Agency Budget Comparison

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

Agency 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	383.48	383.48	385.48	385.48	383.48	385.48	2.00	0.52%
Personal Services	24,910,379	26,767,880	26,223,275	26,247,842	51,678,259	52,471,117	792,858	1.53%
Operating Expenses	21,054,758	27,281,233	28,908,523	28,253,833	48,335,991	57,162,356	8,826,365	18.26%
Equipment & Intangible Assets	60,755	118,872	101,740	101,740	179,627	203,480	23,853	13.28%
Grants	1,635,863	1,806,461	1,635,863	1,635,863	3,442,324	3,271,726	(170,598)	(4.96%)
Benefits & Claims	0	0	425,000	425,000	0	850,000	850,000	n/a
Transfers	32,398	30,332	32,398	32,398	62,730	64,796	2,066	3.29%
Total Costs	**$47,694,153**	**$56,004,778**	**$57,326,799**	**$56,696,676**	**$103,698,931**	**$114,023,475**	**$10,324,544**	**9.96%**
General Fund	5,162,636	5,287,921	5,222,831	5,225,695	10,450,557	10,448,526	(2,031)	(0.02%)
State Special	24,657,802	29,342,925	32,198,162	31,523,051	54,000,727	63,721,213	9,720,486	18.00%
Federal Special	17,873,715	21,373,932	19,905,806	19,947,930	39,247,647	39,853,736	606,089	1.54%
Total Funds	**$47,694,153**	**$56,004,778**	**$57,326,799**	**$56,696,676**	**$103,698,931**	**$114,023,475**	**$10,324,544**	**9.96%**

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Executive Budget Comparison

The following table compares the legislative budget in the 2015 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison Budget Item	Base Budget Fiscal 2012	Executive Budget Fiscal 2014	Legislative Budget Fiscal 2014	Leg – Exec. Difference Fiscal 2014	Executive Budget Fiscal 2015	Legislative Budget Fiscal 2015	Leg – Exec. Difference Fiscal 2015	Biennium Difference Fiscal 14-15
FTE	383.48	385.48	385.48	0.00	385.48	385.48	0.00	
Personal Services	24,910,379	26,822,917	26,223,275	(599,642)	26,844,949	26,247,842	(597,107)	(1,196,749)
Operating Expenses	21,054,758	28,735,706	28,908,523	172,817	28,479,989	28,253,833	(226,156)	(53,339)
Equipment & Intangible Assets	60,755	101,740	101,740	0	101,740	101,740	0	0
Grants	1,635,863	1,635,863	1,635,863	0	1,635,863	1,635,863	0	0
Benefits & Claims	0	425,000	425,000	0	425,000	425,000	0	0
Transfers	32,398	32,398	32,398	0	32,398	32,398	0	0
Total Costs	**$47,694,153**	**$57,753,624**	**$57,326,799**	**($426,825)**	**$57,519,939**	**$56,696,676**	**($823,263)**	**($1,250,088)**
General Fund	5,162,636	6,457,202	5,222,831	(1,234,371)	6,200,552	5,225,695	(974,857)	(2,209,228)
State/Other Special	24,657,802	31,164,648	32,198,162	1,033,514	31,135,556	31,523,051	387,495	1,421,009
Federal Special	17,873,715	20,131,774	19,905,806	(225,968)	20,183,831	19,947,930	(235,901)	(461,869)
Total Funds	**$47,694,153**	**$57,753,624**	**$57,326,799**	**($426,825)**	**$57,519,939**	**$56,696,676**	**($823,263)**	**($1,250,088)**

The legislature approved a biennial budget $1.3 million below the executive request. The approved budget includes funding switches, general fund reductions and state special revenue one-time-only expenditures. The legislature did not approve a funding switch to general fund for the subdivision sub-program.

Agency Highlights

Department of Environmental Quality
Major Budget Highlights

- Significant adjustments made by the legislature include:
  - $6.4 million in operating adjustments to bring spending authority back to the previously appropriated amount in FY 2012
  - $850,000 for the orphan share claims feasibility study
  - Hard rock reclamation projects and operating expenses amounting to $6.1 million
  - Funding for pay increases given in FY 2012 that amounted to approximately $255,700 for the biennium
  - $400,000 one-time-only funding from state special revenue for leaking underground storage tank recovery expenditures

Funding

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

Total Department Of Environmental Quality Funding by Source of Authority
2015 Biennium Budget

Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	$10,448,526	$0	$0	$10,448,526	7.7%
State Special Total	63,721,213	-	7,963,076	71,684,289	52.5%
Federal Special Total	39,853,736	-	-	39,853,736	29.2%
Proprietary Total	-	14,515,841	-	14,515,841	10.6%
Current Unrestricted	-	-	-	-	0.0%
Other Total	-	-	-	-	0.0%
Total All Funds	$114,023,475	$14,515,841	$7,963,076	$136,502,392	
Percent - Total All Sources	83.5%	10.6%	5.8%		

The department's largest source of funding at 50.9% is state special revenue. This revenue is derived from permitting fees, fines, and bonds proceeds utilized to support specific department functions such as permitting, enforcement, and remediation. The federal revenue is provided from the U.S. Environmental Protection Agency (EPA) performance partnership grant, the Superfund Program, and other federal grant resources. The partnership grant is a block grant to the state to provide funding the EPA had previously made through individual grants. Federal grants have varying match requirements. Wetland grants require 25% match, drinking water capital improvement requires a 20% match, and nonpoint source funding can require as much as a 40% match. General fund is utilized for personal services and related operating expenses such as travel, communications, and equipment.

The agency receives appropriation authority from state special revenue accounts that receive resource indemnity trust interest and natural resource taxes. The current status is on the following page.

Resource Indemnity Funding										
Related Funds	02010 Oil & Gas	02022 Future Fish	02070 HazWas	02107 ECA	02162 EQPF	02216 Wa Sto	02289 GRW	02472 Orphan Share	02576 Operations	2577 Projects
Beginning FY2013 Fund Balance	$389,398	$1,265,466	$569,528	$697,712	$5,386,454	$950,000	$0	$10,040,797	$1,775,947	$6,795,909
RIT Interest		$500,000	$93,860		$32,490		$300,000		$234,650	$3,500,000
STIP	$1,000		1,726		10,000	$1,500				
RIGWA			386,961		386,961		366,000		386,961	773,922
Metal Mines Tax									1,339,000	
Oil and Gas Tax	50,000							$3,204,839	2,194,500	2,346,594
Other Income	0				792,311	35,000			3,500	3,525
FY 2013 Total Revenues & Fund Balance	$440,398	$1,765,466	$1,052,075	$697,712	$6,608,216	$986,500	$666,000	$13,245,636	$5,934,558	$13,419,950
FY 2013 Appropriations	($166,216)		($621,637)	($25,000)	($4,099,429)	($250,768)	($666,000)	($4,119,422)	($3,995,487)	
FY 2013 Budget Amendment										
Transfers								(1,200,000)	(11,756)	
Reserved for Capital Appropriations										
HB 6 and HB 7 Appropriation		($1,765,366)						($5,825,311)	($623,000)	(12,191,663)
Project Line Item Veto Richland County HB 7										$293,000
Projected Fund Balance Ending FY 2013	$274,182	$100	$430,438	$672,712	$2,508,787	$735,732	$0	$2,100,903	$1,304,315	$1,521,287
Revenues for 2015 Biennium										
RIT Interest - Direct		$985,521	$94,120		$32,580	$485,521	$591,313		$235,300	$6,898,646
RIGWA			959,172		959,172		732,000			1,918,344
Anticipated reversions										
Short Term Investment Pool - Interest	$2,000		$3,473		20,000	3,000		$45,000		
Admin Fees					1,553,586					
Metal Mines Tax									2,534,000	
Oil and Gas Tax	$100,000							$6,385,568	$4,372,491	4,675,534
Agency Generated Revenues					7,530,000	$70,000				31,000
Transfers in HB 6 and HB 7										$3,723,686
Other Income					$1,036					
Projected Fund Balance Beginning FY 2014	$376,182	$985,621	$1,487,203	$672,712	$12,604,125	$1,294,253	$1,323,313	$8,531,471	$8,446,106	$18,768,497
Appropriations for 2015 Biennium										
UM-Bureau of Mines							($1,332,000)		($351,772)	
DNRC - Centralized Services									(76,404)	
DNRC - Conservation and Resource Devel. Division									(1,362,355)	
DNRC-Water Resources Division									(415,867)	
DNRC - Board of Oil & Gas	($200,000)									
DNRC - Forestry/Trust Lands									(187,314)	
DEQ-Central Management									(266,492)	
DEQ-Planning, Prevention & Assistance			($155,504)					(150,000)	0	
DEQ-Enforcement			(1,406)						(12,544)	
DEQ-Remediation			(161,594)		($7,596,939)			(1,272,529)	0	
DEQ-Permitting & Compliance			($480,562)					(500,000)	(3,796,414)	
Judiciary-Water Court									($2,062,727)	
HB 6 and HB 7 Actions								(250,000)		($18,761,425)
HB 5 and HB 15 Actions		($600,000)								
Non-Budgeted Transfers								(2,400,000)		
Total Appropriations	($200,000)	($600,000)	($799,066)	$0	($7,596,939)	$0	($1,332,000)	($4,572,529)	($8,531,889)	($18,761,425)
Ending Fund Balance	$176,182	$385,621	$688,137	$672,712	$5,007,186	$1,294,253	($8,687)	$3,958,942	($85,783)	$7,072

The table does not include impacts of several bill being considered by the legislature that adjust the flow of revenue to these funds.

Budget Summary by Category

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

Budget Summary by Category	General Fund				Total Funds			
Budget Item	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	5,162,636	5,162,636	10,325,272	98.82%	47,694,153	47,694,153	95,388,306	83.66%
Statewide PL Adjustments	91,581	93,616	185,197	1.77%	1,785,331	1,813,975	3,599,306	3.16%
Other PL Adjustments	(3,294)	(2,710)	(6,004)	(0.06%)	7,372,911	7,372,061	14,744,972	12.93%
New Proposals	(28,092)	(27,847)	(55,939)	(0.54%)	474,404	(183,513)	290,891	0.26%
Total Budget	**$5,222,831**	**$5,225,695**	**$10,448,526**		**$57,326,799**	**$56,696,676**	**$114,023,475**	

Language and Statutory Authority

The legislature approved the following language in HB 2.

"The Planning, Prevention, and Assistance Division is authorized to decrease federal special revenue and increase state special revenue in the drinking water and/or water pollution control revolving loan programs by a like amount within the administration account, when the amount of federal capitalization funds have been expended or when federal funds and bond proceeds will be used for other program purposes."

"If federal funds are received to help meet the annual shortfall in operating and maintenance costs at the Zortman-Landusky mine sites, this orphan share spending authority will be reduced by the same amount"

"The department is appropriated up to $1,000,000 of the funds recovered under the petroleum tank compensation board subrogation program in the 2015 biennium for the purpose of paying contract expenses related to the recovery of funds."

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%**

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Funding

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 MEPA review fees.

Budget Summary by Category

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

Budget Summary by Category	General Fund				Total Funds			
Budget Item	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 adjusted base budget adopted by the legislature.

Present Law Adjustments	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 – This 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 - The legislature approved federal special revenue. 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 all funds 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 $0.00 across the two programs.

DP 1005 - Central Management Program Base Adjustment HB2 - The legislature approved state and federal special revenue to restore spending authority for the base budget in the Central Management Program. Primary factors related to this request 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).

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	83.50	83.50	83.50	83.50	83.50	83.50	0.00	0.00%
Personal Services	5,713,653	6,111,850	6,090,720	6,098,317	11,825,503	12,189,037	363,534	3.07%
Operating Expenses	5,035,015	6,853,257	6,948,607	6,799,478	11,888,272	13,748,085	1,859,813	15.64%
Equipment & Intangible Assets	0	28,000	0	0	28,000	0	(28,000)	(100.00%)
Grants	0	0	0	0	0	0	0	n/a
Transfers	0	0	0	0	0	0	0	n/a
Total Costs	**$10,748,668**	**$12,993,107**	**$13,039,327**	**$12,897,795**	**$23,741,775**	**$25,937,122**	**$2,195,347**	**9.25%**
General Fund	2,604,298	2,627,355	2,630,738	2,631,807	5,231,653	5,262,545	30,892	0.59%
State Special	2,155,346	2,716,726	3,303,571	3,154,171	4,872,072	6,457,742	1,585,670	32.55%
Federal Special	5,989,024	7,649,026	7,105,018	7,111,817	13,638,050	14,216,835	578,785	4.24%
Total Funds	**$10,748,668**	**$12,993,107**	**$13,039,327**	**$12,897,795**	**$23,741,775**	**$25,937,122**	**$2,195,347**	**9.25%**

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Funding

The division is funded with general fund and a variety of state special and federal revenue sources. The division's primary state special revenue funds are the fees collected for air quality permits and the interest from the investments made in community drinking water projects. The largest portion of federal funds is provided through the Environmental Protection Agency (EPA) programs, including the performance partnership grant and funds for non-point source water projects under the federal Clean Water Act. General fund is utilized for the Total Maximum Daily Loads (TMDL) program and for matching of federal grants.

Budget Summary by Category

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

Budget Summary by Category	General Fund				Total Funds			
Budget Item	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	2,604,298	2,604,298	5,208,596	98.97%	10,748,668	10,748,668	21,497,336	82.88%
Statewide PL Adjustments	26,440	27,509	53,949	1.03%	375,090	383,558	758,648	2.92%
Other PL Adjustments	0	0	0	0.00%	1,765,569	1,765,569	3,531,138	13.61%
New Proposals	0	0	0	0.00%	150,000	0	150,000	0.58%
Total Budget	**$2,630,738**	**$2,631,807**	**$5,262,545**		**$13,039,327**	**$12,897,795**	**$25,937,122**	

Present Law Adjustments

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

Present Law Adjustments	Fiscal 2014					Fiscal 2015				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					630,850					638,765
Vacancy Savings					(253,783)					(254,101)
Inflation/Deflation					(1,977)					(1,106)
Total Statewide Present Law Adjustments		**$26,440**	**$160,774**	**$187,876**	**$375,090**		**$27,509**	**$161,374**	**$194,675**	**$383,558**
DP 50 - Initial Motion to FY 2012 Base	0.00	(26,440)	(160,774)	(187,876)	(375,090)	0.00	(27,509)	(161,374)	(194,675)	(383,558)
DP 51 - Adjustment for Statewide Personal Services	0.00	26,614	161,106	189,347	377,067	0.00	27,613	161,480	195,571	384,664
DP 52 - Adjustment for Statewide Operations	0.00	(174)	(332)	(1,471)	(1,977)	0.00	(104)	(106)	(896)	(1,106)
DP 2001 - Planning, Prevention & Assist Operations Adjustmnt	0.00	0	667,451	928,118	1,595,569	0.00	0	667,451	928,118	1,595,569
DP 2002 - Water Pollution Control State Special Authority	0.00	0	170,000	0	170,000	0.00	0	170,000	0	170,000
Total Other Present Law Adjustments	**0.00**	**$0**	**$837,451**	**$928,118**	**$1,765,569**	**0.00**	**$0**	**$837,451**	**$928,118**	**$1,765,569**
Grand Total All Present Law Adjustments	**0.00**	**$26,440**	**$998,225**	**$1,115,994**	**$2,140,659**	**0.00**	**$27,509**	**$998,825**	**$1,122,793**	**$2,149,127**

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 2001 - Planning, Prevention & Assist Operations Adjustmnt - The budget includes state special and federal special revenue to restore spending authority in the Planning, Prevention, and Assistance Program. Administrative appropriations for unfinished projects, position vacancies, and federal stimulus funding are the primary factors in lower base year spending.

DP 2002 - Water Pollution Control State Special Authority - The legislature approved state special revenue to fund various activities related to clean water. Activities include advanced training, wetland program projects, and pilot projects related to clean water.

New Proposals

New Proposals		Fiscal 2014					Fiscal 2015				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2005 - Database Development OTO/BIEN/RST Approp										
20	0.00	0	150,000	0	150,000	0.00	0	0	0	0
DP 2006 - Database & Application Maintenance										
20	0.00	50,000	0	0	50,000	0.00	50,000	0	0	50,000
DP 2007 - Reduction in Operations										
20	0.00	(50,000)	0	0	(50,000)	0.00	(50,000)	0	0	(50,000)
Total	**0.00**	**$0**	**$150,000**	**$0**	**$150,000**	**0.00**	**$0**	**$0**	**$0**	**$0**

DP 2005 - Database Development OTO/BIEN/RST Approp - The legislature approved orphan share revenue for a one-time database development and enhancement project. The project's purpose is to complete the phased development of the bureau's Water Quality Assessment, Reporting, and Documentation (WARD) information management system.

DP 2006 - Database & Application Maintenance - The legislature approved general fund to provide for the ongoing maintenance of the department's water quality database and related technical systems.

DP 2007 - Reduction in Operations - The legislature approved an operating reduction from general fund for each year of the biennium.

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	14.73	14.73	14.73	14.73	14.73	14.73	0.00	0.00%
Personal Services	954,426	1,044,982	1,013,791	1,014,663	1,999,408	2,028,454	29,046	1.45%
Operating Expenses	329,721	343,235	325,376	324,285	672,956	649,661	(23,295)	(3.46%)
Total Costs	**$1,284,147**	**$1,388,217**	**$1,339,167**	**$1,338,948**	**$2,672,364**	**$2,678,115**	**$5,751**	**0.22%**
General Fund	506,701	547,775	517,710	518,091	1,054,476	1,035,801	(18,675)	(1.77%)
State Special	433,707	468,717	461,409	461,071	902,424	922,480	20,056	2.22%
Federal Special	343,739	371,725	360,048	359,786	715,464	719,834	4,370	0.61%
Total Funds	**$1,284,147**	**$1,388,217**	**$1,339,167**	**$1,338,948**	**$2,672,364**	**$2,678,115**	**$5,751**	**0.22%**

Page Reference

Legislative Budget Analysis, C-55

Funding

The division is funded with general fund and a variety of state special and federal revenue sources. The division's primary state special revenue funds are the fees collected for air, asbestos control, and discharge permits, as well as subdivision review fees. The largest percentage of federal funds is provided through the Environmental Protection Agency (EPA) programs, predominantly the performance partnership grant.

Budget Summary by Category

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

Budget Summary by Category	General Fund				Total Funds			
Budget Item	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	506,701	506,701	1,013,402	97.84%	1,284,147	1,284,147	2,568,294	95.90%
Statewide PL Adjustments	36,344	36,725	73,069	7.05%	56,346	57,288	113,634	4.24%
Other PL Adjustments	0	0	0	0.00%	24,009	22,848	46,857	1.75%
New Proposals	(25,335)	(25,335)	(50,670)	(4.89%)	(25,335)	(25,335)	(50,670)	(1.89%)
Total Budget	**$517,710**	**$518,091**	**$1,035,801**		**$1,339,167**	**$1,338,948**	**$2,678,115**	

Present Law Adjustments

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

Present Law Adjustments	Fiscal 2014					Fiscal 2015				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					101,607					102,515
Vacancy Savings					(42,242)					(42,278)
Inflation/Deflation					(3,019)					(2,949)
Total Statewide Present Law Adjustments		**$36,344**	**$14,216**	**$5,786**	**$56,346**		**$36,725**	**$14,531**	**$6,032**	**$57,288**
DP 50 - Initial Motion to FY 2012 Base	0.00	(36,344)	(14,216)	(5,786)	(56,346)	0.00	(36,725)	(14,531)	(6,032)	(57,288)
DP 51 - Adjustment for Statewide Personal Services	0.00	38,291	14,978	6,096	59,365	0.00	38,615	15,277	6,345	60,237
DP 52 - Adjustment for Statewide Operations	0.00	(1,947)	(762)	(310)	(3,019)	0.00	(1,890)	(746)	(313)	(2,949)
DP 3001 - Enforcement Operations Adjustments	0.00	0	13,486	10,523	24,009	0.00	0	12,833	10,015	22,848
Total Other Present Law Adjustments	**0.00**	**$0**	**$13,486**	**$10,523**	**$24,009**	**0.00**	**$0**	**$12,833**	**$10,015**	**$22,848**
Grand Total All Present Law Adjustments	**0.00**	**$36,344**	**$27,702**	**$16,309**	**$80,355**	**0.00**	**$36,725**	**$27,364**	**$16,047**	**$80,136**

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 3001 - Enforcement Operations Adjustments - The legislature approved state special and federal special revenue to restore spending authority for the base budget in the Enforcement Division. Base expenditures were low due to staff vacancies as well as extensive work done on the Yellowstone oil spill, the cost of which was reimbursed by Exxon Mobile.

New Proposals

New Proposals		Fiscal 2014					Fiscal 2015				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 3002 - Operations Reduction										
30	0.00	(25,335)	0	0	(25,335)	0.00	(25,335)	0	0	(25,335)
Total	**0.00**	**($25,335)**	**$0**	**$0**	**($25,335)**	**0.00**	**($25,335)**	**$0**	**$0**	**($25,335)**

DP 3002 - Operations Reduction - The legislature approved a reduction in operations from general fund.

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	63.01	63.01	64.01	64.01	63.01	64.01	1.00	1.59%
Personal Services	3,779,059	4,280,194	4,367,429	4,370,489	8,059,253	8,737,918	678,665	8.42%
Operating Expenses	6,240,712	7,613,450	7,223,415	6,825,662	13,854,162	14,049,077	194,915	1.41%
Benefits & Claims	0	0	425,000	425,000	0	850,000	850,000	n/a
Transfers	9,364	7,500	9,364	9,364	16,864	18,728	1,864	11.05%
Total Costs	**$10,029,135**	**$11,901,144**	**$12,025,208**	**$11,630,515**	**$21,930,279**	**$23,655,723**	**$1,725,444**	**7.87%**
General Fund	0	0	0	0	0	0	0	n/a
State Special	5,223,156	5,762,678	6,544,668	6,146,579	10,985,834	12,691,247	1,705,413	15.52%
Federal Special	4,805,979	6,138,466	5,480,540	5,483,936	10,944,445	10,964,476	20,031	0.18%
Total Funds	**$10,029,135**	**$11,901,144**	**$12,025,208**	**$11,630,515**	**$21,930,279**	**$23,655,723**	**$1,725,444**	**7.87%**

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Funding

The Remediation Division is funded with a mix of state special and federal revenue sources. State special revenue comes from the $.0075 gas tax for petroleum tank cleanup, registration fees for underground storage tanks, and interest proceeds from the Resource Indemnity Trust (RIT) deposited to the environmental quality protection, orphan share, and hazardous waste funds. Federal special revenue is derived from the federal Environmental Protection Agency (EPA) for Superfund oversight and various other activities, and the federal Office of Surface Mining for the Abandoned Mine Lands (AML) program.

For a further discussion of the RIT funds, see the Summary section of this agency's narrative.

Budget Summary by Category

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

Budget Summary by Category	----General Fund----				----Total Funds----			
Budget Item	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	0	0	0	0.00%	10,029,135	10,029,135	20,058,270	84.79%
Statewide PL Adjustments	0	0	0	0.00%	500,513	504,743	1,005,256	4.25%
Other PL Adjustments	0	0	0	0.00%	1,095,560	1,096,637	2,192,197	9.27%
New Proposals	0	0	0	0.00%	400,000	0	400,000	1.69%
Total Budget	**$0**	**$0**	**$0**		**$12,025,208**	**$11,630,515**	**$23,655,723**	

Present Law Adjustments

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

Present Law Adjustments	Fiscal 2014					Fiscal 2015				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					680,857					684,183
Vacancy Savings					(178,399)					(178,532)
Inflation/Deflation					(1,945)					(908)
Total Statewide Present Law Adjustments		**$0**	**($46,731)**	**$547,244**	**$500,513**		**$0**	**($44,831)**	**$549,574**	**$504,743**
DP 50 - Initial Motion to FY 2012 Base	0.00	0	46,731	(547,244)	(500,513)	0.00	0	44,831	(549,574)	(504,743)
DP 51 - Adjustment for Statewide Personal Services	0.00	0	(45,601)	548,059	502,458	0.00	0	(44,366)	550,017	505,651
DP 52 - Adjustment for Statewide Operations	0.00	0	(1,130)	(815)	(1,945)	0.00	0	(467)	(441)	(908)
DP 4001 - Remediation Division Operating Adjustment	0.00	0	85,621	90,153	175,774	0.00	0	85,630	90,944	176,574
DP 4003 - Orphan Share Claims Feas Studies (BIEN/RST/OTO)	0.00	0	425,000	0	425,000	0.00	0	425,000	0	425,000
DP 4004 - LUST Trust Cost Recovery Expenditures	0.00	0	199,455	0	199,455	0.00	0	199,455	0	199,455
DP 4005 - Beal & Basin Reclamation Bond Expend. (BIEN/RST)	0.00	0	201,416	0	201,416	0.00	0	201,416	0	201,416
DP 4006 - Remediation Division Additional Leased Vehicle	0.00	0	0	8,003	8,003	0.00	0	0	8,413	8,413
DP 4007 - Move Attorney from PGM 10 to PGM 40	1.00	0	56,751	29,161	85,912	1.00	0	56,755	29,024	85,779
Total Other Present Law Adjustments	**1.00**	**$0**	**$968,243**	**$127,317**	**$1,095,560**	**1.00**	**$0**	**$968,254**	**$128,383**	**$1,096,637**
Grand Total All Present Law Adjustments	**1.00**	**$0**	**$921,512**	**$674,561**	**$1,596,073**	**1.00**	**$0**	**$923,423**	**$677,957**	**$1,601,380**

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 4001 - Remediation Division Operating Adjustment - The legislature approved state and federal special revenue to restore base budget authority for the Hazardous Waste Site Cleanup Bureau (HWSCB) and the Mine Waste Cleanup Bureau (MWCB). Operating adjustments for the HWSCB reflect increased activity for preliminary assessment and site investigation (PA/SI), litigation on state superfund sites and contractual activity at other state superfund sites. Base activity included emergency response to the Yellowstone pipeline spill. The MWCB was provided authority for completion of hard rock abandoned mine cleanup projects for which cash has already been received, and the MWCB has anticipated increased contractual activity for certain federal superfund sites.

DP 4003 - Orphan Share Claims Feas Studies (BIEN/RST/OTO) - The legislature approved state special revenue orphan shares fund. The department would reimburse the orphan share expenses for the remedial investigation and feasibility studies being conducted during the 2015 biennium. Claims are anticipated under the Controlled Allocation of Liability Act (CALA) for two sites: the S&W Sawmill in Darby and the Joslyn Street Tailings in Helena.

DP 4004 - LUST Trust Cost Recovery Expenditures - The legislature approved state special revenue Leaking Underground Storage Tank (LUST) Cost Recovery Shares to compensate for reductions in federal grants funds. The purpose of these expenditures is to continue the department's efforts to investigate and clean up petroleum releases from

certain underground storage tanks to prevent human health and environmental impacts where the cleanup is not eligible for reimbursement from the petroleum tank release compensation fund. LUST Trust Cost Recovery funds are monies from recalcitrant responsible parties that have reimbursed the department for expenditures to clean up certain petroleum release sites.

DP 4005 - Beal & Basin Reclamation Bond Expend. (BIEN/RST) - The legislature approved state special revenue forfeited reclamation bond moneys over the 2015 biennium. The funds are the remaining forfeited reclamation bond monies for the Beal and Basin mine sites and will be used to continue utilizing contracted services for ongoing reclamation activity. At Beal, these funds will supplement Forest Service expenditures for site maintenance and water monitoring needs. At the Basin site, these funds will be used to reclaim abandoned mine infrastructure and conduct site maintenance to supplement EPA expenditures at the regional mine waste repository located at the former mine site.

DP 4006 - Remediation Division Additional Leased Vehicle - The legislature approved federal special revenue funds for an additional vehicle to better access remote sites. In order to investigate and develop plans for reclamation, it is necessary to access off-road abandoned mines sites.

DP 4007 - Move Attorney from PGM 10 to PGM 40 - The legislature approved state special and federal special revenue 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 divisions.

New Proposals

New Proposals	Fiscal 2014					Fiscal 2015				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 4010 - LUST Recovery Cost Expenditures (OTO)										
40	0.00	0	400,000	0	400,000	0.00	0	0	0	0
Total	**0.00**	**$0**	**$400,000**	**$0**	**$400,000**	**0.00**	**$0**	**$0**	**$0**	**$0**

DP 4010 - LUST Recovery Cost Expenditures (OTO) - The legislature approved $400,000 from the Orphan Share Account for FY 2014, for LUST recovery expenditures.

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	207.14	207.14	209.14	209.14	207.14	209.14	2.00	0.97%
Personal Services	13,323,147	14,081,666	13,660,514	13,673,224	27,404,813	27,333,738	(71,075)	(0.26%)
Operating Expenses	8,441,458	11,112,640	13,051,359	12,944,747	19,554,098	25,996,106	6,442,008	32.94%
Equipment & Intangible Assets	60,755	90,872	101,740	101,740	151,627	203,480	51,853	34.20%
Grants	1,635,863	1,806,461	1,635,863	1,635,863	3,442,324	3,271,726	(170,598)	(4.96%)
Transfers	23,034	22,832	23,034	23,034	45,866	46,068	202	0.44%
Total Costs	**$23,484,257**	**$27,114,471**	**$28,472,510**	**$28,378,608**	**$50,598,728**	**$56,851,118**	**$6,252,390**	**12.36%**
General Fund	1,736,659	1,742,085	1,768,951	1,770,115	3,478,744	3,539,066	60,322	1.73%
State Special	15,313,001	18,498,895	20,068,931	19,981,250	33,811,896	40,050,181	6,238,285	18.45%
Federal Special	6,434,597	6,873,491	6,634,628	6,627,243	13,308,088	13,261,871	(46,217)	(0.35%)
Total Funds	**$23,484,257**	**$27,114,471**	**$28,472,510**	**$28,378,608**	**$50,598,728**	**$56,851,118**	**$6,252,390**	**12.36%**

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Funding

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

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

Federal special revenue sources include the Environmental Protection Agency (EPA) and the Bureau of Land Management (BLM). Federal funds are directed toward specific sites or for primacy costs of the permitting programs.

Budget Summary by Category

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

Budget Summary by Category	General Fund				Total Funds			
Budget Item	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	1,736,659	1,736,659	3,473,318	98.14%	23,484,257	23,484,257	46,968,514	82.62%
Statewide PL Adjustments	8,157	8,625	16,782	0.47%	816,265	830,644	1,646,909	2.90%
Other PL Adjustments	26,892	27,343	54,235	1.53%	4,222,249	4,221,885	8,444,134	14.85%
New Proposals	(2,757)	(2,512)	(5,269)	(0.15%)	(50,261)	(158,178)	(208,439)	(0.37%)
Total Budget	**$1,768,951**	**$1,770,115**	**$3,539,066**		**$28,472,510**	**$28,378,608**	**$56,851,118**	

Present Law Adjustments

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

Present Law Adjustments	Fiscal 2014					Fiscal 2015				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					1,411,711					1,422,486
Vacancy Savings					(589,402)					(589,834)
Inflation/Deflation					(5,945)					(1,909)
Fixed Costs					(99)					(99)
Total Statewide Present Law Adjustments		**$8,157**	**$636,033**	**$172,075**	**$816,265**		**$8,625**	**$647,564**	**$174,455**	**$830,644**
DP 50 - Initial Motion to FY 2012 Base	0.00	(8,157)	(636,033)	(172,075)	(816,265)	0.00	(8,625)	(647,564)	(174,455)	(830,644)
DP 51 - Adjustment for Statewide Personal Services	0.00	8,774	639,375	174,160	822,309	0.00	9,075	648,374	175,203	832,652
DP 52 - Adjustment for Statewide Operations	0.00	(617)	(3,342)	(2,085)	(6,044)	0.00	(450)	(810)	(748)	(2,008)
DP 5001 - Permitting & Compliance Division Operations Adjust	0.00	24,947	990,640	256,871	1,272,458	0.00	24,947	989,202	256,871	1,271,020
DP 5002 - Hard Rock Reclamation/MFSA Projects (RST/BIEN)	0.00	0	2,812,946	0	2,812,946	0.00	0	2,812,946	0	2,812,946
DP 5003 - County Air Program Funding Increase	0.00	0	125,000	0	125,000	0.00	0	125,000	0	125,000
DP 5004 - Permitting & Compliance Division Leased Vehicles	0.00	1,945	6,691	3,209	11,845	0.00	2,396	7,143	3,380	12,919
Total Other Present Law Adjustments	**0.00**	**$26,892**	**$3,935,277**	**$260,080**	**$4,222,249**	**0.00**	**$27,343**	**$3,934,291**	**$260,251**	**$4,221,885**
Grand Total All Present Law Adjustments	**0.00**	**$35,049**	**$4,571,310**	**$432,155**	**$5,038,514**	**0.00**	**$35,968**	**$4,581,855**	**$434,706**	**$5,052,529**

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 5001 - Permitting & Compliance Division Operations Adjust - The legislature approved general fund, state, and federal special revenue to restore spending authority for the base budget in the Permitting and Compliance Division. Reduced base year expenditures are primarily due to staff vacancies, which led to reduced operating expenditures for activities including inspections, compliance work and permit review. Additionally, several staff were assigned to the Yellowstone oil spill response and charged their time there, the costs of which were reimbursed by Exxon Mobile.

DP 5002 - Hard Rock Reclamation/MFSA Projects (RST/BIEN) - The legislature approved state special revenue for projects administered by the Hard Rock and Major Facility Siting Act Programs (MFSA). Hard rock mining reclamation authority would be used for operation and maintenance of the Zortman/Landusky mine site and the funding would come from the hard rock mining reclamation fund. MFSA budget authority would be used for cost reimbursement projects for MFSA analysis of project applications that arise during the 2015 biennium. Bond forfeitures and settlements over the course of the biennium would be used for reclamation of specific mine sites and would be funded by settlement agreements or by forfeitures of various reclamation surety bonds.

DP 5003 - County Air Program Funding Increase - The legislature added funds for county air quality programs to keep pace with inflation as well as for increased workload related to air quality within the division. County air quality programs conduct monitoring, permitting, and/or compliance activities either on behalf of or in lieu of the department. Federal grant funding which is typically passed through to counties has not increased, nor has it kept up with inflation

and workload. County air quality programs have not received an increase in state assistance since the year 2000.

DP 5004 - Permitting & Compliance Division Leased Vehicles - The legislature approved general fund, state, and federal special revenue for leased vehicles in the Permitting and Compliance Division. The funding includes five SUVs- two replacing vehicles currently rented and three replacing division owned vehicles that have excessive miles and wear. Due to location, the MDT motor pool is not an available option. The vehicles are required for inspections and site visits.

New Proposals

New Proposals	Fiscal 2014					Fiscal 2015				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 54 - Additional Vacancy Savings										
50	0.00	(33,957)	(290,347)	(232,124)	(556,428)	0.00	(33,712)	(281,120)	(242,060)	(556,892)
DP 5005 - Zortman/Landusky Additional Funding (OTO/RST/BIEN)										
50	0.00	0	250,000	0	250,000	0.00	0	250,000	0	250,000
DP 5006 - Opencut Mining Program Database (OTO/REST/BIEN)										
50	0.00	0	100,000	0	100,000	0.00	0	0	0	0
DP 5007 - IEMB (Coal and Opencut) Systems Specialist (OTO)										
50	1.00	0	81,753	0	81,753	1.00	0	77,298	0	77,298
DP 5008 - Opencut Science Specialist (OTO)										
50	1.00	0	43,214	0	43,214	1.00	0	40,216	0	40,216
DP 5009 - IEMB FileNet Data Storage										
50	0.00	31,200	0	0	31,200	0.00	31,200	0	0	31,200
Total	**2.00**	**($2,757)**	**$184,620**	**($232,124)**	**($50,261)**	**2.00**	**($2,512)**	**$86,394**	**($242,060)**	**($158,178)**

DP 54 - Additional Vacancy Savings - The legislature applied an additional 2% vacancy savings to all positions except those exempt in statute or that must be filled 24/7. Language was included in HB 2 that allows the agency to allocate the reduction among programs.

DP 5005 - Zortman/Landusky Additional Funding (OTO/RST/BIEN) - The legislature approved a one-time-only, restricted amount of $250,000 per year in state special revenue for site reclamation and water treatment projects at the Zortman and Landusky mine sites. If federal funds are received to help meet the annual shortfall in operating costs for the wastewater treatment plants at Zortman-Landusky, this general fund spending authority will be reduced by the same amount. Annual site operating costs are approximately $2.5 million, over triple the amount of the water treatment bond that is available annually. Costs also have increased substantially due to weather patterns and increasing costs of water treatment inputs such as lime, fuel, electricity, and labor.

DP 5006 - Opencut Mining Program Database (OTO/REST/BIEN) - The legislature approved $100,000 in state special revenue to replace an existing Access 2003 database, which does not properly support the program's business processes. In 2014, Access 2003 will no longer be supported by Microsoft.

DP 5007 - IEMB (Coal and Opencut) Systems Specialist (OTO) - The legislature approved state special revenue for 1.0 FTE to support the development and maintenance of system tools in support of coal and open cut mining regulatory programs.

DP 5008 - Opencut Science Specialist (OTO) - The legislature approved half of the requested funding from state special revenue for an additional FTE to perform permit review, compliance assistance, inspections, and bond release for the opencut mining program.

DP 5009 - IEMB FileNet Data Storage - The legislature approved general fund to cover additional costs of FileNet data storage. Storage charges have increased 600% in this program due to increased use and an eroding rate base for FileNet among state agencies.

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	6.10	6.10	6.10	6.10	6.10	6.10	0.00	0.00%
Personal Services	385,201	411,405	359,994	359,924	796,606	719,918	(76,688)	(9.63%)
Operating Expenses	206,673	294,722	258,058	258,118	501,395	516,176	14,781	2.95%
Total Costs	**$591,874**	**$706,127**	**$618,052**	**$618,042**	**$1,298,001**	**$1,236,094**	**($61,907)**	**(4.77%)**
State Special	591,874	706,127	618,052	618,042	1,298,001	1,236,094	(61,907)	(4.77%)
Total Funds	**$591,874**	**$706,127**	**$618,052**	**$618,042**	**$1,298,001**	**$1,236,094**	**($61,907)**	**(4.77%)**

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Funding

The program is funded entirely through a portion of the $0.0075 fee on gasoline, diesel, heating oil, and aviation fuel distributed in Montana. The fund is fiscally stable and is expected to have an ending balance of 69.8% of FY 2015 expenditures.

Budget Summary by Category

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

Budget Summary by Category	General Fund				Total Funds			
Budget Item	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	0	0	0	0.00%	591,874	591,874	1,183,748	95.77%
Statewide PL Adjustments	0	0	0	0.00%	(25,172)	(25,182)	(50,354)	(4.07%)
Other PL Adjustments	0	0	0	0.00%	51,350	51,350	102,700	8.31%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	**$0**	**$0**	**$0**		**$618,052**	**$618,042**	**$1,236,094**	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the adjusted base budget adopted by the legislature.

Present Law Adjustments	Fiscal 2014					Fiscal 2015				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(10,208)					(10,280)
Vacancy Savings					(14,999)					(14,997)
Inflation/Deflation					35					95
Total Statewide Present Law Adjustments		**$0**	**($25,172)**	**$0**	**($25,172)**		**$0**	**($25,182)**	**$0**	**($25,182)**
DP 50 - Initial Motion to FY 2012 Base	0.00	0	25,172	0	25,172	0.00	0	25,182	0	25,182
DP 51 - Adjustment for Statewide Personal Services	0.00	0	(25,207)	0	(25,207)	0.00	0	(25,277)	0	(25,277)
DP 52 - Adjustment for Statewide Operations	0.00	0	35	0	35	0.00	0	95	0	95
DP 9001 - Petro Board Staff Operating Adjustments	0.00	0	51,350	0	51,350	0.00	0	51,350	0	51,350
Total Other Present Law Adjustments	**0.00**	**$0**	**$51,350**	**$0**	**$51,350**	**0.00**	**$0**	**$51,350**	**$0**	**$51,350**
Grand Total All Present Law Adjustments	**0.00**	**$0**	**$26,178**	**$0**	**$26,178**	**0.00**	**$0**	**$26,168**	**$0**	**$26,168**

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 - This 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 9001 - Petro Board Staff Operating Adjustments - The legislature approved state special revenue for operating adjustments, including anticipated legal services, computer replacement on a five year schedule, and an indirect rate adjustment on personal services.