
DP 2302308 - CARDD Drinking Water Loan Forgiveness (OTO/RST)	0.00	0	200,000	0	200,000	0.00	0	200,000	0	200,000
DP 2302314 - CARDD Sheridan County Ground-Water	0.00	10,000	0	0	10,000	0.00	10,000	0	0	10,000
DP 5706002 - St. Mary Rehab. Working Group (RST)	0.00	0	150,000	0	150,000	0.00	0	150,000	0	150,000
DP 5706003 - Montana Grass Conservations Commission	0.00	7,000	0	0	7,000	0.00	7,000	0	0	7,000
Grand Total All Present Law Adjustments	(0.98)	\$96,097	(\$733,084)	\$26,436	(\$610,551)	(0.98)	\$84,221	(\$695,355)	\$27,887	(\$583,247)

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

57060 - Natural Resources and Conservation23-Conservation & Resource Development Division

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 525 - Fixed Cost Adjustments -

The legislature adopted proprietary rates for fixed costs charged to state agencies for services such as information technology or rent and grounds maintenance within the capitol complex. Rates for messenger services, legislative audit, grounds maintenance, records management, agency legal costs, and the statewide cost allocation plan were adopted as proposed by the executive. The legislature lowered proprietary rates for warrant writer, payroll services, SABHRS, SITSD fees, and rent. The legislature increased insurance premiums to provide for increased costs of claims and to establish a reserve for the insurance fund.

DP 527 - Inflation/Deflation Adjustments -

The legislature adopted inflation/deflation adjustments.

DP 529 - Longevity and Other Adjustments -

The legislature adopted personal services adjustments for longevity, retirement, unemployment insurance, and workers compensation.

DP 532 - General Liability Insurance Rate Adjustment -

The legislature reduced the rate assessed to state agencies for general liability insurance provided by the Risk Management and Tort Defense Division.

DP 550 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 570 - Additional Operating Adjustments -

The legislature adopted all other operating cost adjustments.

DP 580 - Additional Personal Services Adjustments -

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

DP 999901 - Coal Shared Account Adjustment -

The legislature increased appropriations for the coal tax shared account based on revised revenue estimates.

DP 2102111 - Non-Helena Rent -

57060 - Natural Resources and Conservation23-Conservation & Resource Development Division

The legislature approved rent increases for department buildings located outside of Helena.

DP 2300444 - Statewide 4% FTE Reduction-Program 23 -

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. Change package 2300444 includes a reduction of 0.98 FTE each year.

DP 2302301 - CARDD Operating adjustments -

The legislature approved \$78,500 in FY 2016 and \$62,000 in FY 2017 in combined general fund, state special, and federal special revenue for expenses related to the increasing demand for loan and grant programs administered by the division. The financial and technical assistance resources provided to communities across the state and particularly in Eastern Montana continues to demand more of CARDD staff. The major cost drivers are consulting and professional services.

DP 2302303 - CARDD Conservation District Administration (BIEN) -

The legislature adopted \$250,000 per year in combined general fund and state special revenue to provide additional funding to the Administrative Grant program, assisting conservation districts with expenses associated with the operation of the district.

DP 2302304 - CARDD Conservation District 223 Program (BIEN) -

The legislature adopted \$250,000 per year of state special revenue for the conservation district 223 program. Additional funding is needed to respond to flooding, forest fires, and the mitigation of these natural resource events.

DP 2302306 - CARDD Regional Water Administration -

The legislature approved \$297,500 per year of state special revenue to pay for operating expenses of the Regional Water Board associated with development of the RWS, personal services, communication, travel and other expenses. This appropriation matches funding from the federal U.S. Bureau of Reclamation (USBR). The Dry Prairie and North Central RWS have water plants started. The Dry Red and Central Montana systems will have the largest amount of work to be done on their preliminary development.

DP 2302307 - CARDD Loan Appropriation -

The legislature approved \$500,000 per year in state special revenue authority for Range Land loans and other loans in the private non-point source loan program. Appropriation authority for loans ensures compliance with 17-8-101(1), MCA, and Montana Operations Manual Accounting Policy 318.

DP 2302308 - CARDD Drinking Water Loan Forgiveness (OTO/RST) -

The legislature adopted a one-time-only, restricted request of \$200,000 per year in state special revenue to match federal authority for hardship communities in the Safe Drinking Water program. These funds enable the state to provide local assistance to borrowers in the form of loan forgiveness and are aimed at disadvantaged communities who borrowed from the program and are unable to meet loan obligations.

DP 2302314 - CARDD Sheridan County Ground-Water -

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The legislature approved \$10,000 in general fund per year to monitor the Clear Lake Aquifer in the Sheridan County Conservation District.

DP 5706002 - St. Mary Rehab. Working Group (RST) -

The legislature adopted \$150,000 per year in state special revenue to fund the St. Mary Rehabilitation Working Group.

DP 5706003 - Montana Grass Conservations Commission -

The legislature approved \$7,000 per year in general fund for the Montana Grass Conservation Commission.

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 2302305 - CARDD Montana Rural Water - OTO	0.00	0	240,000	0	240,000	0.00	0	240,000	0	240,000
DP 2302309 - CARDD Fund Switch from Natural Resource Operations Acct	0.00	629,082	(629,082)	0	0	0.00	629,082	(629,082)	0	0
DP 2302310 - CARDD Coal Severance Tax Shared Reduction	0.00	0	(425,168)	0	(425,168)	0.00	0	(459,487)	0	(459,487)
DP 2302311 - CARRD Invasive Species Staff	0.50	30,295	0	0	30,295	0.50	30,205	0	0	30,205
DP 2302312 - Sage Grouse Conservation Fund (OTO/BIEN/RST)	0.00	5,000,000	0	0	5,000,000	0.00	5,000,000	0	0	5,000,000
DP 2302313 - CARDD Sage Grouse Operating	0.00	0	590,744	0	590,744	0.00	0	495,736	0	495,736
DP 2302315 - Jefferson Slough (OTO/Restricted/Biennial)	0.00	0	1,000,000	0	1,000,000	0.00	0	0	0	0
Total	0.50	\$5,659,377	\$776,494	\$0	\$6,435,871	0.50	\$5,659,287	(\$352,833)	\$0	\$5,306,454

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

DP 2302305 - CARDD Montana Rural Water - OTO -

Montana Rural Water (MRW) assists communities with water and wastewater systems by providing technical support. The legislature approved \$240,000 per year as a one-time-only state special revenue appropriation to pay for training and operating expenses of the MRW staff. Salaries, communication, travel, and other expenses would be paid by contract. The staff provides training statewide.

DP 2302309 - CARDD Fund Switch from Natural Resource Operations Acct -

The legislature approved a fund switch from the natural resource operations account to the general fund.

DP 2302310 - CARDD Coal Severance Tax Shared Reduction -

The legislature approved a reduction each year to bring utilization of the coal severance tax shared account in line with revenue projections.

DP 2302311 - CARRD Invasive Species Staff -

57060 - Natural Resources and Conservation23-Conservation & Resource Development Division

The legislature adopted general fund for 0.50 FTE to staff the Montana Invasive Species Advisory Council. The council provides a non-partisan forum for understanding invasive species issues and determining ways to identify, prevent, eliminate, reduce, and mitigate the impacts of both terrestrial and aquatic invasive species in Montana.

DP 2302312 - Sage Grouse Conservation Fund (OTO/BIEN/RST) -

The legislature adopted \$5,000,000 of general fund each year to fund voluntary and incentive-based, non-regulatory conservation measures on private land to conserve sage grouse habitat, including the promotion and support of mitigation and conservation plans and measures.

DP 2302313 - CARDD Sage Grouse Operating -

The legislature adopted \$590,744 in FY 2016 and \$495,736 in FY 2017 in state special revenue to be used for consulting and professional services to support sage grouse conservation.

DP 2302315 - Jefferson Slough (OTO/Restricted/Biennial) -

The legislature approved \$1,000,000 in state special revenue in FY 2016 for the Jefferson Slough Bypass Channel as a biennial, restricted, one-time-only appropriation.