

## Agency Budget Comparison

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

Agency 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	542.78	542.78	525.36	525.36	542.78	525.36	(17.42)	(3.21)%
Personal Services	33,658,682	36,106,465	38,057,899	38,039,505	69,765,147	76,097,404	6,332,257	9.08 %
Operating Expenses	15,333,960	14,498,283	19,082,067	17,832,054	29,832,243	36,914,121	7,081,878	23.74 %
Equipment & Intangible Assets	1,280,066	1,197,514	1,339,422	1,322,023	2,477,580	2,661,445	183,865	7.42 %
Capital Outlay	0	11,128	0	0	11,128	0	(11,128)	(100.00)%
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	1,492,466	1,553,481	6,992,466	6,992,466	3,045,947	13,984,932	10,938,985	359.13 %
Benefits & Claims	0	200,000	200,000	200,000	200,000	400,000	200,000	100.00 %
Transfers	1,362,888	1,325,194	1,479,911	1,477,640	2,688,082	2,957,551	269,469	10.02 %
Debt Service	572,753	631,370	770,212	763,641	1,204,123	1,533,853	329,730	27.38 %
<b>Total Costs</b>	<b>\$56,258,905</b>	<b>\$60,523,435</b>	<b>\$70,980,067</b>	<b>\$69,685,419</b>	<b>\$116,782,340</b>	<b>\$140,665,486</b>	<b>\$23,883,146</b>	<b>20.45 %</b>
General Fund	23,637,803	24,992,866	32,206,982	32,183,632	48,630,669	64,390,614	15,759,945	32.41 %
State/Other Special Rev. Funds	30,745,155	33,507,241	36,662,374	35,395,412	64,252,396	72,057,786	7,805,390	12.15 %
Federal Spec. Rev. Funds	1,875,947	2,023,328	2,110,711	2,106,375	3,899,275	4,217,086	317,811	8.15 %
Capital Projects Funds	0	0	0	0	0	0	0	0.00 %
Proprietary Funds	0	0	0	0	0	0	0	0.00 %
<b>Total Funds</b>	<b>\$56,258,905</b>	<b>\$60,523,435</b>	<b>\$70,980,067</b>	<b>\$69,685,419</b>	<b>\$116,782,340</b>	<b>\$140,665,486</b>	<b>\$23,883,146</b>	<b>20.45 %</b>

## Page Reference

Legislative Budget Analysis, C-179

## Executive Budget Comparison

The following table compares the legislative budget for the 2017 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2014	Executive Budget Fiscal 2016	Legislative Budget Fiscal 2016	Leg — Exec. Difference Fiscal 2016	Executive Budget Fiscal 2017	Legislative Budget Fiscal 2017	Leg — Exec. Difference Fiscal 2017	Biennium Difference Fiscal 16-17
FTE	542.78	526.36	525.36	(1.00)	526.36	525.36	(1.00)	(1.00)
Personal Services	33,658,682	38,591,856	38,057,899	(533,957)	38,584,025	38,039,505	(544,520)	(1,078,477)
Operating Expenses	15,333,960	18,262,073	19,082,067	819,994	18,416,057	17,832,054	(584,003)	235,991
Equipment & Intangible Assets	1,280,066	1,370,466	1,339,422	(31,044)	1,353,066	1,322,023	(31,043)	(62,087)
Capital Outlay	0	0	0	0	0	0	0	0
Local Assistance	2,558,090	3,058,090	3,058,090	0	3,058,090	3,058,090	0	0
Grants	1,492,466	6,666,568	6,992,466	325,898	6,640,262	6,992,466	352,204	678,102
Benefits & Claims	0	200,000	200,000	0	200,000	200,000	0	0
Transfers	1,362,888	1,486,014	1,479,911	(6,103)	1,483,743	1,477,640	(6,103)	(12,206)
Debt Service	572,753	770,212	770,212	0	763,641	763,641	0	0
<b>Total Costs</b>	<b>\$56,258,905</b>	<b>\$70,405,279</b>	<b>\$70,980,067</b>	<b>\$574,788</b>	<b>\$70,498,884</b>	<b>\$69,685,419</b>	<b>(\$813,465)</b>	<b>(\$238,677)</b>
General Fund	23,637,803	33,362,899	32,206,982	(1,155,917)	33,441,779	32,183,632	(1,258,147)	(2,414,064)
State/other Special Rev. Funds	30,745,155	34,774,834	36,662,374	1,887,540	34,786,159	35,395,412	609,253	2,496,793
Federal Spec. Rev. Funds	1,875,947	2,267,546	2,110,711	(156,835)	2,270,946	2,106,375	(164,571)	(321,406)
Other	0	0	0	0	0	0	0	0
<b>Total Funds</b>	<b>\$56,258,905</b>	<b>\$70,405,279</b>	<b>\$70,980,067</b>	<b>\$574,788</b>	<b>\$70,498,884</b>	<b>\$69,685,419</b>	<b>(\$813,465)</b>	<b>(\$238,677)</b>

The legislature adopted a budget that was \$617,077, or 0.4% lower than the executive request. General fund appropriations were \$2.4 million below the executive request of \$66.8 million.

### Agency Highlights

Department of Natural Resources and Conservation	
Major Budget Highlights	
<ul style="list-style-type: none"> <li>The legislatively-approved department budget grows by 20.45%, and is \$617,077 less than the executive request.</li> <li>The Department of Natural Resources and Conservation was appropriated funding for rent with language that, in Helena, it only be spent on buildings that were occupied at the beginning of the 2015 biennium.</li> <li>The major appropriations are: <ul style="list-style-type: none"> <li>Sage grouse conservation \$10 million general fund</li> <li>\$1.2 million of state special funds over the biennium for contracted services to support sage grouse conservation.</li> <li>Numerous appropriations in the Conservation &amp; Resource Development Division.</li> </ul> </li> </ul>	

### Funding

The following table shows proposed agency funding by source of authority as proposed. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Natural Resources and Conservation Funding by Source of Authority 2017 Biennium Budget - Natural Resources and Conservation					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	64,390,614	0	0	64,390,614	43.64 %
State Special Total	72,057,786	0	660,000	72,717,786	49.29 %
Federal Special Total	4,217,086	0	0	4,217,086	2.86 %
Proprietary Total	0	6,217,806	0	6,217,806	4.21 %
Other Total	0	0	0	0	0.00 %
<b>Total All Funds</b>	<b>\$140,665,486</b>	<b>\$6,217,806</b>	<b>\$660,000</b>	<b>\$147,543,292</b>	
<b>Percent - Total All Sources</b>	<b>95.34 %</b>	<b>4.21 %</b>	<b>0.45 %</b>		

The department is primarily funded with the general fund and state special revenue funds, making up 42.7% and 49.9% of the funding respectively. Federal and proprietary funds make up the remainder of funding for this department.

### 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								
	-----General Fund-----				-----Total Funds-----			
	Leg. Budget	Leg. Budget	Leg. Biennium	Percent	Leg. Budget	Leg. Budget	Leg. Biennium	Percent
Budget Item	Fiscal 2016	Fiscal 2017	Fiscal 16-17	of Budget	Fiscal 2016	Fiscal 2017	Fiscal 16-17	of Budget
2015 Budget	24,793,313	24,793,313	49,586,626	77.01 %	59,100,303	59,100,303	118,200,606	84.03 %
PL Adjustments	1,969,302	1,969,442	3,938,744	6.12 %	5,346,493	5,294,662	10,641,155	7.56 %
New Proposals	5,444,367	5,420,877	10,865,244	16.87 %	6,533,271	5,290,454	11,823,725	8.41 %
Total Budget	\$32,206,982	\$32,183,632	\$64,390,614		\$70,980,067	\$69,685,419	\$140,665,486	

### 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	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	59.00	59.00	57.00	57.00	59.00	57.00	(2.00)	(3.39)%
Personal Services	3,547,129	4,137,348	4,518,918	4,517,595	7,684,477	9,036,513	1,352,036	17.59 %
Operating Expenses	1,476,665	1,451,139	1,902,305	1,836,716	2,927,804	3,739,021	811,217	27.71 %
Equipment & Intangible Assets	62,554	31,042	31,510	31,511	93,596	63,021	(30,575)	(32.67)%
<b>Total Costs</b>	<b>\$5,086,348</b>	<b>\$5,619,529</b>	<b>\$6,452,733</b>	<b>\$6,385,822</b>	<b>\$10,705,877</b>	<b>\$12,838,555</b>	<b>\$2,132,678</b>	<b>19.92 %</b>
General Fund	3,137,985	3,538,746	4,174,013	4,106,524	6,676,731	8,280,537	1,603,806	24.02 %
State/Other Special Rev. Funds	1,678,733	1,802,762	1,985,522	1,989,676	3,481,495	3,975,198	493,703	14.18 %
Federal Spec. Rev. Funds	269,630	278,021	293,198	289,622	547,651	582,820	35,169	6.42 %
Capital Projects Funds	0	0	0	0	0	0	0	0.00 %
<b>Total Funds</b>	<b>\$5,086,348</b>	<b>\$5,619,529</b>	<b>\$6,452,733</b>	<b>\$6,385,822</b>	<b>\$10,705,877</b>	<b>\$12,838,555</b>	<b>\$2,132,678</b>	<b>19.92 %</b>

### Page Reference

Legislative Budget Analysis, C-183

### Funding

Centralized Services is funded from revenue sources used throughout the department on a shared basis, with 48% general fund, 47% state special revenue, and 5% federal revenue. The state special revenue funds are allocated to cover the costs of services provided to other programs in the department. The federal revenue is a portion of the federal funds provided for overhead costs.

### 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	3,534,869	3,534,869	7,069,738	85.38 %	5,538,024	5,538,024	11,076,048	86.27 %
PL Adjustments	639,144	571,655	1,210,799	14.62 %	914,709	847,798	1,762,507	13.73 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
<b>Total Budget</b>	<b>\$4,174,013</b>	<b>\$4,106,524</b>	<b>\$8,280,537</b>		<b>\$6,452,733</b>	<b>\$6,385,822</b>	<b>\$12,838,555</b>	

### Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed. 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 510 - Legislative Audit - HB 2 2014 Fixed Costs (Restricted/Bien)										
0.00	122,264	0	0	122,264		0.00	0	0	0	0
DP 515 - State Share Health Insurance										
0.00	17,580	9,169	953	27,702		0.00	17,540	9,145	1,017	27,702
DP 520 - Fully Fund 2015 Legislatively Authorized FTE										
0.00	45,932	23,277	10,501	79,710		0.00	45,932	23,277	10,501	79,710
DP 525 - Fixed Cost Adjustments										
0.00	12,257	6,390	711	19,358		0.00	18,109	9,442	1,050	28,601
DP 527 - Inflation/Deflation Adjustments										
0.00	(8,886)	(4,441)	(261)	(13,588)		0.00	(6,790)	(3,421)	(342)	(10,553)
DP 529 - Longevity and Other Adjustments										
0.00	227,791	118,979	13,197	359,967		0.00	219,770	114,789	12,733	347,292
DP 531 - SITSD Rate Adjustment										
0.00	52,183	7,522	247	59,952		0.00	158,463	22,841	751	182,055
DP 532 - General Liability Insurance Rate Adjustment										
0.00	(632)	(91)	0	(723)		0.00	(632)	(91)	0	(723)
DP 550 - Motor Pool Rate Adjustment										
0.00	(136)	(71)	(8)	(215)		0.00	(138)	(72)	(8)	(218)
DP 570 - Additional Operating Adjustments										
0.00	132,720	84,393	(13,432)	203,681		0.00	125,299	91,973	(13,593)	203,679
DP 580 - Additional Personal Services Adjustments										
0.00	(12,768)	(7,233)	(1,098)	(21,099)		0.00	(5,898)	(3,341)	(508)	(9,747)
DP 2100444 - Statewide 4% FTE Reduction-Program 21										
(2.00)	0	0	0	0		(2.00)	0	0	0	0
DP 2102108 - Department Rent										
0.00	(81,196)	(39,814)	(7,731)	(128,741)		0.00	(49,239)	(72,265)	(7,237)	(128,741)
DP 2102109 - Department Rent (Restricted)										
0.00	81,196	39,814	7,731	128,741		0.00	49,239	72,265	7,237	128,741
DP 2102110 - CSD Operating Adjustments										
0.00	50,839	22,494	4,367	77,700		0.00	0	0	0	0
<b>Grand Total All Present Law Adjustments</b>										
<b>(2.00)</b>	<b>\$639,144</b>	<b>\$260,388</b>	<b>\$15,177</b>	<b>\$914,709</b>		<b>(2.00)</b>	<b>\$571,655</b>	<b>\$264,542</b>	<b>\$11,601</b>	<b>\$847,798</b>

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

#### DP 510 - Legislative Audit - HB 2 2014 Fixed Costs (Restricted/Bien) -

The legislature provided a restricted biennial appropriation for legislative audit. The funding is established at the level of the 2015 biennial appropriation contained in HB 2 as enacted by the 2013 Legislature.

#### 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 531 - SITSD Rate Adjustment -

The legislature approved an increase for fixed cost rates included in state agency budgets for information technology services provided by the State Information Technology Services Division (SITSD).

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 2100444 - Statewide 4% FTE Reduction-Program 21 -

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 2100444 includes a reduction of 2.00 FTE each year.

DP 2102108 - Department Rent -

The legislature removed rent expenditures from the department's base.

DP 2102109 - Department Rent (Restricted) -

The legislature adopted rent expenditures at the level of FY 2015 costs with language that the funds can only be spent on those buildings that were occupied at the beginning of the 2015 biennium.

DP 2102110 - CSD Operating Adjustments -

The legislature adopted all operating adjustments except those adjustments associated with rent.

### 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	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	21.00	21.00	20.00	20.00	21.00	20.00	(1.00)	(4.76)%
Personal Services	1,255,489	1,579,900	1,545,573	1,545,602	2,835,389	3,091,175	255,786	9.02 %
Operating Expenses	469,490	732,411	496,074	497,257	1,201,901	993,331	(208,570)	(17.35)%
Equipment & Intangible Assets	53,550	86,729	56,550	56,550	140,279	113,100	(27,179)	(19.37)%
<b>Total Costs</b>	<b>\$1,778,529</b>	<b>\$2,399,040</b>	<b>\$2,098,197</b>	<b>\$2,099,409</b>	<b>\$4,177,569</b>	<b>\$4,197,606</b>	<b>\$20,037</b>	<b>0.48 %</b>
General Fund	0	0	0	0	0	0	0	0.00 %
State/Other Special Rev. Funds	1,671,446	2,291,951	1,987,232	1,988,198	3,963,397	3,975,430	12,033	0.30 %
Federal Spec. Rev. Funds	107,083	107,089	110,965	111,211	214,172	222,176	8,004	3.74 %
<b>Total Funds</b>	<b>\$1,778,529</b>	<b>\$2,399,040</b>	<b>\$2,098,197</b>	<b>\$2,099,409</b>	<b>\$4,177,569</b>	<b>\$4,197,606</b>	<b>\$20,037</b>	<b>0.48 %</b>

### Page Reference

Legislative Budget Analysis, C-187

### Funding

The division is funded through taxes levied on oil and gas wells and the class II operating fee. By statute (15-36-331, MCA), a percentage of oil production taxes and natural gas taxes are deposited to the account for the board's use. The Board of Oil and Gas Conservation is authorized by statute (82-11-131, MCA) to set privilege and license taxes up to 3/10 of 1% of the market value of each barrel of crude petroleum produced and of each 10,000 cubic feet of natural gas produced to comply with 15-36-331, MCA. The privilege and license tax is currently set at 30% of the maximum allowed by statute. Section 82-11-137, MCA provides for a maximum \$300 annual operating fee for each class II injection well. The board set the fee at \$200.

### 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	0	0	0	0.00 %	1,977,481	1,977,481	3,954,962	0.00 %
PL Adjustments	0	0	0	0.00 %	120,716	121,928	242,644	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
<b>Total Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$2,098,197</b>	<b>\$2,099,409</b>	<b>\$4,197,606</b>	

### Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed. 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	0	9,721	0	9,721	0.00	0	9,721	0	9,721
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	0	26,301	4,381	30,682	0.00	0	26,301	4,381	30,682
DP 525 - Fixed Cost Adjustments	0.00	0	6,911	0	6,911	0.00	0	10,212	0	10,212
DP 527 - Inflation/Deflation Adjustments	0.00	0	(4,852)	0	(4,852)	0.00	0	(3,769)	0	(3,769)
DP 529 - Longevity and Other Adjustments	0.00	0	79,116	0	79,116	0.00	0	74,501	0	74,501
DP 532 - General Liability Insurance Rate Adjustment	0.00	0	0	(47)	(47)	0.00	0	0	(47)	(47)
DP 550 - Motor Pool Rate Adjustment	0.00	0	(82)	0	(82)	0.00	0	(83)	0	(83)
DP 570 - Additional Operating Adjustments	0.00	0	(46,076)	0	(46,076)	0.00	0	(46,076)	0	(46,076)
DP 580 - Additional Personal Services Adjustments	0.00	0	(8,173)	(458)	(8,631)	0.00	0	(3,775)	(212)	(3,987)
DP 2102111 - Non-Helena Rent	0.00	0	1,274	0	1,274	0.00	0	1,274	0	1,274
DP 2200444 - Statewide 4% FTE Reduction - Program 22	(1.00)	0	0	0	0	(1.00)	0	0	0	0
DP 2202201 - O&G Regulatory and UIC Program Adjustments	0.00	0	52,700	0	52,700	0.00	0	49,500	0	49,500
<b>Grand Total All Present Law Adjustments</b>	<b>(1.00)</b>	<b>\$0</b>	<b>\$116,840</b>	<b>\$3,876</b>	<b>\$120,716</b>	<b>(1.00)</b>	<b>\$0</b>	<b>\$117,806</b>	<b>\$4,122</b>	<b>\$121,928</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 -

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 2200444 - Statewide 4% FTE Reduction - Program 22 -

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 2200444 includes a reduction of 1.00 FTE each year.

DP 2202201 - O&G Regulatory and UIC Program Adjustments -

The budget includes \$52,700 in FY 2016 and \$49,500 in FY 2017 of state special revenue for board member per diem, legal services, janitorial services, a contract for Underground Injection Control (UIC) tech support, and increased vehicle purchase costs.

## 57060 - Natural Resources And Conservation23-Conservation & Resource Development Division

### 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	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	3,726,237	2,624,009	3,862,778	6,350,246	2,487,468	64.40 %
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	6,798,001	6,798,001	2,662,017	13,596,002	10,933,985	410.74 %
Benefits & Claims	0	200,000	200,000	200,000	200,000	400,000	200,000	100.00 %
<b>Total Costs</b>	<b>\$7,576,207</b>	<b>\$10,656,348</b>	<b>\$15,921,981</b>	<b>\$14,819,868</b>	<b>\$18,232,555</b>	<b>\$30,741,849</b>	<b>\$12,509,294</b>	<b>68.61 %</b>
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 %
<b>Total Funds</b>	<b>\$7,576,207</b>	<b>\$10,656,348</b>	<b>\$15,921,981</b>	<b>\$14,819,868</b>	<b>\$18,232,555</b>	<b>\$30,741,849</b>	<b>\$12,509,294</b>	<b>68.61 %</b>

### Page Reference

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### Funding

The general fund and state special revenue funds represent 40% and 59% of this program's funding with federal special revenue funding the remaining 1%.

### 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	1,035,808	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 %
<b>Total Budget</b>	<b>\$6,791,282</b>	<b>\$6,779,316</b>	<b>\$13,570,598</b>		<b>\$15,921,981</b>	<b>\$14,819,868</b>	<b>\$30,741,849</b>	

### Present Law Adjustments -

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

## 57060 - Natural Resources And Conservation23-Conservation & Resource Development Division

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
<b>Grand Total All Present Law Adjustments</b>	<b>(0.98)</b>	<b>\$96,097</b>	<b>(\$733,084)</b>	<b>\$26,436</b>	<b>(\$610,551)</b>	<b>(0.98)</b>	<b>\$84,221</b>	<b>(\$695,355)</b>	<b>\$27,887</b>	<b>(\$583,247)</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 -

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 -

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 general fund, state, 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 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 request 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 is necessary to be in 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 -

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 -**

## 57060 - Natural Resources And Conservation23-Conservation & Resource Development Division

The "New Proposals" table shows the changes from the legislative appropriation for FY 15 to the proposed budget.

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 Account										
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
<b>Total</b>	<b>0.50</b>	<b>\$5,659,377</b>	<b>\$776,494</b>	<b>\$0</b>	<b>\$6,435,871</b>	<b>0.50</b>	<b>\$5,659,287</b>	<b>(\$352,833)</b>	<b>\$0</b>	<b>\$5,306,454</b>

\*\*"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 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 Account -

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 -

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 per year 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 for the Jefferson Slough Bypass Channel as a biennial, restricted, one-time-only appropriation.



### 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	Legislative Budget 2016	Legislative Budget 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	10,020,155	10,020,917	19,205,886	20,041,072	835,186	4.35 %
Operating Expenses	4,481,589	2,747,998	5,142,318	5,021,924	7,229,587	10,164,242	2,934,655	40.59 %
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 %
<b>Total Costs</b>	<b>\$14,555,641</b>	<b>\$13,175,950</b>	<b>\$16,080,238</b>	<b>\$15,936,635</b>	<b>\$27,731,591</b>	<b>\$32,016,873</b>	<b>\$4,285,282</b>	<b>15.45 %</b>
General Fund	8,686,233	9,018,771	9,388,318	9,390,051	17,705,004	18,778,369	1,073,365	6.06 %
State/Other Special Rev. Funds	5,687,027	3,931,699	6,498,465	6,353,403	9,618,726	12,851,868	3,233,142	33.61 %
Federal Spec. Rev. Funds	182,381	225,480	193,455	193,181	407,861	386,636	(21,225)	(5.20)%
<b>Total Funds</b>	<b>\$14,555,641</b>	<b>\$13,175,950</b>	<b>\$16,080,238</b>	<b>\$15,936,635</b>	<b>\$27,731,591</b>	<b>\$32,016,873</b>	<b>\$4,285,282</b>	<b>15.45 %</b>

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### Funding

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.

### 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	9,001,876	9,001,876	18,003,752	95.88 %	13,159,937	13,159,937	26,319,874	82.21 %
PL Adjustments	293,042	318,175	611,217	3.25 %	2,551,901	2,521,698	5,073,599	15.85 %
New Proposals	93,400	70,000	163,400	0.87 %	368,400	255,000	623,400	1.95 %
<b>Total Budget</b>	<b>\$9,388,318</b>	<b>\$9,390,051</b>	<b>\$18,778,369</b>		<b>\$16,080,238</b>	<b>\$15,936,635</b>	<b>\$32,016,873</b>	

### Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed. 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	49,816	15,272	668	65,756	0.00	49,823	15,265	668	65,756
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	121,804	62,624	8,428	192,856	0.00	121,804	62,624	8,428	192,856
DP 525 - Fixed Cost Adjustments	0.00	41,206	18,033	297	59,536	0.00	57,249	23,887	563	81,699
DP 527 - Inflation/Deflation Adjustments	0.00	(14,291)	(2,697)	(284)	(17,272)	0.00	(8,360)	(1,464)	(164)	(9,988)
DP 529 - Longevity and Other Adjustments	0.00	(17,056)	(8,771)	(1,181)	(27,008)	0.00	(34,995)	(17,992)	(2,421)	(55,408)
DP 532 - General Liability Insurance Rate Adjustment	0.00	(2,261)	(325)	0	(2,586)	0.00	(2,261)	(325)	0	(2,586)
DP 550 - Motor Pool Rate Adjustment	0.00	(8,035)	(3,517)	(58)	(11,610)	0.00	(8,233)	(3,436)	(80)	(11,749)
DP 570 - Additional Operating Adjustments	0.00	84,683	1,793,226	(39,013)	1,838,896	0.00	87,457	1,790,325	(38,886)	1,838,896
DP 580 - Additional Personal Services Adjustments	0.00	(33,858)	(19,459)	(882)	(54,199)	0.00	(15,641)	(8,989)	(407)	(25,037)
DP 2102111 - Non-Helena Rent	0.00	13,853	1,539	0	15,392	0.00	13,853	1,539	0	15,392
DP 2400444 - Statewide 4% FTE Reduction-Program 24	(4.75)	0	0	0	0	(4.75)	0	0	0	0
DP 2402401 - WRD Operating Adjustments	0.00	57,181	227,959	0	285,140	0.00	57,479	221,388	0	278,867
DP 2402405 - WRD Water Rights Database and Online Form OTO	0.00	0	70,000	0	70,000	0.00	0	70,000	0	70,000
DP 2402406 - WRD FERC Requirements and Surveying	0.00	0	137,000	0	137,000	0.00	0	83,000	0	83,000
<b>Grand Total All Present Law Adjustments</b>	<b>(4.75)</b>	<b>\$293,042</b>	<b>\$2,290,884</b>	<b>(\$32,025)</b>	<b>\$2,551,901</b>	<b>(4.75)</b>	<b>\$318,175</b>	<b>\$2,235,822</b>	<b>(\$32,299)</b>	<b>\$2,521,698</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 -

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 2400444 - Statewide 4% FTE Reduction-Program 24 -

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 2400444 includes a reduction of 4.75 FTE each year.

DP 2402401 - WRD Operating Adjustments -

The legislature approved \$258,233 in FY 2016 and \$251,540 in FY 2017 of general fund and state special revenue to restore base authority and cover the following costs: projected increases in contracted services , costs of scheduled computer replacement, debt service on dam rehabilitation, stream gauge operation and maintenance, and water rights records management.

DP 2402405 - WRD Water Rights Database and Online Form OTO -

The legislature adopted \$70,000 in state special revenue as a one-time-only expenditure to integrate new technologies into the existing water rights database and to capture data online which would allow water measurement reports to be submitted online and in turn be automatically used by the database.

DP 2402406 - WRD FERC Requirements and Surveying -

The legislature approved \$137,000 in FY 2016 and \$83,000 in FY 2017 in state special revenue to fund Federal Energy Regulatory Commission (FERC) requirements and for improvements on state project lands that are leased.

**New Proposals -**

The "New Proposals" table shows the changes from the legislative appropriation for FY 15 to the proposed budget.

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
<b>Total</b>	<b>0.00</b>	<b>\$93,400</b>	<b>\$275,000</b>	<b>\$0</b>	<b>\$368,400</b>	<b>0.00</b>	<b>\$70,000</b>	<b>\$185,000</b>	<b>\$0</b>	<b>\$255,000</b>

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

#### DP 2402402 - WRD Surface Water Assessment/Monitor -

The legislature adopted \$93,400 in FY 2016 and \$70,000 in FY 2014 of general fund to purchase equipment and pay operating expenses to establish a state-based surface water assessment and monitoring program.

#### DP 2402407 - WRD State Water Project Dam Analysis -

The legislature approved 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.

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

### 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	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	19,859,366	36,159,015	39,736,709	3,577,694	9.89 %
Operating Expenses	7,132,190	7,477,983	7,815,133	7,852,148	14,610,173	15,667,281	1,057,108	7.24 %
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	1,458,320	1,456,049	2,658,991	2,914,369	255,378	9.60 %
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>\$30,426,918</b>	<b>\$30,443,685</b>	<b>\$55,934,748</b>	<b>\$60,870,603</b>	<b>\$4,935,855</b>	<b>8.82 %</b>
General Fund	10,795,266	11,383,236	11,853,369	11,907,741	22,178,502	23,761,110	1,582,608	7.14 %
State/Other Special Rev. Funds	15,417,769	16,167,954	17,354,952	17,319,530	31,585,723	34,674,482	3,088,759	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>\$30,426,918</b>	<b>\$30,443,685</b>	<b>\$55,934,748</b>	<b>\$60,870,603</b>	<b>\$4,935,855</b>	<b>8.82 %</b>

### Page Reference

Legislative Budget Analysis, C-205

### Funding

General fund provides general division support as well as the fixed costs of the Fire and Aviation Management program. A transfer from the general fund is made to the proprietary fund, from which it is spent.

Approximately 56% 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 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	11,220,760	11,220,760	22,441,520	94.45 %	28,328,200	28,328,200	56,656,400	93.08 %
PL Adjustments	941,019	995,391	1,936,410	8.15 %	2,369,718	2,386,485	4,756,203	7.81 %
New Proposals	(308,410)	(308,410)	(616,820)	(2.60)%	(271,000)	(271,000)	(542,000)	(0.89)%
<b>Total Budget</b>	<b>\$11,853,369</b>	<b>\$11,907,741</b>	<b>\$23,761,110</b>		<b>\$30,426,918</b>	<b>\$30,443,685</b>	<b>\$60,870,603</b>	

### Present Law Adjustments -

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

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed. 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	119,889	(58,228)	(60,789)	872	0.00	119,890	(58,229)	(60,789)	872
DP 580 - Additional Personal Services Adjustments	0.00	(33,983)	(65,154)	(3,484)	(102,621)	0.00	(15,222)	(30,574)	(1,610)	(47,406)
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>\$941,019</b>	<b>\$1,331,480</b>	<b>\$97,219</b>	<b>\$2,369,718</b>	<b>(9.19)</b>	<b>\$995,391</b>	<b>\$1,296,058</b>	<b>\$95,036</b>	<b>\$2,386,485</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 -

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 \$62,573 in FY 2016 and \$41,273 in FY 2017 of general fund and state special revenue to fund janitorial, vehicle maintenance, and minor office equipment needs for Forestry and Trust Land Management Divisions.

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

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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 of 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 to expend up to \$300,000 of federal funding provided to DNRC 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 one-time-only general fund and one modified FTE for the Forests in Focus program.

### **New Proposals -**

The "New Proposals" table shows the changes from the legislative appropriation for FY 15 to the proposed budget.



## 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
DP 3535028 - General Fund Reduction	0.00	(400,000)	0	0	(400,000)	0.00	(400,000)	0	0	(400,000)
<b>Total</b>	<b>0.00</b>	<b>(\$308,410)</b>	<b>\$37,410</b>	<b>\$0</b>	<b>(\$271,000)</b>	<b>0.00</b>	<b>(\$308,410)</b>	<b>\$37,410</b>	<b>\$0</b>	<b>(\$271,000)</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 of 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.

### DP 3535028 - General Fund Reduction -

The legislature approved a reduction of \$400,000 in general fund per year with language that the reduction can be allocated among programs when developing the 2017 biennium operating plans.

### **Other Issues -**

### **Proprietary Program Description**

See Section R of HB 2 for rates..