

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	383.47	383.47	365.55	365.54	383.47	365.54	(17.93)	(4.68)%
Personal Services	26,154,656	28,600,895	29,153,487	29,251,962	54,755,551	58,405,449	3,649,898	6.67 %
Operating Expenses	21,981,631	28,250,831	34,334,893	34,339,671	50,232,462	68,674,564	18,442,102	36.71 %
Equipment & Intangible Assets	157,973	101,740	101,740	101,740	259,713	203,480	(56,233)	(21.65)%
Grants	1,094,008	1,635,863	1,635,863	1,635,863	2,729,871	3,271,726	541,855	19.85 %
Benefits & Claims	0	425,000	0	0	425,000	0	(425,000)	(100.00)%
Transfers	76,313	35,400	32,398	32,398	111,713	64,796	(46,917)	(42.00)%
Total Costs	\$49,464,581	\$59,049,729	\$65,258,381	\$65,361,634	\$108,514,310	\$130,620,015	\$22,105,705	20.37 %
General Fund	5,303,211	5,508,477	5,545,692	5,540,248	10,811,688	11,085,940	274,252	2.54 %
State/Other Special Rev. Funds	25,976,905	32,613,798	36,374,721	36,492,827	58,590,703	72,867,548	14,276,845	24.37 %
Federal Spec. Rev. Funds	18,184,465	20,927,454	23,337,968	23,328,559	39,111,919	46,666,527	7,554,608	19.32 %
Proprietary Funds	0	0	0	0	0	0	0	0.00 %
Total Funds	\$49,464,581	\$59,049,729	\$65,258,381	\$65,361,634	\$108,514,310	\$130,620,015	\$22,105,705	20.37 %

Page Reference

Legislative Budget Analysis, C-53

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	383.47	365.55	365.55	0.00	365.54	365.54	0.00	0.00
Personal Services	26,154,656	29,653,755	29,153,487	(500,268)	29,661,876	29,251,962	(409,914)	(910,182)
Operating Expenses	21,981,631	30,680,625	34,334,893	3,654,268	30,684,430	34,339,671	3,655,241	7,309,509
Equipment & Intangible Assets	157,973	189,079	101,740	(87,339)	189,079	101,740	(87,339)	(174,678)
Grants	1,094,008	1,654,293	1,635,863	(18,430)	1,654,293	1,635,863	(18,430)	(36,860)
Benefits & Claims	0	0	0	0	0	0	0	0
Transfers	76,313	130,682	32,398	(98,284)	130,682	32,398	(98,284)	(196,568)
Total Costs	\$49,464,581	\$62,308,434	\$65,258,381	\$2,949,947	\$62,320,360	\$65,361,634	\$3,041,274	\$5,991,221
General Fund	5,303,211	6,011,153	5,545,692	(465,461)	6,011,704	5,540,248	(471,456)	(936,917)
State/other Special Rev. Funds	25,976,905	32,015,567	36,374,721	4,359,154	32,023,117	36,492,827	4,469,710	8,828,864
Federal Spec. Rev. Funds	18,184,465	24,281,714	23,337,968	(943,746)	24,285,539	23,328,559	(956,980)	(1,900,726)
Other	0	0	0	0	0	0	0	0
Total Funds	\$49,464,581	\$62,308,434	\$65,258,381	\$2,949,947	\$62,320,360	\$65,361,634	\$3,041,274	\$5,991,221

The legislatively-approved budget increases total expenditures by over the level proposed by the executive. The adjustment includes additional state special revenue authority for expanded use of the Orphan Share Fund which is contingent on the the passage of SB96 and additional federal special revenue authority for abandoned mine lands.

Agency Highlights

Department Environmental Quality Major Budget Highlights
<ul style="list-style-type: none"> • Present law adjustments reduce department funding by \$ 1.5 million, primarily due to personal services and operating adjustments. • New proposals totaling \$15.6 million increase the overall departmental budget <ul style="list-style-type: none"> ◦ \$500,000 in general fund for water treatment at Zortman/Landusky ◦ \$7 million in state special revenue for expanded use of the Orphan Share Fund ◦ \$8 million in federal special revenue for remediation of abandoned mine lands

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 Department of Environmental Quality Funding by Source of Authority 2017 Biennium Budget - Department of Environmental Quality						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	11,085,940	0	0	11,085,940	7.28 %	
State Special Total	72,867,548	0	7,474,000	80,341,548	52.75 %	
Federal Special Total	46,666,527	0	0	46,666,527	30.64 %	
Proprietary Total	0	14,203,774	0	14,203,774	9.33 %	
Other Total	0	0	0	0	0.00 %	
Total All Funds	\$130,620,015	\$14,203,774	\$7,474,000	\$152,297,789		
Percent - Total All Sources	85.77 %	9.33 %	4.91 %			

The department's largest source of funding 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. General fund is utilized for personal services and related operating expenses such as travel, communications, equipment, and to match federal grants.

Resource Indemnity Trust

Article IX of the Montana Constitution provides for the protection and improvement of the Montana environment and requests that the legislature provide adequate remedies for environmental protection from degradation. It specifically requires "all lands disturbed by the taking of natural resources shall be reclaimed" and requires the existence of a resource indemnity trust (RIT) fund for that purpose, to be funded by taxes on the extraction of natural resources.

The major accounts dependent on RIT money are:

- Oil & Gas Production Mitigation Account
- Future Fisheries
- Hazardous Waste/CERCLA
- Environmental Contingency Account (ECA) -

- Environmental Quality Protection Fund (EQPF)
- Water Storage Account
- Ground Water Assessment Account
- Orphan Share Account
- Natural Resources Operations
- Natural Resource Projects

Orphan Share Program

The Orphan Share Program was established to provide a means for determining the share of remediation costs of a defunct party. The fund pays for the costs of the allocation process and then pays for the defunct party’s share of the remediation as established by that process.

The Orphan Share has historically held a large fund balance. In FY 2014, the ending fund balance was \$8.0 million. The projected ending fund balance for 2017 at the start of session was \$13.1 million dollars. This fund balance offers the legislature the option of bolstering weaker funds with transfers from the Orphan Share Fund. The risk to such a transfer is that the liability for the orphan share is unknown and could prevent reimbursement for cleanup costs at some point in the future. Furthermore, SB 96 would allow for additional uses of the orphan share fund.

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	5,508,477	5,508,477	11,016,954	99.38 %	58,257,215	58,257,215	116,514,430	89.20 %
PL Adjustments	(212,785)	(218,229)	(431,014)	(3.89)%	(794,057)	(690,804)	(1,484,861)	(1.14)%
New Proposals	250,000	250,000	500,000	4.51 %	7,795,223	7,795,223	15,590,446	11.94 %
Total Budget	\$5,545,692	\$5,540,248	\$11,085,940		\$65,258,381	\$65,361,634	\$130,620,015	

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	8.00	8.00	7.64	7.64	8.00	7.64	(0.36)	(4.50)%
Personal Services	717,876	792,831	764,730	772,371	1,510,707	1,537,101	26,394	1.75 %
Operating Expenses	1,152,831	1,101,543	1,086,782	1,091,808	2,254,374	2,178,590	(75,784)	(3.36)%
Equipment & Intangible Assets	9,624	0	0	0	9,624	0	(9,624)	(100.00)%
Total Costs	\$1,880,331	\$1,894,374	\$1,851,512	\$1,864,179	\$3,774,705	\$3,715,691	(\$59,014)	(1.56)%
General Fund	284,396	323,563	280,926	281,707	607,959	562,633	(45,326)	(7.46)%
State/Other Special Rev. Funds	1,176,906	1,187,058	1,203,941	1,213,709	2,363,964	2,417,650	53,686	2.27 %
Federal Spec. Rev. Funds	419,029	383,753	366,645	368,763	802,782	735,408	(67,374)	(8.39)%
Proprietary Funds	0	0	0	0	0	0	0	0.00 %
Total Funds	\$1,880,331	\$1,894,374	\$1,851,512	\$1,864,179	\$3,774,705	\$3,715,691	(\$59,014)	(1.56)%

Page Reference

Legislative Budget Analysis, C-60

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 personal services and operations. The division uses the fund to support personal services, contracted, services and operating costs for management , budgeting, accounting, payroll, procurement, contract management, and information technology services to other divisions. The legislature approved a 24% cap on personal services and a 4% cap on all other expenditures for the indirect rate.

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 utilizing the FY 2015 Legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	323,563	323,563	647,126	115.02 %	1,894,374	1,894,374	3,788,748	101.97 %
PL Adjustments	(42,637)	(41,856)	(84,493)	(15.02)%	(42,862)	(30,195)	(73,057)	(1.97)%
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$280,926	\$281,707	\$562,633		\$1,851,512	\$1,864,179	\$3,715,691	

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	1,525	3,279	(1,090)	3,714	0.00	1,525	3,279	(1,090)	3,714
DP 525 - Fixed Cost Adjustment	0.00	(2,978)	(17,196)	(11,307)	(31,481)	0.00	(2,978)	(17,203)	(11,314)	(31,495)
DP 527 - Inflation/Deflation Adjustment	0.00	(7,196)	(41,570)	(27,338)	(76,104)	0.00	(6,720)	(38,820)	(25,530)	(71,070)
DP 529 - Longevity and Other Adjustments	0.00	0	(6,347)	0	(6,347)	0.00	0	(1,566)	0	(1,566)
DP 531 - SITSD Rate Adjustment	0.00	2,878	16,619	10,927	30,424	0.00	2,878	16,623	10,930	30,431
DP 532 - General Liability Insurance Rate Adjustment	0.00	(16,086)	(2,319)	(76)	(18,481)	0.00	(16,086)	(2,319)	(77)	(18,482)
DP 550 - Motor Pool Adjustment	0.00	(5)	(19)	(7)	(31)	0.00	(5)	(19)	(7)	(31)
DP 570 - Other Personal Services Adjustments	0.00	(51,657)	144,047	(117,858)	(25,468)	0.00	(72,947)	231,254	(180,915)	(22,608)
DP 580 - Additional Operating Adjustments	0.00	30,882	(79,611)	129,641	80,912	0.00	52,477	(164,578)	193,013	80,912
DP 1000444 - Statewide 4% FTE Reduction - Program 10	(0.36)	0	0	0	0	(0.36)	0	0	0	0
Grand Total All Present Law Adjustments	(0.36)	(\$42,637)	\$16,883	(\$17,108)	(\$42,862)	(0.36)	(\$41,856)	\$26,651	(\$14,990)	(\$30,195)

***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 525 - Fixed Cost Adjustment -

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 Adjustment -

The legislature adopted inflation/deflation factors for budgeted expenditures such as food or electricity. The legislature concurred with the executive on the factors with the exception of gasoline, aviation gasoline, diesel fuel, and jet fuel. For these factors the legislature further deflated costs to align the budget with more current information on declining prices of oil and gas projected to continue into the 2017 biennium.

DP 529 - Longevity and Other Adjustments -

The legislature adopted personal service adjustments for unemployment insurance, workers compensation rates, longevity, retirement, and health benefits.

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 Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 570 - Other Personal Services Adjustments -

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

DP 580 - Additional Operating Adjustments -

The legislature adopted all other operating cost adjustments.

DP 1000444 - Statewide 4% FTE Reduction - Program 10 -

FY 2016 and FY 2017 contain any reductions in FTE made by the executive to implement the boilerplate language in HB 2. Though intended by the legislature, the FY 2014 and FY 2015 FTE levels do not reflect this language.

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	83.50	83.50	79.54	79.53	83.50	79.53	(3.97)	(4.75)%
Personal Services	6,144,569	6,504,816	6,759,099	6,770,811	12,649,385	13,529,910	880,525	6.96 %
Operating Expenses	4,572,721	6,799,478	5,727,555	5,727,502	11,372,199	11,455,057	82,858	0.73 %
Transfers	45,665	0	0	0	45,665	0	(45,665)	(100.00)%
Total Costs	\$10,762,955	\$13,304,294	\$12,486,654	\$12,498,313	\$24,067,249	\$24,984,967	\$917,718	3.81 %
General Fund	2,667,804	2,735,585	2,765,194	2,768,112	5,403,389	5,533,306	129,917	2.40 %
State/Other Special Rev. Funds	2,815,838	3,264,414	3,423,857	3,428,116	6,080,252	6,851,973	771,721	12.69 %
Federal Spec. Rev. Funds	5,279,313	7,304,295	6,297,603	6,302,085	12,583,608	12,599,688	16,080	0.13 %
Total Funds	\$10,762,955	\$13,304,294	\$12,486,654	\$12,498,313	\$24,067,249	\$24,984,967	\$917,718	3.81 %

Page Reference

Legislative Budget Analysis, C-65

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 wastewater revolving funds, drinking water revolving funds, and state buildings revolving fund. 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 utilizing the FY 2015 Legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	2,735,585	2,735,585	5,471,170	98.88 %	13,304,294	13,304,294	26,608,588	106.50 %
PL Adjustments	29,609	32,527	62,136	1.12 %	(817,640)	(805,981)	(1,623,621)	(6.50)%
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$2,765,194	\$2,768,112	\$5,533,306		\$12,486,654	\$12,498,313	\$24,984,967	

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.

53010 - Department Of Environmental Quality 20-Planning, Prevention, & Assistance 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	7,263	14,662	16,734	38,659	0.00	7,261	14,658	16,733	38,652
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	20,388	30,623	83,112	134,123	0.00	20,388	30,623	83,112	134,123
DP 529 - Longevity and Other Adjustments	0.00	4,610	5,501	12,310	22,421	0.00	7,894	9,421	21,080	38,395
DP 550 - Motor Pool Adjustment	0.00	(885)	(1,057)	(2,365)	(4,307)	0.00	(896)	(1,070)	(2,394)	(4,360)
DP 570 - Other Personal Services Adjustments	0.00	(84,881)	226,127	(82,166)	59,080	0.00	(85,234)	226,483	(86,424)	54,825
DP 580 - Additional Operating Adjustments	0.00	83,114	(116,413)	(1,034,317)	(1,067,616)	0.00	83,114	(116,413)	(1,034,317)	(1,067,616)
DP 2000444 - Statewide 4% FTE Reduction - Program 20	(3.96)	0	0	0	0	(3.97)	0	0	0	0
Grand Total All Present Law Adjustments	(3.96)	\$29,609	\$159,443	(\$1,006,692)	(\$817,640)	(3.97)	\$32,527	\$163,702	(\$1,002,210)	(\$805,981)

**"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 529 - Longevity and Other Adjustments -

The legislature adopted personal service adjustments for unemployment insurance, workers compensation rates, longevity, retirement, and health benefits.

DP 550 - Motor Pool Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 570 - Other Personal Services Adjustments -

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

DP 580 - Additional Operating Adjustments -

The legislature adopted all other operating cost adjustments.

DP 2000444 - Statewide 4% FTE Reduction - Program 20 -

FY 2016 and FY 2017 contain any reductions in FTE made by the executive to implement the boilerplate language in HB 2. Though intended by the legislature, the FY 2014 and FY 2015 FTE levels do not reflect this language.

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	14.73	14.73	14.13	14.13	14.73	14.13	(0.60)	(4.07)%
Personal Services	951,454	1,102,045	1,053,195	1,058,047	2,053,499	2,111,242	57,743	2.81 %
Operating Expenses	362,345	324,285	376,523	376,511	686,630	753,034	66,404	9.67 %
Equipment & Intangible Assets	15,139	0	0	0	15,139	0	(15,139)	(100.00)%
Total Costs	\$1,328,938	\$1,426,330	\$1,429,718	\$1,434,558	\$2,755,268	\$2,864,276	\$109,008	3.96 %
General Fund	521,448	551,847	561,008	562,884	1,073,295	1,123,892	50,597	4.71 %
State/Other Special Rev. Funds	454,943	488,587	489,458	491,119	943,530	980,577	37,047	3.93 %
Federal Spec. Rev. Funds	352,547	385,896	379,252	380,555	738,443	759,807	21,364	2.89 %
Total Funds	\$1,328,938	\$1,426,330	\$1,429,718	\$1,434,558	\$2,755,268	\$2,864,276	\$109,008	3.96 %

Page Reference

Legislative Budget Analysis, C-70

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 fees, discharge permits, and 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 utilizing the FY 2015 Legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	551,847	551,847	1,103,694	98.20 %	1,426,330	1,426,330	2,852,660	99.59 %
PL Adjustments	9,161	11,037	20,198	1.80 %	3,388	8,228	11,616	0.41 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$561,008	\$562,884	\$1,123,892		\$1,429,718	\$1,434,558	\$2,864,276	

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	2,695	2,351	1,822	6,868	0.00	2,695	2,351	1,822	6,868
DP 529 - Longevity and Other Adjustments	0.00	(1,509)	(1,336)	(1,054)	(3,899)	0.00	(14)	(12)	(10)	(36)
DP 550 - Motor Pool Adjustment	0.00	(371)	(329)	(260)	(960)	0.00	(376)	(333)	(263)	(972)
DP 570 - Other Personal Services Adjustments	0.00	(28,468)	(17,439)	(5,912)	(51,819)	0.00	(27,428)	(17,125)	(6,277)	(50,830)
DP 580 - Additional Operating Adjustments	0.00	36,814	17,624	(1,240)	53,198	0.00	36,160	17,651	(613)	53,198
DP 3000444 - Statewide 4% FTE Reduction - Program 30	(0.60)	0	0	0	0	(0.60)	0	0	0	0
Grand Total All Present Law Adjustments	(0.60)	\$9,161	\$871	(\$6,644)	\$3,388	(0.60)	\$11,037	\$2,532	(\$5,341)	\$8,228

***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 529 - Longevity and Other Adjustments -

The legislature adopted personal service adjustments for unemployment insurance, workers compensation rates, longevity, retirement, and health benefits.

DP 550 - Motor Pool Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 570 - Other Personal Services Adjustments -

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

DP 580 - Additional Operating Adjustments -

The legislature adopted all other operating cost adjustments.

DP 3000444 - Statewide 4% FTE Reduction - Program 30 -

FY 2016 and FY 2017 contain any reductions in FTE made by the executive to implement the boilerplate language in HB 2. Though intended by the legislature, the FY 2014 and FY 2015 FTE levels do not reflect this language.

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	64.00	64.00	61.00	61.00	64.00	61.00	(3.00)	(4.69)%
Personal Services	4,123,725	4,662,668	4,665,422	4,687,337	8,786,393	9,352,759	566,366	6.45 %
Operating Expenses	6,696,693	6,825,662	11,101,287	11,101,257	13,522,355	22,202,544	8,680,189	64.19 %
Equipment & Intangible Assets	8,245	0	0	0	8,245	0	(8,245)	(100.00)%
Benefits & Claims	0	425,000	0	0	425,000	0	(425,000)	(100.00)%
Transfers	7,354	9,364	9,364	9,364	16,718	18,728	2,010	12.02 %
Total Costs	\$10,836,017	\$11,922,694	\$15,776,073	\$15,797,958	\$22,758,711	\$31,574,031	\$8,815,320	38.73 %
State/Other Special Rev. Funds	5,246,390	6,260,514	5,877,050	5,894,542	11,506,904	11,771,592	264,688	2.30 %
Federal Spec. Rev. Funds	5,589,627	5,662,180	9,899,023	9,903,416	11,251,807	19,802,439	8,550,632	75.99 %
Total Funds	\$10,836,017	\$11,922,694	\$15,776,073	\$15,797,958	\$22,758,711	\$31,574,031	\$8,815,320	38.73 %

Page Reference

Legislative Budget Analysis, C-73

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.

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	0	0	0	0.00 %	11,497,694	11,497,694	22,995,388	0.00 %
PL Adjustments	0	0	0	0.00 %	278,379	300,264	578,643	0.00 %
New Proposals	0	0	0	0.00 %	4,000,000	4,000,000	8,000,000	0.00 %
Total Budget	\$0	\$0	\$0		\$15,776,073	\$15,797,958	\$31,574,031	

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	18,877	10,769	29,646	0.00	0	18,877	10,769	29,646
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	0	52,804	49,941	102,745	0.00	0	52,804	49,941	102,745
DP 529 - Longevity and Other Adjustments	0.00	0	(12,899)	0	(12,899)	0.00	0	4,388	0	4,388
DP 550 - Motor Pool Adjustment	0.00	0	(1,198)	(1,163)	(2,361)	0.00	0	(1,214)	(1,177)	(2,391)
DP 570 - Other Personal Services Adjustments	0.00	0	264,723	(381,461)	(116,738)	0.00	0	265,540	(377,650)	(112,110)
DP 580 - Additional Operating Adjustments	0.00	0	(280,771)	558,757	277,986	0.00	0	(281,367)	559,353	277,986
DP 4000444 - Statewide 4% FTE Reduction - Program 40	(3.00)	0	0	0	0	(3.00)	0	0	0	0
Grand Total All Present Law Adjustments	(3.00)	\$0	\$41,536	\$236,843	\$278,379	(3.00)	\$0	\$59,028	\$241,236	\$300,264

***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 529 - Longevity and Other Adjustments -

The legislature adopted personal service adjustments for unemployment insurance, workers compensation rates, longevity, retirement, and health benefits.

DP 550 - Motor Pool Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 570 - Other Personal Services Adjustments -

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

DP 580 - Additional Operating Adjustments -

The legislature adopted all other operating cost adjustments.

DP 4000444 - Statewide 4% FTE Reduction - Program 40 -

FY 2016 and FY 2017 contain any reductions in FTE made by the executive to implement the boilerplate language in HB 2. Though intended by the legislature, the FY 2014 and FY 2015 FTE levels do not reflect this language.

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 4004002 - Operating Adjustment for Abandoned Mine Lands	0.00	0	0	4,000,000	4,000,000	0.00	0	0	4,000,000	4,000,000
DP 5301002 - Hazardous Waste/CERCLA Fees	0.00	0	0	0	0	0.00	0	0	0	0
Total	0.00	\$0	\$0	\$4,000,000	\$4,000,000	0.00	\$0	\$0	\$4,000,000	\$4,000,000

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

DP 4004002 - Operating Adjustment for Abandoned Mine Lands -

The legislature re-established base budget authority for the Abandoned Mine Lands program. The department had previously sunset appropriations due to anticipated reductions in federal funding.

DP 5301002 - Hazardous Waste/CERCLA Fees -

The legislature approved additional authority for fees collected under administrative rules governing hazardous waste.

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	207.14	207.14	197.64	197.64	207.14	197.64	(9.50)	(4.59)%
Personal Services	13,838,254	15,148,914	15,525,595	15,577,463	28,987,168	31,103,058	2,115,890	7.30 %
Operating Expenses	8,946,147	12,941,745	15,791,857	15,791,704	21,887,892	31,583,561	9,695,669	44.30 %
Equipment & Intangible Assets	124,965	101,740	101,740	101,740	226,705	203,480	(23,225)	(10.24)%
Grants	1,094,008	1,635,863	1,635,863	1,635,863	2,729,871	3,271,726	541,855	19.85 %
Transfers	23,294	26,036	23,034	23,034	49,330	46,068	(3,262)	(6.61)%
Total Costs	\$24,026,668	\$29,854,298	\$33,078,089	\$33,129,804	\$53,880,966	\$66,207,893	\$12,326,927	22.88 %
General Fund	1,829,563	1,897,482	1,938,564	1,927,545	3,727,045	3,866,109	139,064	3.73 %
State/Other Special Rev. Funds	15,653,156	20,765,486	24,744,080	24,828,519	36,418,642	49,572,599	13,153,957	36.12 %
Federal Spec. Rev. Funds	6,543,949	7,191,330	6,395,445	6,373,740	13,735,279	12,769,185	(966,094)	(7.03)%
Total Funds	\$24,026,668	\$29,854,298	\$33,078,089	\$33,129,804	\$53,880,966	\$66,207,893	\$12,326,927	22.88 %

Page Reference

Legislative Budget Analysis, C-77

Funding

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

State special revenue consists of forfeited hard rock reclamation bonds, 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

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	1,897,482	1,897,482	3,794,964	98.16 %	29,486,784	29,486,784	58,973,568	89.07 %
PL Adjustments	(208,918)	(219,937)	(428,855)	(11.09)%	(203,918)	(152,203)	(356,121)	(0.54)%
New Proposals	250,000	250,000	500,000	12.93 %	3,795,223	3,795,223	7,590,446	11.46 %
Total Budget	\$1,938,564	\$1,927,545	\$3,866,109		\$33,078,089	\$33,129,804	\$66,207,893	

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	8,340	60,700	27,013	96,053	0.00	8,340	60,700	27,013	96,053
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	13,324	197,693	109,007	320,024	0.00	13,324	197,693	109,007	320,024
DP 529 - Longevity and Other Adjustments	0.00	1,453	15,619	5,506	22,578	0.00	4,519	48,578	17,126	70,223
DP 550 - Motor Pool Adjustment	0.00	(998)	(10,726)	(3,781)	(15,505)	0.00	(1,008)	(10,832)	(3,818)	(15,658)
DP 570 - Other Personal Services Adjustments	0.00	(752,063)	3,548,008	(2,783,602)	12,343	0.00	(766,138)	3,599,594	(2,816,890)	16,566
DP 580 - Additional Operating Adjustments	0.00	521,026	(3,828,578)	1,849,972	(1,457,580)	0.00	521,026	(3,828,578)	1,849,972	(1,457,580)
DP 5000444 - Statewide 4% FTE Reduction - Program 50	(9.50)	0	0	0	0	(9.50)	0	0	0	0
DP 5005002 - Hard Rock Reclamation/MFSA Projects (Restricted/Biennial)	0.00	0	812,946	0	812,946	0.00	0	812,946	0	812,946
DP 5005004 - Leased Vehicle to Replace Owned Vehicle	0.00	0	5,223	0	5,223	0.00	0	5,223	0	5,223
Grand Total All Present Law Adjustments	(9.50)	(\$208,918)	\$800,885	(\$795,885)	(\$203,918)	(9.50)	(\$219,937)	\$885,324	(\$817,590)	(\$152,203)

**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 529 - Longevity and Other Adjustments -

The legislature adopted personal service adjustments for unemployment insurance, workers compensation rates, longevity, retirement, and health benefits.

DP 550 - Motor Pool Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 570 - Other Personal Services Adjustments -

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

DP 580 - Additional Operating Adjustments -

The legislature adopted all other operating cost adjustments.

DP 5000444 - Statewide 4% FTE Reduction - Program 50 -

FY 2016 and FY 2017 contain any reductions in FTE made by the executive to implement the boilerplate language in HB 2. Though intended by the legislature, the FY 2014 and FY 2015 FTE levels do not reflect this language.

DP 5005002 - Hard Rock Reclamation/MFSA Projects (Restricted/Biennial) -

The legislature increased appropriations for projects administered under the Metal Mine Reclamation Act (MMRA) and Major Facility Siting Act Programs (MFSA).

DP 5005004 - Leased Vehicle to Replace Owned Vehicle -

The legislature appropriated funds for the department to replace two surplus, 15+ year old, agency-owned vehicles with one leased SUV.

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 5005005 - Lease Vehicle for Missoula Office	0.00	0	5,223	0	5,223	0.00	0	5,223	0	5,223
DP 5301001 - Orphan Share Expanded Usage (Restricted/Biennial/OTO)	0.00	0	3,500,000	0	3,500,000	0.00	0	3,500,000	0	3,500,000
DP 5301002 - Hazardous Waste/CERCLA Fees	0.00	0	40,000	0	40,000	0.00	0	40,000	0	40,000
DP 5301003 - Zortman/Landusky Additional (Restricted/OTO)	0.00	250,000	0	0	250,000	0.00	250,000	0	0	250,000
Total	0.00	\$250,000	\$3,545,223	\$0	\$3,795,223	0.00	\$250,000	\$3,545,223	\$0	\$3,795,223

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

DP 5005005 - Lease Vehicle for Missoula Office -

The legislature appropriated funds for the department to lease a vehicle from the state motor pool rather renting from a private rental company in Missoula.

DP 5301001 - Orphan Share Expanded Usage (Restricted/Biennial/OTO) -

The legislature appropriated funds from the Orphan Share fund for expanded usage for projects detailed in SB96.

DP 5301002 - Hazardous Waste/CERCLA Fees -

The legislature approved additional authority for fees collected under administrative rules governing hazardous waste.

DP 5301003 - Zortman/Landusky Additional (Restricted/OTO) -

The legislature approved a restricted, OTO general fund appropriation for water treatment at Zortman/Landusky. Historically, BLM has made year-end funding available to support water treatment. If BLM funds are received, this general fund appropriation will be reduced by the like amount.

53010 - Department Of Environmental Quality 90-Petroleum Tank Release Compensation Board

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	6.10	6.10	5.60	5.60	6.10	5.60	(0.50)	(8.20)%
Personal Services	378,778	389,621	385,446	385,933	768,399	771,379	2,980	0.39%
Operating Expenses	250,894	258,118	250,889	250,889	509,012	501,778	(7,234)	(1.42)%
Total Costs	\$629,672	\$647,739	\$636,335	\$636,822	\$1,277,411	\$1,273,157	(\$4,254)	(0.33)%
State/Other Special Rev. Funds	629,672	647,739	636,335	636,822	1,277,411	1,273,157	(4,254)	(0.33)%
Total Funds	\$629,672	\$647,739	\$636,335	\$636,822	\$1,277,411	\$1,273,157	(\$4,254)	(0.33)%

Page Reference

Legislative Budget Analysis, C-83

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.

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	0	0	0	0.00%	647,739	647,739	1,295,478	0.00%
PL Adjustments	0	0	0	0.00%	(11,404)	(10,917)	(22,321)	0.00%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$0	\$0	\$0		\$636,335	\$636,822	\$1,273,157	

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.

53010 - Department Of Environmental Quality 90-Petroleum Tank Release Compensation Board

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	2,722	0	2,722	0.00	0	2,722	0	2,722
DP 529 - Longevity and Other Adjustments	0.00	0	1,734	0	1,734	0.00	0	2,540	0	2,540
DP 550 - Motor Pool Adjustment	0.00	0	(5)	0	(5)	0.00	0	(5)	0	(5)
DP 570 - Other Personal Services Adjustments	0.00	0	(8,631)	0	(8,631)	0.00	0	(8,950)	0	(8,950)
DP 580 - Additional Operating Adjustments	0.00	0	(7,224)	0	(7,224)	0.00	0	(7,224)	0	(7,224)
DP 9000444 - Statewide 4% FTE Reduction - Program 90	(0.50)	0	0	0	0	(0.50)	0	0	0	0
Grand Total All Present Law Adjustments	(0.50)	\$0	(\$11,404)	\$0	(\$11,404)	(0.50)	\$0	(\$10,917)	\$0	(\$10,917)

*"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 529 - Longevity and Other Adjustments -

The legislature adopted personal service adjustments for unemployment insurance, workers compensation rates, longevity, retirement, and health benefits.

DP 550 - Motor Pool Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 570 - Other Personal Services Adjustments -

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

DP 580 - Additional Operating Adjustments -

The legislature adopted all other operating cost adjustments.

DP 9000444 - Statewide 4% FTE Reduction - Program 90 -

FY 2016 and FY 2017 contain any reductions in FTE made by the executive to implement the boilerplate language in HB 2. Though intended by the legislature, the FY 2014 and FY 2015 FTE levels do not reflect this language.