

## 57060 - Natural Resources and Conservation 35-Forestry and Trust Land Management Division

### 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	296.08	296.08	286.89	286.89	296.08	286.89	(9.19)	(3.10)%
Personal Services	17,522,571	18,636,444	19,877,343	19,859,186	36,159,015	39,736,529	3,577,514	9.89%
Operating Expenses	7,132,190	7,477,983	8,309,030	8,346,045	14,610,173	16,655,075	2,044,902	14.00%
Equipment & Intangible Assets	1,046,720	1,021,176	1,056,720	1,056,720	2,067,896	2,113,440	45,544	2.20%
Capital Outlay	0	11,128	0	0	11,128	0	(11,128)	(100.00)%
Grants	194,465	189,465	194,465	194,465	383,930	388,930	5,000	1.30%
Transfers	1,341,297	1,317,694	1,464,423	1,462,152	2,658,991	2,926,575	267,584	10.06%
Debt Service	24,937	18,678	24,937	24,937	43,615	49,874	6,259	14.35%
<b>Total Costs</b>	<b>\$27,262,180</b>	<b>\$28,672,568</b>	<b>\$30,926,918</b>	<b>\$30,943,505</b>	<b>\$55,934,748</b>	<b>\$61,870,423</b>	<b>\$5,935,675</b>	<b>10.61%</b>
General Fund	10,795,266	11,383,236	12,353,369	12,407,741	22,178,502	24,761,110	2,582,608	11.64%
State/Other Special Rev. Funds	15,417,769	16,167,954	17,354,952	17,319,350	31,585,723	34,674,302	3,088,579	9.78%
Federal Spec. Rev. Funds	1,049,145	1,121,378	1,218,597	1,216,414	2,170,523	2,435,011	264,488	12.19%
Proprietary Funds	0	0	0	0	0	0	0	0.00%
<b>Total Funds</b>	<b>\$27,262,180</b>	<b>\$28,672,568</b>	<b>\$30,926,918</b>	<b>\$30,943,505</b>	<b>\$55,934,748</b>	<b>\$61,870,423</b>	<b>\$5,935,675</b>	<b>10.61%</b>

### Program Description

The Forestry Division is responsible for planning and implementing forestry programs statewide. Forestry responsibilities include protecting natural resources from wildfire, regulating forest practices, and providing a variety of services to private forest landowners.

Specific programs include:

- Fire and Aviation Management: Protecting 50 million acres of state and private forest and watershed lands from wildfire through a combination of direct protection and county support
- Forest Practice Regulation: Enforcing Montana's streamside management zone regulations and monitoring the voluntary best management practices program on all forests in Montana
- Administering Montana Fire Hazard Reduction Law: Ensuring that the fire hazard created by logging and other forest management operations on private forest lands is adequately reduced, or that additional fire protection is provided until the hazard is reduced
- Providing Forestry Services: Providing technical forestry assistance to private landowners, businesses and communities
- Tree and Shrub Nursery – Growing and selling seedlings for conservation and reforestation plantings on state and private lands in Montana.

The Trust Land Management Division provides for the administration and management of trust lands granted to the State of Montana by the Enabling Act of 1889. These lands total approximately 5.2 million surface acres and 6.2 million mineral acres. Additionally, the division is responsible for the administration of approximately 6,000 miles (40,000+ acres) of the beds of navigable waterways. The Trust Land Management Division is divided into four primary programs: forest management; agriculture and grazing management; real estate management; and minerals management.

**Program Highlights**

<b>Forestry and Trust Lands Division Major Budget Highlights</b>
<ul style="list-style-type: none"><li>• The forestry and Trust Lands Division's 2017 biennial budget increased over the 2015 biennium primarily due to:<ul style="list-style-type: none"><li>◦ Globally adopted personal services and operating adjustments</li><li>◦ Multiple present law adjustments related to trust lands management, including forest improvement projects and operations adjustments</li><li>◦ An appropriation for replacement equipment</li><li>◦ Morrill Trust Projects of \$160,000 general fund over the biennium</li></ul></li></ul>

**Funding**

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

## 57060 - Natural Resources and Conservation 35-Forestry and Trust Land Management Division

Natural Resources and Conservation, 35-Forestry and Trust Land Management Division						
Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	24,761,110	0	0	24,761,110	36.28 %	
02031 Land Banking - Pvt Closing Costs	563,092	0	0	563,092	1.62 %	
02039 Forestry-Fire Protection Taxes	6,914,465	0	0	6,914,465	19.85 %	
02073 Forestry - Slash Disposal	131,246	0	0	131,246	0.38 %	
02107 Environmental Contingency RIT	0	0	0	0	0.00 %	
02173 GIS - STATE SPECIAL REVENUE	0	0	0	0	0.00 %	
02297 Morrill Trust Land Admin	0	0	160,000	160,000	0.46 %	
02430 Water Right Appropriation	0	0	0	0	0.00 %	
02449 Forest Resources-Forest Improv	2,701,186	0	0	2,701,186	7.75 %	
02576 Natural Resources Operations SSR Fu	187,484	0	0	187,484	0.54 %	
02623 Contract Timber Harvesting	802,056	0	0	802,056	2.30 %	
02681 Historic Right-of-Way Acct	21,434	0	0	21,434	0.06 %	
02847 Fire Suppression Fund	0	0	0	0	0.00 %	
02912 TLMD LAND EXCHANGE ADMIN	193,836	0	0	193,836	0.56 %	
02938 TLMD - Administration	23,159,503	0	0	23,159,503	66.48 %	
<b>State Special Total</b>	<b>\$34,674,302</b>	<b>\$0</b>	<b>\$160,000</b>	<b>\$34,834,302</b>	<b>51.04 %</b>	
03173 Project Safe Neighborhood	0	0	0	0	0.00 %	
03255 CSD Federal Indirect	0	0	0	0	0.00 %	
03357 Federal Reimb-Fire Suppr CY14	0	0	0	0	0.00 %	
03471 Consolidated Grant FY14	0	0	0	0	0.00 %	
03472 Non-Consolidated Grant FY14	0	0	0	0	0.00 %	
03483 Consolidated Grant FY15	1,704,053	0	0	1,704,053	69.98 %	
03484 Non-Consolidated Grant FY15	0	0	0	0	0.00 %	
03564 Consolidated Grant - FY16	49,380	0	0	49,380	2.03 %	
03565 Non-Consolidated Grant - FY16	309,654	0	0	309,654	12.72 %	
03567 Consolidated Grant - FY17	61,767	0	0	61,767	2.54 %	
03568 Non-Consolidated Grant - FY17	310,157	0	0	310,157	12.74 %	
<b>Federal Special Total</b>	<b>\$2,435,011</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,435,011</b>	<b>3.57 %</b>	
06003 State Nursery Enterprise Fund	0	1,318,490	0	1,318,490	21.21 %	
06538 Air Operations Internal Svc.	0	4,899,316	0	4,899,316	78.79 %	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$6,217,806</b>	<b>\$0</b>	<b>\$6,217,806</b>	<b>9.11 %</b>	
<b>Total All Funds</b>	<b>\$61,870,423</b>	<b>\$6,217,806</b>	<b>\$160,000</b>	<b>\$68,248,229</b>		

General fund provides general division support as well as the fixed costs of the Fire and Aviation Management program. Approximately 51% of all funding is from state special revenue. The primary source of state special funding comes from the fire protection taxes fund and the TLMD administration, which is funded with trust fund revenue, timber sales, and forest resources fees. The remaining funding for this program comes from federal revenue and proprietary funds.

### 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	11,220,760	11,220,760	22,441,520	90.63 %	28,328,200	28,328,200	56,656,400	91.57 %
PL Adjustments	1,041,019	1,095,391	2,136,410	8.63 %	2,469,718	2,486,305	4,956,023	8.01 %
New Proposals	91,590	91,590	183,180	0.74 %	129,000	129,000	258,000	0.42 %
<b>Total Budget</b>	<b>\$12,353,369</b>	<b>\$12,407,741</b>	<b>\$24,761,110</b>		<b>\$30,926,918</b>	<b>\$30,943,505</b>	<b>\$61,870,423</b>	

### Present Law Adjustments

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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	63,924	64,749	10,269	138,942	0.00	63,861	64,747	10,334	138,942
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	122,252	209,973	33,290	365,515	0.00	122,252	209,973	33,290	365,515
DP 525 - Fixed Cost Adjustments	0.00	121,649	(22,627)	0	99,022	0.00	197,537	(51,236)	0	146,301
DP 527 - Inflation/Deflation Adjustments	0.00	(3,543)	(32,956)	(684)	(37,183)	0.00	(1,176)	(19,954)	(370)	(21,500)
DP 529 - Longevity and Other Adjustments	0.00	280,291	311,987	45,146	637,424	0.00	252,751	281,333	40,710	574,794
DP 532 - General Liability Insurance Rate Adjustment	0.00	(6,121)	(881)	0	(7,002)	0.00	(6,121)	(881)	0	(7,002)
DP 550 - Motor Pool Rate Adjustment	0.00	(5,572)	(6,266)	0	(11,838)	0.00	(5,701)	(6,290)	0	(11,991)
DP 570 - Additional Operating Adjustments	0.00	219,889	(58,228)	(60,789)	100,872	0.00	219,890	(58,229)	(60,789)	100,872
DP 580 - Additional Personal Services Adjustments	0.00	(33,983)	(65,154)	(3,484)	(102,621)	0.00	(15,222)	(30,754)	(1,610)	(47,586)
DP 2102111 - Non-Helena Rent	0.00	16,563	21,236	0	37,799	0.00	16,563	21,236	0	37,799
DP 3500444 - Statewide 4% FTE Reduction-Program 35	(10.19)	0	0	0	0	(10.19)	0	0	0	0
DP 3535012 - Forestry/TLMD Operating Adjustments	0.00	16,000	52,173	0	68,173	0.00	16,000	28,275	0	44,275
DP 3535015 - Forestry-Air Ops Fixed Costs Transfer	0.00	87,419	35,707	0	123,126	0.00	85,807	35,048	0	120,855
DP 3535016 - Forestry County-Coop Base Restoration	0.00	0	0	73,471	73,471	0.00	0	0	73,471	73,471
DP 3535021 - TLMD MSU-Morrill Trust Projects Restoration (OTO/RST)	0.00	80,000	0	0	80,000	0.00	80,000	0	0	80,000
DP 3535022 - TLMD Forest Improvement Projects	0.00	0	250,000	0	250,000	0.00	0	250,000	0	250,000
DP 3535023 - TLMD Crop Insurance	0.00	0	75,000	0	75,000	0.00	0	75,000	0	75,000
DP 3535024 - TLMD Land Transaction Base Restoration	0.00	0	231,253	0	231,253	0.00	0	231,253	0	231,253
DP 3535027 - Cabin Site Sales Program (Restricted/OTO)	1.00	0	265,514	0	265,514	1.00	0	266,357	0	266,357
DP 3535029 - Forestry in Focus (OTO)	0.00	82,251	0	0	82,251	0.00	68,950	0	0	68,950
<b>Grand Total All Present Law Adjustments</b>	<b>(9.19)</b>	<b>\$1,041,019</b>	<b>\$1,331,480</b>	<b>\$97,219</b>	<b>\$2,469,718</b>	<b>(9.19)</b>	<b>\$1,095,391</b>	<b>\$1,295,878</b>	<b>\$95,036</b>	<b>\$2,486,305</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 525 - Fixed Cost Adjustments -

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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 2102111 - Non-Helena Rent -

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

### DP 3500444 - Statewide 4% FTE Reduction-Program 35 -

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 3500444 includes a reduction of 9.69 FTE each year.

### DP 3535012 - Forestry/TLMD Operating Adjustments -

The legislature approved \$68,173 in FY 2016 and \$44,275 in FY 2017 combining general fund and state special revenue to fund janitorial, vehicle maintenance, and minor office equipment needs for Forestry and Trust Land Management Divisions.

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### DP 3535015 - Forestry-Air Ops Fixed Costs Transfer -

The legislature approved \$123,126 in FY 2016 and \$120,855 in FY 2017 combining general fund and state special revenue to fund fixed cost increases such as rent, insurance, and salaries for the internal service proprietary fund (Air Ops), within the Forestry Division.

### DP 3535016 - Forestry County-Coop Base Restoration -

The legislature approved \$73,471 per year of federal special revenue for maintenance on county cooperative fire equipment, necessary training for county fire personnel, and other supplies and materials needed to support the county cooperative fire program.

### DP 3535021 - TLMD MSU-Morrill Trust Projects Restoration (OTO/RST) -

The legislature adopted \$80,000 per year as restricted one-time-only general fund for projects on MSU-Morrill trust lands. Projects for the biennium include timber harvest projects, timber thinning and weed management, agriculture and grazing lease renewals, commercial lease evaluations, land banking and land exchange.

### DP 3535022 - TLMD Forest Improvement Projects -

The legislature adopted \$250,000 per year state special revenue for Forest Improvement projects. The increase comes from the Forest Improvement Account operations budget, which is funded by fees collected from timber harvest.

### DP 3535023 - TLMD Crop Insurance -

The legislature adopted \$75,000 per year state special revenue for the purchase of crop insurance. Under the new Farm Bill, direct payments to producers/landowners have been eliminated in favor of putting more emphasis on crop insurance and other programs.

### DP 3535024 - TLMD Land Transaction Base Restoration -

The legislature adopted \$231,253 per of year state special revenue for base restoration at FY 2015 appropriated levels in two land management programs. Spending levels fluctuate from year-to-year and not all authority will be in FY 2015. Montana Code requires prospective purchasers to deposit funds for appraisals, archeological surveys, and advertising prior to the state incurring those costs.

### DP 3535027 - Cabin Site Sales Program (Restricted/OTO) -

This legislature approved one-time-only restricted state special revenue for 1 FTE for the cabin site sales program.

### DP 3535029 - Forestry in Focus (OTO) -

The legislature approved a one-time-only general fund appropriation and one modified FTE for the Forests in Focus program.

## **New Proposals**

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

**57060 - Natural Resources and Conservation 35-Forestry and Trust Land Management Division**

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 3535014 - Forestry-Fire Communication Replacement	0.00	91,590	37,410	0	129,000	0.00	91,590	37,410	0	129,000
<b>Total</b>	<b>0.00</b>	<b>\$91,590</b>	<b>\$37,410</b>	<b>\$0</b>	<b>\$129,000</b>	<b>0.00</b>	<b>\$91,590</b>	<b>\$37,410</b>	<b>\$0</b>	<b>\$129,000</b>

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

DP 3535014 - Forestry-Fire Communication Replacement -

The legislature approved \$129,000 per year combining general fund and state special revenue for fire communication equipment replacement. This funding will maintain the minimum replacement schedule, which would be replacement of 46 mobiles, 62 portables, 5 repeaters, and 2 base stations annually.

**Other Issues**

**Proprietary Program Description**

See Section R of HB 2 for rates.