

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	9.00	9.00	8.00	8.00	9.00	8.00	(1.00)	(11.11%)
Personal Services	754,893	837,783	730,827	731,225	1,592,676	1,462,052	(130,624)	(8.20%)
Operating Expenses	801,179	1,063,929	1,101,708	1,101,543	1,865,108	2,203,251	338,143	18.13%
Total Costs	\$1,556,072	\$1,901,712	\$1,832,535	\$1,832,768	\$3,457,784	\$3,665,303	\$207,519	6.00%
General Fund	314,978	370,706	305,432	305,682	685,684	611,114	(74,570)	(10.88%)
State Special	940,718	1,189,782	1,201,531	1,161,938	2,130,500	2,363,469	232,969	10.93%
Federal Special	300,376	341,224	325,572	365,148	641,600	690,720	49,120	7.66%
Total Funds	\$1,556,072	\$1,901,712	\$1,832,535	\$1,832,768	\$3,457,784	\$3,665,303	\$207,519	6.00%

Program Description

The Central Management Program consists of the Director's Office, a Financial Services office, and an Information Technology Office. It is the organizational component of DEQ responsible and accountable for the administration, management, planning, and evaluation of agency performance in carrying out the department's mission and statutory responsibilities. The Director's Office includes the director's staff, the deputy director, an administrative officer, a public information officer, a centralized legal services unit, and a centralized personnel office. The Financial Services Office provides budgeting, accounting, payroll, procurement, and contract management support to other divisions. The Information Technology Office provides information technology services support to other divisions.

Program Highlights

Central Management Program Major Budget Highlights
<ul style="list-style-type: none"> ◆ The legislatively approved budget increased by 6.0% from the 2013 biennium primarily due to: <ul style="list-style-type: none"> • Statewide present law adjustments • Base operating increase by \$397,967 over the biennium ◆ The legislature approved transferring 1.0 FTE attorney position and approximately \$85,000 to the Remediation Division

Funding

The following table shows program funding by source of authority for the 2015 biennium as adopted by the legislature.

Total Department Of Environmental Quality Funding by Source of Authority 2015 Biennium Budget - Central Management Program							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$611,114	\$0	\$0	\$611,114	3.4%		
State Special Total	\$2,363,469	\$0	\$0	\$2,363,469	13.0%		
02075 Ust Leak Prevention Program	\$25,145	\$0	\$0	\$25,145	0.1%		
02097 Environmental Rehab & Response	\$200,000	\$0	\$0	\$200,000	1.1%		
02157 Solid Waste Management Fee	\$72,920	\$0	\$0	\$72,920	0.4%		
02201 Air Quality-operating Fees	\$133,560	\$0	\$0	\$133,560	0.7%		
02202 Asbestos Control	\$50,291	\$0	\$0	\$50,291	0.3%		
02204 Public Drinking Water	\$18,142	\$0	\$0	\$18,142	0.1%		
02278 Mpdcs Permit Program	\$89,135	\$0	\$0	\$89,135	0.5%		
02542 Mt Environ Policy Act Fee	\$1,455,565	\$0	\$0	\$1,455,565	8.0%		
02555 Alternative Energy Rev Loan	\$12,573	\$0	\$0	\$12,573	0.1%		
02576 Natural Resources Operations Ssr Fu	\$266,566	\$0	\$0	\$266,566	1.5%		
02845 Junk Vehicle Disposal	\$39,572	\$0	\$0	\$39,572	0.2%		
Federal Special Total	\$690,720	\$0	\$0	\$690,720	3.8%		
03067 Dsl Federal Reclamation Grant	\$645	\$0	\$0	\$645	0.0%		
03151 2012 Exchange Network Grant	\$48,358	\$0	\$0	\$48,358	0.3%		
03152 Dw Srf Fy15 Grant	\$2,515	\$0	\$0	\$2,515	0.0%		
03262 Epa Ppg	\$374,442	\$0	\$0	\$374,442	2.1%		
03337 2011 Exchange Network Grant	\$182,000	\$0	\$0	\$182,000	1.0%		
03430 Dw Srf Fy14 Grant	\$2,514	\$0	\$0	\$2,514	0.0%		
03436 Nps 09 Staffing & Support	\$20,015	\$0	\$0	\$20,015	0.1%		
03691 Non Pt Source Staffing/support	\$20,014	\$0	\$0	\$20,014	0.1%		
03816 Doi Osm A&e Grant	\$40,217	\$0	\$0	\$40,217	0.2%		
Proprietary Total	\$0	\$14,515,841	\$0	\$14,515,841	79.8%		
06509 Deq Indirects	\$0	\$14,515,841	\$0	\$14,515,841	79.8%		
Total All Funds	\$3,665,303	\$14,515,841	\$0	\$18,181,144	100.0%		
Percent - Total All Sources	20.2%	79.8%	0.0%				

The majority of the functions in the division are funded with non-budgeted proprietary funds that are not appropriated through HB 2. The proprietary funding is based upon a negotiated indirect rate with the Environmental Protection Agency (EPA). The indirect rate is assessed against funding for all personal services, temporary services, and work study projects as well as contracted services within each division, and transferred to fund operating costs. This funding currently supports 55.00 FTE who provide management tasks, budgeting, accounting, payroll, procurement, contract management, and information technology services to other divisions. A further discussion of the proposed rate for the proprietary fund is at the end of the division narrative.

The appropriated funds provide support for the agency's legal services, the Board of Environmental Review, and Montana Environmental Protection Act (MEPA) activities. The appropriated funds consist of general fund, a number of state special revenue fees, and small federal grants. The majority of the funding comes from Montana Environmental Policy Act (MEPA) review fees.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	314,978	314,978	629,956	103.08%	1,556,072	1,556,072	3,112,144	84.91%
Statewide PL Adjustments	20,640	20,757	41,397	6.77%	62,289	62,924	125,213	3.42%
Other PL Adjustments	(30,186)	(30,053)	(60,239)	(9.86%)	214,174	213,772	427,946	11.68%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$305,432	\$305,682	\$611,114		\$1,832,535	\$1,832,768	\$3,665,303	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the base budget adopted by the legislature.

	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					95,878					96,151
Vacancy Savings					(34,032)					(34,040)
Inflation/Deflation					443					813
Total Statewide Present Law Adjustments		\$20,640	\$55,734	(\$14,085)	\$62,289		\$20,757	\$16,511	\$25,656	\$62,924
DP 50 - Initial Motion to FY 2012 Base	0.00	(20,640)	(55,734)	14,085	(62,289)	0.00	(20,757)	(16,511)	(25,656)	(62,924)
DP 51 - Adjustment for Statewide Personal Services	0.00	20,675	55,252	(14,081)	61,846	0.00	20,811	15,665	25,635	62,111
DP 52 - Adjustment for Statewide Operations	0.00	(35)	10,327	(5)	10,287	0.00	(54)	10,672	21	10,639
DP 1002 - EPA FY11 Exchange Network Grant	0.00	0	0	91,000	91,000	0.00	0	0	91,000	91,000
DP 1004 - Move Attorney from PGM 10 to PGM 40	(1.00)	(30,186)	0	(55,726)	(85,912)	(1.00)	(30,053)	0	(55,726)	(85,779)
DP 1005 - Central Management Program Base Adjustment HB2	0.00	0	195,234	4,008	199,242	0.00	0	194,883	3,842	198,725
Total Other Present Law Adjustments	(1.00)	(\$30,186)	\$205,079	\$39,281	\$214,174	(1.00)	(\$30,053)	\$204,709	\$39,116	\$213,772
Grand Total All Present Law Adjustments	(1.00)	(\$9,546)	\$260,813	\$25,196	\$276,463	(1.00)	(\$9,296)	\$221,220	\$64,772	\$276,696

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - The adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 1002 - EPA FY11 Exchange Network Grant - DEQ was awarded EPA grant funding to continue work on the existing Montana Exchange Network Node. DEQ and EPA have been working to improve data accuracy of underground storage tank/leaking underground storage tank (UST/LUST) site location data and to establish UST/LUST data partnerships with states, tribes, local governments, and interested parties.

DP 1004 - Move Attorney from PGM 10 to PGM 40 - The legislature approved a reduction of \$85,912 in FY 2014 and \$85,779 in FY 2015 from general fund and the LUST trust recovery account to adjust for the transfer of an attorney from the Central Management Program to the Remediation Division. This transfer aligns the position with workload requirements. This is budget neutral and nets to \$0 across the two programs.

DP 1005 - Central Management Program Base Adjustment HB2 - The legislature approved state and federal special revenue, primarily the natural resources operations SSR account, to restore spending authority for the base budget in the Central Management Program. Primary factors related to this appropriation include: environmental impact statement (EIS) activity reduction in the base year (new projects are in the queue), legal costs incurred by the Board of Environmental Review exceeded current funding levels, and an approximate 9 month attorney pool vacancy in the base year.

Proprietary Rates

Proprietary Program Description

The legislature approved an indirect rate of 24% against personal services and 4% against operations.

Proprietary Rate Explanation

The department has one proprietary fund, which is an internal service fund used to account for the department's indirect cost activity. The department changed the method of indirect rate application from one rate applied only to personal services to two rates, one applied to personal services and a second applied to operating expenses. The application of these two rates provides a more equitable basis for funding proprietary services. The department negotiates the indirect cost rates with the U.S. Environmental Protection Agency (EPA).